

MANSFIELD INDEPENDENT SCHOOL DISTRICT

BUDGET 2019-2020




MISD
A Great Place To
LIVE LEARN & TEACH

605 East Broad Street
Mansfield, TX 76063
Tarrant County
(817)299-6300

<https://www.mansfieldisd.org>

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Letter to the Board of Trustees

MANSFIELD INDEPENDENT SCHOOL DISTRICT
605 East Broad Street • Mansfield, Texas 76063 • (817) 299-6300

October 25, 2019

The Board of Education
Mansfield Independent School District
605 East Broad Street
Mansfield, Texas 76063

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

Mansfield ISD prepared this budget using an intensive process involving input from parents, citizens, campus and administrative staff, the Superintendent, and the Board of Trustees. The principal focus of this document is to produce a budget that provides the necessary funds to operate the district's forty-three existing campuses in an efficient manner. The 2019-2020 budget year started July 1, 2019 and ends June 30, 2020.

Budget planning for the 2019-2020 school year was a six-month process, and responsibility for the accuracy and completeness rests with the District. The budget development process consisted of a modified zero-based process by which more detailed proposals on expenditure requests were required of central support services. The process provided a better look into the programmatic requests of the district's support services and is paving the road to building budgets that better align with district and departmental guiding statements.

Mansfield ISD began the 2018-2019 fiscal year with a General Fund balance of \$89 million and ended the year with a projected \$88.2 million. This healthy fund balance level will assist the District in absorbing the impact of any state funding cuts.

The 2019-2020 General Fund adopted budget reflects a \$358,344 budget surplus, which included a 3% cost of living increase for staff with a cost to the budget of approximately \$7 million. In addition to the 3% increase MISD increased the district's pay structure by 1%. Other payroll increases for 2019-2020 included 15 additional teaching positions for growth costing \$2.8 million. Overall payroll cost increased by roughly \$10 million.

Property values for the 2019-2020 fiscal year increased by almost 6.5 percent over the 2018-2019 year. The 2019-2020 total District tax rate per \$100 of property value was reduced from \$1.51 to \$1.46 with a Maintenance and Operations (M&O) rate of \$0.97 and an Interest and Sinking (I&S) rate of \$0.49. The District's enrollment for 2019-2020 increased approximately 2 percent over the prior year.

The budget document and the year-end Comprehensive Annual Financial Report (CAFR) are the primary vehicles used to present the financial plan and the results of operations of the district. This report, the 2019-2020 District Budget, comprises four sections:

- Executive Summary – Introduces the reader to the document as a whole. This section highlights and summarizes important information contained in the budget. Users rely on this section to get an overview of the information found in the remainder of the document.
- Organizational Section – Provides the context and framework within which the budget is developed and managed. This framework includes the District's Strategic Plan, organizational and financial structure, as well as the financial policies and procedures that regulate the development and administration of the budget.
- Financial Section – Contains the financial schedules that present the adopted budgets for the District and comparisons to the previous year. Also, includes additional explanation and analyses of significant changes from the prior year and trends that affect the adopted budgets.
- Informational Section – Contains additional financial information related to past and future budgets to help put the budget into context.

The information included in the budget document is structured to meet the requirements of the Meritorious Budget Award (MBA) of the Association of School Business Officials International (ASBO) and the Distinguished Budget Presentation Award for the Government Finance Officers Association (GFOA). To receive these awards, a school entity must publish a budget document, which is also a policy document, an operations guide, a financial plan, and a communications device. We believe the current budget conforms to the requirements of both programs. Their attainment represents a significant accomplishment by a school entity and its management. The awards are conferred after a comprehensive review by a panel of independent budget professionals. Using extensive criteria, the reviewers not only evaluate the effectiveness of the budget in meeting the program's criteria but also provide commentary and feedback to the submitting entity as a basis for improving the process and presentation of their district's financial and operational plan.

Our most important concern in the presentation of the budget data, however, is to improve the quality of the information provided to the community about the financial plan for the district's educational programs and services for the 2019-2020 fiscal year. The material in the budget document also includes information that has been suggested by the Board, patrons, community members, staff, and those who review the document for the awards previously mentioned.

The district received the Association of School Business Officials' (ASBO) Meritorious Budget Award (MBA) for excellence in budget presentation during the 2018-2019 budget year. We believe that the current report will meet the Meritorious Budget Award Program requirements and will be submitted to ASBO for review.

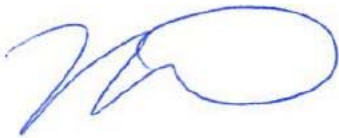
The preparation of this report on a timely basis could not have been accomplished without the dedicated efforts of the entire staff of the Finance office and the independent auditors' staff. Sincere appreciation for their time and efforts in this endeavor must be expressed. Also, thanks need to be extended to the Board of Trustees for their interest and support in the planning and operations of the financial services area of the District. Their concern that the business of the District be conducted efficiently and responsibly, and their recognition of the importance of such services, makes such tasks rewarding for the staff as a whole.



Dr. Jim Vaszauskas
Superintendent



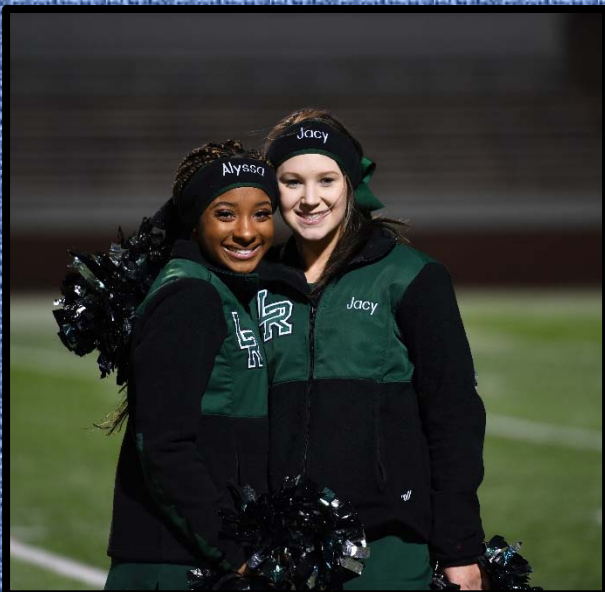
Dr. Karen Wiesman
*Associate Superintendent
Business and Finance*



Natasha Whetstone
Director of Budget



Executive Summary





Executive Summary

We are pleased to present the 2019-2020 budget for the Mansfield Independent School District. This budget has been prepared in accordance with state regulations and local policies covering the twelve-month period from July 1, 2019, through June 30, 2020. Mansfield ISD has a rich heritage of providing the best possible education for its students; therefore, it is one of the fastest-growing districts in the region.

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

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

Purpose of the Mansfield Independent School District

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 MISD to greater heights.

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

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

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



Mansfield Independent School District 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 2022



Mr. Raul Gonzalez
Place 4, Trustee
First Elected 2010
Current Term Expires 2022



Ms. Karen Marcucci
Place 5, President
First Elected 2014
Current Term Expires 2022



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



Darrell Sneed
Place 6, Trustee
First Elected 2017
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
Athletics



Dr. Karen Wiesman
Associate
Superintendent
Business and
Finance



Dr. Sean Scott
Associate
Superintendent,
Curriculum &
Instruction

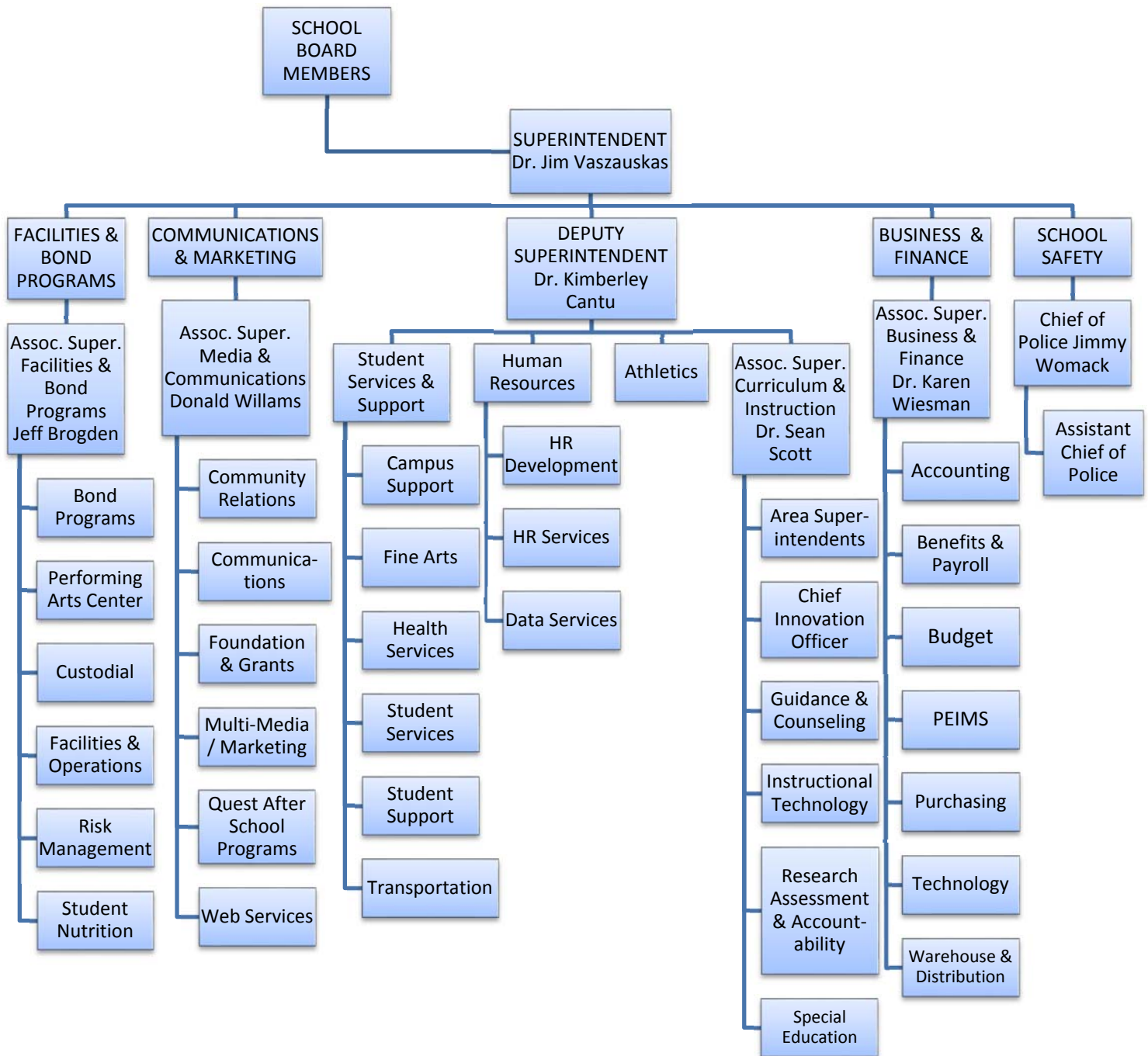


Jeff Brogden
Associate
Superintendent
Facilities and Bond
Programs



Donald Williams
Associate
Superintendent
Communications and
Marketing

Mansfield Independent School District Organizational Chart





This Meritorious Budget Award is presented to

MANSFIELD INDEPENDENT SCHOOL DISTRICT

for excellence in the preparation and issuance of its budget
for the Fiscal Year 2018–2019.

The budget adheres to the principles and standards
of ASBO International's Meritorious Budget Award criteria.



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

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

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer

Mansfield Independent School District



Mission To inspire and educate students to be productive citizens.

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

Values

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

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

Guiding Statements

1. Students will read on level or higher by the beginning of third grade and will remain on level or higher as a MISD student.
2. Students will demonstrate mastery of Algebra I by the end of ninth grade.
3. Students will graduate college, career, and/or military ready (CCMR).
4. Students will participate in an extra or co-curricular activity.
5. Our parents and students will have choices with educational opportunities.

Organization of Mansfield Independent School District

Mansfield Independent School District was established in 1909. The District is governed by a seven-member Board of Trustees that serve staggered three-year terms with elections held in May. All candidates must be qualified voters and residents of the District. The Board of Trustees holds monthly meetings which are posted and advertised as required by state law to fulfill its charge to the students, parents, staff, and taxpayers of Mansfield ISD. 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.

MISD's Board of Trustees governs the direction of the district, but the day-to-day operations are overseen by the Superintendent, who essentially functions as the district's Chief Executive Officer. Various administrators lead departments that oversee everything in the district, from curriculum and special services to technology and maintenance operations.

Significant Items, Events and/or Trends that Effect the Budget

The budget reflects the allocation of revenues and expenditures to support educational programs and services defined by the district's Vision 2020 guiding statements. Some of these items include:

The 2017 the board decision to utilize \$24 million of fund balance to build an early literacy center for pre-k students. This decision ties directly to guiding statement 1 in the district's Vision 2020. The early literacy center was renamed Jandrucko Academy for Early Learners (JAEL) opened in January 2019.

The 2019-2020 budget includes \$181,944 to expand the district's orchestra program, \$52,410 for journalism lab computers, \$164,556 to replace marching band uniforms, and \$161,500 to replace/repair athletic equipment. These budget items support guiding statement 4 in the district's Vision 2020 by expanding and maintaining co-curricular activities.

All of these additions to the budget were prioritized as items needed to support the district's Vision 2020 guiding statements. It represents the vision of district leadership and the hearts and minds of teachers and staff articulated through financial and operating policies.

Additional increases to 2019-2020 budget include a 3% midpoint pay increase for staff as compared to only 1% in 2018-2019, \$1,009,170 to purchase 10 new buses and \$197,250 for district technology. The district beleives that fairly compensated staff, updated technology and safe transporation are all crutial to providing students with the best possible educational experience.

Recent state legislation (HB3) changed componets of the school funding formula. As a result of these changes, the district expects to receive additional state revenue of roughly

8 million dollars. This increase as well as additional local property tax revenue will assist the district in balancing the budget while continuing to support the district's vision/needs.

The budget is a good balance of choices representing the responsive equilibrium between the educational needs of students and the ability of the community and the state to provide the necessary financial support to serve them.

Student Enrollment and Demographics

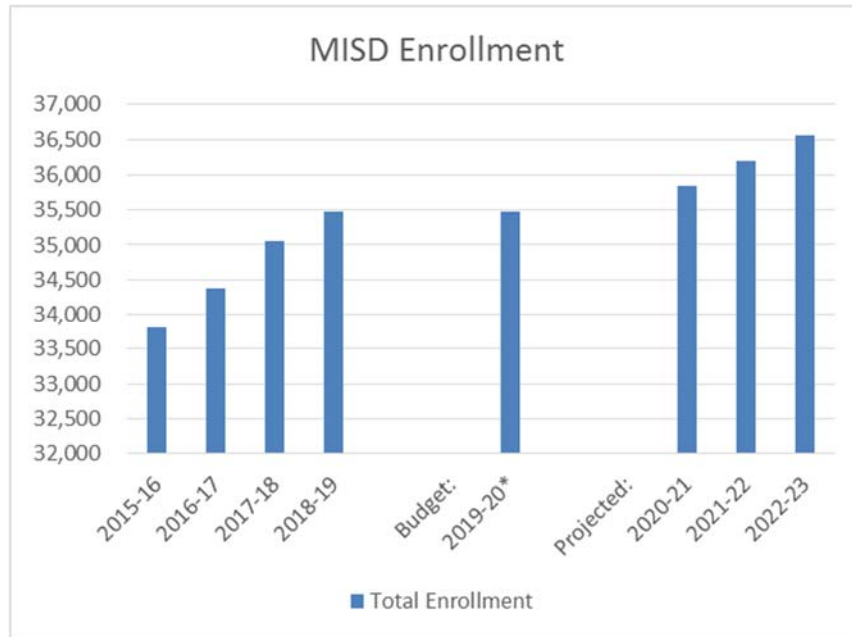
Mansfield Independent School District boundaries encompass the City of Mansfield, sections of Arlington, Grand Prairie, Burleson, Fort Worth, Venus, Alvarado, and Kennedale. There are 46 schools made up by 1 pre-kindergarten academy, 23 elementary schools (grades K-4), six intermediate schools (grades 5-6), six middle schools (grades 7-8), 1 STEM academy, five traditional high schools, one high school for only upperclassman, 1 career and technology academy, 1 alternative education center and 1 early college high school. The district expects to enroll more than 35,400 students in the 2019-2020 school year and is growing faster than its neighboring districts. Due to the rapid growth of the District, a new bond was passed in 2017 to help fund new campuses and expand current facilities.

MISD's multicultural population represents a rich ethnic diversity throughout the community. The District believes that there is strength in its diversity and is proud to be home to a variety of cultures. There are more than 100 languages other than English spoken in the District. The top six languages are English, Spanish, Vietnamese, Arabic, Kurdish, and Yoruba. Mansfield Independent School District also offers translation services and a Newcomer Program that focuses on the academic success of students who are new to our country.

Districtwide Student Enrollment Data

School Year	Total Enrollment	Free/Reduced Lunch Program %	Elementary	Intermediate	Middle School	High School
Actual:						
2015-16	33,809	40.80%	12,598	5,219	5,306	10,368
2016-17	34,382	38.00%	12,676	5,184	5,534	10,988
2017-18	35,054	42.00%	13,358	5,231	5,794	11,424
2018-19	35,485	45.00%	13,358	5,231	5,794	11,424
Budget:						
2019-20*	35,485	45.00%	12,729	5,275	5,784	11,697
Projected:						
2020-21	35,840	45.00%	12,856	5,328	5,842	11,814
2021-22	36,198	44.00%	12,985	5,381	5,900	11,932
2022-23	36,560	44.00%	13,115	5,435	5,959	12,051

*Ending enrollment for the 2018-19 school year was used for 2019-20 budgeting purposes.

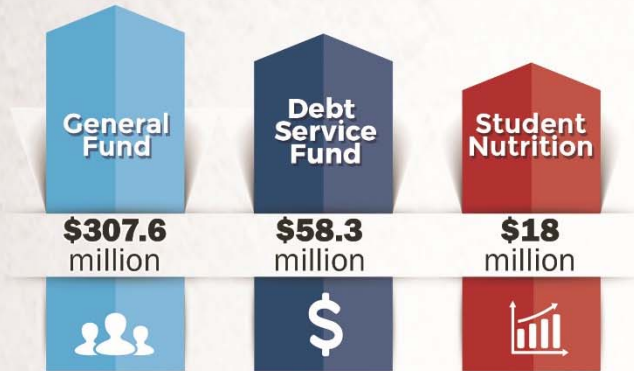


In addition, Mansfield ISD provides regular, special education, vocational, gifted/talented, and bilingual/ESL programs to meet the individual needs of current students. The illustration below provides a view of Mansfield ISD's population by the numbers.



MORE FACTS & FIGURES

2019-2020 Update



How Much Funding is Received Per Student?

Mansfield ISD: \$11,079
Regional Average: \$11,644
State Average: \$11,729

A total of **\$20 million less** (on regional average) and **\$23 million less** (on state average).

Based on 35,000 students

Projected Housing Growth

(Next 10 Years)



Projected Student Growth

2,500 more students
by the year 2020

6,500 more students
by the year 2025

At Mansfield ISD, Students & Parents Have More Choices!



Two-Way Dual Language

Kindergarten Spanish and English native speakers learn two languages through cooperative learning and collaboration.



Leadership Academies

Students are challenged to become leaders through hands-on lessons with an option of integrating agriculture-based experiences.



STEM Academy

Students take part in a rigorous and focused course of study emphasizing science, technology, engineering and math (STEM) based on real-world situations.



Early College High School

Students are immersed into a college-going culture in all courses, providing them an opportunity to earn an associate degree while still in high school.



Frontier High School

Juniors and seniors can earn a high school diploma along with industry-recognized certificates, professional licensure and college hours.



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 81.8% 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 86.8%.



2019 STAAR EOC Passing Rates



READING

76	GRADE 3	85
74	GRADE 4	86
77	GRADE 5	85
66	GRADE 6	78
74	GRADE 7	85
77	GRADE 8	86

MATH

78	GRADE 3	87
74	GRADE 4	87
83	GRADE 5	91
79	GRADE 6	92
73	GRADE 7	87
81	GRADE 8	86

WRITING

65	GRADE 4	78
69	GRADE 7	81

SCIENCE

74	GRADE 5	83
79	GRADE 8	87

SOCIAL STUDIES

67	GRADE 8	79
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2019 STAAR EOC Passing Rates



63	ENGLISH I	78
67	ENGLISH II	78
	ALGEBRA I	89
	BIOLOGY	93
93	U.S. HISTORY	96

The District continues to prepare college and career-ready graduates with the class of 2019 exceeding state averages. During the 2018-2019 school year, high school juniors and seniors earned 14,238 college credit hours through dual credit partnerships with the Tarrant County College District and 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 2019, MISD students passed a total of 2,144 AP exams, which is a 19% increase from the previous year. Students can begin taking any of our 28 Pre-AP courses.

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 2018-19 school year, students earned more than 1,157 industry certifications. Students have the ability to earn certification to become an emergency medical technician, certified pharmacy technicians, automotive technician, Adobe software associate, and many other career options.

Technology

Mansfield ISD remains committed to providing an innovative and engaging learning environment for all students. Through the MISD iPad initiative, the district's EdTech training courses, and a vast amount of technology available at the campus level, the district is truly providing students with a 21st century learning environment.

The MISD iPad Initiative, known as "Power Up," has successfully issued over 15,000 IPAD devices to students and staff in our middle and high schools. The Power Up program reflects MISD's commitment to becoming a leader in digital education, and it has paved the way for students to engage in a variety of 21st-century instructional techniques such as project-based learning, flipped classroom, and paperless classroom. Research conducted by the MISD Technology Department showed a substantial increase in student collaboration and classroom engagement since the launch of the program.



Police Department

The Mansfield ISD Police Department is fully-authorized as a police agency by the State of Texas, and all MISD school district officers are commissioned by the State of Texas. School district police officers are authorized to enforce all laws and may arrest individuals found in violations of those laws. Officers answer calls for service throughout the district and provide other functions as needed. Several officers are assigned to a particular school (high schools and middle schools), while other officers work patrolling the district, responding to multiple locations. The Police Department has 34 sworn officers, 16 civilian personnel, and 49 school crossing guards.

Health Services

MISD schools are staffed with full-time registered nursing professionals to provide every student with individualized health care. The health services department has 45 registered nurses, two licensed vocational nurses, and one trainer. Also, health services staff provides regular AED device training and CPR certification classes to employees. The Health Services department performed more than 38,600 student health screenings for hearing, vision, spinal state, and other areas.



The District is committed to providing a safe and healthy educational experience for all students. The district has created and appointed a School Health Advisory Council (SHAC) to provide feedback on programming to make sure that local community values are reflected in the district's safety and health programs.



Bond Update

Since 2000, Mansfield ISD residents voted in support of six different bond packages for the district. The voters of Mansfield ISD have authorized over \$940.9 million in general obligation bonds. MISD has a history of funding growth and capital improvements through bond issuance and has experience successfully delivering its bond projects as promised to the voters – on time and on budget.

The most recent election held May 6, 2017, passed for \$275 million and allowed for improvement to all 42 campuses, including, building a new elementary school, a new intermediate school, and a new middle school.

2006 Bond Election

Construction is nearing completion related to the 2006 bond election. The new Nancy Neal Elementary School opened for the 2011-2012 school year. During the summer of 2012, construction on Lake Ridge High School (the District's 5th high school) and the new Center for Performing Arts was completed. The Center for Performing Arts opened in time for the May 2012 graduation ceremonies. Lake Ridge High School opened for the 2012-2013 school year. During 2015-2016 major renovations took place at Ben Barber Innovation Academy, which included new culinary kitchens, a "living" hospital, new pharmacy, new video lab, and a new print shop.

2011 Bond Election

District voters approved a \$198,530,000 bond package in November 2011. Projects include replacement of older campuses, renovations, technology improvements, safety and security, and many other projects identified through the District facility condition assessment. Currently, the district has rebuilt Tarver Rendon Elementary School, J.L. Boren Elementary School, Alice Ponder Elementary School, Glenn Harmon Elementary School, and Charlotte Anderson Elementary, which will open in August 2017. Wireless internet has been installed at all campuses and departments, security cameras and keyless entry updates have been completed at all campuses and departments as well as secure entry vestibules on each campus.



2017 Bond Election

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

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



2017 Bond Overview: \$275,000,000

Growth: \$143,300,000

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

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

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

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

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

Safety & Security: \$10,050,000

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

Infrastructure Improvements: \$54,250,000

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

Mansfield ISD Financial Information

Mansfield ISD Budget Process

As with any major requirement, rules and laws govern certain aspects of the process. The budgeting process in the State of Texas is no exception. The Texas Education Code Sections 44.002-44.006 establish the legal basis for school district budget development. The budgeting process is comprised of five major phases: planning, preparation, adoption, implementation, and evaluation.

The budgetary process begins with sound planning. Planning defines the guiding statements of the school district and develops programs to attain them. Once these programs and plans have been established, budgetary resource allocations are made to support them.

Budgetary resource allocations are the preparation phase of budgeting, which begins in December of each year with the preparation of the budget calendar and enrollment projections. These enrollment forecasts are used extensively during the budget development stage to determine campus allotments and staffing allocations. Each campus receives a basic allotment per student to be used for supplies, materials, equipment, staff development, and other appropriate instructional costs.

Budgets for non-campus units are developed by department heads and reviewed by the Superintendent, Associate Superintendent of Finance, and the Director of Budget. The departmental budget development process consisted of a modified zero-based process by which more detailed proposals on expenditure requests were required of central support services. The process provided a better look into the programmatic requests of the district's support services and is paving the road to building budgets that better align with district and departmental guiding statements and initiatives.

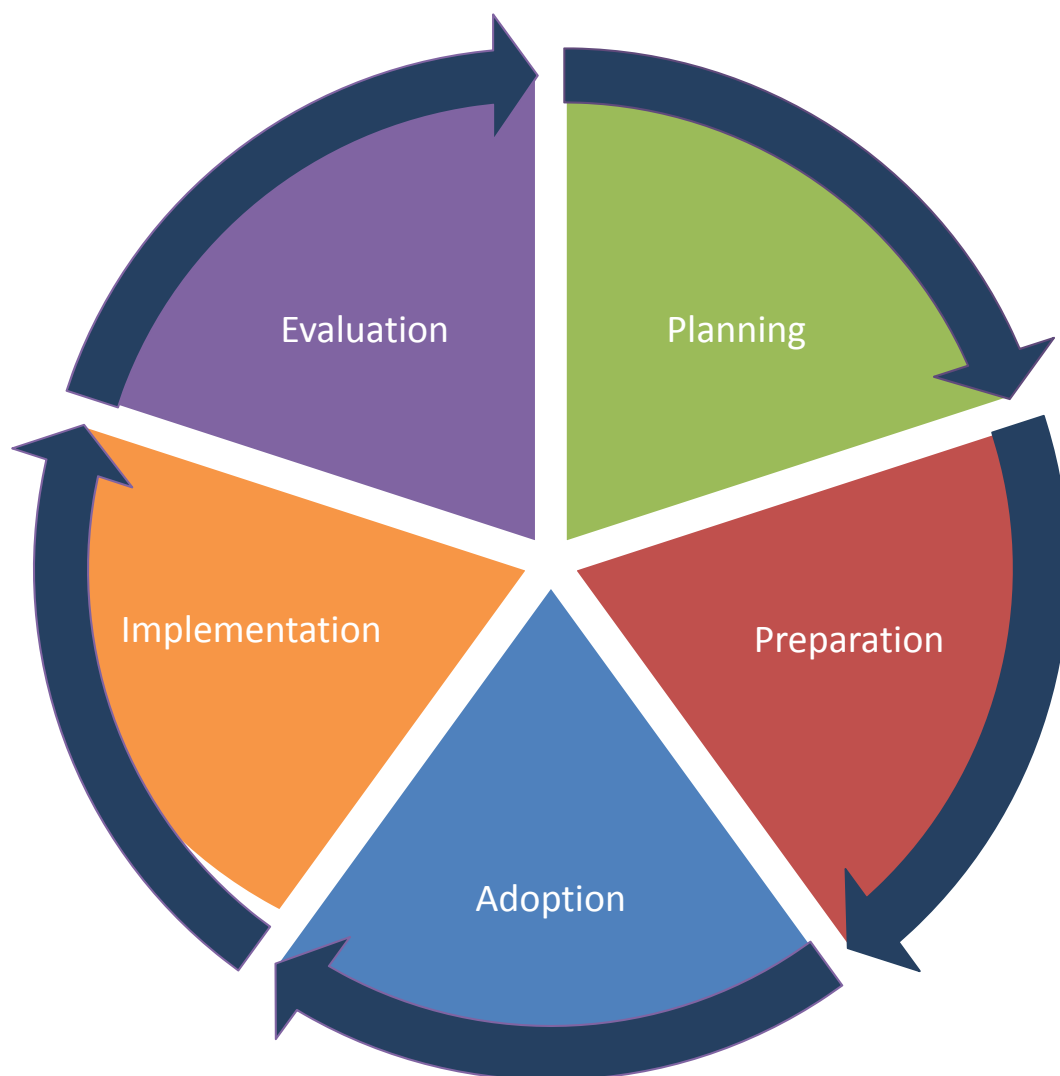
Budgets for Capital Projects are developed when a bond election takes place. The Facilities and Growth Committee meets and carefully prioritizes the bond projects. These projects are then budgeted by the facilities department for the current fiscal year.

