

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



for the  
**Fiscal Year Ended August 31, 2009**

Neal Dugger, Ed.D.  
Interim Superintendent

Prepared By Irving ISD Business Office

Debbie Cabrera, CPA  
Assistant Superintendent - Business and Finance

Jan Arrington, CPA  
Director of Business Operations



**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED  
 AUGUST 31, 2009**

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CERTIFICATE OF BOARD

Irving Independent School District  
Name of School District

Dallas  
County

057-912  
Co-District Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one)  approved  disapproved for the year ended August 31, 2009 at a meeting of the board of school trustees of such school district on the 19<sup>th</sup> day of January, 2010.

  
Board President  
Jerry Christian

  
Board Secretary  
Nancy Jones

If the board of trustees disapproved of the auditor's report, the reason(s) for disapproving is (are):  
(attach list as necessary).





January 18, 2010

Board of Trustees  
Irving Independent School District  
2621 W. Airport Freeway  
Irving, Texas 75062

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of Irving Independent School District (“the District”) for the fiscal year ended August 31, 2009 is submitted herewith. The District’s Business Office has prepared this report, with responsibility for the accuracy and completeness of the report resting solely with the District. We believe the data, as presented, is accurate in all material aspects, that it is presented in a manner to fairly represent the financial position and results of operations of the District and that all disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial affairs have been included. The CAFR for the year ended August 31, 2009, is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

The CAFR is presented in five sections: introductory, financial, required TEA, statistical, and federal financial assistance. The Introductory Section includes this transmittal letter, the District’s organizational chart, the GFOA and ASBO Certificates, and a list of principal officers. The Financial Section includes the basic financial statements, the combining and individual fund financial statements and schedules, as well as the auditor’s report on the basic financial statements and schedules. The Required TEA Section includes various schedules required by the Texas Education Agency. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The Federal Financial Assistance Section includes the Single Audit Report.

GAAP also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the independent auditor’s report.

This report provides valuable information for management as well as other users of the financial statements. Copies will be made available to the public libraries, the Texas Education Agency, financial rating services, and other interested parties.

## PROFILE OF THE DISTRICT

The District is one of 1,035 school districts in the State of Texas. It provides a program of public education from pre-kindergarten through grade twelve.

The Irving Independent School District Board of Trustees (“the Board”), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. Because members of the Board are elected by the public and have the authority to make decisions, appoint administrators and managers, and significantly influence operations, and because they have the primary accountability for fiscal matters, the District is not included in any other governmental “reporting entity” as defined in GASB Statement No.14 and as amended by GASB Statement 39. Also, there are no component units for which the District or the Board are financially accountable.

The District receives funding from local, state, and federal funding sources and must comply with the requirements of the entities providing those funds.

### **Major Initiatives and Points of Distinction**

During a five year period from 1999 to 2003, the District earned a Recognized District rating from the Texas Education Agency. The IISD has had an Academically Acceptable rating in 2004, 2005, 2006, 2007, 2008 and 2009 with the implementation of the more rigorous and comprehensive TAKS Assessment. In 2009, 14 individual Irving schools earned campus Recognized ratings and three campuses earned Exemplary ratings.

The United States Department of Education designated MacArthur High School as a National Blue Ribbon School in May 2002 following on the heels of Good Elementary School's National Blue Ribbon School designation in May 2001 and Lamar Middle School's in May of 2000. Good Elementary was also one of 12 schools in the U.S. and the only school in Texas to receive special recognition in technology in 2001.

From more than 1,200 applicants across the United States, MacArthur High School was named one of the two best high schools at the Intel/Scholastic 21<sup>st</sup> Century Schools of Distinction Awards in 2004.

Microsoft Corporation has selected the Irving ISD as the first Microsoft Center of Excellence. With this designation, the IISD is being recognized as an innovator in the use of technology to enhance the teaching and learning process.

Full-day kindergarten classes are available at all 20 elementary schools. The District has three early childhood schools for pre-kindergarten students that opened in the 1999-2000 school year.

Results of the 2008-2009 National Merit Scholarship competition included: two Scholars, two Finalists, two Semifinalists, nine Commended students, five National Hispanic Scholars, and two Semifinalists in the National Achievement Scholarship Program for African American students.

Over the past four years, Irving has seen a steady increase in the number of high school students who receive a score of 3 or higher on the Advanced Placement exam. Exams are scored on a scale of 1 to 5. For 2004-05, 522 students scored a 3 or higher, increasing to 690 in 2008-09. The number of AP scholars has also increased from 69 in 2004 to 110 in 2009.

Graduating seniors in the Class of 2009 earned \$21 million in scholarship offers.

The District received the highest possible rating under the state's Schools FIRST financial accountability rating system. The Superior Achievement Rating confirms its excellence in managing and reporting taxpayer dollars. The District has received this rating in all seven years of the system's existence.

The Partnerships in Education Program has more than 200 active alliances with businesses and other organizations with over 1,500 volunteers.

In November 2007, Irving voters approved a \$249,975,000 School Bond Package, the largest bond issue in the District's history. Divided into four phases, the projects in the bond package include funding for new and renovated facilities, equipment, instructional technology, and land to build new schools.

Students have access to computer technology through numerous classroom computers, computer labs and mobile multimedia stations. Beginning in August 2003, all students in grades 9-12 have laptop computers for use at home and school. All teachers receive laptop computers with connections to the IISD network. In October 1997, \$47 million in bond funds were approved that funded a five-year instructional technology plan that included networking schools and other facilities with various software including e-mail and Internet access. In October 2001, \$54.8 million in bond funds were approved to replace aging equipment and to provide equipment for new facilities and new programs. In November 2007, \$49.8 million in bond funds were approved to replace aging equipment and to provide a new telephone system and student information system for the entire District.

## GENERAL EDUCATION SERVICES

The mission statement of the Irving Independent School District is "The Irving ISD, in partnership with families and the community, shall meet the educational needs of students by producing engaged learners who are critical thinkers, leaders, and contributors in a technological, diverse, and competitive 21<sup>st</sup> century world."

### **Instruction**

The District, established by the Texas Legislature in 1909, provides a comprehensive curriculum of educational services appropriate for over 33,000 students enrolled in pre-kindergarten through Grade 12, as well as a preparation course for the General Education Development examination. Instructional offerings include a strong core curriculum in language arts, mathematics, science, social studies, performing arts, compensatory education, bilingual and limited English proficient education, gifted and talented education for grades 2-12, career and technological education, special education for the handicapped, athletics and JROTC programs. The District's special programs include a regional school for the deaf, early childhood schools for four year-olds who are limited English proficient and/or economically disadvantaged, an extensive elementary health/safety instruction, and an array of elective courses at the secondary level.

The District's facilities include three early childhood schools (PK), twenty elementary schools (K-5), seven middle schools (6-8), three high schools (9-12), a high school academy (9-12), two reassignment schools and two learning centers. All campuses are air-conditioned facilities complete with cafeterias and gymnasiums. In addition, the District owns and operates nine

other facilities, which include an administration building, a learning resource center, a food service center, an athletic stadium and a facility service center.

The District provides students access to a variety of application-oriented computer labs, mobile multimedia stations, and an automated library circulation and research system. Campus libraries are designed to reflect the goal of being the center of learning by providing ample research materials and integrating all segments of learning in innovative ways. The District's librarians and classroom teachers work together so that information and lessons determined by curriculum needs include hands-on experience and reinforcement through library research and classroom assignments.

## ECONOMIC OUTLOOK

The District is located in the heart of the Dallas-Fort Worth metropolitan area (the "Metroplex") in the western portion of Dallas County, Texas, the third most populous county in the state. The District encompasses 48.55 square miles, which includes the major portion of the City of Irving ("Irving") and portions of the cities of Dallas and Grand Prairie. On a per pupil basis, the District ranks in the top 16% of the wealthiest Texas school districts.

Irving offers its residents learning opportunities to last a lifetime. Irving boasts three institutions of higher learning located on 744 rolling acres in the City proper. These three fully accredited institutions of higher learning are the University of Dallas, North Lake College and DeVry University.