Personnel units are allocated to each campus based on student enrollment following state-mandated ratios as applicable. Non-campus personnel units are evaluated at each departmental budget. Additional personnel units are evaluated each year, and after extensive review and analysis, recommendations are presented to the Board of Trustees.

The adoption stage of the budget process occurs in June each year, prior to the start of the fiscal year on July 1st. The Board of Trustees has the responsibility of adopting the budget and setting the tax rate to support the budget. After adoption, the implementation of the budget is performed by the Finance Department, with the cooperation of other District administrators. Implementation also includes establishing controls over revenues and expenditures, budget amendments, and informational reporting on the budget.

Finally, the budget is evaluated for its effectiveness in attaining the districts guiding statements. Evaluation typically involves an examination of how funds were expended, what outcomes resulted from the expenditure of funds, and to what degree these outcomes achieved the objectives stated during the planning phase. This evaluation phase is important in determining the following year's budgetary allocations. The evaluation culminates in the performance of the annual audit performed by an independent external audit firm.

In summary, budget preparation is not a one-time exercise to determine how a school district will allocate funds. Rather, school district budget preparation is part of a continuous cycle of planning and evaluation to achieve district guiding statements.



Budget Process Timeline

<u>ACTIVITY</u>	<u>RESPONSIBILITY</u>	<u>COMPLETION DATE</u>
Demographic Report Presented	P.A.S.A.	December 2018
Principals and Human Resources Department work on Projected Enrollments	Principals/Human Resources	January 2019
Budget training - Campuses & Departments	Office of Budget and Finance	January 17, 2019
Requests for Additional Staff due to Human Resources	Human Resources	January 25, 2019
Campus/Department budgets due to Budget Department	Principals	February 8, 2019
Capital Projects Budget Due	District Operations/Bond Office	March 2019
Preliminary Tax Values from Tarrant Appraisal District & Johnson County Appraisal District	Central Office Administration	April 25, 2019
Work session with Executive Council	Central Office Administration	April 2019
Refining of budget requests by Superintendent, Executive Council, Budget Staff	Central Office Administration	May - June 2019
Work session with Board	Board of Trustees	May 14, 2019
Publish "Notice of Public Meeting to Discuss Budget and Proposed Tax Rate	Office of Budget and Finance	June 11, 2019
Public meeting on 2018-2019 Budget and Proposed Tax Rate, Final amendment to 2017-2018 Budget, Adopt the 2018-2019 Budget	Board of Trustees	June 25, 2019
Certified Tax Values from Tarrant Appraisal District and Johnson County Appraisal District	Tarrant County/Johnson County Tax Assessor	July 25, 2019
Adopt the 2019 Tax Rate	Board of Trustees	August 27, 2019



2011 Legislation

During the 2011 Legislative Session, the Legislature enacted a budget that cut \$4 billion from the Foundation School Program for the 2012-13 State fiscal biennium, as compared to the funding level school districts were entitled to under the current formulas, including Target Revenue, and also cut approximately \$1.3 billion in various grants (i.e., pre-kindergarten grant program, student success initiative, etc.) that were previously available. Such cuts were made in light of a projected State deficit of up to \$27 billion for the 2012-13 State fiscal biennium.

In order to reduce formula funding, a Regular Program Adjustment Factor ("RPAF") was applied to the formula that determines a district's regular program allotment. RPAF is multiplied by a school district's count of students in ADA (not counting the time a student spends in special education and career & technology education) and its Adjusted Allotment, which was the \$4,765 Basic Allotment adjusted for the cost of education index and the small- and mid-sized district adjustments. The RPAF was set at 0.9239 for the 2011-12 fiscal year and 0.98 for the 2012-13 fiscal year. The Legislature also established an RPAF value of 0.98 for the 2013-15 State fiscal biennium, subject to increases by subsequent legislative appropriation not to exceed an RPAF value of 1.0. The RPAF factor and its related provisions were scheduled to expire on September 1, 2015.

The RPAF was the primary mechanism for formula reductions in the 2011-12 fiscal year. In the 2012-13 fiscal year, the RPAF of 0.98 was combined with a percentage reduction in each school district's Target Revenue per WADA to 92.35% of its formula amount. For the 2013-14 and subsequent fiscal years, the percentage reduction was set by legislative appropriation. With regard to this adjustment, the ASATR relief that funds the Target Revenue system was scheduled to be phased out between the 2013-14 and 2017-18 fiscal years.



2013 Legislation

During the 2013 Legislative Session, the Legislature enacted an increased budget that considers many of the reductions that occurred during the 2011 Legislative Session. The increase to education, based on SB1 and HB1025, was \$3.4 billion. The increases occurred through the following changes to funding formulas. The budget increased the basic allotment to \$4,950 for 2014 and \$5,040 for 2015. The RPAF value was changed to 1.0 for the entire biennium. Additionally, target reduction factors were changed to .9263 for the biennium. The Austin Yield was established at the current rate of \$59.97 for 2014, and was increased to \$61.86 for 2015.

2015 Legislation

In May 2015, the 84th Texas Legislature put \$1.2 billion back into Public Education for the 2015-2016 biennium related to the Basic Allotment, \$860 million related to the Austin Yield, and a \$1.2 billion increase in the state mandated homestead exemption for a total of \$3.26 billion in these areas.

The Legislature funneled the funds to the districts in through several changes to the funding formula:

- 1) The basic allotment was increased from \$5,040 to \$5,140 in 2015-2016 and 2016-2017. This basic amount is the base amount generated by every student in MISD.
- 2) The Equalized Wealth Level was changed from \$504,000 to \$514,000 for 2015-2016 and 2016-2017. This is the level at which a district becomes subject to Chapter 41 ("Robin Hood") and must send a portion of local property tax revenue to the state.
- 3) The Tier II (Austin Yield) increased to \$74.28 in 2015-16 and \$77.53 in 2016-2017. This funding is generated by \$.04 pennies of the district's tax rate approved in 2006-2007.
- 4) The state mandated local homestead exemption was increased from \$15,000 to \$25,000. This item was approved via a constitutional amendment on the November 3, 2015 ballot and became law.

2017 Legislation

In 2017, the 85th Texas Legislature was unable to pass a meaningful school finance bill. The Legislature did not cut or change the formula funding and agreed to full fund student growth; therefore, the total appropriation increased \$632 million, however, the actual portion funded from the state decreased \$418 million due to increased property values.

The original HB21 approved by the House for 1.8 billion was cut by the Senate to \$351 million. The Senate was not interested in finding a common ground on school finance or property tax reform; therefore, students, educators, and local taxpayers were left without adequate state funding again. The Senate and the House were not on the same page with each branch having different priorities:

HB21 – House Version	HB21 – Senate Version
<ul style="list-style-type: none">• Raise the basic allotment• Eliminate transportation, high school allotment, staff salary allotment, Chapter 41 1992-93 revenue hold harmless• New dyslexia weight, increased bilingual weight• Phase in small district increase• Financial hardship grants• 8th grade CTE	<ul style="list-style-type: none">• Phase in small district increase• Financial hardship grants• "Education Savings Account" vouchers• New dyslexia weight, \$10 million grant for students with autism• Charter school facilities funding and small boost to EDA• School finance commission

2019 Legislation

House Bill (HB) 3 was passed by the 86th Texas Legislature, 2019, and signed into law by Governor Abbott on June 11, 2019.

Highlights of HB3 include:

- The new Basic Allotment is \$6,160 (up from \$5,140)
- Special Ed Allotment: The mainstream weight was increased to 1.15, which benefits all ISDs
- Dyslexia Allotment: Creates a brand new weight (0.10) for students identified as dyslexic
- Compensatory Ed Allotment: Funding will now be dispersed based on a spectrum of student needs
- Early Education Allotment: Creates a new weight of 0.1 for each educationally disadvantaged student in ADA in grades K-3, and weight of 0.1 for each student in a bilingual program; students can get both weights
- Career and Technology Allotment: Extends current weight (1.35) to grades 7-8
- Creates an allotment of \$50 for each student in attendance at a campus designated as a P-TECH school or at a campus that is a member of the New Tech Network
- Bilingual Education Allotment: Maintains current 0.10 weight for limited English proficient students in traditional bilingual and ESL programs
- Creates a new weight of 0.15 for limited English proficient students in programs using dual language immersion
- Creates a new weight of 0.05 for a student that is not limited English proficient in a dual language immersion program
- College, Career, or Military-Readiness Outcomes Bonus: Awards of bonus funds to districts for graduates that meet criteria in numbers that exceed a threshold rate to be set by the commissioner
Award amounts are \$5,000 for educationally disadvantaged
\$3,000 for those not educationally disadvantaged
\$2,000 for students enrolled in special education programs
- Teacher Incentive Allotment: For classroom teachers with a designation of “master,” “exemplary,” or “recognized,” based on a local appraisal system that qualifies, a district is entitled to an allotment of from \$3,000 to \$32,000, based on the designation and place of work of the teacher
Higher amounts are awarded for teachers at “high needs” or “rural” schools; at least 90% of the allotment must be used for compensation at the campus at which the teacher that earned the award is employed
- Mentor Program Allotment: The commissioner is authorized to establish a formula to distribute funds to support mentor teachers.

State Budget Requirements

The State, the TEA, and the District formulate legal requirements for school district budgets, which guides the budget development process. These requirements are stipulated in detail within the subsequent sections of this document. The appropriated budget is prepared by fund, function, major object, and campus/department. The legal level of budgetary control is the function level within a fund. The District makes budgetary revisions throughout the year as necessary, and all annual appropriations lapse at fiscal year-end.

Budgets for the General Fund, the National School Lunch Program (a special revenue fund subsequently referred to as Student Nutrition), and the Debt Service Fund must be included in the official District budget (legal or fiscal year basis). For informational purposes only, budgets for the Capital Projects Fund and other Special Revenue Funds are included throughout this presentation in order to present a comprehensive overview of District resources. The budget process covers the entire financial cycle, starting with establishing priorities and ending with the audited financial statements. It represents a responsive balance between the educational needs of students and the ability of the community and the State of Texas (State) to provide the necessary financial support to serve them. The Administration strives to communicate frequently with state legislators and other stakeholders regarding issues affecting student success such as unfunded mandates and other regulatory and financial concerns.

Relevant Budget and Accounting Information

The District maintains approximately 29 separate funds to account for its operations and special programs. Each fund varies in purpose. All funds, including campus and student activity funds, are accounted for on a district level basis.

The fund accounting system defines each fund by fiscal period and a self-balancing set of accounts including assets, liabilities, fund equity, revenues, and expenditures. There are four major fund groups. The Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. Other funds maintained by the district are considered trust and agency funds.

Accounting records are maintained in accordance with generally accepted accounting principles (GAAP). Budgetary controls, which employ encumbering purchase orders to reserve commitments to the budget, include periodic amendments to ensure compliance with state law.

Account Code Structure

The budget worksheets throughout this document will be summarized at the fund, function, and major object levels. The actual general ledger is made up of hundreds of detailed line items that are the building blocks of this document. The State of Texas mandates the account code structure used by all public school districts.

The account code defines transaction detail. The account code will tell the reader what was generally purchased, which campus made the purchase, the purpose of the purchase, and the major source of funds used. A detailed review of the account code structure is included in the Organizational Section of this document.

Budgetary Controls

In addition to the above, the District maintains budgetary controls throughout all of its financial systems. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated (official) budget adopted by the Board. Activities in the General Fund, National School Lunch and Breakfast Program Fund, Debt Service Fund are included in the official budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the fund-function level, a 20 digit code created by the Texas Education Agency Financial Accountability System Resource Guide. District systems may exercise budgetary control at varying combinations of the account code structure.

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.



Combined Funds

The combined budget of Mansfield ISD includes - The General Fund, Debt Service Fund, Capital Projects Fund, Student Nutrition Fund, and Federal Funds. A summary of the total budgeted funds for 2019-2020 is shown below.

MANSFIELD INDEPENDENT SCHOOL DISTRICT SUMMARY ALL FUNDS For the Year Ended June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Student Nutrition Fund	Federal Funds	Total
Total Revenues and Other Sources	\$ 307,950,032	\$ 72,865,846	\$ 198,041,846	\$ 17,502,231	\$ 9,716,423	\$ 606,076,378
Total Expenditures	\$ 307,591,688	\$ 58,300,809	\$ 198,041,846	\$ 18,024,276	\$ 9,716,423	\$ 591,675,072
Net change in fund balances	358,344	14,565,037		(522,045)		14,401,336
Beginning Fund Balance	\$ 88,287,979	\$ 33,244,467	\$ 29,770,045	\$ 1,229,052	-	\$ 152,531,543
Ending Fund Balance	\$ 88,646,323	\$ 47,809,504	\$ 29,770,045	\$ 707,007	-	\$ 166,932,879



General Fund

The General Fund is commonly referred to as the “Operating Fund” or “Local Maintenance Fund.” State aid and local tax revenue make up the bulk of revenues received by this fund. This fund is used to pay general operating expenses throughout the district. The following schedule shows a comparative summary of the General Fund budget for the past 5 years. Changes in each year are typically a result of student growth, and pay increases. The maximum Maintenance & Operations (M&O) tax rate is legislatively set at a \$1.04 per \$100 of valuation. Any increase above this maximum threshold requires voter approval through a Tax Ratification Election (TRE). The M&O tax rate was reduced from \$1.04 to \$0.97 for the 2019-20 fiscal year. Projected Expenditures for the 2019-2020 General Fund are estimated at \$307,591,688. This is a 3.5% increase over final projected expenses for 2018-2019.

MANSFIELD INDEPENDENT SCHOOL DISTRICT COMPARATIVE SUMMARY OF REVENUES, EXPENDITURES, & CHANGES IN FUND BALANCE GENERAL FUND BY OBJECT

	2015-16 Audited Actual	2016-17 Audited Actual	2017-18 Audited Actual	2018-2019 Amended Budget	2019-20 Adopted Budget	Change From Prior Year
Revenues						
Local and Intermediate Sources	\$ 112,728,393	\$ 122,642,329	\$ 136,876,895	\$ 147,726,125	\$ 147,143,871	\$ (582,254)
State Program Revenues	141,884,155	145,973,061	148,276,608	141,763,269	155,574,161	13,810,892
Federal Program Revenues	5,381,311	5,316,434	3,916,730	6,200,000	4,682,000	(1,518,000)
Total Revenues	\$ 259,993,859	\$ 273,931,824	\$ 289,070,233	\$ 295,689,394	\$ 307,400,032	\$ 11,710,638
Expenditures						
Payroll Costs	\$ 205,893,074	\$ 238,026,673	\$ 246,382,288	\$ 251,456,204	\$ 261,511,154	\$ 10,054,950
Contracted Services	18,210,639	19,792,679	18,040,756	22,519,653	22,726,522	206,869
Supplies and Materials	8,436,469	13,648,612	11,107,416	13,056,712	16,274,536	3,217,824
Miscellaneous	3,887,127	3,896,789	4,242,754	5,202,380	5,325,878	123,498
Debt Service	-	1,959,369	2,004,288	340,609	348,136	7,527
Capital outlay	3,061,983	3,363,762	2,048,262	4,530,751	1,405,462	(3,125,289)
Total Expenditures	\$ 239,489,292	\$ 280,687,884	\$ 283,825,764	\$ 297,106,309	\$ 307,591,688	10,485,379
Other Sources (Uses)						
Other Sources	1,445,865	2,929,115	1,111,942	650,000	550,000	(100,000)
Payments to Tax Increment Fund	-	-	-	-	-	-
Other Uses	-	(20,602,500)	-	(68,600)	-	68,600
Net Sources (Uses)	\$ 1,445,865	\$ (17,673,385)	\$ 1,111,942	\$ 581,400	\$ 550,000	\$ (31,400)
Net change in fund balances	21,950,432	(24,429,445)	6,356,411	(835,515)	358,344	
Fund Balance - July 1 (Beginning)	\$ 85,177,665	\$ 107,128,097	\$ 82,698,652	\$ 89,055,063	\$ 88,219,548	
Fund Balance - June 30 (Ending)	\$ 107,128,097	\$ 82,698,652	\$ 89,055,063	\$ 88,219,548	\$ 88,577,892	

General Fund Revenues

The adopted budget reflects the allocation of revenues and appropriations to support educational programs and services defined by the district's mission, vision, values, and guiding statements. Projected revenues and other financing sources for the 2019-2020 General Fund are estimated at \$307,689,394, a 3.9 percent increase over the amended revenues for 2018-2019.

Figures 1 and 2 depict the District's revenue sources for fiscal years 2020 and 2019. The graphs show that property taxes are the primary source of revenue for the District followed by state aid and operating grants. Property taxes as a percentage of total revenues increased, and state aid as a percentage of total revenues decreased as these two revenues have inverse relationships in the state funding formulas.

Figure 1

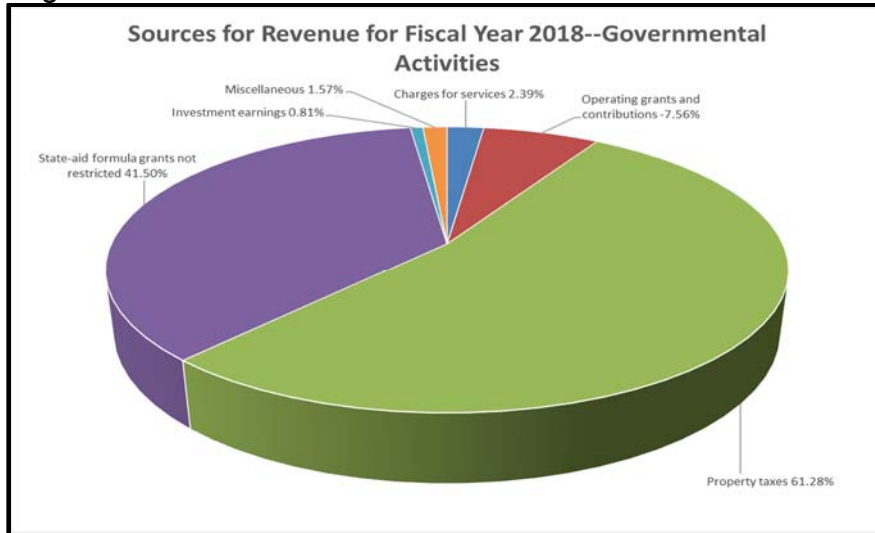
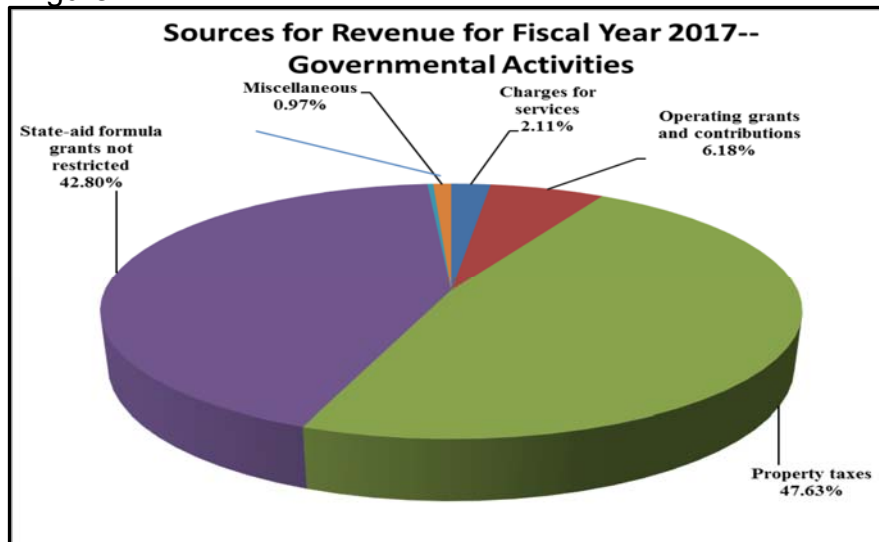


Figure 2



Student Nutrition Fund

The Student Nutrition Fund accounts for the operation of the district's student nutrition program. The 2019-20 Expenditure budget totals \$18,024,276, which represents a 6.3% increase from the amended budget totals for 2018-19. The emphasis of the Student Nutrition program is to provide a nutritional meal program that meets or exceeds the mandated nutritional requirements set by national and state agencies without the financial support from the General Fund.

MANSFIELD INDEPENDENT SCHOOL DISTRICT COMPARATIVE SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE STUDENT NUTRITION FUND BY OBJECT

	2015-16 Audited Actual	2016-17 Audited Actual	2017-18 Audited Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change From Prior Year
Revenues						
Local and intermediate sources	\$ 6,375,503	\$ 6,687,811	\$ 6,741,601	\$ 6,770,000	\$ 7,066,933	\$ 296,933
State program revenues	85,255	83,797	91,861	85,000	86,500	1,500
Federal Revenues	6,814,904	7,369,154	9,480,551	9,670,000	10,273,798	603,798
Total Revenues	\$ 13,275,662	\$ 14,140,762	\$ 16,314,013	\$ 16,525,000	\$ 17,427,231	902,231
Expenditures						
Payroll Costs	5,170,455	6,084,804	6,167,759	6,128,703	6,590,973	462,270
Contracted Services	672,057	222,059	210,732	165,720	182,851	17,131
Supplies and Materials	7,889,126	8,856,465	8,730,983	9,712,802	10,419,574	706,772
Other Costs	43,572	56,840	40,243	56,207	56,525	318
Capital outlay	287,360	45,197	472,314	894,573	774,353	(120,220)
Other Uses						
Total Expenditures	\$ 14,062,570	\$ 15,265,365	\$ 15,622,031	\$ 16,958,005	\$ 18,024,276	\$ 1,066,271
Other sources	24,510	9,688	47,434	-	75,000	75,000
Other uses	-	-	-	-	-	-
Total other sources/(uses)	\$ 24,510	\$ 9,688	\$ 47,434	\$ -	\$ 75,000	\$ 75,000
Net change in fund balances	(762,398)	(1,114,915)	739,416	(433,005)	(522,045)	
Fund Balance - July 1 (Beginning)	\$ 2,799,954	\$ 2,037,556	\$ 922,641	\$ 1,662,057	\$ 1,229,052	
Fund Balance - June 30 (Ending)	\$ 2,037,556	\$ 922,641	\$ 1,662,057	\$ 1,229,052	\$ 707,007	



Debt Service Fund

Summary of Revenues and Expenditures and Changes in Fund Balance

The Debt Service fund is a self-balancing fund to account for principal and interest payments on voter authorized long-term debt. Bonds and accreted interest are secured by ad valorem taxes levied against all taxable property and are serviced by the Debt Service Fund with an apportionment of the ad valorem tax levy. Interest rates on the bonds range from 1.75% to 5.25%. The principal amount of bond indebtedness cannot exceed 10% of the assessed valuation of taxable property in the District according to the last completed and approved ad valorem tax rolls of the District. On June 30, 2019, \$33,244,467 was available in the Debt Service Fund to service these bonds.

MANSFIELD INDEPENDENT SCHOOL DISTRICT COMPARATIVE SUMMARY OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE DEBT SERVICE FUND

	2015-16 Audited Actual	2016-17 Audited Actual	2017-18 Audited Actual	Amended Budget	2019-20 Adopted Budget	From Prior Year
Revenues						
Local and intermediate sources	\$ 49,528,952	\$ 53,982,207	\$ 478,670	\$ 68,157,968	\$ 72,865,846	\$ 4,707,878
State program revenues	5,360,425	3,923,721	-	-	-	-
Total revenues	\$ 54,889,377	\$ 57,905,928	\$ 478,670	\$ 68,157,968	\$ 72,865,846	\$ 4,707,878
Expenditures						
Principal on long-term debt	22,755,000	23,070,000	-	23,745,000	25,940,000	2,195,000
Interest on long-term debt	16,651,273	32,892,179	16,020,136	33,384,847	32,330,809	(1,054,038)
Bond issuance costs and fees	505,363	370,107	291,037	200,000	30,000	(170,000)
Total Expenditures	\$ 39,911,636	\$ 56,332,286	\$ 16,311,173	\$ 57,329,847	\$ 58,300,809	\$ 970,962
Other sources	\$ 51,857,414	\$ 38,177,652	\$ 50,293,313	\$ -	\$ -	\$ -
Other uses	(51,373,099)	(37,821,253)	(50,000,000)			
Total Other sources/(uses)	\$ 484,315	\$ 356,399	\$ 293,313	\$ -	\$ -	\$ -
Net change in fund balances	15,462,056	1,930,041	(15,539,190)	10,828,121	14,565,037	
Fund Balance - July 1 (Beginning)	\$ 20,563,439	\$ 36,025,495	\$ 37,955,536	\$ 22,416,346	\$ 33,244,467	
Fund Balance - June 30 (Ending)	\$ 36,025,495	\$ 37,955,536	\$ 22,416,346	\$ 33,244,467	\$ 47,809,504	

Tax Rate

Property values for the 2019-2020 fiscal year increased by almost 12 percent over the 2018-2019 year. The 2019-2020 total District tax rate per \$100 of property value is \$1.46 with a Maintenance and Operations (M&O) rate of \$0.97 and an Interest and Sinking (I&S) rate of \$0.49.

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, 2019, upon which the levy for the 2019 fiscal year was based, was \$13,980,861,847.

The tax rates assessed for the year ended June 30, 2019, to finance general fund operations, and the payment of principal and interest on general obligation long-term debt were \$1.00 and \$.50 per \$100 of valuation, respectively, for a total of \$1.50 per \$100 of valuation. Tax collections for the year ended June 30, 2019 were 99.00% of the tax levy.

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

Property Tax Values

In recent years, the District's tax base has continued to increase at a higher level than some adjoining areas which have seen smaller or level property values. This is a direct result of new housing construction, not being dependent upon any one major industry and the drilling of gas wells in the Barnett Shale. The increased emphasis by the City of Mansfield to enhance their economic development efforts should continue to help with this trend. Property values have increased an average of 9 percent over the last three years, and the value increases are steadily increasing.



Assessed Value and Actual Value of Taxable Property

Fiscal Year Ending 6/30:	Assessed and Actual Value			Total Assessed and Actual Value	Total Direct Rate (2)
	Real Property Value (1)	Personal Value (1)	Less: Exemptions		
2019	15,320,893,118	1,878,070,304	(3,196,659,032)	14,002,304,390	1.5400
2018	13,949,464,961	1,734,852,429	(2,747,117,702)	12,937,199,688	1.5400
2017	12,767,556,171	1,324,854,487	(2,480,763,034)	11,611,647,624	1.5400
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	1.5100
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	1.5271
2012	9,338,974,160	932,382,648	(917,232,744)	9,354,124,064	1.5000

(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) 3 years of forecasted values include a 5%, 4% and 3% growth rate respectively.

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.