Irving represents a diverse and dynamic business environment, well established as a headquarters location for companies, with excellent access to domestic and international air service. Businesses recognize the many advantages offered by Irving's location and quality of life. Irving's proximity to major airports, commercial centers, and recreational and cultural attractions offers the convenience of a major metropolitan area with the comfort and charm of a suburban lifestyle.

Major corporations are drawn to Irving not only because of its accessibility to major transportation systems, availability of affordable land, high quality of life, large skilled work force and host of hotels and conference centers, but also because its commercial properties are designed to hold or increase in value over the long term. These key factors will assist continued business growth in the future.

Major industries in Irving include high technology, manufacturing, transportation, utilities, oil and gas, and tourism. Names like: Microsoft, Exxon, Verizon, Quaker State, Kimberly Clark, Zale Corporation, Boy Scouts of America, Nokia Inc., Citigroup and NCH Corporation have chosen to maintain their headquarters in the District, and they are testaments to the economic potential of the region. Inexpensive land and available office space are major contributing factors for corporate relocation consideration.

## LONG RANGE PLANNING

Much of the District's planning effort is focused on the District's Improvement Plan. The plan demonstrates the commitment to increase student achievement for all students. Campus Improvement Plans, which work in concert with the District's plan address specific needs of students at individual campuses. The District and Campus Improvement Plans include annual

goals for improving student achievement and objective evaluation criteria for measuring success.

The Department of Planning and Research starts off the budget development planning cycle when they release the projected student enrollment for the following fall in early January. Staffing charts are updated, and new campus staff additions to accommodate student growth are estimated by the Personnel department using this projection model. The Budget office develops a forecast document that compares the prior year's actual expenditures to the current year budget and projects the financial position of the district for the next three years. The parameters for this forecast model are developed early in the budget cycle by the Finance Committee, which is made up of three members of the Board of Trustees, the Superintendent, the Assistant Superintendent of Support Services, and the Assistant Superintendent of Business and Finance. Such things as taxable assessed value growth, optional homestead exemption, employee raises, fund balance levels, and state funding assumptions are determined in February. This allows the District several months of planning for developing budgets for district-wide staffing, and non-payroll campus and department needs, before the first budget draft is presented to the Board of Trustees in May, with the final adoption of the Budget in August.

## FINANCIAL INFORMATION

The Comprehensive Annual Financial Report for the year ended August 31, 2009 is prepared in accordance with GAAP and in conformance with standards of financial reporting established by the GASB using guidelines recommended by the GFOA. All funds of the District are covered by this report. Presented funds are organized into three types dictated by the nature of the activities involved.

### Governmental Funds:

- General Fund
- Food Service Fund
- Debt Service Fund
- Capital Projects Fund
- Non Major Funds

### Proprietary Funds:

- Internal Service Funds

### Fiduciary Funds:

- Agency Funds

## **Single Audit**

As a recipient of Federal financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to Federal programs, and is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. As a part of the District's single audit, tests are made to determine the adequacy of internal controls, including that portion related to Federal financial assistance programs, as well as to determine the District's compliance with applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2009 provided no conditions that would be considered a material weakness in relation to a Federal financial

assistance program, and no material instances of noncompliance with applicable laws and regulations were noted. Information related to this single audit, including the schedule of expenditure of federal awards, findings and recommendations, and independent auditors' reports on internal controls and compliance with applicable laws and regulations, is included in this report.

### **Budgetary Controls**

The District maintains budgetary controls to ensure compliance with the legal provisions of the Texas Education Code, as well as to provide management with an instrument for planning and controlling operations. Annual budgets are legally adopted for the General Fund, Food Service Special Revenue Fund, and the Debt Service Fund at the functional level within each fund. The remaining Special Revenue Funds and the Capital Projects Fund adopt project-length budgets. The District maintains an encumbrance accounting system as a method of ascertaining the availability of funds. The encumbrance accounting method provides for recording commitments in the budgetary control accounts. Appropriations are encumbered at the time purchase orders are issued or contracts awarded. Appropriations lapse at fiscal year-end and encumbrances outstanding at that time are generally re-appropriated in the subsequent year's budget.

### **Internal Controls**

An internal control structure that has been designed, managed and maintained by the District is in place to ensure that the District's assets are protected from loss, theft and misuse, and to ensure that accurate accounting data is compiled in the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

### **OTHER INFORMATION**

#### **Independent Audit**

State law and District policy require an annual audit by independent certified public accountants. Weaver and Tidwell, L.L.P. was selected to fulfill this requirement. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirement of the federal Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. The independent auditor's report on the basic financial statements is included in the financial section of this report.

#### **Awards**

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2008 as reproduced on page 12. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2008 as reproduced on page 11. In order to be awarded these certificates, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. This is the twenty-first consecutive year that the District has prepared this report and won these prestigious awards.

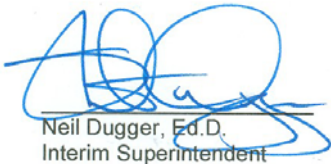
These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2009 certificates.

**Acknowledgments**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Business Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its preparation, especially, Miranda MacDonald, Helen Wilshire, Ruth Loehr-Moffatt, and Grace Mercado-Marx. Jan Arrington, Director of Business Operations, coordinated the efforts of the Business Office staff, and is the person primarily responsible for the production of this report.

We also wish to thank the members of the Board of Trustees for their continued leadership and support, and for planning and conducting the financial operations of the District in a responsible and progressive manner.

Sincerely,



Neil Dugger, Ed.D.  
Interim Superintendent



Debbie Cabrera, CPA  
Debbie Cabrera, CPA  
Assistant Superintendent-Business and Finance





## LIST OF PRINCIPAL OFFICIALS

### BOARD OF TRUSTEES

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Jerry Christian, President	6 years	2010	Retired School Administrator
Valerie Jones, Vice President	4 years	2012	Civic Leader
Nancy Jones, Secretary	2 years	2011	Director of Student Services
Ronda Huffstetler, Member	9 years	2010	Salon Owner
Nita Patrick, Member	6 years	2010	Retired Music Teacher
A. D. Jenkins, Member	2 years	2011	Software Engineer
Heather Ashley, Member	1 year	2012	Retail Sales