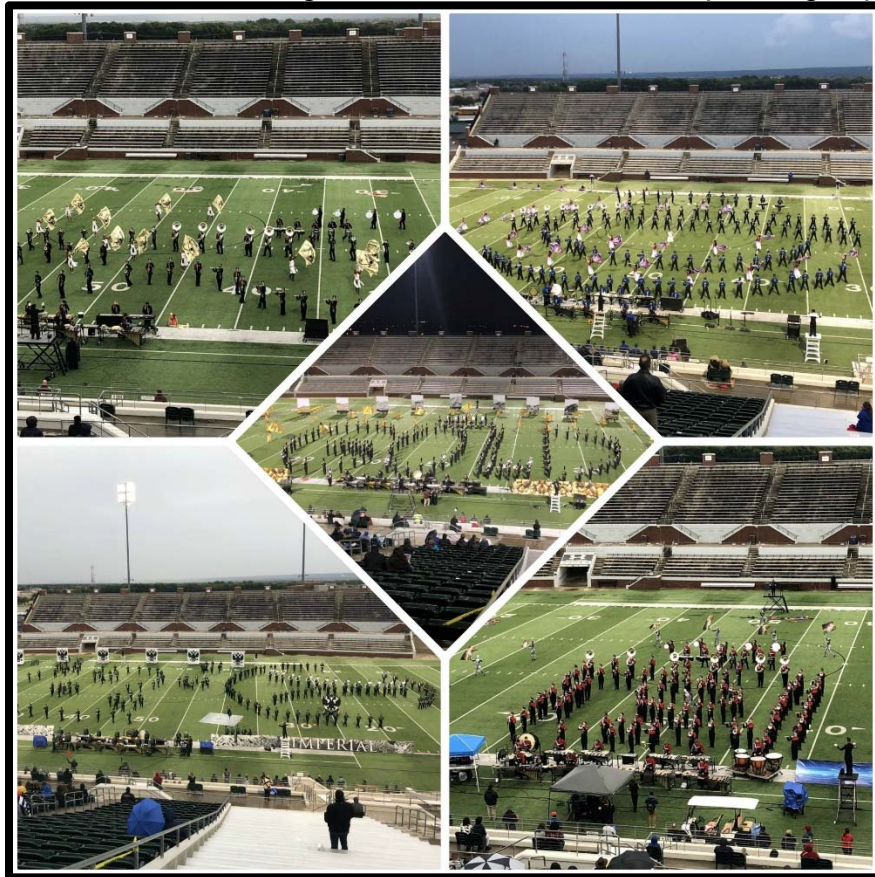
Additional Information

Looking towards the Future

The District's budgeting process is more than just funding the next fiscal year's operations. The Board of Trustees and district administration anticipate major budget challenges two to five years into the future. A list of these budget considerations is shown below:

1. Future legislative changes to the school funding formula will continue to impact state revenue.
2. Academic accountability standards will continue to escalate with the implementation of STAAR.
3. Salary and benefit costs will continue to escalate due to competition for staff between neighboring school districts.
4. Operating costs, including utilities, repair and maintenance, and transportation, continue to increase due to rising costs in addition to replacing equipment through capital outlay.
5. Additional campuses will be needed for growth in the future.

Although the goal is always to prepare a balanced budget that is revenue and expenditure neutral, General Fund deficit budgets are expected for the next several years. Fund balance should remain above the goal of 3 months of annual operating expenditures.



General Fund's Financial Forecast

	2019-20	2020-21	2021-22	2022-23
<u>Projected Revenues</u>				
Local and intermediate sources	\$ 147,143,871	\$ 151,558,187	\$ 156,104,933	\$ 160,788,081
State program revenues	155,574,161	159,174,161	162,774,161	165,174,161
Federal program revenues	4,682,000	3,650,000	3,650,000	3,650,000
Other Sources	550,000	550,000	550,000	550,000
Total Revenues	\$ 307,950,032	\$ 314,932,348	\$ 322,529,094	\$ 329,612,242
<u>Projected Expenditures</u>				
Payroll Costs	\$ 261,511,154	\$ 266,741,377	\$ 272,076,205	\$ 277,517,729
Contracted Services	22,726,522	23,635,583	24,581,006	25,564,246
Supplies and Materials	16,274,536	16,925,517	17,602,538	18,306,640
Other Costs	5,325,878	5,485,654	5,650,224	5,819,731
Debt Service	348,136	-	-	-
Capital outlay	1,405,462	1,461,680	1,520,148	1,580,954
Other Uses				
Total Expenditures	\$ 307,591,688	\$ 314,249,812	\$ 321,430,121	\$ 328,789,299
Net change in fund balances	\$ 358,344	682,536	1,098,973	822,943
Fund Balance - July 1 (Beginning)	\$ 88,219,548	\$ 88,577,892	\$ 89,260,428	\$ 90,359,401
Fund Balance - June 30 (Ending)	\$ 88,577,892	\$ 89,260,428	\$ 90,359,401	\$ 91,182,344

Assumptions:

- (1) For Local Revenue a 3% per year increase was projected due to expected growth.
- (2) A 1% student growth each year was used to project state revenue
- (3) Salary increases typically range from 1% - 3%. To be conservative, a 2% increase per year was used.
- (4) Non payroll expenses will increase to accommodate growth. An increase of 2%-4% was used.

Debt Service Fund's Financial Forecast

	2019-20	2020-21	2021-22	2022-23
<u>Projected Revenues</u>				
Local and Intermediate Sources	\$ 68,839,548	\$ 69,527,943	\$ 70,223,223	\$ 70,925,455
State Program Revenues	-	-	-	-
Total Revenues	\$ 68,839,548	\$ 69,527,943	\$ 70,223,223	\$ 70,925,455
<u>Projected Expenditures</u>				
Debt Administration- Principal	25940000	25940000	28200000	31635000
Debt Administration- Interest	32330809	32330809	31096949	30856861
Debt Administration - Fees	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
Total Expenditures	\$ 58,480,809	\$ 58,480,809	\$ 59,506,949	\$ 62,701,861
Net change in fund balances	10,358,739	11,047,134	10,716,274	8,223,594
Fund Balance - July 1 (Beginning)	33,244,467	43,603,206	54,650,340	65,366,613
Fund Balance - June 30 (Ending)	\$ 43,603,206	\$ 54,650,340	65,366,613	73,590,207

Assumptions:

- (1) For Local Revenue a 1% per year increase was projected due to expected growth.
- (2) Payments and interest are based on the district's payment schedules



Student Nutrition Fund's Financial Forecast

	2019-20	2020-21	2021-22	2022-23
<u>Projected Revenues</u>				
Local and Intermediate Sources	\$ 7,066,933	\$ 7,278,941	\$ 7,424,520	\$ 7,498,765
State Program Revenues	86,500	89,095	90,877	91,786
Federal Program Revenues	10,273,798	10,582,012	10,793,652	10,901,589
Other Sources	75,000	75,000	75,000	75,000
Total Revenues	<u>\$ 17,502,231</u>	<u>\$ 18,025,048</u>	<u>\$ 18,384,049</u>	<u>\$ 18,567,139</u>
<u>Projected Expenditures</u>				
Payroll Costs	\$ 6,590,973	\$ 6,722,792	\$ 6,857,248	\$ 6,994,393
Contracted Services	182,851	184,680	186,526	188,392
Supplies and Materials	10,419,574	10,523,770	10,629,007	10,735,298
Other Costs	56,525	58,221	59,967	61,766
Capital outlay	774,353	789,840	805,637	821,750
Total Expenditures	<u>\$ 18,024,276</u>	<u>\$ 18,279,303</u>	<u>\$ 18,538,386</u>	<u>\$ 18,801,598</u>
Net change in fund balances	(522,045)	(254,255)	(154,337)	(234,459)
Fund Balance - July 1 (Beginning)	<u>\$ 1,229,052</u>	<u>\$ 707,007</u>	<u>\$ 452,752</u>	<u>\$ 298,415</u>
Fund Balance - June 30 (Ending)	<u>\$ 707,007</u>	<u>\$ 452,752</u>	<u>\$ 298,415</u>	<u>\$ 63,956</u>

Assumptions:

- (1) For Local Revenue a 1%-3% per year increase was projected due to expected student growth.
- (2) A 1%-3% increase in meals being reimbursed by federal funds due to 1%-3% student growth was used
- (3) Salary increases typically range from 1% - 3%. To be conservative a 2% increase per year was used.
- (4) Non payroll expenses will increase to accommodate growth. An increase of 1%-3% was used.



Federal Fund's Financial Forecast

	2019-20	2020-21	2021-22	2022-23
<u>Projected Revenues</u>				
Federal Program Revenues	9,716,423	9,716,423	9,716,423	9,716,423
Total Revenues	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>
<u>Projected Expenditures</u>				
Payroll Costs	\$ 7,770,514	\$ 7,925,924	\$ 8,084,443	\$ 8,246,132
Contracted Services	857,597	914,442	914,442	864,442
Supplies and Materials	681,225	502,704	414,185	381,274
Other Costs	333,565	313,353	263,353	184,575
Capital outlay	73,522	60,000	40,000	40,000
Total Expenditures	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>
Net change in fund balances				
Fund Balance - July 1 (Beginning)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Assumptions:

- (1) Federal Revenue is not guaranteed from year to year. For projection purposes we estimated the same amount received in current year.
- (2) Salary increases typically range from 1% - 3%. To be conservative a 2% increase per year was used.
- (3) If Revenue remains the same and salary costs increase each year, other costs will need to be reduced to account for the difference.



Facilities and Growth

It is always difficult to match limited resources with the many needs of our educational system, and there is never enough to satisfy all needs. Therefore, Mansfield ISD implemented a Facilities and Growth Committee, which is comprised of individuals from the community who represent the diversity and multifaceted interests within Mansfield ISD, including parents, grandparents and non-parents, teachers and district staff, community leaders, business owners and more. This committee collectively prioritized the growth needs in the district and is the driving force behind how bond proceeds are spent.

Below is a current Capital Project Funds forecast by grouped by project type and estimated completion date to address current district growth needs.

Financial Forecast- Capital Project Funds

District Projects	2018-19	2019-20	2020-21	2021-22	Expected Completion Date
<u>New Schools:</u>					
Dr. Sarah Jandrucko Academy for Early Learners	\$ 7,004,281	-	-	-	January 2019
Charlotte Anderson ES - Replacement	814,420	-	-	-	December 2018
Charlene McKinzey Middle School	19,520,188	34,491,632	4,431,504	-	July 2020
Brenda Norwood Elementary School	4,337,051	20,978,990	2,077,129	-	July 2020
Alma Martinez Intermediate School	12,362,160	31,612,357	3,607,221	-	July 2020
Sub-Total	36,219,399	87,082,979	10,115,854	-	
<u>Support Facilities:</u>					
Package 3 Renovations (2 schools)	11,290	-	-	-	December 2018
Wave 1 Renovations (16 schools)	829,263	-	-	-	December 2018
Pkg 2B Addtl Irrigation/Landscape	73,624	-	-	-	December 2018
BBCTA Renovations	2,093,567	-	-	-	December 2018
Elementary Schools (23 schools)	1,746,377	8,971,066	2,177,339	-	May 2021
Intermediate Schools (6 schools)	2,672,203	3,978,247	1,234,467	-	May 2021
Middle Schools (6 schools)	9,225,922	14,665,285	1,602,281	-	October 2020
High Schools (7 schools)	38,337,516	27,335,777	24,755	-	April 2021
District Facilities (Transportation)	-	-	4,062	54,128	November 2021
Newsome Stadium and Natatorium	-	150,700	3,364,714	310,388	August 2021
Facilities	818,097	561,315	107,505	863,332	November 2021
Sub- Total	52,800,115	55,662,390	8,515,123	1,227,848	
TOTALS	\$ 89,019,514	142,745,369	18,630,977	1,227,848	

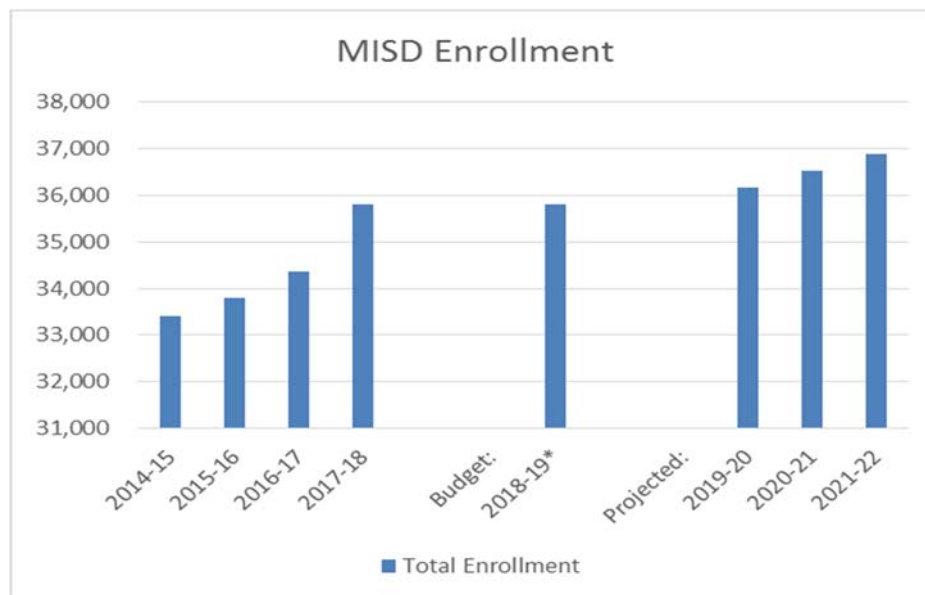
Student Population

Mansfield ISD expects 35,500 students to enroll in Mansfield schools for the 2019-2020 school year. In ten years, Mansfield ISD expects student enrollment to increase by 4,000 students. The epicenter of growth continues to be in the eastern portion of our district, and MISD has adjusted our attendance zone to distribute the students across the District at all levels more evenly.

Mansfield ISD recognizes the following demographic data when planning for future expansion:

- ❖ Within the district there were more than 200 new homes started in 2018.
- ❖ Currently more than 440 multi-family units are under construction.
- ❖ Earlier increases at lower grades have now formed “bubbles” in the secondary grades.
- ❖ New apartments are expected to be produced at a rate of 1-2 for the next 10 years.
- ❖ 60% of new students will come to MISD as a result of new construction.
- ❖ The District has approximately 6,500 planned future lots.

Student Enrollment Projections



Personnel

Student growth is the driving force behind personnel needs. Each year the Human Resources Department has to evaluate the need for staffing changes and growth positions needed based on student enrollment and enrollment projections. The 2019-20 budget included 16 additional teaching positions based on projected enrollment as well as repurposed and added other positions as needed.

Total Number of Employees By Position

POSITION:	2019	2018	2017	2016	2015
Administrator	60	56	59	57	53
Associate/Assistant Principal	79	79	78	77	75
Athletic Trainer	11	10	11	11	11
Auxiliary Staff	1467	1447	1442	1438	1436
Counselor	91	90	92	90	89
Educational Diagnostician	34	32	31	31	30
Librarian	41	41	41	40	40
Music Therapist	2	2	2	2	3
Nurse	49	49	51	50	48
Occupational Therapist	7	7	7	7	7
Other Non-Campus Prof. Personel	89	87	87	86	86
Orientation/Mobility Instructor	2	2	2	2	2
Physical Therapist	2	2	2	2	2
Psychologist/LSSP	5	5	6	6	6
Principal	43	43	42	41	41
Social Worker	2	2	1	1	1
Speech Therapist	31	31	31	31	31
Teacher	2247	2231	2215	2200	2195
Educational Aide	422	409	382	381	380
Total Employees	4684	4625	4582	4553	4536

Source: District records.

Looking to the future, Mansfield ISD recognizes the need to prioritize needs. We believe that it is important to look at our current facilities and technologies to plan for future land purchases, building construction, and technology purchases. However, we believe that this budget document demonstrates reasonable and prudent progress to satisfy the needs of the students, families, and members of our community. It is our goal to provide the best possible education for our students, while still being good stewards of taxpayer money. We appreciate the support provided by the Mansfield ISD Board of Trustees for the development, implementation, and maintenance of excellent education programs for the children of our District.





Organizational Section



Organizational Section

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. The fiscal year 2019-20 school system facilities consist of 46 schools made up by 1 pre-kindergarten academy, 23 elementary schools (grades K-4), six intermediate schools (grades 5-6), six middle schools (grades 7-8), 1 STEM academy, five traditional high schools, one high school for only upperclassman, 1 career and technology academy, 1 alternative education center and 1 early college high school.

All schools within the District are fully accredited by the Texas Education Agency. The District maintains pupil-teacher ratios of 22:1 for grades kindergarten through 4, and a 28:1 ratio for grades 5 through 12. The District employs a total of 4,684 full and part-time personnel. Broad categories of this total are: 2,703 classroom personnel, 41 librarians, 91 counselors, 96 health care workers, 122 campus administrators, 60 district administrators, 1467 auxiliary staff and 104 others.

In order to serve its current enrollment of 35,485 students, 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.

On June 28, 2016 the Mansfield ISD Board of Trustees approved Vision 2020, the district's strategic plan for 2016-2021. 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.

In 2017 the board approved to utilize \$24 million dollars of fund balance to build an early literacy center for pre-k students. This decision ties directly to guiding statement 1 in the district's Vision 2020. The early literacy center was renamed Jandrucko Academy for Early Learners (JAEL) opened in January 2019.

Included in the 2019-2020 budget is \$181,944 to expand the district's orchestra program, \$52,410 for journalism lab computers, \$164,556 to replace marching band uniforms and \$161,500 to replace/repair athletic equipment. These budget items support guiding statement 4 in the district's Vision 2020 by expanding and maintaining co-curricular activities. Additional increases to 2019-2020 include a 3% midpoint pay increase for staff, \$1,009,170 to purchase 10 buses, and \$197,250 for district technology.

All of these additions to the budget, were prioritized as items needed to support the district's Vision 2020 guiding statements. It represents the vision of district leadership and the hearts and minds of teachers and staff articulated through financial and operating policies.

Continuing to provide the financial resources to support the district's vision/mission, striving to stay in the top five paying districts to attract/keep highly qualified teachers and funding capital expenses to address growth while still maintaining a healthy fund balance is the overall budget goals of the district each year.

The budget is a good balance of choices representing the responsive equilibrium between the educational needs of students and the ability of the community and the state to provide the necessary financial support to serve them.



Mansfield Independent School District



Mission To inspire and educate students to be productive citizens.

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

Values

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

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

Guiding Statements

1. Students will read on level or higher by the beginning of third grade and will remain on level or higher as a MISD student.
2. Students will demonstrate mastery of Algebra I by the end of ninth grade.
3. Students will graduate college, career, and/or military ready (CCMR).
4. Students will participate in an extra or co-curricular activity.
5. Our parents and students will have choices with educational opportunities.

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 2022



Mr. Raul Gonzalez
Place 4, Trustee
First elected 2010
Current Term Expires 2022



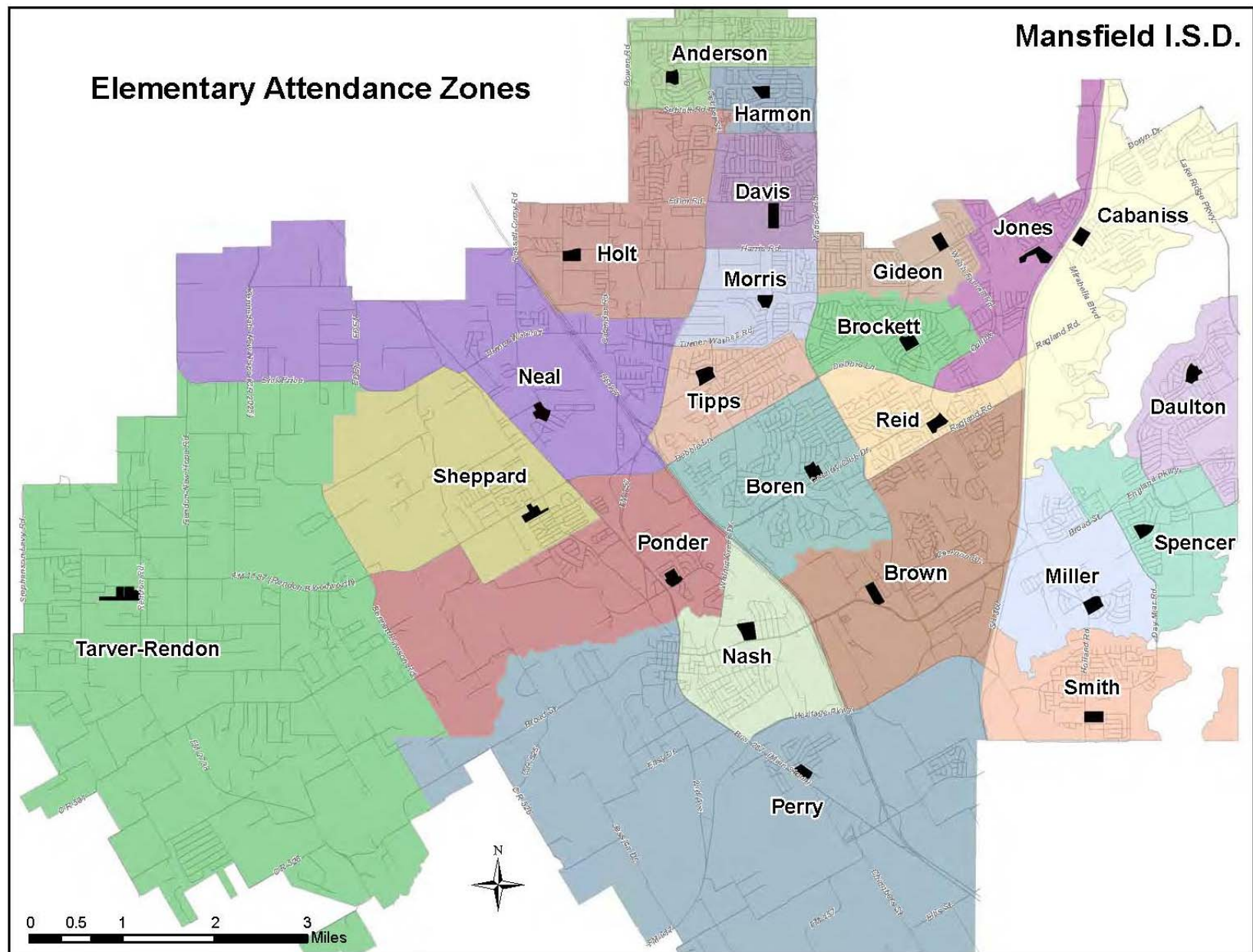
Ms. Karen Marcucci
Place 5, President
First Elected 2014
Current Term expires 2022



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

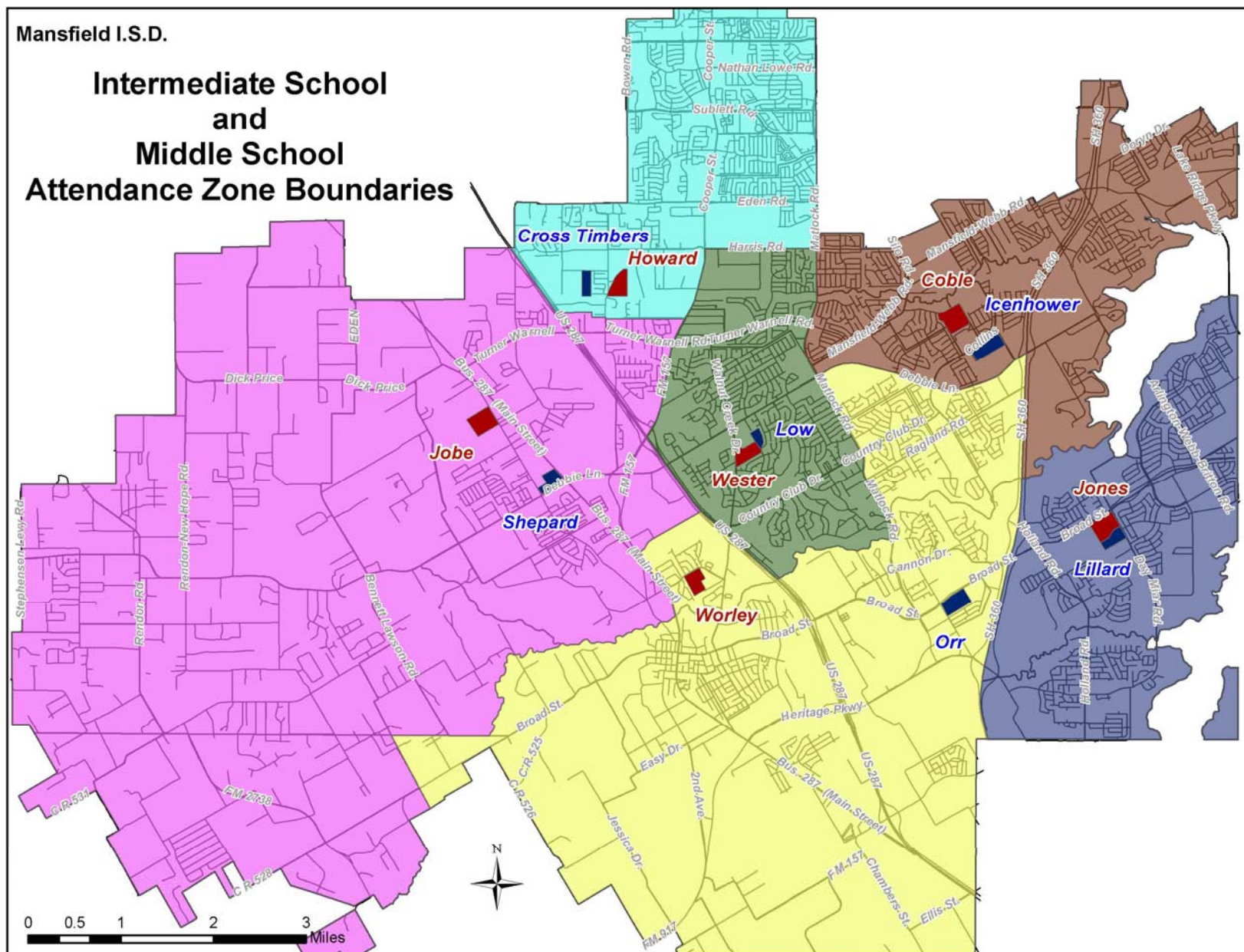


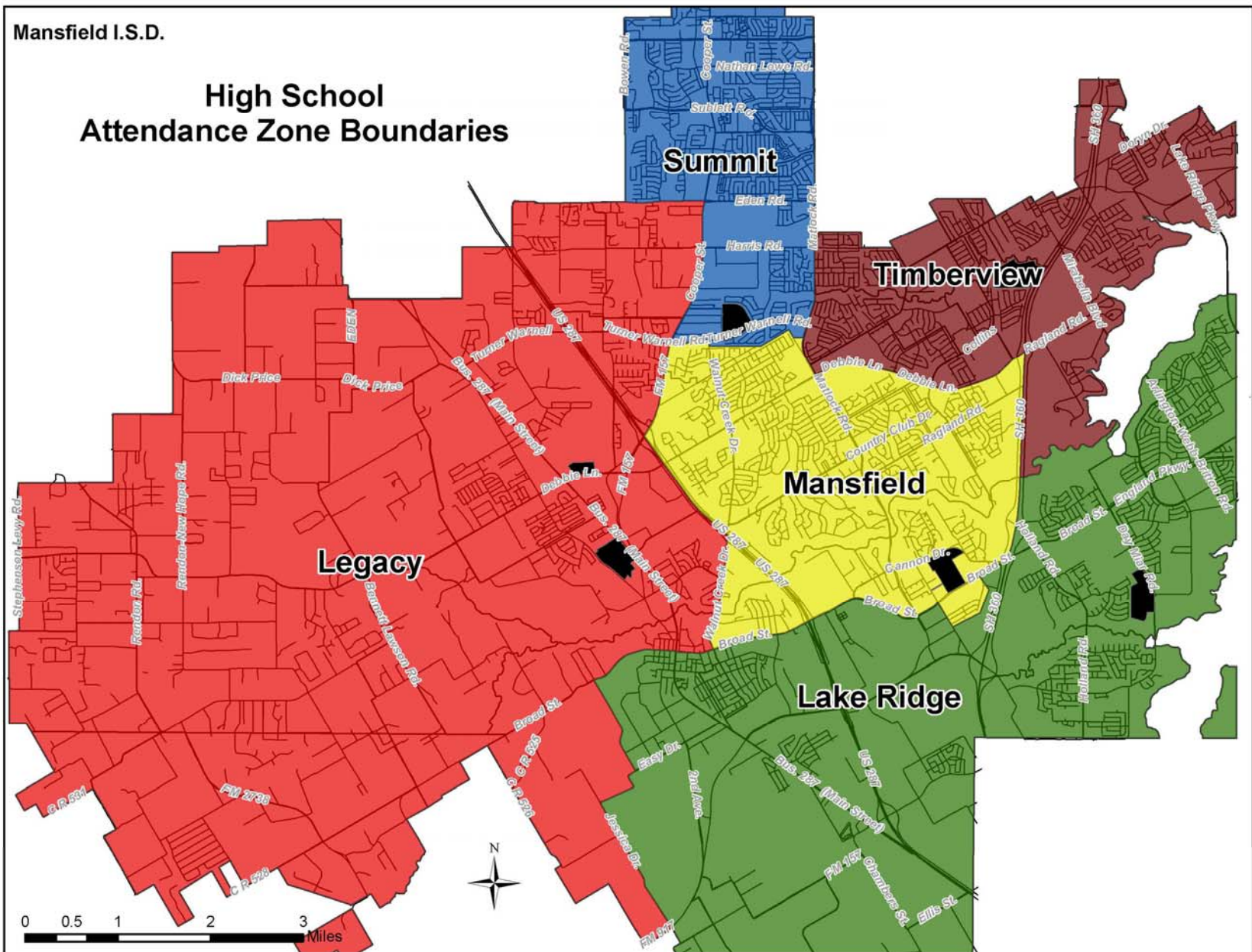
Ms. Courtney Lackey-Wilson
Place 7, Vice President
First Elected 2011
Current Term expires 2020