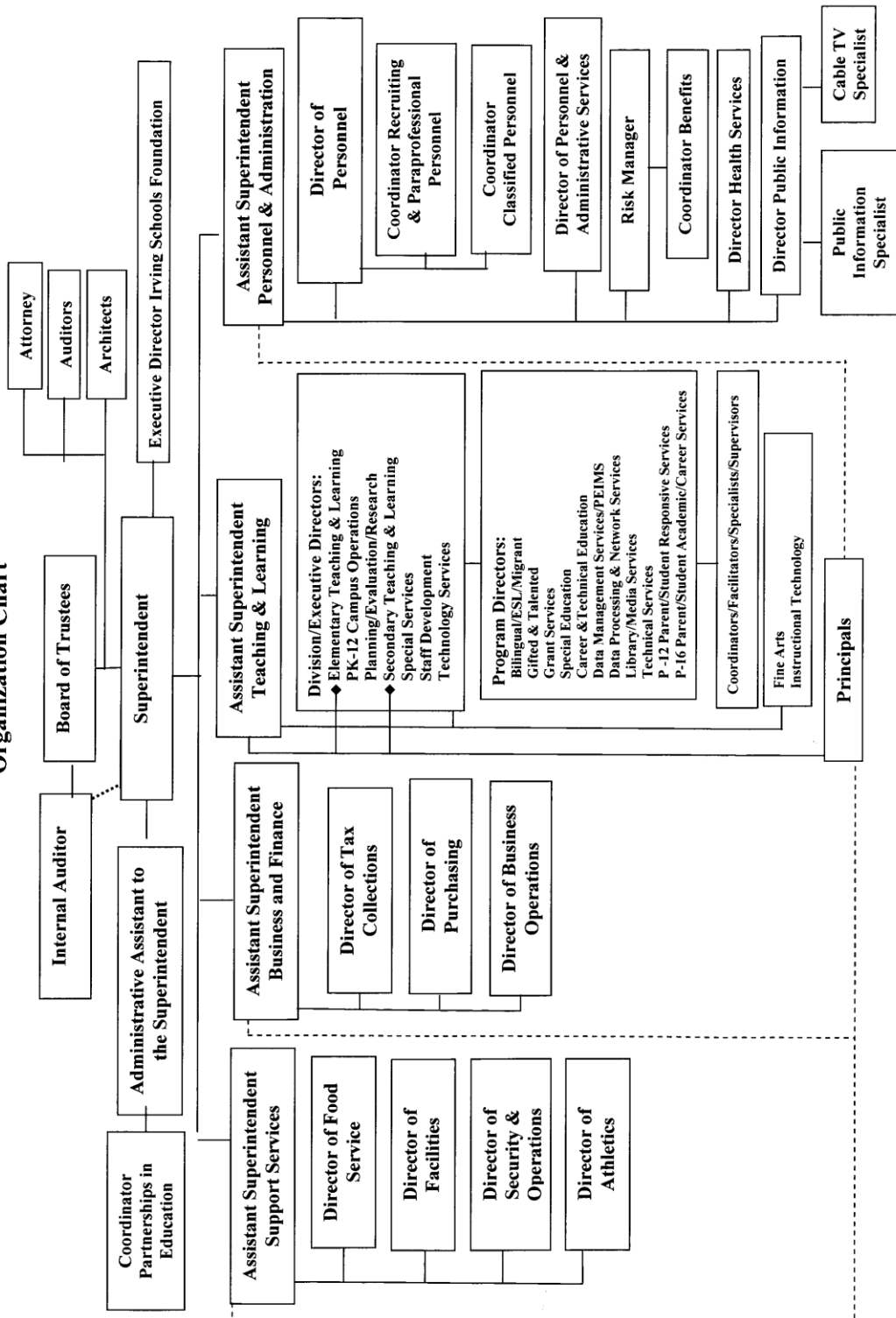
### ADMINISTRATIVE OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Neil Dugger, Ed.D.	Interim Superintendent	30 years
Marie Morris, Ph.D.	Assistant Superintendent of Instruction	7 years
Scott Layne	Assistant Superintendent of Support Services	18 years
Bill Althoff	Acting Assistant Superintendent of Personnel and Administration	31 years
Debbie Cabrera, CPA	Assistant Superintendent of Business and Finance	12 years
Ralph Diaz	Administrative Assistant to the Superintendent	11 years

### CONSULTANTS AND ADVISORS

Weaver and Tidwell L.L.P. Dallas, Texas	Independent Auditors
Vinson & Elkins LLP Dallas, Texas	Bond Counsel
RBC Capital Markets Dallas, Texas	Financial Advisor
James Deatherage Irving, Texas	General Counsel
Comerica Bank – Irving Irving, Texas	Official Depository

# Irving Independent School District Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Irving Independent School  
District, Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
August 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**IRVING INDEPENDENT SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended August 31, 2008

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director



## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees  
Irving Independent School District  
Irving, Texas

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Irving Independent School District, Texas (the District) as of and for the year ended August 31, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Irving Independent School District, Texas, as of August 31, 2009, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2010, on our consideration of the Irving Independent School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis (on pages 15 through 25) and the budgetary comparison schedule-general fund (on page 61 through 63) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Irving Independent School District  
January 15, 2010

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, required T.E.A. section, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and in addition to the other supplementary information, required T.E.A. schedules listed in the table of contents, are not a required part of the basic financial statements of the District. Such information, excluding the Fund Balance and Cash Flow Calculation Worksheet - General Fund (Exhibit J-3) and the statistical section marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 15, 2010

**IRVING INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2009 (UNAUDITED)**

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As management of the Irving Independent School District (the "District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 7 of this report.