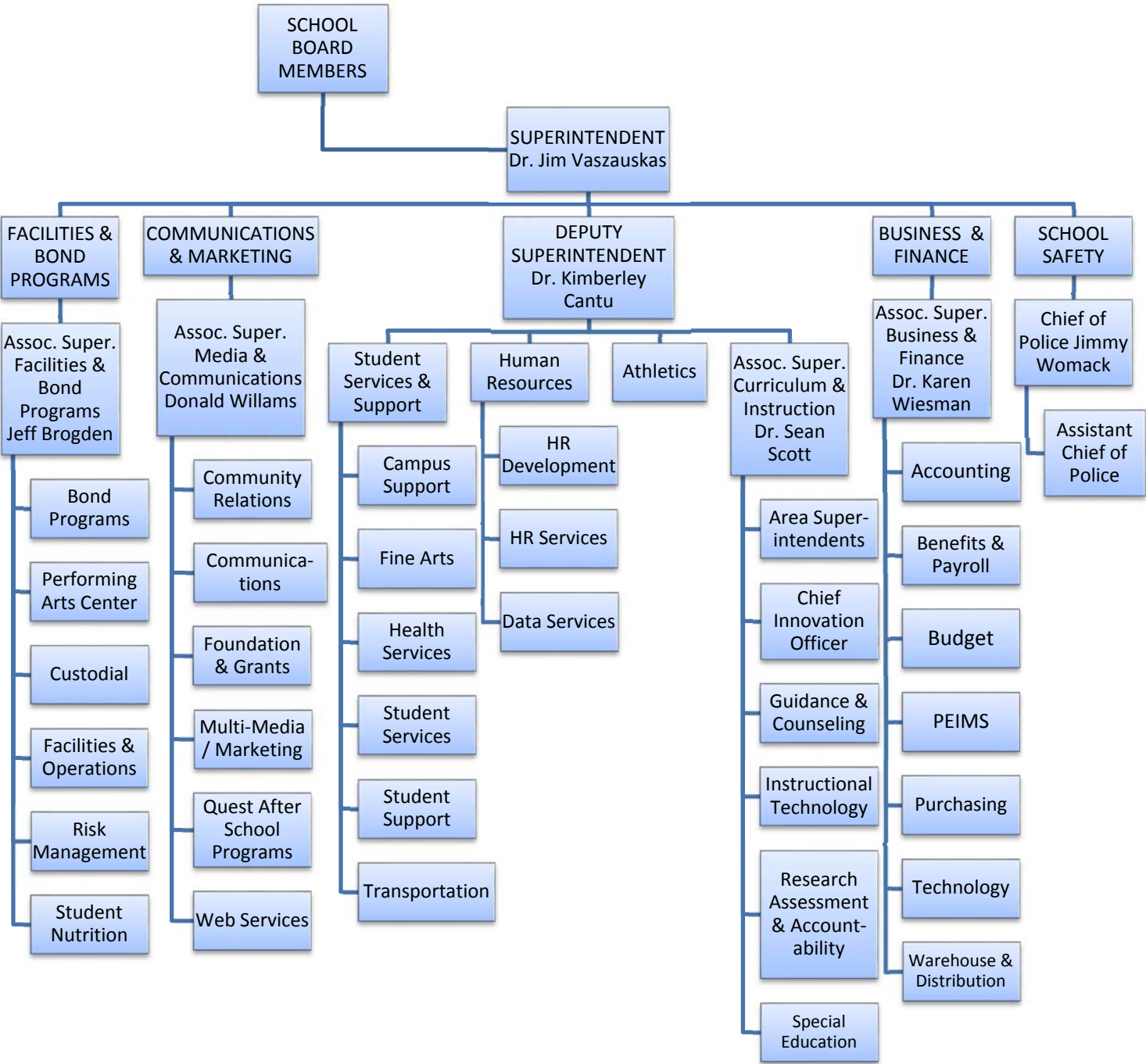
Mansfield I.S.D.

Intermediate School and Middle School Attendance Zone Boundaries





Mansfield Independent School District Organization Chart



Budget Board Policy

The Mansfield Independent School District Board Policy regarding the budget and fiscal management reads as follows:

Annual Operating Budget

The District shall operate on a fiscal year beginning July 1 and ending June 30.

Budget Planning

Budget planning shall be an integral part of overall program planning so that the budget effectively reflects the District's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals shall be considered, as well as input from the District- and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and shall be a part of each month's activities.

Budget Meeting

The annual public meeting to discuss the proposed budget and tax rate shall be conducted as follows:

1. The Board President shall request at the beginning of the meeting that all persons who desire to speak on the proposed budget and/or tax rate sign up on the sheet provided.
2. Prior to the beginning of the meeting, the Board may establish time limits for speakers.
3. Speakers shall confine their remarks to the appropriation of funds as contained in the proposed budget and/or the tax rate.
4. No officer or employee of the District shall be required to respond to questions from speakers at the meeting.

Authorized Expenditures

The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the District's approved purchasing procedures. The expenditure of funds shall be under the direction of the Superintendent or designee who shall ensure that funds are expended in accordance with the adopted budget.

Budget Amendments

The Board shall amend the budget when a change is made increasing any one of the functional spending categories or increasing revenue object accounts and other resources.

Fund Balance Policy

Mansfield ISD does not have a formal board policy regarding fund balance. However, the district has communicated to the board that the common practice is to keep at least 3 months of operating costs in fund balance. For the fiscal year ending 2018-2019, fund balance was \$88,646,323 which is 3.45 months of operating expenses.

Budget and Financial Policies

Statement of Texas Law

Sections 44.002 through 44.006 of the Texas Education Code establish the legal basis for budget development in school districts. The following items summarize the legal requirements from the code:

1. The Superintendent is the budget officer for the District and prepares or causes the budget to be prepared.
Note: TEA recommends that an interactive approach between the Board of Trustees and the Superintendent be taken to establish the budget process and define related roles and responsibilities
2. The District budget must be prepared by a date set by the State Board of Education, currently June 19th.
3. The President of the Board of Trustees must call a public meeting of the Board of Trustees, giving ten (10) days public notice in a newspaper, for the adoption of the District budget. Any taxpayer in the District may be present and participate in the meeting. Concurrently with the publication of notice of the budget above, a school district must post a summary of the proposed budget on the school district's Internet website or in the district's central administrative office if the school district has no Internet website. The budget summary must include a comparison to the previous year's actual spending and information relating to per-student and aggregate spending on instruction, instructional support, central administration, district operations, debt service, and any other category designated by the commissioner. Education Code 44.0041
The summary of the budget should be presented in the following function areas:
 - (A) Instruction – functions 11, 12, 13, 95
 - (B) Instructional Support – functions 21, 23, 31, 32, 33, 36
 - (C) Central Administration – function 41
 - (D) District Operations – functions 51, 52, 53, 34, 35
 - (E) Debt Service – function 71
 - (F) Other – functions 61, 81, 91, 92, 93, 97, 99
 - (G) The “per-student” will be based on student enrollment.
4. No funds may be expended in any manner other than as provided for in the adopted budget. The Board does have the authority to amend the budget or adopt a supplementary emergency budget to cover unforeseen expenditures.
5. The budget must be prepared in accordance with GAAP (Generally Accepted Accounting Principles) and state guidelines.
6. The budget must be legally adopted before the adoption of the tax rate unless the district elects to adopt a tax rate before receiving the certified appraisal roll for the district as provided by Section 26.05(g), Tax Code (see the following point if the district elects to adopt the tax rate first). Additionally, a school district must publish a revised notice and hold another public meeting before the district may adopt a tax rate that exceeds the following: (1) The rate proposed in the notice prepared using the estimate; or (2) The district's rollback rate determined under Section 26.08, Tax Code, using the certified appraisal roll.
7. If a school district elects to adopt a tax rate before adopting a budget, the district must publish notice and hold a meeting for the purpose of discussing the proposed tax rate as provided by TEC 44.004. Following adoption of the tax rate, the district

must publish notice and hold another public meeting before the district may adopt a budget. The comptroller shall prescribe the language and format to be used in the notices. The school district may use the certified estimate of taxable value in preparing a notice.

8. HB 3, 81st Regular Session, added TEC 39.084 which requires that on final approval of the budget by the school board, the school district shall post on the District's internet website a copy of the adopted budget. The website must prominently display the electronic link to the adopted budget until the third anniversary of the date the budget was adopted.

Legal Requirements for Budgets

The State, TEA, and the local district formulate legal requirements for school district budgets. Additional legal requirements also may be imposed by state and federal grants; however, this section deals only with state legal mandates, TEA legal requirements, and local district requirements for basic budget development and submission.

Authorized Expenditures

The District shall not lend its credit or gratuitously grant public money or things of value in aid of any individual, association, or corporation. Tex. Const. Art. III, Sec. 52; *Brazoria County v. Perry*, 537 S.W.2d 89 (Tex. Civ. App.—Houston [1st Dist.] 1976, no writ) The District shall not grant any extra compensation, fee, or allowance to a public officer, agent, servant, or contractor after service has been rendered or a contract entered into and performed in whole or in part. Nor shall the District pay or authorize the payment of any claim against the District under any agreement or contract made without authority of law. Tex. Const. Art. III, Sec. 53; *Harlingen Indep. Sch. Dist. v. C.H. Page and Bro.*, 48 S.W.2d 983 (Comm. App. 1932) The state and county available funds disbursed to the District shall be used exclusively for salaries of professional certified staff and for interest on money borrowed on short time to pay such salaries, when salaries become due before school funds for the current year become available. Loans for paying professional certified staff salaries may not be paid out of funds other than those for the current year. Education Code 45.105(b) Local funds from District taxes, tuition fees, other local sources, and state funds not designated for a specific purpose may be used for salaries of any personnel and for purchasing appliances and supplies; for the payment of insurance premiums; for buying school sites; for buying, building, repairing, and renting school buildings, including acquisition of school buildings and sites by leasing through annual payments with an ultimate option to purchase [see CHG]; and for other purposes necessary in the conduct of the public schools to be determined by the Board. Education Code 45.105(c)

Use of District Resources

No public funds of the District may be spent in any manner other than as provided for in the budget adopted by the Board. Education Code 44.006(a)

Improvements to Real Property

Except as provided below or by Education Code 45.109(a1) or (a2) [see CX], the Board shall not enter into an agreement authorizing the use of District employees, property, or resources for the provision of materials or labor for the design, construction, or renovation of improvements to real property not owned or leased by the District. This section does not prohibit the Board from entering into an agreement for the design, construction, or renovation of improvements to real property not owned or leased by the District if the improvements benefit real property owned or leased by the District. Benefits to real property owned or leased by the District include the design, construction, or renovation of highways, roads, streets, sidewalks, crosswalks, utilities, and drainage improvements that serve or benefit the real property owned or leased by the District.

Education Code 11.168

Hotels

The Board may not impose taxes, issue bonds, use or authorize the use of District employees, use or authorize the use of District property, money, or other resources, or acquire property for the design, construction, renovation, or operation of a hotel. The Board may not enter into a lease, contract, or other agreement that obligates the Board to engage in an activity prohibited by this section or obligates the use of District employees or resources in a manner prohibited by this section. "Hotel" means a building in which members of the public obtain sleeping accommodations for consideration. The term includes a motel. Education Code 11.178

Electioneering

The Board may not use state or local funds or other resources of the District to electioneer for or against any candidate, measure, or political party. Education Code 11.169

Commitment of Current Revenue

A contract for the acquisition, including lease, of real or personal property is a commitment of the District's current revenue only, provided the contract contains either or both of the following provisions:

1. Retains to the Board the continuing right to terminate the contract at the expiration of each budget period during the term of the contract.
2. Is conditioned on a best efforts attempt by the Board to obtain and appropriate funds for payment of the contract. Local Gov't Code 271.903

Fiscal Year

The Board may determine if the District's fiscal year begins on July 1 or September 1 of each year. Education Code 44.0011

Budget Preparation

The Superintendent shall prepare, or cause to be prepared, a proposed budget covering all estimated revenue and proposed expenditures of the District for the following fiscal year.

Education Code 44.002

Funds for Accelerated Instruction

A district that is required to provide accelerated instruction under Education Code 29.081(b-1) [see EHBC] shall separately budget sufficient funds, including funds under Education Code 42.152, for that purpose. The District may not budget funds received under Education Code 42.152 for any other purpose until the District adopts a budget to support additional accelerated instruction. Education Code 29.081(b-2)

Deadlines

The proposed budget shall be prepared on or before a date set by the State Board of Education, currently August 20 (June 19 if the District uses a July 1 fiscal year start date). Education Code 44.002(a); 19 TAC 109.1(a), .41 The adopted budget must be filed with the Texas Education Agency on or before the date established in the Financial Accountability System Resource Guide. Education Code 44.005; 19 TAC 109.1(a)

Public Meeting on Budget and Proposed Tax Rate

After the proposed budget has been prepared, the Board President shall call a Board meeting for the purpose of adopting a budget for the succeeding fiscal year. Any taxpayer of the District may be present and participate in the meeting. Education Code 44.004(a), (f) [See CCG for provisions governing tax rate adoption]. The meeting must comply with the notice requirements of the Open Meetings Act. Gov't Code 551.041, .043

Published Notice

The Board President shall also provide for publication of notice of the budget and proposed tax rate meeting in a daily, weekly, or biweekly newspaper published in the District. If no daily, weekly, or biweekly newspaper is published in the District, the President shall provide for publication of notice in at least one newspaper of general circulation in the county in which the District's central administrative office is located. The notice shall be published not earlier than the 30th day or later than the tenth day before the date of the hearing.

Form of Notice

The published notice of the public meeting to discuss and adopt the budget and the proposed tax rate must meet the size, format, and content requirements dictated by law. The notice is not valid if it does not substantially conform to the language and format prescribed by the comptroller.

Taxpayer Injunction

If the District has not complied with the published notice requirements in the FORM OF NOTICE described above, and the requirements for DISTRICTS WITH JULY 1 FISCAL YEAR below, if applicable, and the failure to comply was not in good faith, a person who owns taxable property in the District is entitled to an injunction restraining the collection of taxes by the District. An action to enjoin the collection of taxes must be filed before the date the District delivers substantially all of its tax bills. Education Code 44.004(b)–(e)

Publication of Proposed Budget Summary

Concurrently with the publication of notice of the budget under Education Code 44.004, the District shall post a summary of the proposed budget on the District's Internet Web site or, if the District has no Internet Web site, in the District's central administrative office. The budget summary must include a comparison to the previous year's actual spending and information relating to per student and aggregate spending on:

1. Instruction;
2. Instructional support;
3. Central administration;
4. District operations;
5. Debt service; and
6. Any other category designated by the Commissioner.

Education Code 44.0041

Decrease in Debt Service Rate

If the debt service rate calculated under Education Code 44.004(c)(5)(A)(ii)(b) decreases after the publication of the notice required by this section, the Board President is not required to publish another notice or call another meeting to discuss and adopt the budget and the proposed lower tax rate. Education Code 44.004(g-1)

Budget Adoption

The Board shall adopt a budget to cover all expenditures for the succeeding fiscal year at the meeting called for that purpose and before the adoption of the tax rate for the tax year in which the fiscal year covered by the budget begins. Education Code 44.004(f)–(g)

Certified Estimate

By April 30, the chief appraiser shall prepare and certify an estimate of the taxable value of District property. Tax Code 26.01(e)

Districts with July 1 Fiscal Year

A district with a fiscal year beginning July 1 may use the certified estimate of the taxable value of District property in preparing the published notice if the District does not receive the certified appraisal roll on or before June 7. A district that uses a certified estimate may adopt a budget at the public meeting designated in the published notice prepared using the estimate, but the District may not adopt a tax rate before the District receives the certified appraisal roll for the District. Education Code 44.004(h)–(i)

Budget Adoption After Tax Rate Adoption

Notwithstanding Education Code 44.004(g), (h), and (i), above, the District may adopt a budget after the District adopts a tax rate for the tax year in which the fiscal year covered by the budget begins if the District elects to adopt a tax rate before receiving the certified appraisal roll for the District as provided by Tax Code 26.05(g). Following adoption of the tax rate [see CCG], the district must publish notice and hold a public meeting before the District may adopt a budget. The comptroller shall prescribe the language and format to be used in the notice. The District may use the certified estimate of taxable value in preparing the notice. Education Code 44.004(j)

Publication of Adopted Budget

On final approval of the budget by the Board, the District shall post on the District's Internet Web site a copy of the budget adopted by the Board. The District's Web site must prominently display the electronic link to the adopted budget. The District shall maintain the adopted budget on the District's Web site until the third anniversary of the date the budget was adopted. Education Code 39.084

Amendment of Approved Budget

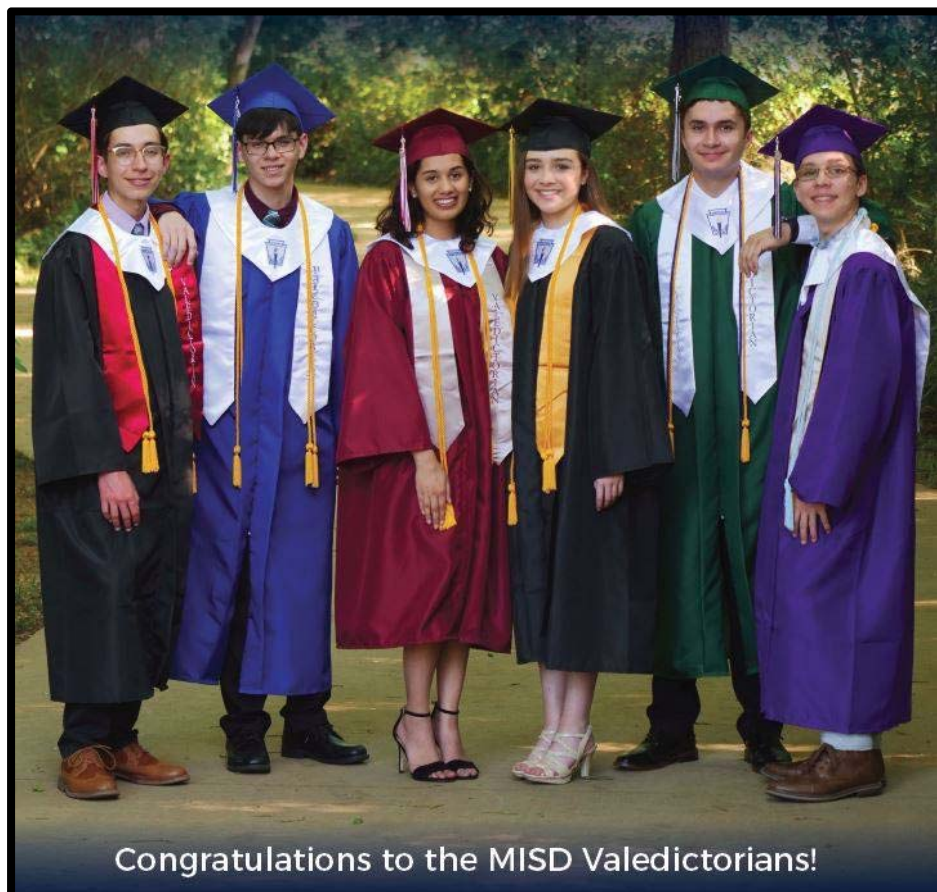
The Board shall have the authority to amend the approved budget or to adopt a supplementary emergency budget to cover necessary unforeseen expenses. Copies of any amendment or supplementary budget must be prepared and filed in accordance with State Board rules. Education Code 44.006

Failure to Comply with Budget Requirements

A Board member who votes to approve any expenditure of school funds in excess of the item or items appropriated in the adopted budget or a supplementary or amended budget commits a misdemeanor offense. Education Code 44.052(c)

Certain Donations

The District may donate funds or other property or service to the adjutant general's department, the Texas National Guard, or the Texas State Guard. Gov't Code 437.111(b), .252, .304(a)



TEA Legal Requirements

Additional TEA requirements for school district budget preparation are located at the following source:

<http://www.tea.state.tx.us/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=2147491747&ibID=2147491744>

1. The budget must be adopted by the Board of Trustees, inclusive of amendments, no later than June 30th. In order to prepare the public notice to be published 10 days prior to the meeting, the district budget must be prepared by a date set by the State Board of Education, currently June 19th.
2. Minutes from district board meetings will be used by TEA to record adoption and amendments to the budget.
3. Budgets for the General Fund, the Student Nutrition Fund (whether accounted for in the General Fund, as a Special Revenue Fund, or Enterprise Fund) and the Debt Service Fund must be included in the official district budget (legal or fiscal year basis). These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.
4. The officially adopted district budget, as amended, must be filed with TEA through PEIMS (Public Education Information Management System) by the date prescribed in the annual system guidelines. Revenues, other sources, other uses, and fund balances must be reported by fund, object (at the fourth level), fiscal year, and amount. Expenditures must be reported by fund, function, object (at the second level), organization, fiscal year, program intent, and amount.
5. A school district must amend the official budget before exceeding a functional expenditure category, i.e., instruction, administration, etc., in the total district budget. The annual financial and compliance report should reflect the amended budget amounts on the schedule comparing budgeted and actual amounts. The requirement for filing the amended budget with TEA is satisfied when the school district files its Annual Financial and Compliance Report.
6. Expenditures must be reported by fund, fiscal year, function, organization, program intent, object (at the second level), and amount



Financial Structure

Summary of Significant Accounting Policies

The Mansfield Independent School District is a public educational agency operating under the applicable laws and regulations of the State of Texas. A seven-member Board of Trustees governs the District. Each member is elected to an at-large position for three years in a non-partisan election. An election is held each year for either two or three positions. The District prepares its basic financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in Statement of Auditing Standards No. 69 of the American Institute of Certified Public Accountants. Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) Financial Accountability System Resource Guide (FASRG), and the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

The Board of the District is elected by the public; has the authority to make decisions, appoint administrators and managers; significantly influences operations; and has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity." There are no component units included within the reporting entity.

Basis of Accounting

The District's basis of accounting for all funds is maintained on a modified accrual basis as prescribed by GAAP and the TEA Financial Accountability System Resource Guide. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues available if they are collected within ninety 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, as well as expenditures related to compensated absences, claims, and judgments, are designated as long-term liabilities in the District's financial statements and recorded only when payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept – that is, when they become both measurable and available to finance expenditures of the fiscal period. 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 earned to the extent of the expenditures made under the provisions of the grant. If balances have not been expended by the end of the project period, grantors require the District to refund all or part of the unused amount.

Budgetary Basis of Accounting

The budgetary basis of accounting is consistently applied in budgeting, recording and reporting foundation school program (FSP) revenues in PEIMS information. Under the budgetary basis, earned and material FSP revenues that are collectible beyond ninety days are treated consistently for budgeting, recording, and reporting through PEIMS and for the tax rollback rate calculation. The Board adopts an “appropriated budget” on a basis consistent with GAAP for the 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 reservations of fund balances. 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.

Governmental Fund Types

The District maintains thirty (29) individual governmental funds, and adopts an annual appropriated budget for its general fund, debt service fund, and Student Nutrition fund (National School Lunch Program). Information is presented separately by fund type in the Financial Section for each of the governmental funds outlined below.

The **general fund (fund 19X)** is the government’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. Major revenue sources include local property taxes, state funding under the Foundation School Program (FSP), the Available School Fund (ASF), and interest earnings. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the federal or state government, Student Nutrition, debt service, and capital projects. This is a budgeted fund.

The **student nutrition fund (fund 240)** is considered a special revenue fund based on the following criteria: (1) User fees are charged to supplement the National School Lunch Program (NSLP), (2) The General Fund subsidizes the Student Nutrition Fund for all expenditures in excess of NSLP, and (3) The District does not consider the Student Nutrition Fund completely self-supporting. Student Nutrition fund balances are used exclusively for child nutrition purposes. The Student Nutrition Fund adopts an annual budget. This adopted fund is also included in **special revenue funds**. All other funds within this block are referred to as **grant funds**.

Grant funds (also referred to as **special revenue funds or federal funds**) account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a special revenue fund. All grant funds are budgeted on a project basis.

The **debt service fund (fund 599)** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. This is a budgeted fund.

The **capital projects fund (fund 6XX)** accounts for proceeds from long-term debt financing (including the sale of bonds), revenues and expenditures related to authorized construction, and other capital asset acquisitions. The capital projects fund is budgeted on a project basis. Projects are budgeted based on priority and funds available.

Classification of Revenues and Expenditures

Section 44.007 of the Texas Education Code requires that a standard school district fiscal accounting system be adopted by each school district. The accounting system must conform to generally accepted accounting principles (GAAP) and must meet at least the minimum requirements prescribed by the Commissioner of Education, subject to review and comment by the state auditor. A major purpose of the accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain elements of the account code may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by all districts.

Account Code Composition

- Fund Code – A mandatory 3 digit code is used for all financial transactions to identify the fund group and specific funds. The first digit refers to the fund group, and the second and third digits specify the fund.
- Function Code – A mandatory 2 digit code applied to expenditures/expenses that identifies the purpose of the transaction. The first digit identifies the major class and the second digit refers to the specific function within the area.
- Object Code – A mandatory 4 digit code that identifies the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub classifications.
- Sub-object Code – An optional code used to further define the object code. Mansfield ISD uses the sub-object code to provide additional information about the object.
- Organization Code – A mandatory 3 digit code identifying the organization, i.e., the campus or department.
- Program Intent Code – A mandatory 2 digit code used to designate the intent of a program provided to students. These codes are used to account for the cost of instruction and other services that are directed toward a particular need of a specific set of students.
- Budget Owner Code – An optional code that Mansfield ISD uses to represent the department the budget code is used for.

Revenues

District revenues are classified by fund and object or source. There are three major sources: local sources, state sources, and federal sources. Local sources include tax collections and investment earnings. Texas state sources rely on a formula of local property taxes and student enrollment for state aid and are based on legislated funding formulas. Federal funds are primarily reimbursements received from the School Health Related Service (SHARS) program.

Other Local Sources

Other local sources include tuition from summer school and summer athletic camp programs, tuition from out of district patrons; interest earnings; rent from district facilities usage; gifts and donations; insurance recovery; revenue from student parking fees, and web advertisement; athletic gate and concession receipts; and lunch sales.

Expenditures

Expenditure budgets are legally adopted at the fund and function level; however, within this document we have included several additional presentations of expenditures. These presentations segregate expenditures by major objects. Major object codes are used to describe the type of items purchased or services obtained. The major object codes used in this document are: payroll and related costs, purchased and contracted services, supplies and materials, other operating expenditures, and capital outlay. Fund codes have been described in the preceding Fund Structure section. Following is a description of the function codes used throughout this document.



Functional Codes – General Descriptions

10 Instruction and Instructional Related Services

- 11- Instruction: This function includes expenditures for direct classroom instruction and other activities that deliver, enhance, or direct the delivery of learning situations to students. For example, function 11 includes classroom teachers, teacher assistants, and graders, but does not include curriculum development (function 13) or principals (function 23).
- 12- Instructional Resources and Media Services: This function includes expenditures that are directly and exclusively used for resource centers, establishing and maintaining libraries, and other major facilities dealing with educational resources and media. For example, function 12 includes librarians, but does not include textbooks (function 11) or reference books in the classroom (also function 11).
- 13- Curriculum Development and Instructional Staff Development: This function includes expenditures that are directly and exclusively used to aid instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. This function also includes expenditures related to research and development activities that investigate, experiment and/or follow-through with the development of new or modified instructional methods, techniques, procedures, service, etc. For example, this function includes staff that research and develop innovative, new, or modified instruction and staff who prepare in-service training for instructional staff, but does not include salaries of instructional staff when attending training (function 11 or 12).



20 Instructional and School Leadership

- 21- Instructional Leadership: This function encompasses those district-wide activities which are directly used for managing, directing, supervising, and providing leadership for staff who provide general and specific instructional services. For example, function 21 includes instructional supervisors but does not include principals (function 23).
- 23- School Leadership: This function includes expenditures to direct and manage a school campus. It includes salaries and supplies for the principal, assistant principal, and other administrative and clerical staff, including attendance clerks.

30 Student Support Services

- 31- Guidance, Counseling and Evaluation Services: This function includes expenditures that are directly and exclusively used for assessing and testing students' abilities, aptitudes and interests; counseling students with respect to career and educational opportunities and helping them establish realistic goals. This function includes costs of psychological services, identification of individual characteristics, testing, educational counseling, student evaluation and occupational counseling.
- 32- Social Work Services: This function includes expenditures which are directly and exclusively used for activities such as investigating and diagnosing student social needs, casework and group work services, interpreting the social needs of students, and promoting modification of the circumstances surrounding the student. Examples include social workers, non-instructional home visitors, and truant officers.
- 33- Health Services: This function is for providing physical health services to students. This includes activities that provide students with appropriate medical, dental and nursing services.
- 34- Student Transportation: This function includes the cost of transporting students to and from school. Function 34 includes transportation supervisors and bus drivers, but does not include field trips (function 11) or student organization trips (function 36).
- 35- Student Nutrition: This function includes expenditures for Student Nutrition operation including the cost of food, labor, and other expenditures necessary for the preparation, transportation and storage of food to provide to students and staff. Expenditures are directly and exclusively for supervision and maintenance of a Student Nutrition operation. Function 35 includes cooks and food purchases, but does not include concession stands at athletic events (function 36).
- 36- Extracurricular Activities: This function includes expenditures for school-sponsored activities outside of the school day. These activities are generally designed to provide students with experiences such as motivation and the enjoyment and improvement of skills in either a competitive or noncompetitive setting. Extracurricular activities include athletics and other activities (such as drill team, pep squad, cheerleading, etc.) that normally involve competition between schools.

40 Administrative Support Services

- 41- General Administration: This function is for the purpose of managing or governing the school district as an overall entity. It includes expenditures for the school board, superintendent's office, personnel services, and financial services.

50 Support Services – Non-Student Based

- 51- Facilities Maintenance and Operations: This function is for activities to keep the facilities and grounds open, clean, comfortable and in effective working condition in a state of repair, and insured. This function is also for activities associated with warehousing and receiving services. Examples include janitors, facility insurance premiums, and warehouse personnel.
- 52- Security and Monitoring Services: This function is for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location.
- 53- Data Processing Services: This function is for data processing services, whether in-house or contracted. Personal computers and peripherals that are stand alone are charged to the appropriate function. Costs associated with mainframe, networks, and servers that provide services to multiple functions are recorded here.

60 Ancillary Services

- 61- Community Services: This function encompasses all other activities of the District which are designed to provide a service or benefit to the community as a whole or portion of the community. Examples include recreational programs, public library services, and parenting programs.

70 Debt Service

- 71- Debt Service: This function is used for the retirement of recurring bond, capital lease principal, and other debt, related debt service fees, and for all debt interest.

80 Capital Outlay

- 81- Facilities Acquisition and Construction: This includes expenses for acquiring, equipping, and/or making additions to real property and sites, including lease and capital lease transactions.

90 Intergovernmental Charges

- 95- Payments to Juvenile Justice Alternative Education Programs (JJAEP): This function is used to provide financial resources for JJAEP under Chapter 37 of the Texas Education Code. It is used to account for payments to other governmental entities in connection with students that are placed in discretionary or mandatory JJAEP settings.
- 99- Other Intergovernmental Charges: This function is used to record other intergovernmental charges not defined above. (i.e. Appraisal District)

Object Codes – General Descriptions

Revenue

5700 – Local and Intermediate Sources:

- 5711-Taxes, Current Year Levy
- 5712 Taxes, Prior Years
- 5716 Fees – Tax Certificates,
- 5719 Penalties, Interest, and Other Tax Revenues
- 5729 Services Rendered to Other School Districts
- 5735 Tuition – Regular Day School
- 5736 Tuition – Summer School and Athletic Summer Camps
- 5738 Fees – Student Parking
- 5739 Tuition and Fees – Other Local Sources
- 5742 Interest Earnings
- 5743 Rent
- 5744 Gifts and Donations
- 5745 Insurance Recovery
- 5749 Miscellaneous Revenue – Other Local Sources
- 5751 Student Nutrition Activity
- 5752 Athletic Activity

5800 – State Revenue:

- 5811- Per Capita Apportionment
- 5812 Foundation School Program Act Entitlements
- 5819 Other Foundation School Program Act Revenues
- 5828 Prekindergarten Supplemental Revenues
- 5829 State Program Revenues Distributed by TEA
- 5831 TRS On-Behalf Payments
- 5839 State Revenue Other Than TEA, Miscellaneous Revenue from Intermediate Sources

5900 – Federal Revenue:

- 5919 Federal Revenue from Gov't Other than State or Federal Agencies
- 5921 School Breakfast Program
- 5922 National School Lunch Program
- 5923 USDA Commodities
- 5929 Federal Revenue Distributed by TEA
- 5931 School Health and Related Services (SHARS)
- 5932 Medicaid Administrative Claiming Program (MAC)
- 5939 Federal Revenues from State of Texas Gov't Agencies (Other than TEA)
- 5949 Federal Revenue Distributed Directly from the Federal Government

Other Sources

7900 – Other Sources Include: Sale of bonds, sale or real property, proceeds from capital leases, loan proceeds, operating transfers in, premium/discount on bond issues, earnings from temporary deposits, gas royalty income, and other non-operating revenues.

Expenditures

- 6100 – Payroll Costs: Includes salaries of all full time and part time employees, substitute pay, stipends and employee benefits costs.
- 6200 – Contracted Services: Includes any contracted services and repairs
- 6300 – Supplies and Materials: Includes all textbooks, classroom supplies, office supplies, maintenance and operations supplies and all other supplies required to run the daily operations of the district.
- 6400 – Miscellaneous: Includes travel, insurance, field trips, membership fees, training registrations, awards, and any other expense that does not fall into the above categories.
- 6500 – Debt Service: Includes Principal and interest payments on debt and capital leases.
- 6600 – Capital Outlay: Includes equipment purchases with a unit cost of over \$5,000 and cataloged library books.

Other Uses

- 8900- Operating Transfers Out: Transfers out to other district funds.

Management Process and Budget Controls

The budgetary process begins with sound planning. Planning defines the guiding statements of the school district and develops programs to attain them. Once these programs and plans have been established, budgetary resource allocations are made to support them.

Budgetary resource allocations are the preparation phase of budgeting which begins in December of each year with the preparation of the budget calendar and enrollment projections. These enrollment forecasts are used extensively during the budget development stage to determine campus allotments and staffing allocations. Each campus receives a basic allotment per student to be used for supplies, materials, equipment, staff development and other appropriate instructional costs.

Budgets for non-campus units are developed by department heads and reviewed by the Superintendent, Associate Superintendent of Finance, and the Director of Budget. The departmental budget development process consisted of a modified zero-based process by which more detailed proposals on expenditure requests were required of central support services. The process provided a better look into the programmatic requests of the district's support services and is paving the road to building budgets that better align to district and departmental guiding statements and initiatives.

Budgets for Capital Projects are developed when a bond election takes place. The Facilities and Growth Committee meets and carefully prioritizes the bond projects. These projects are then budgeted by the facilities department for the current fiscal year.

Personnel units are allocated to each campus based on student enrollment following state mandated ratios as applicable. Non-campus personnel units are evaluated at each departmental budget. Additional personnel units are evaluated each year and after extensive review and analysis, recommendations are presented to the Board of Trustees.

The adoption stage of the budget process occurs in the month of June each year, prior to the start of the fiscal year on July 1st. The Board of Trustees has the responsibility of adopting the budget and setting the tax rate to support the budget. After adoption, the implementation of the budget is performed by the Finance Department, with the cooperation of other District administrators. Implementation also includes establishing controls over revenues and expenditures, budget amendments, and informational reporting on the budget.

Finally, the budget is evaluated for its effectiveness in attaining the districts guiding statements. Evaluation typically involves an examination of: how funds were expended, what outcomes resulted from the expenditure of funds, and to what degree these outcomes achieved the objectives stated during the planning phase. This evaluation phase is important in determining the following year's budgetary allocations. The evaluation culminates in the performance of the annual audit performed by an independent external audit firm.

In summary, budget preparation is not a one-time exercise to determine how a school district will allocate funds. Rather, school district budget preparation is part of a continuous cycle of planning and evaluation to achieve district guiding statements.

Board of Trustee Budget Review and Adoption

The Preliminary Budget was given to the Board on May 10th, in preparation for the May 15th Budget Workshop. The Proposed Budget, which incorporated changes subsequent to the preliminary draft, was submitted to the Board and adopted on June 26, 2018 at the required public meeting.

Tax Rate Adoption

The Associate Superintendent of Finance initially calculated the estimated tax rate and published the required legal notice in June 2019. The 2019-2020 tax rate was set to \$1.46. The Board held the required public meeting on June 25th to discuss proposed rate and adopted the tax rate on August 27th.

Adjustments and Cross-Function Transfers

Initial campus allocations are calculated from projected enrollment. Based on actual enrollment the last Friday in October, also known as the Public Education Information Management System (PEIMS) Snapshot Date, allocations are updated to reflect actual enrollment. Funding for campuses not reaching projected enrollment remains unchanged. The Final Amended Budget for the Year Ending June 30, 2019, was presented at the June 25, 2019 Board meeting. It reflected all amendments previously approved by the Board plus all final amendments. District principals and program/department directors may transfer appropriations within their campus or department budgets. Appropriation transfers between budget codes require the approval of the District's Budget Director. Transfers between functions over \$500,000 require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund.

Reporting to the Texas Education Agency

The District submits its annual budget, student attendance information, and its end-of-year financial status through a system called Public Education Information Management System (PEIMS). Transmission dates are established by TEA. The PEIMS system provides TEA and districts across the state with a wealth of demographic, attendance, and financial information. The District is also required to submit the annual approved Comprehensive Annual Financial Report (CAFR) to the TEA. The officially adopted budget, as amended, must be filed with the Texas Education Agency (TEA) through Public Education Information Management System (PEIMS) by the date prescribed in the annual system guidelines.

Approval Control

All purchases of goods and services are processed through the financial management system with the appropriate approval controls to ensure the legal purpose is met and the appropriate account is charged.

Purchase requisitions are initially entered at the campus or department level and are approved by the campus principal or program director submitting the request. Purchase requisitions from Special Revenue budgets are approved by the appropriate grant program director. The Director of Purchasing or designee reviews the purchase requisitions to verify compliance with procurement laws and that goods and services are requested from a legally qualified vendor. The purchase requisition is then converted into a purchase order and forwarded to the appropriate vendor. Upon receipt of the invoice, Accounts Payable verifies receipt of the goods or services, processes a check, and closes the purchase order.

Encumbrance Control

District procedures state that purchases of goods and services should be processed through the financial system with the appropriate encumbrance controls to ensure the availability of funds. An encumbrance is an obligation in the form of a purchase order charged to an appropriation that reserves a part of that appropriation. Additionally, pre-encumbrances are also reserved based on submitted purchase requisitions awaiting appropriate levels of approval and conversion into purchase orders. The financial software is set to prohibit entry of a purchase requisition unless there are sufficiently available funds at the budget control line item level.

Budget Amendment Control

TEC Section 44.006 applies to transfers at the function level as well as estimated revenue and appropriation adjustments. Campus and department budget managers must carefully analyze and prepare the annual budget in exacting detail. Appropriations over \$500,000 needed in other functions are not accessed until after Board approval, requested during regular meetings each month during the fiscal year.

Annual Audit

The Texas Education Code requires that school districts are audited annually. The audit is conducted on an organization wide basis and involves all fund types and account groups of the school district. The audit is designed to meet the requirements of the Federal Single Audit Amendments of 1996 and the related provisions of OMB Circular A-133 "Audits of State, Local Governments, and Non-Profit Organizations." These rules facilitate preparation of financial statements that conform to generally accepted accounting principles (GAAP) established by the Governmental Accounting Standards Board (GASB). Upon approval, the annual financial report is submitted to the Texas Education Agency for review. The financial report is designed to meet specific monitoring needs of the TEA.

Summary

The budget is a balance of policy choices. It also represents a responsive balance between the educational needs of students and the ability of the community and the state to provide the necessary financial support to serve them in a restricted funding environment with increasing academic standards. Development, review, and consideration of the 2019-2020 Governmental Funds Budget was completed with a detailed and exhaustive review of every revenue and expenditure item within the context of the District's Vision 2020, and Board Policy. School district budget preparation is part of a continuous cycle of planning, preparation, and evaluation to achieve the Mansfield Independent School District's guiding statements.

The below timeline covers the planning and preparation of the board adopted funds (General Fund, Student Nutrition Fund, and Debt Service Fund).



Budget Process Timeline – Board Adopted Funds

<u>ACTIVITY</u>	<u>RESPONSIBILITY</u>	<u>COMPLETION DATE</u>
Demographic Report Presented	P.A.S.A.	December 2018
Principals and Human Resources Department work on Projected Enrollments	Principals/Human Resources	January 2019
Budget training - Campuses & Departments	Office of Budget and Finance	January 17, 2019
Requests for Additional Staff due to Human Resources	Human Resources	January 25, 2019
Campus/Department budgets due to Budget Department	Principals	February 8, 2019
Capital Projects Budget Due to Budget Department	District Operations/Bond Office	March 2019
Preliminary Tax Values from Tarrant Appraisal District & Johnson County Appraisal District	Central Office Administration	April 25, 2019
Work session with Executive Council	Central Office Administration	April 2019
Refining of budget requests by Superintendent, Executive Council, Budget Staff	Central Office Administration	May - June 2019
Work session with Board	Board of Trustees	May 14, 2019
Publish "Notice of Public Meeting to Discuss Budget and Proposed Tax Rate	Office of Budget and Finance	June 11, 2019
Public meeting on 2019-2020 Budget and Proposed Tax Rate, Final amendment to 2018-2019 Budget, Adopt the 2019-2020 Budget	Board of Trustees	June 25, 2019
Certified Tax Values from Tarrant Appraisal District and Johnson County Appraisal District	Tarrant County/Johnson County Tax Assessor	July 25, 2019
Adopt the 2019 Tax Rate	Board of Trustees	August 27, 2019





Financial Section

Financial Section

Introduction

The Financial Section provides specific fiscal information regarding the various funds of the District. By law, the Board of Trustees must approve annual budgets for the General Fund, Student Nutrition Fund, and Debt Service Fund. These three funds are included in this section. Special Revenue Funds (including the Student Nutrition Fund) and the Capital Projects Fund are also included as information only.

The Financial Section begins with the combined statements by major object and function of the General Fund, Debt Service Fund, Capital Projects Fund, Student Nutrition Fund and Special Revenue Funds. Comparative Summary reports follow the combined statements, providing information from fiscal year 2015-2016 forward. The Financial Section provides the reader with specific information about each of the five funds named above.

The Student Nutrition and Grant Funds, both considered Special Revenue Funds, are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds utilize the modified accrual basis of accounting.

The budget process for the Capital Projects Fund is established at the point in time that the Board approves the sale of authorized bonds for specific projects. Projects assigned to each sale are detailed in the Schedule of Estimated Expenditures. Capital Projects typically have multi-year budgets that encompass the entire construction period of each separate project. Separate funds are created to account for each respective bond sale, and unique two-digit codes are used to track specific projects within each sub-fund. Budgets are re-appropriated each year for the life of the project, while cumulative expenditures are also rolled forward until the project is completed. This method ensures an accurate accounting of the total cost over multiple fiscal years. Each revision to Schedules of Estimated Expenditures is presented to the Board for approval.

Budgets are prepared on the same basis of accounting as that used in the financial statements. The basis of budgeting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental fund types (general fund, debt service fund, capital projects fund and special revenue funds), are budgeted using the current financial resources measurement focus and the modified accrual basis of accounting. Proprietary funds, internal services funds, fiduciary funds, and agency funds are not budgeted funds.

Federal, state and local guidelines define the budget development process. The Board of Trustees adopted budgets in the General, Student Nutrition, and Debt Service funds. These adopted funds combined with Special Revenue Funds and Capital Project Funds have total combined revenues of \$606,076,378 and total combined expenditures of \$591,675,072.

Accountability

Government financial statements focus on two different forms of accountability: Fiscal accountability for governmental activities, and operational accountability for business-type and certain fiduciary activities.

Fiscal Accountability has been defined as the responsibility of governments to ensure that their current period actions have complied with public decisions concerning the raising and spending of public monies in the short term.

Operational Accountability represents the responsibility of governments to report the extent to which services are being provided efficiently and effectively using all resources available for that purpose, and whether they can continue to meet objectives in the foreseeable future.



Mansfield Aquatics Swim School

Budgets in the public arena are often considered the ultimate policy document since they are the financial plan a school district uses to achieve its guiding statements. The budget, itself, then becomes intrinsically a political document reflecting school district administrators' accountability for fiduciary responsibility to citizens and provides a vehicle for translating educational goals and programs into financial resource plans.

The Financial Section provides specific fiscal information regarding the various funds of the District. By law, the Board of Trustees must approve annual budgets for the General Fund, Debt Service Fund, and Student Nutrition Fund. These three funds are included in this section. Capital Projects Fund and the Special Revenue Funds (including the Student Nutrition Fund) are also included as information only.

Major Revenue Sources

Local Property Taxes

A major source of local funding for the District is local property tax revenues. 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 the property to secure the payment of all taxes, penalties, and interest ultimately imposed. The assessed value of the roll on January 1, 2019, upon which the levy for the 2019-2020 fiscal year was based, was \$13,980,861,847.

The tax rates assessed for the year ended June 30, 2020 to finance maintenance and operations and general obligation long term debt were \$.97 and \$.4900 per \$100 of valuation, respectively, for a total of \$1.460 per \$100 of valuation.

Other Local Sources

Other local sources include tuition from summer school and summer athletic camp programs, tuition from out of district patrons; interest earnings; rent from district facilities usage; gifts and donations; insurance recovery; revenue from student parking fees, and web advertisement; athletic gate and concession receipts; and lunch sales. Revenue from lunch sales in the Student Nutrition Fund provides 44% of the total fund resources. Activity Fund resources are generated from co-curricular activities on District campuses and are used solely for the benefit of students. Gifts and donations recorded in the General Fund come primarily from the business community. The Mansfield Education Foundation, recorded in Grant Funds, provides donations each fall and spring semester to campuses based on project applications.



State Sources

House Bill (HB) 3 was passed by the 86th Texas Legislature, 2019, and signed into law by Governor Abbott on June 11, 2019.

Highlights of HB3 include:

- The new Basic Allotment is \$6,160 (up from \$5,140)
- Special Ed Allotment: The mainstream weight was increased to 1.15, which benefits all ISDs
- Dyslexia Allotment: Creates a brand new weight (0.10) for students identified as dyslexic
- Compensatory Ed Allotment: Funding will now be dispersed based on a spectrum of student needs
- Early Education Allotment: Creates a new weight of 0.1 for each educationally disadvantaged student in ADA in grades K-3, and weight of 0.1 for each student in a bilingual program; students can get both weights
- Career and Technology Allotment: Extends current weight (1.35) to grades 7-8
- Creates an allotment of \$50 for each student in attendance at a campus designated as a P-TECH school or at a campus that is a member of the New Tech Network
- Bilingual Education Allotment: Maintains current 0.10 weight for limited English proficient students in traditional bilingual and ESL programs
- Creates a new weight of 0.15 for limited English proficient students in programs using dual language immersion
- Creates a new weight of 0.05 for a student that is not limited English proficient in a dual language immersion program
- College, Career, or Military-Readiness Outcomes Bonus: Awards of bonus funds to districts for graduates that meet criteria in numbers that exceed a threshold rate to be set by the commissioner
Award amounts are \$5,000 for educationally disadvantaged
\$3,000 for those not educationally disadvantaged
\$2,000 for students enrolled in special education programs
- Teacher Incentive Allotment: For classroom teachers with a designation of “master,” “exemplary,” or “recognized,” based on a local appraisal system that qualifies, a district is entitled to an allotment of from \$3,000 to \$32,000, based on the designation and place of work of the teacher
Higher amounts are awarded for teachers at “high needs” or “rural” schools; at least 90% of the allotment must be used for compensation at the campus at which the teacher that earned the award is employed
- Mentor Program Allotment: The commissioner is authorized to establish a formula to distribute funds to support mentor teachers.

More information and term descriptions of state funding formulas are available from TEA at

http://tea.texas.gov/Finance_and_Grants/State_Funding/Manuals/School_Finance_Manuals/.



General Fund Federal Sources

The District recognizes as revenue the amounts contributed by the State of Texas to the Teacher Retirement System (TRS) on behalf of the District's employees. This amount is also recognized as expenditure. The State contributes 7.8% of all employees' eligible gross earnings except for those District employees subject to statutory minimum requirements and those employees being paid from and participating in federally funded programs. The statutory minimum requirements (locally funded portion) are based on the State teacher schedule and then adjusted based on local tax rates. The "On-Behalf" revenues equal state payments of matching teacher retirement paid for active members of the school district in accordance with GASB Statement No. 24.

The Instructional Materials Allotment (IMA) is provided by the state instructional materials fund to purchase materials such as textbooks, technological equipment, and technology related services. The IMA, which replaced the State Technology Allotment, is an annual resource for each student enrolled in the district during the preceding school year, and is based on the amount of money available in the state instructional materials fund. The allotment is transferred from the state instructional materials fund to the district's instructional materials account as provided by Senate Bill 6 - Section 31.0212.

The state funding formula provides for two types of debt service support – the Instructional Facility Allotment (IFA) and the Existing Debt Allotment (EDA). The IFA guarantees each school district a specified amount per student (the IFA Guaranteed Yield) in state and local funds for each cent of tax effort, to pay principal and interest on eligible bonds issued to construct, acquire, renovate or improve instructional facilities only. The EDA is provided for certain existing debt issued by school districts to produce a guaranteed yield (the EDA Yield), which for 2019-2020 is \$34.00 in state and local revenue per ADA (Average Daily Attendance) for each cent of debt service tax levy.

Federal Funds

Federal revenues include the Title I Part A-Improving Basic Program Grant, serving economically disadvantaged campuses; Title II Part A-Improving Teacher Quality, Title III-A, serving students with limited English proficiency, Vocational Ed and IDEA-B, serving students with disabilities. Federal revenue sources in the General Fund include indirect costs, which are a percentage of federal program revenues provided to offset administration expenditures; and E-Rate. The E-rate program was established in 1997 when the Federal Communications Commission (FCC) adopted a Universal Service Order implementing the Telecommunications Act of 1996. The order was designed to ensure that all eligible schools and libraries have affordable access to modern telecommunications and information services.

Revenue from the School Health and Related Services Program (SHARS) is comprised of reimbursements to the District for school-based health services, which are provided to special education students enrolled in the Medicaid Program. SHARS represents 46% of federal revenue sources in the General Fund.

The National School Lunch Program (NSLP), part of the U.S. Department of Agriculture (USDA), is a federally assisted meal program operating in public and nonprofit private schools, and residential childcare institutions. It provides nutritionally balanced, low-cost, or free lunches to children each school day. The program was established under the National School Lunch Act. Approximately 54% of the Student Nutrition Fund's revenues are provided by the NSLP.



Other Sources

Other Sources are budgeted at \$625,000 to account for oil and gas revenues from royalties due to the district from mineral rights owned by the school district.

Mansfield Independent School District Financial Statements

Summary of all Funds

Below is summary of all funds that are included in the budget each year. The General Fund, Debt Service Fund and Student Nutrition Fund are the only three funds that require board adoption (Operating Funds). The Capital Projects Fund and Federal Funds are included in this document for informational purposes. In 2016 the district changed fiscal years which caused a one-time significant increase to fund balance in the General Fund. The Capital Projects budget can vary greatly from year to year depending on the current status of construction throughout the district. These variations can cause significant changes in fund balance when comparing the budget to prior years.

ALL FUNDS For the Year Ended June 30, 2020

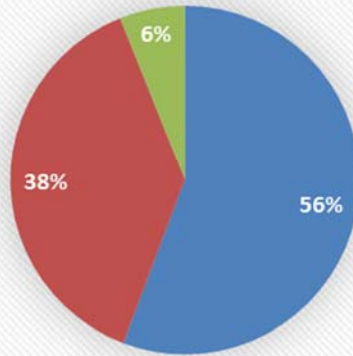
	General Fund	Debt Service Fund	Capital Projects Fund	Food Service Fund	Federal Funds	Total
Total revenues and Other Sources	\$ 307,950,032	\$ 72,865,846	\$ 198,041,846	\$ 17,502,231	\$ 9,716,423	\$ 606,076,378
Total Expenditures	\$ 307,591,688	\$ 58,300,809	\$ 198,041,846	\$ 18,024,276	\$ 9,716,423	\$ 591,675,072
Net change in fund balances	358,344	14,565,037		(522,045)		14,401,336
Beginning Fund Balance	\$ 88,287,979	\$ 33,244,467	\$ 29,770,045	\$ 1,229,052	\$ -	\$ 152,531,543
Ending Fund Balance	\$ 88,646,323	\$ 47,809,504	\$ 29,770,045	\$ 707,007	\$ -	\$ 166,932,879



Mansfield Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
All Funds by Object
For the Year Ended June 30, 2020

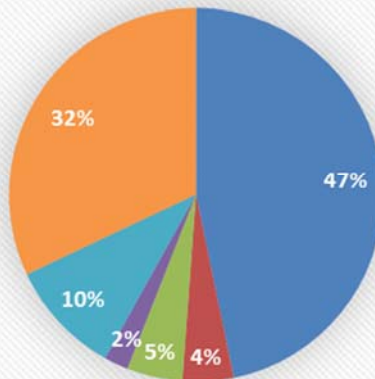
	General Fund	Debt Service Fund	Capital Projects Fund	Food Service Fund	Federal Funds	Total
Revenues						
Local and intermediate sources	\$ 147,143,871	\$ 72,865,846		\$ 7,066,933		\$ 227,076,650
State program revenues	155,574,161	-		86,500		155,660,661
Federal program revenues	4,682,000	-		10,273,798	9,716,423	24,672,221
Total revenues	\$ 307,400,032	\$ 72,865,846	\$ -	\$ 17,427,231	\$ 9,716,423	\$ 407,409,532
Expenditures						
Payroll Costs	\$ 261,511,154		\$ 790,756	\$ 6,590,973	\$ 7,770,514	\$ 276,663,397
Contracted Services	22,726,522		2,352,257	182,851	857,597	26,119,227
Supplies and Materials	16,274,536		1,119,709	10,419,574	681,225	28,495,044
Miscellaneous	5,325,878		6,680,635	56,525	333,565	12,396,603
Debt Service	348,136	58,300,809	18,402	-	-	58,667,347
Capital outlay	1,405,462		187,080,087	774,353	73,522	189,333,424
Total Expenditures	\$ 307,591,688	\$ 58,300,809	\$ 198,041,846	\$ 18,024,276	\$ 9,716,423	\$ 591,675,042
Excess (deficiency) of revenues over expenditures	(191,656)	14,565,037	(198,041,846)	(597,045)		(184,265,510)
Other Financing Sources (Uses)						
Capital related debt issue (regular bonds)	\$ -	\$ -	\$ 198,041,846	\$ -	\$ -	\$ 198,041,846
Sale of real or personal property	-	-	-	-	-	-
Premium or discount on issuance of bonds	-	-	-	-	-	-
Special Items - Oil and gas royalties		-	-	-	-	-
Other sources	550,000	-	-	75,000	-	625,000
Total other financing sources and uses	\$ 550,000	\$ -	\$ 198,041,846.00	\$ 75,000.00	\$ -	\$ 198,666,846
Net change in fund balances	358,344	14,565,037		(522,045)		14,401,336
Fund Balance - July 1 (Beginning)	\$ 88,287,979	\$ 33,244,467	\$ 29,770,045	\$ 1,229,052	\$ -	\$ 152,531,543
Fund Balance - June 30 (Ending)	\$ 88,646,323	\$ 47,809,504	\$ 29,770,045	\$ 707,007	\$ -	\$ 166,932,879

MISD Revenue All Funds



■ Local and intermediate sources ■ State program revenues
■ Federal program revenues

MISD Expenditures All Funds by Object



■ Payroll Costs ■ Contracted Services ■ Supplies and Materials
■ Miscellaneous ■ Debt Service ■ Capital outlay