**FINANCIAL HIGHLIGHTS**

- General revenues accounted for \$267,486,510, or 84%, of all fiscal year 2009 revenues. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$51,178,240, or 16%, of total fiscal year 2009 revenues.
- The District had \$314,995,105 in expenses related to governmental activities. \$51,178,240 of these expenses was offset by program-specific charges for services or grants and contributions. General revenues of \$267,486,510 were adequate to provide for the remaining costs of these programs, resulting in a \$3,669,645 increase net assets.
- Among major funds, the General Fund had \$231,608,231 in fiscal year 2009 revenues, which primarily consisted of state aid and property taxes, and \$226,761,389 in expenditures. The General Fund's fund balance increased \$4,881,556, from \$75,622,972 as of August 31, 2008 to \$80,504,528 as of August 31, 2009.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements and required supplementary information. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. These statements include the statement of net assets and the statement of activities. These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters.

The statement of net assets presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unpaid salary).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services.

**Fund financial statements.** The *fund financial statements* report the District's operations in more detail than the government-wide statements by providing information about the District's major funds, as opposed to the District as a whole as presented in the government-wide financial statements. The District's major funds are the general fund, food service fund, debt service fund, and capital projects fund. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District and how the sales revenues covered the expenses of the goods or services. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.



**Notes to the basic financial statements.** The notes provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

**Other information.** The combining and individual fund statements contain even more information about the District's individual funds. The section labeled compliance schedules contains data used by monitoring or regulatory agencies, such as TEA, for assurance that the District is using funds supplied in compliance with the terms of grants.

The combining and individual fund statements referred to earlier are presented immediately following the general fund and food service fund budgetary comparison.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$58,696,108 as of August 31, 2009. This is an increase of \$3,669,645 over the prior year, indicating an overall positive position for the District.

A portion of the District's net assets represents resources subject to external restrictions on how they may be used. As of August 31, 2009, the District's restricted net assets for food service were \$7,121,811 and restricted net assets for future debt service payments were \$6,948,487. Unrestricted net assets can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. As of August 31, 2009, the District's unrestricted net assets were \$53,161,931.

Net assets invested in capital assets net of related debt was a deficit of \$8,536,121. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the District's net assets for the fiscal years ended August 31, 2009 and August 31, 2008.

**Table I**  
**Net Assets**  
Governmental  
Activities

	<u>2009</u>	<u>2008</u>	<u>Difference</u>
Current and other assets	\$ 255,222,642	\$ 228,196,258	\$ 27,026,384
Capital assets (net)	<u>408,510,490</u>	<u>369,739,073</u>	<u>38,771,417</u>
Total assets	<u>663,733,132</u>	<u>597,935,331</u>	<u>65,797,801</u>
Current liabilities	25,540,888	16,606,187	8,934,701
Long-term liabilities	<u>579,496,136</u>	<u>526,302,681</u>	<u>53,193,455</u>
Total liabilities	<u>605,037,024</u>	<u>542,908,868</u>	<u>62,128,156</u>
Invested in capital assets, Net of related debt	(8,536,121)	12,678,217	(21,214,338)
Restricted	14,070,298	10,349,138	3,721,160
Unrestricted	<u>53,161,931</u>	<u>31,999,108</u>	<u>21,162,823</u>
Total net assets	<u>\$ 58,696,108</u>	<u>\$ 55,026,463</u>	<u>\$ 3,669,645</u>

The following are significant current-year transactions that have had an impact on the statement of net assets:

- The District invested \$65.4 million in capital assets through school improvements and equipment acquisitions and recognized \$17.7 million in depreciation expense.
- The District issued \$65 million of newly issued voter authorized bonds from the November, 2007 election and made other debt retirements totaling \$16.8 million.
- The District recognized \$8.5 million in accreted interest during the year.

The District's total revenues for the fiscal year ended August 31, 2009 were \$318,664,750. The total cost of all programs and services was \$314,995,105. The following table presents a summary of the changes in net assets for the fiscal years ended August 31, 2009 and August 31, 2008.