Mansfield Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
All Funds by Function
For the Year Ended June 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Food Service Fund	Federal Funds	Total
Revenues						
Local and intermediate sources	\$ 147,143,871	\$ 72,865,846	\$ -	\$ 7,066,933	\$ -	\$ 227,076,650
State program revenues	155,574,161	-	-	86,500	-	155,660,661
Federal program revenues	4,682,000	-	-	10,273,798	9,716,423	24,672,221
Total Revenues	\$ 307,400,032	\$ 72,865,846	\$ -	\$ 17,427,231	\$ 9,716,423	\$ 407,409,532
Expenditures						
Instruction	\$ 188,278,316	\$ -	\$ -	\$ -	\$ 5,369,314	\$ 193,647,630
Instruction resources and media services	3,697,272	-	-	-	42,039	3,739,311
Curriculum and staff development	3,923,649	-	-	-	884,725	4,808,374
Instructional leadership	3,659,198	-	-	-	44,997	3,704,195
School leadership	18,813,219	-	-	-	23,074	18,836,293
Guidance, counseling and evaluation services	10,005,860	-	-	-	2,967,095	12,972,955
Social work services	-	-	-	-	5,039	5,039
Health services	4,528,610	-	-	-	3,640	4,532,250
Student transportation	12,590,691	-	-	-	-	12,590,691
Food services	-	-	-	17,761,977	-	17,761,977
Extracurricular activities	8,918,605	-	-	-	-	8,918,605
General administration	7,456,194	-	248,795	-	-	7,704,989
Facilities maintenance and operations	32,378,650	-	-	262,299	-	32,640,949
Security and monitoring services	6,494,366	-	-	-	-	6,494,366
Data processing services	4,932,226	-	-	-	-	4,932,226
Community services	328,872	-	-	-	246,535	575,407
Debt service:						
Principal on long-term debt	348,136	25,940,000	-	-	-	26,288,136
Interest on long-term debt	-	32,330,809	-	-	-	32,330,809
Bond issuance costs and fees	-	30,000	18,402	-	-	48,402
Capital Outlay:						
Facilities acquisition and construction	-	-	197,774,649	-	-	197,774,649
Intergovernmental:						
Payments related to shared services arrangements	-	-	-	-	130,000	130,000
Payments to Juvenile Justice Alt. Ed. Prgm.	25,000	-	-	-	-	25,000
Other intergovernmental charges	1,212,824	-	-	-	-	1,212,824
Total Expenditures	\$ 307,591,688	\$ 58,300,809	\$ 198,041,846	\$ 18,024,276	\$ 9,716,458	\$ 591,675,077
Excess (deficiency) of revenues over expenditures	(191,656)	14,565,037	(198,041,846)	(597,045)	(35)	(184,265,545)
Other Financing Sources (Uses)						
Capital related debt issue (regular bonds)	\$ -	\$ -	\$ 198,041,846	\$ -	\$ -	\$ 198,041,846
Sale of real or personal property	-	-	-	-	-	-
Premium or discount on issuance of bonds	-	-	-	-	-	-
Special Items - Oil and gas royalties	-	-	-	-	-	-
Other resources	550,000	-	-	75,000	-	625,000
Total other financing sources and uses	\$ 550,000	\$ -	\$ 198,041,846	\$ 75,000	\$ -	\$ 198,666,846
Net change in fund balances	358,344	14,565,037		(522,045)	(35)	14,401,336
Fund Balance - July 1 (Beginning)	\$ 88,287,979	\$ 33,244,467	\$ 29,770,045	\$ 1,229,052	\$ -	\$ 152,531,543
Fund Balance - June 30 (Ending)	\$ 88,646,323	\$ 47,809,504	\$ 29,770,045	\$ 707,007	\$ (35)	\$ 166,932,879

Mansfield Independent School District
Comparative Summary of Revenues, Expenditures, and
Changes in Fund Balance
All Funds by Function

	2015-16 Audited Actual	2016-2017 Audited Actual	2017-2018 Audited Actual	2018-2019 Amended	2019-2020 Adopted Budget	Change From Prior Year
Revenues						
Local and intermediate sources	\$ 168,754,019	\$ 183,543,177	\$ 208,476,784	\$ 221,088,499	\$ 227,076,650	\$ 5,988,151
State program revenues	147,334,794	150,024,291	149,470,323	141,848,269	155,660,661	\$ 13,812,392
Federal program revenues	21,478,525	20,975,651	25,424,732	24,085,047	24,672,221	\$ 587,174
Total revenues	\$ 337,567,338	\$ 354,543,119	\$ 383,371,839	\$ 387,021,815	\$ 407,409,532	\$ 20,387,717
Expenditures						
Instruction	\$ 153,816,952	\$ 175,407,862	\$ 180,483,536	\$ 183,919,682	\$ 193,647,595	\$ 9,727,913
Instruction resources and media services	3,158,395	3,729,389	3,722,105	3,651,957	3,739,311	87,354
Curriculum and staff development	2,842,276	3,474,229	3,790,831	4,738,762	4,808,374	69,612
Instructional leadership	2,716,648	3,252,536	3,795,189	3,879,727	3,704,195	(175,532)
School leadership	14,961,004	17,127,403	18,927,667	18,484,370	18,836,293	351,923
Guidance, counseling and evaluation services	10,443,775	11,529,912	12,303,112	12,259,746	12,972,955	713,209
Social work services	3,696	11,847	20,900	20,000	5,039	(14,961)
Health services	4,061,288	4,552,555	4,678,734	4,557,170	4,532,250	(24,920)
Student transportation	9,675,277	11,433,467	10,810,641	11,242,503	12,590,691	1,348,188
Food services	13,942,822	15,182,981	17,986,486	16,509,457	17,761,977	1,252,520
Extracurricular activities	8,443,906	8,447,870	9,818,380	8,882,586	8,918,605	36,019
General administration	5,610,319	6,608,987	7,131,557	7,124,672	7,704,989	580,317
Facilities maintenance and operations	24,903,289	30,717,886	29,735,327	30,686,950	32,640,949	1,953,999
Security and monitoring services	3,526,675	4,515,436	4,697,795	7,115,143	6,494,366	(620,777)
Data processing services	3,522,716	5,326,802	4,450,042	4,490,069	4,932,226	442,157
Community services	365,259	427,673	684,387	721,438	575,407	(146,031)
Debt service:						
Principal on long-term debt	22,755,000	23,070,000	30,083,086	23,745,000	26,288,136	2,543,136
Interest on long-term debt	16,651,273	34,851,549	32,653,069	33,384,847	32,330,809	(1,054,038)
Bond issuance costs and fees	505,364	370,107	711,385	208,886	48,402	(160,484)
Capital outlay:						
Facilities acquisition and construction	39,221,694	22,703,781	11,925,976	280,566,547	197,774,649	(82,791,898)
Intergovernmental:						
Payments related to shared services arrangements	70,579	177,654	139,000	150,000	130,000	(20,000)
Payments to Juvenile Justice Alt. Ed. Prgm.	10,707	129	25,000	25,000	25,000	
Other intergovernmental charges	761,482	981,185	1,061,991	1,176,484	1,212,824	36,340
Total Expenditures	\$ 341,970,396	\$ 383,901,240	\$ 389,636,196	\$ 657,540,996	\$ 591,675,042	\$ (65,865,954)
Other Financing Sources (Uses)						
Capital related debt issue (regular bonds)	\$ 45,275,000	\$ 32,760,000	\$ 50,000,000	\$ -	\$ 198,041,846	198,041,846
Sale of real or personal property	639,508	2,523,884	-	-	-	-
Proceeds from Capital Leases	586	-	-	-	-	-
Loan Proceeds	642,440					-
Transfers in	2,496	20,607,564	-	-	-	-
bonds	6,582,415	5,417,653	529,000	-	-	-
Special Items - Oil and gas royalties	185,344	396,356	438,085	650,000	550,000	(100,000)
Other resources (uses)	-	-	275,000,000	-	75,000	75,000
Transfers out	-	-	-	-	-	-
uses	\$ 53,327,789	\$ 61,705,457	\$ 325,967,085	\$ 650,000	\$ 198,666,846	\$ 198,016,846
Net change in fund balances	48,924,731	32,347,336	319,702,728	(269,869,181)	14,401,336	284,270,517
Fund Balance - July 1 (Beginning)	\$ 21,425,929	\$ 70,350,660	\$ 102,697,996	\$ 422,400,724	\$ 152,531,543	\$ (269,869,181)
Fund Balance - June 30 (Ending)	\$ 70,350,660	\$ 102,697,996	\$ 422,400,724	\$ 152,531,543	\$ 166,932,879	\$ 14,401,336

Mansfield Independent School District
Financial Forecast
All Funds by Object
For the Year Ending June 30, 2020

	2019-20	2020-21	2021-22	2022-23
Projected Revenues				
Local and Intermediate Sources	\$ 227,076,650	\$ 238,430,483	\$ 250,352,007	\$ 262,869,607
State Program Revenues	155,660,661	158,060,661	160,460,661	161,660,661
Federal Program Revenues	24,672,221	23,031,311	23,031,311	23,031,311
Other Sources	198,666,846	550,000	550,000	550,000
Total Revenues	\$ 606,076,378	\$ 420,072,455	\$ 434,393,979	\$ 448,111,579
Projected Expenditures				
Payroll Costs	\$ 276,663,397	\$ 282,196,665	\$ 287,840,598	\$ 293,597,410
Contracted Services	26,119,227	24,071,335	25,874,410	26,909,387
Supplies and Materials	28,495,044	22,897,729	33,763,057	35,113,580
Other Costs	12,396,603	5,415,525	6,125,767	6,370,798
Debt Service	58,667,347	58,123,574	58,123,574	58,123,574
Capital outlay	189,333,424	10,000,000	15,000,000	1,150,000
Other Uses				
Total Expenditures	\$ 591,675,042	\$ 402,704,828	\$ 426,727,407	\$ 421,264,749
Net change in fund balances	14,401,336	17,367,626	7,666,571	26,846,830
Fund Balance - July 1 (Beginning)	\$ 152,531,543	\$ 166,932,879	\$ 184,300,505	\$ 191,967,077
Fund Balance - June 30 (Ending)	\$ 166,932,879	\$ 184,300,505	\$ 191,967,077	\$ 218,813,907

Assumptions:

- (1) For Local Revenue a 5% per year increase was projected due to expected growth.
- (2) A 1% student growth each year was used to project state revenue
- (3) Salary increases typically range from 1% - 3%. To be conservative, a 2% increase per year was used.
- (4) Non payroll expenses will increase to accommodate growth. An increase of 2%-4% was used.
- (5) Federal funds were projected to stay the same from year to year.
- (6) Capital Outlay will remain high the next 3 years due to new bond and 3 new facilities.

General Fund

The general fund is a governmental fund with budgetary control used to record operating transactions of on-going organizations and activities from a variety of revenue sources. Fund balance is controlled by and retained for the use of the District. The fund includes transactions from local maintenance taxes; foundation entitlements; interest income; and other miscellaneous local state and federal revenues. Change in local revenue from prior year is a reflection of increased property values and enrollment growth. State revenue drops when local revenue increases and is reflected below when comparing to previous year. In 2016 the district changed fiscal years which caused a one-time significant increase to fund balance.

There is no significant change in fund balance for the current year. The district does not have a formal fund balance policy but strives to maintain 3 months of operating expense in fund balance. Future growth of the district as well as responsible use of district funds will help to address any temporary declines in fund balance and maintain the 3 month policy. Fund balance surplus will be used in future years to help fund the start up costs of new campuses needed for growth.

Mansfield Independent School District Comparative Summary of Revenues, Expenditures, and Changes in Fund Balance General Fund by Major Object For The Year Ending June 30, 2020

	2015-16 Audited Actual	2016-17 Audited Actual	2017-18 Audited Actual	2018-2019 Amended Budget	2019-20 Adopted Budget	Change From Prior Year
Revenues						
Local and Intermediate Sources	\$ 112,728,393	\$ 122,642,329	\$ 136,876,895	\$ 147,726,125	\$ 147,143,871	\$ (582,254)
State Program Revenues	141,884,155	145,973,061	148,276,608	141,763,269	155,574,161	13,810,892
Federal Program Revenues	5,381,311	5,316,434	3,916,730	6,200,000	4,682,000	(1,518,000)
Total Revenues	\$ 259,993,859	\$ 273,931,824	\$ 289,070,233	\$ 295,689,394	\$ 307,400,032	\$ 11,710,638
Expenditures						
Payroll Costs	\$ 205,893,074	\$ 238,026,673	\$ 246,382,288	\$ 251,456,204	\$ 261,511,154	\$ 10,054,950
Contracted Services	18,210,639	19,792,679	18,040,756	22,519,653	22,726,522	206,869
Supplies and Materials	8,436,469	13,648,612	11,107,416	13,056,712	16,274,536	3,217,824
Miscellaneous	3,887,127	3,896,789	4,242,754	5,202,380	5,325,878	123,498
Debt Service	-	1,959,369	2,004,288	340,609	348,136	7,527
Capital outlay	3,061,983	3,363,762	2,048,262	4,530,751	1,405,462	(3,125,289)
Total Expenditures	\$ 239,489,292	\$ 280,687,884	\$ 283,825,764	\$ 297,106,309	\$ 307,591,688	10,485,379
Other Sources (Uses)						
Other Sources	1,445,865	2,929,115	1,111,942	650,000	550,000	(100,000)
Payments to Tax Increment Fund	-	-	-	-	-	-
Other Uses	-	(20,602,500)	-	(68,600)	-	68,600
Net Sources (Uses)	\$ 1,445,865	\$ (17,673,385)	\$ 1,111,942	\$ 581,400	\$ 550,000	\$ (31,400)
Net change in fund balances	21,950,432	(24,429,445)	6,356,411	(835,515)	358,344	
Fund Balance - July 1 (Beginning)	\$ 85,177,665	\$ 107,128,097	\$ 82,698,652	\$ 89,055,063	\$ 88,219,548	
Fund Balance - June 30 (Ending)	\$ 107,128,097	\$ 82,698,652	\$ 89,055,063	\$ 88,219,548	\$ 88,577,892	

**Mansfield Independent School District
Comparative Summary of Revenues, Expenditures, and
Changes in Fund Balance
General Fund by Function
For The Year Ending June 30, 2020**

	2015-16 Audited Actual	2016-17 Audited Actual	2017-18 Audited Actual	2018-2019 Amended Budget	2019-20 Adopted Budget	Change From Prior Year
Revenues						
Local and Intermediate Sources	\$ 112,728,393	\$ 122,642,329	\$ 136,876,895	\$ 147,726,125	\$ 147,143,871	\$ (582,254)
State Program Revenues	141,884,155	145,973,061	148,276,608	141,763,269	155,574,161	\$ 13,810,892
Federal Program Revenues	5,381,311	5,316,434	3,916,730	6,200,000	4,682,000	\$ (1,518,000)
Total Revenues	\$ 259,993,859	\$ 273,931,824	\$ 289,070,233	\$ 295,689,394	\$ 307,400,032	\$ 11,710,638
Expenditures						
Instruction	\$ 148,146,726	\$ 170,954,737	\$ 173,241,131	\$ 177,047,392	\$ 188,278,316	\$ 11,230,924
Instruction resources and media services	3,135,218	3,707,892	3,591,588	3,672,151	3,697,272	25,121
Curriculum and staff development	2,323,313	2,996,548	2,909,400	4,089,350	3,923,649	(165,701)
Instructional leadership	2,676,563	3,173,935	3,544,972	3,856,671	3,659,198	(197,473)
School leadership	14,924,193	17,097,930	18,721,038	18,425,589	18,813,219	387,630
Guidance, counseling and evaluation services	7,886,629	8,771,047	9,382,190	9,568,481	10,005,860	437,379
Social work services	-	-	-	-	-	-
Health services	4,054,688	4,500,806	4,537,333	4,506,689	4,528,610	21,921
Student transportation	9,628,137	11,421,574	10,137,531	12,889,910	12,590,691	(299,219)
Food services	-	66,545	4,276	46,000	-	(46,000)
Extracurricular activities	8,443,906	8,447,870	9,676,715	9,939,852	8,918,605	(1,021,247)
General administration	5,610,319	6,608,987	6,733,201	7,007,055	7,456,194	449,139
Facilities maintenance and operations	24,638,538	29,764,813	29,220,135	31,310,672	32,378,650	1,067,978
Security and monitoring services	3,526,675	4,512,032	4,529,498	7,442,040	6,494,366	(947,674)
Data processing services	3,522,716	5,326,802	4,204,508	4,832,694	4,932,226	99,532
Community services	199,482	219,747	326,576	485,082	328,872	(156,210)
Debt service:						
Principal on long-term debt	-	1,959,369	1,982,460	340,608	348,136	7,528
Interest on long-term debt	-	-	21,828	-	-	-
Bond issuance costs and fees	-	-	-	-	-	-
Capital outlay:	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	472,073	-	(472,073)
Intergovernmental:	-	107,376	-	-	-	-
Payments related to shared services arrangements	-	68,560	-	-	-	-
Payments to Juvenile Justice Alt. Ed. Prgm.	10,707	129	-	25,000	25,000	-
Other intergovernmental charges	761,482	981,185	1,061,384	1,149,000	1,212,824	63,824
Total Expenditures	\$ 239,489,292	\$ 280,687,884	\$ 283,825,764	\$ 297,106,309	\$ 307,591,688	\$ 10,485,379
Other Sources (Uses)						
Contracted instructional services between schools	-	-	-	-	-	-
Incremental costs related to WADA	-	-	-	-	-	-
Other Sources	1,445,865	2,929,115	1,111,942	650,000	550,000	(100,000)
Transfers In (out)				(25,000)		
Payments to tax increment fund	-	-	-	-	-	-
Other Uses	-	(20,602,500)	-	(43,600)	-	43,600
Net Sources (Uses)	\$ 1,445,865	\$ (17,673,385)	\$ 1,111,942	\$ 581,400	\$ 550,000	\$ (31,400)
Net change in fund balances	21,950,432	(24,429,445)	6,356,411	(835,515)	358,344	
Fund Balance - July 1 (Beginning)	\$ 85,177,665	\$ 107,128,097	\$ 82,698,652	\$ 89,055,063	\$ 88,219,548	
Fund Balance - June 30 (Ending)	\$ 107,128,097	\$ 82,698,652	\$ 89,055,063	\$ 88,219,548	\$ 88,577,892	

**Mansfield Independent School District
Financial Forecast for General Fund**

	2019-20	2020-21	2021-22	2022-23
<u>Projected Revenues</u>				
Local and intermediate sources	\$ 147,143,871	\$ 151,558,187	\$ 156,104,933	\$ 160,788,081
State program revenues	155,574,161	159,174,161	162,774,161	165,174,161
Federal program revenues	4,682,000	3,650,000	3,650,000	3,650,000
Other Sources	550,000	550,000	550,000	550,000
Total Revenues	\$ 307,950,032	\$ 314,932,348	\$ 322,529,094	\$ 329,612,242
<u>Projected Expenditures</u>				
Payroll Costs	\$ 261,511,154	\$ 266,741,377	\$ 272,076,205	\$ 277,517,729
Contracted Services	22,726,522	23,635,583	24,581,006	25,564,246
Supplies and Materials	16,274,536	16,925,517	17,602,538	18,306,640
Other Costs	5,325,878	5,485,654	5,650,224	5,819,731
Debt Service	348,136	-	-	-
Capital outlay	1,405,462	1,461,680	1,520,148	1,580,954
Other Uses				
Total Expenditures	\$ 307,591,688	\$ 314,249,812	\$ 321,430,121	\$ 328,789,299
Net change in fund balances	\$ 358,344	682,536	1,098,973	822,943
Fund Balance - July 1 (Beginning)	\$ 88,219,548	\$ 88,577,892	\$ 89,260,428	\$ 90,359,401
Fund Balance - June 30 (Ending)	\$ 88,577,892	\$ 89,260,428	\$ 90,359,401	\$ 91,182,344

Assumptions:

- (1) For Local Revenue a 3% per year increase was projected due to expected growth.
- (2) A 1% student growth each year was used to project state revenue
- (3) Salary increases typically range from 1% - 3%. To be conservative, a 2% increase per year was used.
- (4) Non payroll expenses will increase to accommodate growth. An increase of 2%-4% was used.

Student Nutrition Fund

The Student Nutrition Fund (National School Lunch Program) is used exclusively for child nutrition purposes, utilizing the modified accrual basis of accounting. A separate bank account is maintained for this budgeted fund, and it is considered a special revenue fund based on the following criteria: (1) User fees are charged to supplement the National School Lunch Program (NSLP), and (2) The General Fund subsidizes the Student Nutrition Program for all expenditures in excess of NSLP, and (3) The District does not consider the Student Nutrition Program completely self-supporting.

Mansfield Independent School District Comparative Summary of Revenues, Expenditures, and Changes in Fund Balance Student Nutrition Fund By Major Object For The Year Ending June 30, 2020

	2015-16 Audited Actual	2016-17 Audited Actual	2017-18 Audited Actual	2018-19 Amended Budget	2019-20 Adopted Budget	Change From Prior Year
Revenues						
Local and intermediate sources	\$ 6,375,503	\$ 6,687,811	\$ 6,741,601	\$ 6,770,000	\$ 7,066,933	\$ 296,933
State program revenues	85,255	83,797	91,861	85,000	86,500	1,500
Federal Revenues	6,814,904	7,369,154	9,480,551	9,670,000	10,273,798	603,798
Total Revenues	\$ 13,275,662	\$ 14,140,762	\$ 16,314,013	\$ 16,525,000	\$ 17,427,231	902,231
Expenditures						
Payroll Costs	5,170,455	6,084,804	6,167,759	6,128,703	6,590,973	462,270
Contracted Services	672,057	222,059	210,732	165,720	182,851	17,131
Supplies and Materials	7,889,126	8,856,465	8,730,983	9,712,802	10,419,574	706,772
Other Costs	43,572	56,840	40,243	56,207	56,525	318
Capital outlay	287,360	45,197	472,314	894,573	774,353	(120,220)
Other Uses						
Total Expenditures	\$ 14,062,570	\$ 15,265,365	\$ 15,622,031	\$ 16,958,005	\$ 18,024,276	\$ 1,066,271
Other sources	24,510	9,688	47,434	-	75,000	75,000
Other uses	-	-	-	-	-	-
Total other sources/(uses)	\$ 24,510	\$ 9,688	\$ 47,434	\$ -	\$ 75,000	\$ 75,000
Net change in fund balances	(762,398)	(1,114,915)	739,416	(433,005)	(522,045)	
Fund Balance - July 1 (Beginning)	\$ 2,799,954	\$ 2,037,556	\$ 922,641	\$ 1,662,057	\$ 1,229,052	
Fund Balance - June 30 (Ending)	\$ 2,037,556	\$ 922,641	\$ 1,662,057	\$ 1,229,052	\$ 707,007	

**Mansfield Independent School District
Financial Forecast
Student Nutrition Fund**

	2019-20	2020-21	2021-22	2022-23
<u>Projected Revenues</u>				
Local and Intermediate Sources	\$ 7,066,933	\$ 7,278,941	\$ 7,424,520	\$ 7,498,765
State Program Revenues	86,500	89,095	90,877	91,786
Federal Program Revenues	10,273,798	10,582,012	10,793,652	10,901,589
Other Sources	75,000	75,000	75,000	75,000
Total Revenues	<u>\$ 17,502,231</u>	<u>\$ 18,025,048</u>	<u>\$ 18,384,049</u>	<u>\$ 18,567,139</u>
<u>Projected Expenditures</u>				
Payroll Costs	\$ 6,590,973	\$ 6,722,792	\$ 6,857,248	\$ 6,994,393
Contracted Services	182,851	184,680	186,526	188,392
Supplies and Materials	10,419,574	10,523,770	10,629,007	10,735,298
Other Costs	56,525	58,221	59,967	61,766
Capital outlay	774,353	789,840	805,637	821,750
Total Expenditures	<u>\$ 18,024,276</u>	<u>\$ 18,279,303</u>	<u>\$ 18,538,386</u>	<u>\$ 18,801,598</u>
Net change in fund balances	(522,045)	(254,255)	(154,337)	(234,459)
Fund Balance - July 1 (Beginning)	<u>\$ 1,229,052</u>	<u>\$ 707,007</u>	<u>\$ 452,752</u>	<u>\$ 298,415</u>
Fund Balance - June 30 (Ending)	<u>\$ 707,007</u>	<u>\$ 452,752</u>	<u>\$ 298,415</u>	<u>\$ 63,956</u>

Assumptions:

- (1) For Local Revenue a 1%-3% per year increase was projected due to expected student growth.
- (2) A 1%-3% increase in meals being reimbursed by federal funds due to 1%-3% student growth was used
- (3) Salary increases typically range from 1% - 3%. To be conservative a 2% increase per year was used.
- (4) Non payroll expenses will increase to accommodate growth. An increase of 1%-3% was used.

Debt Service Fund

Mansfield Independent School District

A school district is authorized to issue bonds and levy taxes for payment of bonds subject to voter approval of a proposition submitted to the voters under Texas Education Code (TEC) 45.003(b)(1), as amended, which provides for a tax unlimited as to rate or amount for the support of school district bonded indebtedness. A debt service fund is a governmental fund, with budgetary control, that is used to account for general long-term debt principal and interest for debt issues and other long-term debts for which a tax is dedicated. This fund maintains a separate bank account and utilizes the modified accrual basis of accounting. Principal and interest payments for operating indebtedness, including warrants, notes, and short-term lease-purchase agreements, are made from the fund for which the debt was incurred.

Debt Policy

Before issuing bonds, the District must demonstrate to the Texas Attorney General that it has the prospective ability to pay debt service on a proposed issue of bonds, together with debt service on other outstanding "new debt" of the district, from a tax levied at a rate of \$0.50 per \$100 of assessed valuation. Taxes levied to pay debt service on bonds approved by district voters at an election held on or before April 1, 1991, and issued before September 1, 1992, (or debt issued to refund such bonds) are not subject to the threshold tax rate test. In addition, taxes levied to pay refunding bonds issued pursuant to Texas Government Code Chapter 1207 are not subject to the \$0.50 tax rate test; however, taxes levied to pay debt service on such bonds are included in the calculation of the \$0.50 tax rate test as applied to subsequent issues of "new debt." TEC 45.003(1)

A district may demonstrate its ability to comply with the \$0.50 threshold tax rate test by applying the \$0.50 tax rate to an amount equal to 90% of projected future taxable value of property in the district, as certified by a registered professional appraiser, anticipated for the earlier of the tax year five years after the current tax year or the tax year in which the final payment for the bonds is due. However, if a district uses projected future taxable values to meet the \$0.50 threshold tax rate test and subsequently imposes a tax rate greater than \$0.50 per \$100 of valuation to pay for bonds subject to the test, then for subsequent bond issues, the Attorney General must find that the district has the projected ability to pay principal and interest on the proposed bonds and all previously issued bonds subject to the \$0.50 threshold tax rate test from a tax rate of \$0.45 per \$100 of valuation. The District has not used projected property values to satisfy this threshold test.

Debt Limits

Debt service is a major area of cost due to the District's building program, primarily financed by the sale of general obligation bonds issued as 5-30 year current interest bonds, and term bonds. Principal and interest payments are due in February or August each year, which permits the collection of a large majority of taxes levied before the long-term debt payments are due. 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.

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, 2019, \$46,467,986 was available in the Debt Service Fund to service these bonds.

Mansfield Independent School District Ratio of Net General Obligation Bonded Debt Outstanding Last Ten Fiscal Years

<u>Fiscal Year Ended 6/30:</u>	<u>General Obligation Bonds (1)</u>	<u>Less Amounts Available in Debt Service Fund (4)</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value (2)</u>	<u>Net Bonded Debt Per Student (3)</u>
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 Legal Debt Margin Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 1,400,230,439	\$ 1,293,719,969	\$ 1,161,164,762	\$ 1,054,325,702	\$ 1,027,312,726
Total Net Debt Applicable to Limit	<u>740,480,533</u>	<u>716,930,533</u>	<u>778,217,771</u>	<u>739,146,223</u>	<u>778,513,279</u>
Legal Debt Margin	<u>\$ 659,749,906</u>	<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	52.88%	55.42%	67.02%	70.11%	75.78%

Legal Debt Margin Calculation for Fiscal Year 2019:

Assessed Value (2)	\$ 14,002,304,390
Debt Limit Percentage of Assessed Value	10%
Debt Limitation	<u>1,400,230,439</u>
Debt Applicable to Debt Limitation:	
Total Bonded Debt	\$ 773,725,000
Less Restricted for Retirement of Bonded Debt (3)	<u>33,244,467</u>
Total Amount of Debt Applicable to Debt Limitation	<u>740,480,533</u>
	<u>\$ 659,749,906</u>

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

Ratings

The Series 2014 Bonds have been rated “AAA” by Standard & Poor’s Rating Services (S&P) and “Aaa” by Moody’s Investors Service (Moody’s), based upon the guarantee of the Bonds by the Texas Permanent School Fund (PSF) Guarantee Program. Outstanding bonds of the District that are not credit enhanced by either a municipal bond insurance policy or the Permanent School Fund Guarantee are presently assigned ratings of “AA” by S&P and “Aa1” by Moody’s.

The significance of bond ratings is available from Moody’s and S&P, and reflect only the view of these rating services. The District makes no representation as to the appropriateness of such ratings. Further, there is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdraw entirely, if in the sole judgment of Moody’s and S&P, circumstances so warrant. Any such downward revisions or withdrawal of the ratings may have an adverse effect on the trading value and the market price of the bonds.

**Mansfield Independent School District
OPEB (Other Post-Employment Benefit) Liability**

At June 30, 2019, the District reported a liability of \$128,466,438 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 Liability	\$ 128,466,438
State's proportionate share that is associated with employer	<u>191,668,330</u>
	\$ 320,134,768

The Net OPEB Liability was measured as of June 30, 2019 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 July 1, 2018 thru June 30, 2019.

At June 30, 2019 the employer's proportion of the collective Net OPEB Liability was 0.2573% which was an increase of .0157 from June 30, 2018.



**Mansfield Independent School District
Comparative Summary of Revenues, Expenditures, and
Changes in Fund Balance
Debt Service Fund**

	2015-16 Audited Actual	2016-17 Audited Actual	2017-18 Audited Actual	Amended Budget	2019-20 Adopted Budget	From Prior Year
Revenues						
Local and intermediate sources	\$ 49,528,952	\$ 53,982,207	\$ 478,670	\$ 68,157,968	\$ 72,865,846	\$ 4,707,878
State program revenues	5,360,425	3,923,721	-	-	-	-
Total revenues	\$ 54,889,377	\$ 57,905,928	\$ 478,670	\$ 68,157,968	\$ 72,865,846	\$ 4,707,878
Expenditures						
Principal on long-term debt	22,755,000	23,070,000	-	23,745,000	25,940,000	2,195,000
Interest on long-term debt	16,651,273	32,892,179	16,020,136	33,384,847	32,330,809	(1,054,038)
Bond issuance costs and fees	505,363	370,107	291,037	200,000	30,000	(170,000)
Total Expenditures	\$ 39,911,636	\$ 56,332,286	\$ 16,311,173	\$ 57,329,847	\$ 58,300,809	\$ 970,962
Other sources	\$ 51,857,414	\$ 38,177,652	\$ 50,293,313	\$ -	\$ -	\$ -
Other uses	(51,373,099)	(37,821,253)	(50,000,000)			
Total Other sources/(uses)	\$ 484,315	\$ 356,399	\$ 293,313	\$ -	\$ -	\$ -
Net change in fund balances	15,462,056	1,930,041	(15,539,190)	10,828,121	14,565,037	
Fund Balance - July 1 (Beginning)	\$ 20,563,439	\$ 36,025,495	\$ 37,955,536	\$ 22,416,346	\$ 33,244,467	
Fund Balance - June 30 (Ending)	\$ 36,025,495	\$ 37,955,536	\$ 22,416,346	\$ 33,244,467	\$ 47,809,504	



Mansfield Independent School District Financial Forecast for the Debt Service Fund

	2019-20	2020-21	2021-22	2022-23
Projected Revenues				
Local and Intermediate Sources	\$ 68,839,548	\$ 69,527,943	\$ 70,223,223	\$ 70,925,455
State Program Revenues	-	-	-	-
Total Revenues	\$ 68,839,548	\$ 69,527,943	\$ 70,223,223	\$ 70,925,455
Projected Expenditures				
Debt Administration- Principal	25940000	25940000	28200000	31635000
Debt Administration- Interest	32330809	32330809	31096949	30856861
Debt Administration - Fees	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
Total Expenditures	\$ 58,480,809	\$ 58,480,809	\$ 59,506,949	\$ 62,701,861
Net change in fund balances	10,358,739	11,047,134	10,716,274	8,223,594
Fund Balance - July 1 (Beginning)	33,244,467	43,603,206	54,650,340	65,366,613
Fund Balance - June 30 (Ending)	\$ 43,603,206	\$ 54,650,340	65,366,613	73,590,207

Assumptions:

(1) For Local Revenue a 1% per year increase was projected due to expected growth.

(2) Payments and interest are based on the district's payment schedules



**Mansfield Independent School District
Outstanding Bond Amortization
Next Ten Fiscal Years**

Year Ending	Beginning Principal Balance	FY Principal Paymnts	FY Interest Payments	Ending Principal Balance
6/30/2020	726,430,000	25,940,000	32,330,809	700,490,000
6/30/2021	700,490,000	28,200,000	31,096,949	672,290,000
6/30/2022	672,290,000	31,635,000	30,856,861	640,655,000
6/30/2023	640,655,000	33,340,000	30,456,524	607,315,000
6/30/2024	607,315,000	35,980,000	28,900,819	571,335,000
6/30/2025	571,335,000	37,850,000	27,234,294	533,485,000
6/30/2026	533,485,000	39,960,000	25,483,444	493,525,000
6/30/2027	493,525,000	43,010,000	23,604,694	450,515,000
6/30/2028	450,515,000	40,790,000	21,616,294	409,725,000
6/30/2029	409,725,000	41,815,000	19,783,144	367,910,000



Capital Projects

Introduction

A capital projects funds is a governmental fund that must be used to account, on a project basis, for projects financed by the proceeds from bond issues or other resources to be used for Board authorized acquisition, construction or renovation, as well as furnishing and equipping of major capital facilities. The capital projects fund utilizes the modified accrual basis of accounting. Capital expenditure funds are spent for the acquisition of long-term assets.

The following is a description of the District's capital improvement plan, which includes budgeted capital expenditures as well as summary descriptions of capital improvement projects. Current works-in-progress will be described, including all planned expenditures for the 2019-2020 budget year, plus a brief narrative will be provided for each project.

The District defines capital expenditures and projects as follows:

- Capital Expenditures – Total charges incurred for the acquisition of a capital asset such as land, buildings, equipment, or permanent improvements to such items. The item must cost \$5,000 minimum per unit and have a useful life of one year or more to be considered a capital asset.
- Capital Project - An activity that is distinguishable from other tasks or work being performed, has a scheduled and definitive beginning and ending, does not occur routinely or annually, and results in a capital improvement or acquisition of some kind.
- Capital Budget Development – Mansfield ISD utilizes large, comprehensive bond programs to address facility and technology needs. As a part of the bond election process, the District works with an architect firm to develop a framework of projects to be addressed. These projects are determined through staff and architect firm analysis as well as input from the community. A framework is developed to determine a schedule for completion. Once the projects are identified, specific budgets are established on a project basis. Capital Projects are recording in 600 funds based on the bond election year. For example, the 2011 bond projects are coded to fund 611 and the 2017 bond projects are coded to fund 617.

History

Since 2000, Mansfield ISD residents voted in support of six different bond packages for the district. The voters of Mansfield ISD have authorized over \$940.9 million in general obligation bonds. MISD has a history of funding growth and capital improvements through bond issuance and has experience successfully delivering its bond projects as promised to the voters – on time and on budget.

The most recent election held May 6, 2017 passed for \$275 million and allowed for improvement to all 42 campuses, including, building a new elementary school, a new intermediate school, and a new middle school.

2011 Bond Election

District voters approved a \$198,530,000 bond package in November 2011. Projects include replacement of older campuses, renovations, technology improvements, safety and security, and many other projects identified through the District facility condition assessment. Currently the district has rebuilt Tarver Rendon Elementary School, J.L. Boren Elementary School, Alice Ponder Elementary School, Glenn Harmon Elementary School and Charlotte Anderson Elementary which will open in August 2017. Wireless internet has been installed at all campuses and departments, security cameras and keyless entry updates have been completed at all campuses and departments as well as secure entry vestibules on each campus.

The status of the 2011 bond referendum is as follows:

Bond Proceeds	
<u>Disposition of Authorized Bonds</u>	
<u>Bonds Sold:</u>	
December 15, 2011	\$ 45,645,000
February 15, 2012	\$ 5,000,000
September 1, 2013	\$ 49,355,000
December 1, 2014	\$ 50,000,000
August 20, 2015	<u>\$ 48,530,000</u>
Total	\$198,530,000

Bonds authorized as part of the 2011 program were originally scheduled for sale through the 2014 fiscal year. The last sale of bonds was postponed to take advantage of better market rates.

Mansfield ISD
2011 Bond Referendum Expenditures
Total Authorized - \$198,530,000

District Projects	11-12 FY Activity	12-13 FY Activity	13-14 FY Activity	14-15 FY Activity	15-16 FY Activity	16-17 FY Activity	17-18 FY Activity	18-19 FY Activity	19-20 FY Budget	All Years Total	Expected Completion Date
New Schools:											
Tarver Rendon ES - Replacement	\$ 3,152,834	12,326,245	1,027,766	2,036	4,710	-	-	-	-	16,513,591	Complete
JL Boren ES - Replacement	294,980	752,751	10,978,201	3,348,390	3,272	-	-	-	-	15,377,594	Complete
Alice Ponder ES - Replacement	297,204	741,403	9,967,319	4,366,216	3,002	-	-	-	-	15,375,144	Complete
Glenn Harmon ES - Replacement	10,515	308,582	316,524	4,031,849	12,485,414	662,893	-	-	-	17,815,777	Complete
Charlotte Anderson ES - Replacement	10,019	2,605	-	601,608	303,523	14,961,485	2,228,685	16,372	-	18,124,297	Complete
Sub-Total	3,765,552	14,131,586	22,289,810	12,350,099	12,799,921	15,624,378	2,228,685	16,372	-	83,206,403	
Support Facilities:											
Playground Irrigation	635,978	79,044	748	-	-	-	-	-	-	715,770	Complete
Wireless Systems (DW)	1,773,872	1,276,739	718,146	481,144	-	-	-	-	-	4,249,901	Complete
Security System (DW)	2,567,249	1,510,059	3,122,783	576,412	1,126	-	-	-	-	7,777,629	Complete
ADA Canopies	8,516	130,007	512,466	11,620	-	-	-	-	-	662,609	Complete
Power Factor Correction	-	-	-	425,463	-	787	-	-	-	426,250	Complete
Package 1 Renovations (4 schools)	494,129	6,212,000	20,000,670	919,779	95,921	137,257	-	-	-	27,859,756	Complete
Package 2 Renovations (2 Schools)	1,197,521	958,983	10,225,033	5,805,023	987,326	170,243	-	-	-	19,344,129	Complete
Package 3 Renovations (2 schools)	-	202,466	56,424	3,133,217	5,359,126	1,059,209	185,637	7,961	-	10,004,040	Complete
Wave 1 Renovations (16 schools)	4,125	616,755	2,614,537	13,394,282	5,513,062	1,710,690	232,811	-	-	24,086,262	Complete
Wave 2 Renovations (16 schools)	-	138,516	50,594	507,727	2,264,719	455,558	-	-	-	3,417,114	Complete
Pkg 2B Addtl Irrigation/Landscape	-	-	-	-	34,521	180,286	419,511	976	-	635,294	Complete
Judy K Miller ES - FFE	-	-	-	-	-	-	245,944	9	-	245,953	Complete
Old Tarver Rendon ES Demolition	-	-	-	-	-	-	135,105	5,480	-	140,585	Complete
BBCTA Renovations	-	-	-	-	-	-	106,434	2,015,406	286,665	2,408,505	December 2019
Jandrucko Academy for Early Learners	-	-	-	-	-	-	1,408,052	1,304,021	953	2,713,026	December 2019
Ball Field Restoration	-	-	-	-	-	164,990	-	-	-	164,990	Complete
Sub-Total	6,681,390	11,124,569	37,301,401	25,254,665	14,255,801	3,879,020	2,733,494	3,333,853	287,618	104,851,811	
Support Costs	1,153,780	1,526,240	3,006,202	2,912,329	1,292,557	178,321	27,146	2,292	3,200	10,102,067	
Interest Income	(81,213)	(250,085)	(48,521)	(34,987)	(90,120)	(184,822)	(182,921)	(132,541)	-	(1,005,210)	
TOTALS	\$ 11,519,509	26,532,310	62,548,892	40,482,106	28,258,159	19,496,897	4,806,404	3,219,976	290,818	197,155,071	

Fund 698 Local Construction

On November 15, 2016, the Board approved the expenditure for the Jerry Knight STEM Academy and the Dr. Sarah Jandrucko Academy for Early Learners to support Vision 2020. The purpose of the STEM Academy is to give parents and students a voice and choice to explore, create, and innovate. The purpose of the Academy for Early Learners is to improve the school readiness of young children using creative, hands-on, interactive experiences within a researched based early childhood program.

Mansfield ISD
Fund 698 Local Construction Project
Total Authorized - \$20,589,000

District Projects	16-17 FY Activity	17-18 FY Activity	18-19 FY Activity	19-20 FY Budget	All Years Total	Expected Completion Date
Jerry Knight STEM Academy - Renovation	\$ 2,358,106	2,389,383	4,866	-	4,752,355	Complete
Dr. Sarah Jandrucko Academy for Early Learners	437,563	9,457,600	5,811,202	130,280	15,836,645	December 2019
TOTALS	\$ 2,795,669	11,846,983	5,816,068	130,280	20,589,000	

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

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

Safety & Security: \$10,050,000

Infrastructure Improvements: \$54,250,000

The status of the 2017 bond referendum is as follows:

Bond Proceeds	
<u>Disposition of Authorized Bonds</u>	
<u>Bonds Sold:</u>	
August 16, 2017	\$ 43,985,000
February 21, 2019	<u>\$ 47,295,000</u>
Total	\$ 91,280,000

Mansfield ISD
2017 Bond Referendum Expenditures
Total Authorized - \$275,000,000

District Projects	17-18 FY Activity	18-19 FY Activity	19-20 FY Budget	All Years Total	Expected Completion Date
<u>New Schools:</u>					
Charlene McKinzey Middle School	\$ 2,242,226	10,498,382	48,808,160	61,548,768	July 2020
Brenda Norwood Elementary School	1,163,068	3,968,097	27,380,293	32,511,458	July 2020
Alma Martinez Intermediate School	1,980,556	5,527,764	39,255,136	46,763,456	July 2020
Sub-Total	5,385,850	19,994,243	115,443,589	140,823,682	
<u>Support Facilities:</u>					
Elementary Schools (23 schools)	536,559	7,355,842	7,433,606	15,326,007	May 2021
Intermediate Schools (6 schools)	166,541	1,804,121	6,619,741	8,590,403	May 2021
Middle Schools (6 schools)	510,900	1,865,067	23,697,576	26,073,543	October 2020
High Schools (7 schools)	3,307,496	35,865,439	30,818,124	69,991,059	April 2021
District Facilities (Transportation)	-	-	58,190	58,190	November 2021
Newsome Stadium and Natatorium	88,176	1,396,274	1,269,631	2,754,081	August 2021
Facilities	213,645	565,439	2,661,932	3,441,016	November 2021
Sub- Total	4,823,317	48,852,182	72,558,800	126,234,299	
Support Costs	1,756,127	1,155,621	6,786,310	6,786,310	
Interest Income	(641,755)	(1,114,284)	-	-	
TOTALS	\$ 11,323,539	68,887,762	194,788,699	273,844,291	



Construction

The District was obligated at June 30, 2019, 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:

COMMITMENTS			
Project	Approved Construction Budget	Construction in Progress	Estimated Remaining Commitment
Sarah Jandrucko Academy	\$ 18,736,110	\$ 18,470,242	\$ 265,868
BBCTA Renovations	2,200,000	2,123,801	76,199
Elementary Playgrounds and Security	15,991,793	8,035,317	7,956,476
Intermediate Playgrounds & Security	8,874,820	2,010,331	6,864,489
Middle Renovation & Security	26,020,020	2,461,737	23,558,283
High, BBIA, & Phoniex	70,496,007	39,961,116	30,534,891
Newsome and Natatorium	2,770,906	1,509,771	1,261,135
Admin, Facilities	2,978,541	812,851	2,165,690
New Brenda Norwood EL	28,569,496	5,323,699	23,245,797
New Alma Martinez IS	49,597,757	7,824,146	41,773,611
New Charlene McKinzey MS	60,915,754	13,139,674	47,776,080
	<u>\$287,151,204</u>	<u>\$101,672,685</u>	<u>\$ 185,478,519</u>



Current Facilities

Mansfield ISD is committed to providing an innovative and engaging learning environment for all students. The fiscal year 2019-20 school system facilities consist of 23 elementary schools with grades pre-kindergarten through 4; six intermediate schools with grades 5 and 6; six middle schools for grades 7 and 8; six high schools with grades 9 through 12; one STEM Academy; one alternative school campus; and one vocational/career and technical center for high school aged students. All schools within the District are fully accredited by the Texas Education Agency. The District maintains pupil-teacher ratios of 22:1 for grades kindergarten through 4, and a 28:1 ratio for grades 5 through 12.

Future Capital Projects

Student population is expected to continually grow each year which will require the need of additional campuses. The 2017 bond included the construction of a new elementary, intermediate and middle school that are scheduled to open in 2020-21. Based on demographic reports, an additional Middle School and High School will be needed in the next 5-6 years. Mansfield ISD already owns the land that will be needed for the new campuses which will significantly reduce the overall cost of expansion.

Other capital expenditures including the replacement of school buses, district vehicles, and large equipment are funded out of the general fund based on priority.

Financial Forecast for the Capital Projects Funds

Mansfield ISD Construction Forecast Projected Expenditures

District Projects	2019-20	2020-21	2021-22	Expected Completion Date
<u>New Schools:</u>				
Charlene McKinzey Middle School	\$ 37,015,037	14,399,756	-	July 2020
Brenda Norwood Elementary School	20,688,779	6,407,441	-	July 2020
Alma Martinez Intermediate School	28,335,530	9,312,434	-	July 2020
Sub-Total	86,039,346	30,119,631	-	
<u>Support Facilities:</u>				
BBCTA Renovations	286,665	-	-	December 2019
Jandrucko Academy for Early Learners	953	-	-	December 2019
Elementary Schools (23 schools)	8,971,066	2,177,339	-	May 2021
Intermediate Schools (6 schools)	3,978,247	1,234,467	-	May 2021
Middle Schools (6 schools)	17,794,492	4,151,760	-	October 2020
High Schools (7 schools)	27,179,784	3,658,146	-	April 2021
District Facilities (Transportation)	-	4,062	54,128	November 2021
Newsome Stadium and Natatorium	38,292	891,774	42,062	August 2021
Facilities	1,431,968	335,427	863,332	November 2021
Sub- Total	59,681,467	12,452,975	959,522	
TOTALS	\$ 145,720,813	42,572,606	959,522	

Federal Funds

Program Descriptions

The Federal Funds are used to account for federal grants awarded to the District with the purpose of accomplishing specific educational goals. These purposes must supplement basic education services delivered by local and state revenues in the General Fund. They are not intended to replace the original funding of these basic education services. These funds utilize the modified accrual basis of accounting. Federal Funds are not Board Adopted but are included in this document for informational purposes. Grants included in the Federal Funds are described below:

- **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.
- **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.



**Mansfield Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Federal Funds by Object
For the Year Ending June 30, 2020**

	ESEA, TITLE I, PT A - Improving Basic Ed 211	IDEA B - Formula 224	IDEA B - Preschool 225	Vocational Ed - Basic 244	ESEA Title II, Pt A - Improving Teacher Quality 255	ESEA Title III-LEP 263	Total Federal Funds
Revenues							
Federal Program Revenues	3,585,004	4,827,851	72,792	244,050	652,155	334,571	9,716,423
Total Revenues	3,585,004	4,827,851	72,792	244,050	652,155	334,571	9,716,423
Expenditures							
Payroll Costs	2,902,351	4,044,455	63,515	11,000	512,119	302,871	7,836,311
Contracted Services	192,589	474,843			117,910	9,200	794,542
Supplies and Materials	297,832	140,210	9,277	197,550	10,470	16,000	671,339
Miscellaneous	167,132	158,343			11,656	6,500	343,631
Capital outlay	25,100	10,000		35,500			70,600
Total Expenditures	3,585,004	4,827,851	72,792	244,050	652,155	334,571	9,716,423
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**Mansfield Independent School District
Comparative Summary of Revenues, Expenditures, and
Changes in Fund Balance
Federal Funds by Function**

	2015-16 Audited Actual	2016-17 Audited Actual	2017-18 Audited Actual	2018-19 Amended Budget	2019-20 Adopted Budget
Revenues					
Federal program revenues	9,140,201	7,865,199	10,036,996	9,515,047	9,716,423
Total Revenues	\$ 9,140,201	\$ 7,865,199	\$ 10,036,996	\$ 9,515,047	\$ 9,716,423
Expenditures					
Instruction	\$ 5,670,227	\$ 4,298,409	\$ 5,796,685	\$ 5,526,780	\$ 5,369,279
Instruction resources and media services	23,177	21,186	34,482	38,113	42,039
Curriculum and staff development	518,963	462,513	723,247	707,080	884,725
Instructional leadership	40,085	78,602	83,051	52,595	44,997
School leadership	36,811	26,778	52,316	57,517	23,074
Guidance, counseling and evaluation services	2,557,146	2,650,648	2,784,359	2,714,350	2,967,095
Social work services	3,696	11,847	20,900	20,000	5,039
Health services	6,600	2,937	6,000	6,400	3,640
Student transportation	47,140		54,500		-
Extracurricular activities					-
General administration					-
Facilities maintenance and operations					-
Security and monitoring services					-
Data processing services					-
Community services	165,777	203,184	342,456	242,212	246,535
Principal on long-term debt					-
Payments related to shared services arrangements					-
Payments to Juvenile Justice Alt. Ed. Prgm.	70,579	109,095	139,000	150,000	-
Other intergovernmental charges					-
Total Expenditures	\$ 9,140,201	\$ 7,865,199	\$ 10,036,996	\$ 9,515,047	\$ 9,716,423
Net change in fund balances	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance - July 1 (Beginning)	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -	\$ -



Mansfield Independent School District Financial Forecast for the Federal Funds

	2019-20	2020-21	2021-22	2022-23
<u>Projected Revenues</u>				
Federal Program Revenues	9,716,423	9,716,423	9,716,423	9,716,423
Total Revenues	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>
<u>Projected Expenditures</u>				
Payroll Costs	\$ 7,770,514	\$ 7,925,924	\$ 8,084,443	\$ 8,246,132
Contracted Services	857,597	914,442	914,442	864,442
Supplies and Materials	681,225	502,704	414,185	381,274
Other Costs	333,565	313,353	263,353	184,575
Capital outlay	73,522	60,000	40,000	40,000
Total Expenditures	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>	<u>\$ 9,716,423</u>
Net change in fund balances				
Fund Balance - July 1 (Beginning)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Assumptions:

- (1) Federal Revenue is not guaranteed from year to year. For projection purposes we estimated the same amount received in current year.
- (2) Salary increases typically range from 1% - 3%. To be conservative a 2% increase per year was used.
- (3) If Revenue remains the same and salary costs increase each year, other costs will need to be reduced to account for the difference.

Informational Section



Informational Section

Tax Rate

The primary source of local funding for school districts is collections from ad valorem taxes levied against the taxable property located in each school district. The maximum M&O tax rate for most school districts was generally limited to \$1.50 per \$100 of taxable value.

Property values for the 2019-2020 fiscal year increased by almost 12 percent over the 2018-2019 year. The 2019-2020 total District tax rate per \$100 of property value is \$1.46 with a Maintenance and Operations (M&O) rate of \$0.97 and an Interest and Sinking (I&S) rate of \$0.49.

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, 2019, upon which the levy for the 2019 fiscal year was based, was \$13,980,861,847.

Mansfield ISD Last Ten Years of Tax Rates		
	Maintenance	Debt Service
2010	1.04	0.41
2011	1.04	0.456
2012	1.04	0.456
2013	1.04	0.50
2014	1.04	0.4871
2015	1.04	0.4871
2016	1.04	0.4700
2017	1.04	0.4700
2018	1.04	0.5000
2019	0.97	0.59

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all property in the District is subject to taxation by the District. Categories of exemptions applicable to the District include property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; farm products owned by the producers; certain property affiliated with charitable organizations, youth development associations, religious organizations, and qualified schools; designated historic sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, owners of agricultural, timber and open space land may, under certain circumstances, request valuation of such land on the basis of productive capacity rather than market value.

Mansfield Independent School District Assessed Value and Actual Value of Taxable Property Current and Forecasted

Fiscal Year Ending 6/30:	Assessed and Actual Value			Total Assessed and Actual Value	Total Direct Rate (2)
	Real Property Value (1)	Personal Value (1)	Less: Exemptions		
2021-22	16,730,415,285	2,050,852,772	(3,490,751,663)	15,290,516,394	1.4600
2020-21	16,086,937,774	1,971,973,819	(3,356,491,984)	14,702,419,610	1.4600
2019-20	15,320,893,118	1,878,070,304	(3,196,659,032)	14,002,304,390	1.5400
2018-19	13,949,464,961	1,734,852,429	(2,747,117,702)	12,937,199,688	1.5400
2017-18	12,767,556,171	1,324,854,487	(2,480,763,034)	11,611,647,624	1.5400
2016-17	11,839,933,616	1,018,867,807	(2,315,544,404)	10,543,257,019	1.5100
2015-16	11,072,058,335	1,160,847,343	(1,959,778,417)	10,273,127,261	1.5100
2014-15	10,670,634,595	98,237,212	(1,696,697,395)	9,072,174,412	1.5271
2013-14	9,280,227,979	93,492,044	(544,970,997)	8,828,749,026	1.5271

(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) 3 years of forecasted values include a 5%, 4% and 3% growth rate respectively.

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 Levies and Collections
Last Ten Fiscal Years**

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
2019	\$ 208,184,317	\$ 206,350,268	99.12%	\$ -	\$ 206,350,268	99.12%
2018	195,595,875	192,376,193	98.35%	1,338,915	193,715,108	99.04%
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%	1,418,251	157,481,734	98.92%
2015	154,744,727	153,201,374	99.00%	893,221	153,201,374	99.00%
2014	145,270,362	\$ 143,801,664	98.99%	721,195	\$ 144,522,859	99.49%
2013	143,585,117	142,201,209	99.04%	676,670	142,877,879	99.51%
2012	139,937,696	138,328,256	98.85%	919,861	139,248,117	99.51%
2011	135,785,731	134,310,039	98.91%	857,938	135,167,977	99.55%
2010	135,013,066	132,807,047	98.37%	1,694,099	134,501,146	99.62%

(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
Property Tax Rates – Direct and Overlapping Governments
(Per \$100 of Assessed Value)**

Taxing Authority	2019	2018	2017	2016	2015
<u>Overlapping Rates:</u>					
City of Arlington	\$ 0.6348	\$ 0.6398	\$ 0.6448	\$ 0.6480	\$ 0.6480
City of Fort Worth	0.7805	0.8050	0.8350	0.8550	0.8550
City of Grand Prairie	0.6699	0.6700	0.6700	0.6700	0.6700
City of Mansfield	0.7100	0.7100	0.7100	0.7100	0.7100
Tarrant County (2)	0.6964	0.6085	0.7414	0.7414	0.7414
Johnson County	0.5320	0.5320	0.5197	0.4480	0.4450
Total Other Entities	<u>\$ 4.0236</u>	<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	1.0400
Debt Service	0.5000	0.5000	0.4700	0.4700	0.4871
Total District Direct Rates	<u>\$ 1.5400</u>	<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



Mansfield Independent School District Principal Property Taxpayers of 2019

Taxpayer	2019			2010		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Mouser Electronics Inc.	735,663,440	1	5.25%	35,763,522	7	0.43%
WMCI Dallas V LLC/WMCI Dallas VIII	107,395,096	2	0.77%			
Oncor Electric Delivery Company	95,028,504	3	0.68%	76,533,624	2	0.92%
Mid-America Apartments LP	67,160,000	4	0.48%			
Mansfield KDC II & III LP	58,854,268	5	0.42%	32,000,584	9	0.38%
Wal Mart Stores, Inc.	50,168,638	6	0.36%	51,987,355	5	0.62%
DFW Midstream Services LLC	47,713,514	7	0.34%			
EVOLV AL LP	48,250,000	8	0.34%			
WP MOTG - TXMF Owner LLC	46,950,000	9	0.34%			
Steadfast Villaggio LLC	46,000,000	10	0.33%			
XTO Energy, Inc.				\$252,252,513	1	3.02%
Carrizo Oil & Gas				73,919,026	3	0.88%
EOG Resources, Inc.				68,886,858	4	0.82%
Chesapeake Land Dev Co LLC				41,426,072	6	0.50%
Range Production				32,432,386	8	0.39%
Target Corp				31,768,511	10	0.38%
TOTALS	\$ 1,303,183,460		9.31%	\$ 696,970,451		8.34%

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

(2) Total assessed value equals: \$ 14,002,304,390

(3) Total assessed value equals: \$ 8,361,317,401

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

Residential Homestead Exemptions

An adult who files an application is entitled to an exemption from taxation by the District of \$25,000 of the appraised value of his residential homestead for that year and subsequent years until the property is sold or is no longer his homestead. If the taxpayer is 65 or older, or is disabled, an additional \$10,000 of the appraised value is exempt from District taxation. Disabled veterans are entitled to an exemption, the amount of which varies up to \$12,000, dependent on age and disability, and certain survivors of deceased disabled veterans may claim the same amount of exemption.

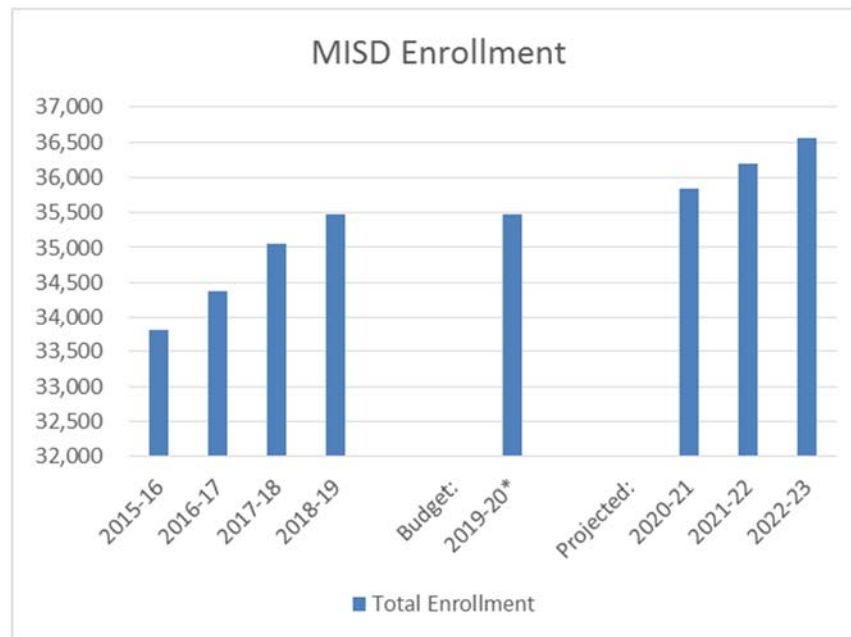
The freeze on ad valorem taxes on the homesteads of persons 65 years of age or older is also transferable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property is the homestead of the surviving spouse and the spouse is at least 55 years of age at the time of the death of the individual's spouse. A disabled veteran (and surviving spouse) who receives from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual non-employability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Further, effective January 1, 2012, the surviving spouse of a deceased veteran who had received a disability rating of 100% is entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries. Please see the chart below explaining how the tax rate effects a homeowner:

Tax Year	Average Home Value	Less Exemption	Net Taxable Value	Tax Rate	Annual Effect	Monthly Effect
2015	\$ 250,000	\$ 15,000	\$ 235,000	1.527%	\$ 3,619	\$301.58
2016	\$ 250,000	\$ 15,000	\$ 235,000	1.527%	\$ 3,588	\$299.04
2017	\$ 250,000	\$ 15,000	\$ 235,000	1.510%	\$ 3,588	\$299.04
2018	\$ 250,000	\$ 25,000	\$ 225,000	1.540%	\$ 3,398	\$283.13
2019	\$ 250,000	\$ 25,000	\$ 225,000	1.460%	\$ 3,285	\$273.75
* Based on an average home value of \$250,000						

Mansfield Independent School District Districtwide Student Enrollment Data

School Year	Total Enrollment	Free/Reduced Lunch Program %	Elementary	Intermediate	Middle School	High School
Actual:						
2015-16	33,809	40.80%	12,598	5,219	5,306	10,368
2016-17	34,382	38.00%	12,676	5,184	5,534	10,988
2017-18	35,054	42.00%	13,358	5,231	5,794	11,424
2018-19	35,485	45.00%	13,358	5,231	5,794	11,424
Budget:						
2019-20*	35,485	45.00%	12,729	5,275	5,784	11,697
Projected:						
2020-21	35,840	45.00%	12,856	5,328	5,842	11,814
2021-22	36,198	44.00%	12,985	5,381	5,900	11,932
2022-23	36,560	44.00%	13,115	5,435	5,959	12,051

*Ending enrollment for the 2018-19 school year was used for 2019-20 budgeting purposes.



Forecasted enrollment is calculated using an average of ratio, cohort and trend methods as well as information obtained from the current demographer's report for the district.

Mansfield Independent School District Districtwide Employees by Position

POSITION:	2019	2018	2017	2016	2015
Administrator	60	56	59	57	53
Associate/Assistant Principal	79	79	78	77	75
Athletic Trainer	11	10	11	11	11
Auxiliary Staff	1467	1447	1442	1438	1436
Counselor	91	90	92	90	89
Educational Diagnostician	34	32	31	31	30
Librarian	41	41	41	40	40
Music Therapist	2	2	2	2	3
Nurse	49	49	51	50	48
Occupational Therapist	7	7	7	7	7
Other Non-Campus Prof. Personel	89	87	87	86	86
Orientation/Mobility Instructor	2	2	2	2	2
Physical Therapist	2	2	2	2	2
Psychologist/LSSP	5	5	6	6	6
Principal	43	43	42	41	41
Social Worker	2	2	1	1	1
Speech Therapist	31	31	31	31	31
Teacher	2247	2231	2215	2200	2195
Educational Aide	422	409	382	381	380
Total Employees	4684	4625	4582	4553	4536

Source: District records.



**Mansfield Independent School District
Teacher Base Salaries**

Fiscal Year Ended 6/30: (3)	District		Region Average Salary (2)	Statewide Average Salary (2)
	Minimum Salary (1)	Maximum Salary (1)		
2019	\$ 56,019	\$ 72,013	\$ 52,781	\$ 53,334
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



**Total Outstanding Bond Amortization
Next Ten Fiscal Years**

Year Ending	Beginning Principal Balance	FY Principal Paymnets	FY Interest Payments	Ending Principal Balance
6/30/2020	726,430,000	25,940,000	32,330,809	700,490,000
6/30/2021	700,490,000	28,200,000	31,096,949	672,290,000
6/30/2022	672,290,000	31,635,000	30,856,861	640,655,000
6/30/2023	640,655,000	33,340,000	30,456,524	607,315,000
6/30/2024	607,315,000	35,980,000	28,900,819	571,335,000
6/30/2025	571,335,000	37,850,000	27,234,294	533,485,000
6/30/2026	533,485,000	39,960,000	25,483,444	493,525,000
6/30/2027	493,525,000	43,010,000	23,604,694	450,515,000
6/30/2028	450,515,000	40,790,000	21,616,294	409,725,000
6/30/2029	409,725,000	41,815,000	19,783,144	367,910,000



Academic Performance

Mansfield ISD exceeded the average ISD and charter school scores in all categories of the STAAR test. The average ISD score outperformed charter schools on 3 out of 5 STAAR tests.

	Mansfield ISD	Independent School Districts	Charter Schools
College Admissions	71.3%	64.5%	44.2%
Average SAT Score	1440	1422	1412
Average ACT Score	20.8	20.6	19.7

Texas Education Agency 2019 Accountability Ratings Overall Summary MANSFIELD ISD (220908)

Accountability Rating Summary

	Component Score	Scaled Score	Rating
Overall		90	A
Student Achievement		90	A
STAAR Performance	60	90	
College, Career and Military Readiness	65	91	
Graduation Rate	96.7	90	
School Progress		90	A
Academic Growth	74	87	B
Relative Performance (Eco Dis: 43.3%)	63	90	A
Closing the Gaps	90	91	A

Distinction Designations

Postsecondary Readiness

Not Earned

Texas Education Agency
2018 Accountability Ratings Overall Summary
MANSFIELD ISD (220908)

	Component Score	Scaled Score	Rating
Overall		90	A
Student Achievement		89	B
STAAR Performance	57	87	
College, Career and Military Readiness	61	90	
Graduation Rate	96.4	90	
School Progress		85	B
Academic Growth	73	85	B
Relative Performance (Eco Dis: 40.8%)	59	85	B
Closing the Gaps	90	91	A

Distinction Designations

Postsecondary Readiness	Not Earned
-------------------------	------------

Risk Factors

A student is identified as being at risk of dropping out of school based on state-defined criteria. A student is defined as "economically disadvantaged" if he or she is eligible for free or reduced-price lunch or other public assistance.

At-risk students 34.3 %
Statewide: 50.3%

Economically disadvantaged 45 %
Statewide: 59%

Limited English proficiency 10.5 %
Statewide: 18.9%

Dropout and Graduation Rates

	Mansfield ISD	Independent School Districts	Charter Schools
Dropout Rate	1.2%	1.5%	5.5%
4-year Graduation Rate	91.6%	91%	60.6%



Mansfield Independent School District 2019-2020 Calendar

605 East Broad Street
Mansfield, TX 76063
817-299-6300
www.mansfieldisd.org

S	M	T	W	T	F	S
				1	2	3
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LEGEND

- First/Last Day of School
- Staff Development
- Teacher Workday
- Districtwide Holiday
- Student Holiday & Staff Development Day (Full Day)
- Student Holiday & Parent/Teacher Conferences (AM Only)
- Student Holiday & SDCE Day
- Student Holiday & Teacher Workday
- ◆ Bad Weather Makeup Day

2019-20 HOLIDAYS & IMPORTANT DATES

July 30 - August 2: Orientation & Training for New Professional Hires
 August 5: Teachers Report
 August 5-9: Professional Development Week
 August 12-13: Teacher Workday
 August 14: First Day of School
 August 30: Districtwide Holiday
 September 2: Labor Day Holiday
 September 27: Student Holiday & Staff Development/Teacher Workday
 October 10: Regular Full School Day & Parent/Teacher Conferences (PM Only)
 October 11: Student Holiday & Parent/Teacher Conferences (AM Only)
 October 14: Student Holiday & Teacher Workday
 November 11: Veterans Day Holiday
 November 25: Student Holiday & SDCE Day
 November 26-29: Thanksgiving Holiday
 December 18: End of 1st Semester
 December 19 - January 3: Winter Break
 January 6-7: Student Holiday & Staff Development/Teacher Workday
 January 8: School Resumes / 2nd Semester Begins
 January 20: Martin Luther King, Jr. Holiday
 February 14: Districtwide Holiday
 February 17: Presidents Day Holiday
 March 9: Student Holiday & SDCE Day
 March 10-13: Spring Break
 April 10: Spring Holiday (Bad Weather Makeup Day #1)
 May 25: Memorial Day Holiday (Bad Weather Makeup Day #2)
 May 28: Last Day of School / End of 2nd Semester
 May 29: Teacher Workday / Last Day of School for Teachers

◆ BAD WEATHER DAYS

April 10: Bad Weather Makeup Day #1
 May 25: Bad Weather Makeup Day #2

GRADING PERIODS

1. August 14 - September 20
2. September 23 - November 1
3. November 4 - December 18
4. January 8 - February 21
5. February 24 - April 9
6. April 13 - May 28

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31						



sponsored by
Common Ground Network, Inc. | Connecting Partners to Serve Our Community

Finding common ground in our community in order to serve Mansfield ISD families.

Services include: Assisting with MISD's school supply "Stuff the Bus" campaign, Christmas programs, Feed the Kids programs (Summer Feed Program & Weekend Backpack Program), and food drives to support local food pantries.

P.O. Box 1049 Mansfield, Texas 76063 • www.CommonGroundMansfield.org • 866-526-7069

Glossary of Abbreviations, Acronyms, and Terms

Commonly Used Acronyms

ACT - American College Test
ADA - Average Daily Attendance
AEIS - Academic Excellence Indicator System
AEP - Alternative Education Program
AP - Advanced Placement
ARD - Admission, Review and Dismissal
ASBO - Association of School Business Officials
ASF - Available School Fund
ASATR - Additional State Aid for Tax Reduction
AVID - Advancement Via Individual Determination
CTE - Career and Technology Education
DAEP - Disciplinary Alternative Education Program
EDA - Existing Debt Allotment
ESL - English as a Second Language
FASRG - Financial Accountability System Resource Guide
FIRST - Financial Integrity Rating System of Texas
FSP - Foundation School Program
FTE - Full Time Equivalent
GAAP - Generally Accepted Accounting Principles
GASB - Governmental Accounting Standards Board
GFOA - Government Finance Officers Association
I&S - Interest and Sinking
IDEA - Individuals with Disabilities Education Act
IFA - Instructional Facilities Allotment
ISD - Independent School District
MISD – Mansfield Independent School District
M&O - Maintenance and Operations
MOE - Maintenance of Effort
NCLB - No Child Left Behind
NSLP - National School Lunch Program
PEIMS - Public Education Information Management System
SAT - Standardized Aptitude Test
SCE - State Compensatory Education
SHARS - School Health and Related Services
STAAR - State of Texas Assessments of Academic Readiness
STEM - school for science, technology, engineering and mathematics
TAD – Tarrant Appraisal District
TEA - Texas Education Agency
TEC Texas Education Code
TRS - Teacher Retirement System
WADA - Weighted Average Daily Attendance

Education Terms and Abbreviations

Accountability Ratings: The Accountability Ratings System rates campuses and districts as exemplary, recognized, acceptable, and low performing based on the percentage of students who pass the state assessment instruments and the dropout rate.

Accrue: To record revenues when earned or when levies are made, and to record expenditures as soon they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes, the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest on bonds.

Actual Tax Rate or Nominal Tax Rate: The tax rate adopted by school districts and used to calculate tax bills.

Appropriation: An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

Assessed Valuation: A valuation is set upon real estate or other property by the County Appraisal District to be used as a basis for levying taxes.

Association of School Business Officials International (ASBO): The Association of School Business Officials International, founded in 1910, is a professional association that provides programs and services to promote the highest standards of school business management practices, professional growth, and the effective use of educational resources.

Available School Fund (ASF): The ASF is made up of earnings from the Permanent School Fund, constitutionally dedicated motor-fuel taxes, and other miscellaneous revenue sources. The bulk of ASF revenue is distributed on a per-capita basis to all school districts. A portion provides funding for textbooks and technology.

Average Daily Attendance (ADA): A method of counting students for the purpose of providing state aid to school districts. Currently, Texas counts students in attendance each day and averages the attendance count over the year.

Balanced Budget: A budget with revenues equal to expenditures, and neither a budget deficit nor a budget surplus.

Basic Allotment: The basic allotment is the initial or starting number that, after adjustment, is used to calculate foundation program costs and state aid to school districts.

Bonds: (See "General Obligation Bonds")

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

Capital Assets (aka Fixed Assets): Capital assets are tangible in nature; long-lived (have a life of longer than one year); of a significant value at purchase or acquisition time; and are reasonably identified and controlled through a physical inventory system. They may include land, improvements to land, easements, and buildings, building improvements, vehicles, machinery, furniture and other equipment which are intended to be held or used over a long period of time. "Fixed" denotes probability or intent to continue use of an asset and does not indicate immobility.

Compensatory Education: The state compensatory education allotment provides additional financial support to school districts to teach educationally disadvantaged pupils and underachieving students. A program of compensatory education should provide additional services and instructional support, beyond the regular program, to help students compensate for academic deficiencies and may include programs for at-risk students. The allotment is based upon the number of students participating in the federal free or reduced-price lunch program.

Comprehensive Annual Financial Report (CAFR): A financial report that encompasses all funds and component units of the government. The CAFR should contain (a) the basic financial statements and required supplementary information, (b) combining statements to support columns in the basic financial statements that aggregate information from more than one fund or component unit, and (c) individual fund statements as needed. The CAFR is the governmental unit's official annual report and also should contain introductory information, schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and statistical data.

County Appraisal District (CAD): Each county (some multi-counties) has established an appraisal district office that is responsible for maintaining taxable real and personal property records and placing a value on all property for taxation purposes. A chief appraiser, an individual appointed by an appraisal district board of directors, heads the CAD office. The appraisal district board is, in turn, elected by certain taxing entities.

Debt Service: (See "Interest and Sinking Fund")

Disciplinary Alternative Education Programs (DAEP): The law requires school districts to set up an educational setting for students who engage in certain illegal conduct or for students who violate certain provisions of the school district's code of conduct. The DAEP must provide for students' educational and behavioral needs. Districts must allocate to a DAEP the same expenditure per student that would be allocated if the student were attending the regularly assigned program, including a special education program.

Dropout Rate (Annual): The annual dropout rate is the count of all students identified as a dropout after being absent without an approved excuse or document transfer and does not return to school by the fall of the following year; or completes the school year but fails to re-enroll the following school year. The dropout rate is all official dropouts summed across all grades (7 through 12) divided by the number of students summed across all grades (7 through 12). The annual dropout rate is different than a longitudinal rate, which compares the number of students who began school together in the seventh grade and who eventually graduate.

Education Service Center (ESC): In 1967, twenty (20) state service centers were established by the Texas Legislature to provide school districts with professional development training and technical assistance that support statewide goals for school improvement.

Effective Tax Rate: State law in Texas prescribes a formula for calculating the effective tax rate for districts. The net effect of the formula is to produce a tax rate that goes down when property values rise (and vice versa) to generate a rate that produces approximately the same revenue as the year before. The formula makes adjustments for additional debt service, newly annexed property, and newly constructed property. This tax rate is an important element of the annual Truth-in-taxation process.

Equity: In school finance, the term generally refers to fair or equal distribution of resources for schooling, taking into account student differences and school district characteristics. The standard used by the Texas Supreme Court is a taxpayer equity standard, which means similar revenue for similar tax effort. In other words, the school finance system is to be property wealth neutral: a district's property tax base should have little or no impact on its ability to generate funding from the Foundation School Program.

Existing Debt Allotment (EDA) Program: The Existing Debt Allotment (EDA) program. The EDA provides tax rate equalization for local debt service taxes, operates without applications, and has no award cycles. Each school district is guaranteed a specified amount per student in state and local funds for each cent of tax effort to pay the principal of and interest on general obligation bonds. The district must have made a payment on the bonds on or before August 31, 2013. The current existing debt tax rate may not exceed \$0.29 per \$100 of valuation.

Foundation School Program (FSP): A program for the financial support of a basic instructional program for all Texas school children. Money to support the program comes from the Permanent School Fund, Available School Fund, Foundation School Fund, state general revenue, and local property taxes. The state establishes a foundation level and sets, for each district, a calculated contribution level called the local fund assignment (LFA). The greater a district's property wealth, the higher the LFA. State aid makes up the difference between the LFA and the foundation level. Currently, the FSP consists of three parts or tiers. The first tier provides funding for a basic program. The second tier provides a guaranteed-yield system so that school districts have substantially equal access to revenue sufficient to support an accredited program. The third tier equalizes debt service requirements for existing facilities debt.

Foundation School Program Tax Rate: This is the rate used in calculating state aid to school districts. It is calculated by dividing actual collections by the prior year's taxable value determined by the state property tax division of the state comptroller's office.

Full-Time Equivalent (FTE): Measures the extent to which one individual or student occupies a full-time position or provides instruction, e.g., a person who works four hours a day or a student that attends a half of a day represents a .5 FTE. When FTE counts are included in reports they represent the aggregate of all FTE percentages, e.g., if one teacher provides four hours of instruction and four others provide one hour, together they represent one FTE.

Fund: A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance: Also known as "fund equity", is the difference between governmental fund assets and liabilities.

Fund Types: There are three types of funds. (1) **Governmental** funds are accounting segregations of financial resources; (2) **Proprietary** Fund reporting focuses on the determination of net income, changes in net assets (or cost recovery), financial position, and cash flows; and (3) **Fiduciary** fund reporting focuses on net assets and changes in net assets.

General Obligation Bonds: Negotiable coupon bonds for the construction, acquisition and equipping of school buildings; the acquisition of land; energy conservation measures; refinancing of property financed under a contract entered under Subchapter A, Chapter 271, Local Government Code that pledge the full faith and credit of the school district; and the purchase of new school buses. Such bonds may be issued in various series or issues with a maturity not to exceed 40 years (TEC 45.003). General obligation bonds are usually either term bonds or serial bonds.

Government Finance Officers Association (GFOA): An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of Generally Accepted Accounting Principles (GAAP) for state and local government since its inception, and has sponsored the Certificate of Achievement for Excellence in Financial Reporting Program since 1946 and the Distinguished Budget Presentation Award Program since 1984.

Grant: A contribution by one governmental unit to another. The contribution is usually made to aid in the support of a specified function (for example, special education), but it is sometimes also for general purposes.

Guaranteed Yield: Tier 2 in the Foundation School Program guarantees a specific revenue yield per student per penny of local tax effort. The state makes up the difference between the district tax levy per student and the guaranteed yield per student by enriching the local M&O tax effort. Current state aid formulas provide a Guaranteed Yield of \$61.86 per weighted student. Tier 3 funding provides a guaranteed yield of \$31.95 per weighted student.

Independent School District (ISD): The Texas Constitution permits the state Legislature to create school districts. Each district operates its schools and assesses property taxes within the district to support, in part, the schools. The term independent refers to the fact that the school district is not a part of city or county government and has independent budgeting and taxing authority. ISDs are governed by locally elected boards of trustees.

Individual Education Plan (IEP): A document required by federal law that details the special education requirements for each disabled student and explains how the school intends to address the student's needs. An IEP is intended to help ensure that disabled students have equal access to public education in the least restrictive environment.

Individuals with Disabilities Education Act (IDEA): The purposes of the Individuals with Disabilities Education Act (IDEA) are to: (1) ensure that all children with disabilities have available to them a free appropriate public education which emphasizes special education and related services designed to meet their unique needs; (2) ensure that the rights of children with disabilities and their parents or guardians are protected; (3) assist States, localities, educational service agencies, and Federal agencies to provide for the education of all children with disabilities; and (4) assess and ensure the effectiveness of efforts to educate children with disabilities.

Instructional Facilities Allotment (IFA): Since 1997, the IFA has provided funds to school districts to help pay for debt service. The mechanism for computing the state and local share of the IFA payment is a guaranteed-yield formula. Low-wealth school districts and school districts not already participating in the IFA program have priority in receiving IFA funding for construction or lease purchase of new instructional facilities.

Instructional Materials Allotment (IMA): Legislation from the 82nd Texas Legislature created the IMA for the purchase of instructional materials, technological equipment and technology-related services. A school district is entitled to an annual allotment from the state instructional materials fund for each student enrolled in the district on a date during the preceding school year specified by the commissioner.

Interest and Sinking Fund (I&S) Tax: Also called the debt service tax. A tax levied by school districts to pay for bonded indebtedness, usually for construction of facilities and other capital needs.

Juvenile Justice Alternative Education Program (JJAEP): In counties with populations greater than 125,000, the juvenile board must develop a juvenile justice AEP approved by the Texas Juvenile Probation Commission. In these larger counties, students who engage in conduct requiring expulsion under Chapter 37 of the Texas Education Code must be placed in a JJAEP.

Limited English Proficient (LEP): An English Language Learner whose overall English proficiency in listening, speaking, reading, and writing is at the Intermediate or Advanced stages; students at this level are able to understand and be understood in many to most social communication situations, are gaining increased competence in the more cognitively demanding requirements of content areas, but are not yet ready to fully participate in academic content areas without linguistic support.

Local Fund Assignment (LFA): The portion of the foundation program allotment required to be paid by school districts using the local property tax. The greater the property wealth of the district, the higher the LFA and the lower the amount of state aid the district will receive. (See also Foundation School Program)

Maintenance and Operations (M&O) Tax: A local school district property tax rate that raises revenue to be used for any legal purpose to operate and maintain the district's schools.

Meritorious Budget Award (MBA): The Meritorious Budget Award was designed by the Association of School Business Officials International and school business management professionals to enable school business administrators to achieve a standard of excellence in budget presentation. The program helps school systems build a solid foundation in the skills of developing, analyzing, and presenting a budget. The Meritorious Budget Award is only conferred to school systems that have met or exceeded the Meritorious Budget Award Program Criteria.

Modified Accrual Basis of Accounting: Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

National School Lunch Program (NSLP): A federally assisted meal program operating in more than 101,000 public and non-profit private schools across the nation. The program was established under the National School Lunch Act, signed by President Harry Truman in 1946.

Non-disciplinary Alternative Education Program (AEP): Many school districts establish non-disciplinary alternative education programs for dropout prevention and to address the unique needs of the small percentage of students who do not “fit” the traditional secondary schools. Districts must allocate to an AEP the same expenditure per student that would be allocated if the student were attending the regularly assigned program, including a special education program.

Public Education Information Management System (PEIMS): A data management system that includes information on student demographics, performance, school district budgets, teacher salaries, etc. The information for PEIMS is transmitted from local school districts to the Texas Education Agency by the education service centers.

Refined Average Daily Attendance (ADA): Refined ADA is based on the number of days of instruction in the school year. The aggregate eligible day’s attendance is divided by the number of days of instruction to compute the refined average daily attendance.

Rollback: Rollback is a taxpayer relief mechanism that allows local voters to contravene the school board’s maintenance and operations (M&O) tax rate if it exceeds a certain level. If the school board adopts an M&O tax rate that exceeds the rollback tax rate, the district must call an election so voters can determine whether to ratify the adopted tax rate. The rollback rate is equal to the tax rate that would provide the same local taxes and state aid per weighted average daily attendance as was available the previous year plus \$0.04. A tax rate that exceeds the rollback tax rate will automatically trigger an election to limit school taxes on a date not less than 30 days or more than 90 days after the tax rate is adopted. If the election to limit school taxes is successful, the tax rate the district may impose for the current year is limited to the calculated rollback tax rate.

School Board Authority: Statute gives local school boards the exclusive power and duty to govern and oversee the management of the public schools. Powers and duties not specifically delegated to the Texas Education Agency or the State Board of Education are reserved for local trustees.

State of Texas Assessments of Academic Readiness (STAAR): The State of Texas Assessments of Academic Readiness (STAAR) assessment replaced the Texas Assessment of Knowledge and Skills (TAKS), in the 2011-2012 school year. STAAR contains five (5) end-of-course exams required for graduation in addition to grade 3-8 assessments mandated by HB 3 in the 2009 legislative session. The tests are significantly more rigorous than previous tests and measure a child’s performance as well as academic growth.

Teacher Retirement System (TRS): TRS delivers retirement and related benefits authorized by law for members and their beneficiaries.

Texas Academic Performance Reports (TAPR): Formerly known as the AEIS (Academic Excellence Indicator System) reports, pull together a wide range of information annually on the performance of students in each school and district in Texas. The reports also provide extensive information on staff, programs, and demographics for each school and district.

Texas Education Agency (TEA): The administrative and regulatory unit for the Texas public education system managed by the commissioner of education. TEA is responsible for implementing public education policies as established by the Legislature, State Board of Education, and commissioner of education.

Tier One: State guaranteed basic funding allotments per student.

Tier Two: State guaranteed revenues per student per penny of local tax effort to provide operational funding for an “enriched” educational program.

Truth-in-Taxation: School districts are required to calculate two rates after receiving a certified appraisal roll from the chief appraiser – the effective tax rate and the rollback tax rate. School districts are not required to publish the effective tax rate, but must publish the rollback rate in a public meeting notice. The school board must determine the effective tax rate and the rollback tax rate; decide how much revenue it needs and calculate the rate required to raise that amount; concurrently post a budget summary on its web site and publish notice on the budget and proposed tax rate; hold a hearing on the budget and proposed tax rate; adopt a budget and then adopt the tax rate; and administer a rollback election if the adopted rate exceeds the rollback rate.

United States Department of Agriculture (USDA): A Federal department, founded in 1862, responsible for administering the National School Lunch Program and reimbursing participating schools’ Student Nutrition departments for the meals served to students. The USDA administers over 300 programs worldwide, including the School Breakfast Program, Child and Adult Care Food Program, and the Summer Student Nutrition Program.

Wealth per Student: In school finance, Wealth per Student is measured by dividing the taxable value of property, as determined under Section 11.86, Texas Education Code, by the number of students in Weighted Average Daily Attendance (WADA).

Weighted Average Daily Attendance (WADA): In Texas, students with special educational needs are weighted for funding purposes to help recognize the additional costs of educating those students. Weighted programs include special education, career and technology, bilingual, gifted and talented, and compensatory education. A weighted student count is used to distribute guaranteed-yield funding and establish Chapter 41 thresholds.