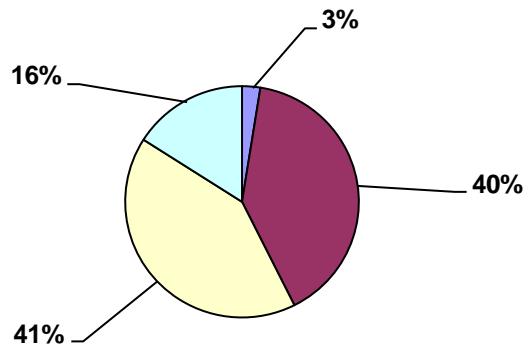
**Table II**  
**Change in Net Assets**  
Governmental  
Activities

	<u>2009</u>	<u>2008</u>	<u>Difference</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,253,508	\$ 5,218,845	\$ 34,663
Operating grants and contributions	45,849,732	38,828,216	7,021,516
Capital grants and contributions	75,000	-	75,000
General revenues:			
Maintenance and operations taxes	97,024,305	91,437,264	5,587,041
Debt service taxes	34,961,198	32,112,354	2,848,844
State grants	127,466,060	123,663,032	3,803,028
Investment earnings	4,993,990	7,590,752	(2,596,762)
Miscellaneous	3,040,957	1,702,558	1,338,399
Total revenue	<u>318,664,750</u>	<u>300,553,021</u>	<u>18,111,729</u>
Expenses:			
Instruction, curriculum, and media services	188,766,419	177,438,191	11,328,228
Instructional and school leadership	23,483,409	22,495,303	988,106
Student support services, child nutrition and co-curricular activities	40,629,597	35,934,263	4,695,334
General administration	7,214,596	7,024,356	190,240
Plant maintenance, security, and data processing	26,485,590	24,508,742	1,976,848
Community services	1,177,345	1,088,711	88,634
Interest and fiscal charges	24,205,191	22,865,771	1,339,420
Other Facility Costs	3,469	-	3,469
Intergovernmental charges	682,029	166,095	515,934
Payments to TIF	2,347,460	498,713	1,848,747
Total expenses	<u>314,995,105</u>	<u>292,020,145</u>	<u>22,974,960</u>
Change in net assets	3,669,645	8,532,876	(4,863,231)
Beginning Net Assets	55,026,463	46,493,587	8,532,876
Ending Net Assets	<u>\$ 58,696,108</u>	<u>\$ 55,026,463</u>	<u>\$ 3,669,645</u>

Net assets of the District's governmental activities increased from \$55,026,463 to \$58,696,108, or \$3,669,645.

The District's reliance upon tax revenues is demonstrated by the graph below, which indicates that 41% total revenues for governmental activities come from local taxes.

### Revenues



The cost of all governmental activities this year was \$314,995,105. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through district taxes was \$131,985,503 because some of the costs were paid by those who directly benefited from the programs (\$5,253,508), by other governments and organizations that subsidized certain programs with grants and contributions (\$45,924,732), or by state aid (\$127,466,060), investment income (\$4,993,990), and other miscellaneous income (\$3,040,957).

The following table presents the total cost of the District's major functional activities and the net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs):

	<u>Total Expenses</u>	<u>Net Expenses</u>
Instruction, curriculum, and media services	\$ 188,766,419	\$ 163,234,252
Instructional and school leadership	23,483,409	22,453,846
Student support services, child nutrition and co-curricular activities	40,629,597	19,629,014
General Administration	7,214,596	7,129,124
Plant maintenance, security, and data processing	26,489,059	26,212,366
Community services	1,177,345	271,043
Interest and fiscal charges	24,205,191	24,205,191
Intergovernmental charges	682,029	682,029
Payments to TIF	2,347,460	-
Total expenses	<u>\$ 314,995,105</u>	<u>\$ 263,816,865</u>

#### THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$219,719,028, which is an increase of \$20,478,812 from the prior year.

The schedule below indicates the fund balance by fund type as of August 31, 2009 and August 31, 2008.

	<u>Fund Balance August 31, 2009</u>	<u>Fund Balance August 31, 2008</u>	<u>Change in Fund Balance</u>
General Fund	\$ 80,504,528	\$ 75,622,972	\$ 4,881,556
Food Service	7,121,811	6,482,598	639,213
Debt Service	15,976,491	12,331,569	3,644,922
Capital Projects	115,773,018	104,020,753	11,752,265
Other Funds	343,180	782,324	(439,144)
Total	<u>\$ 219,719,028</u>	<u>\$ 199,240,216</u>	<u>\$ 20,478,812</u>

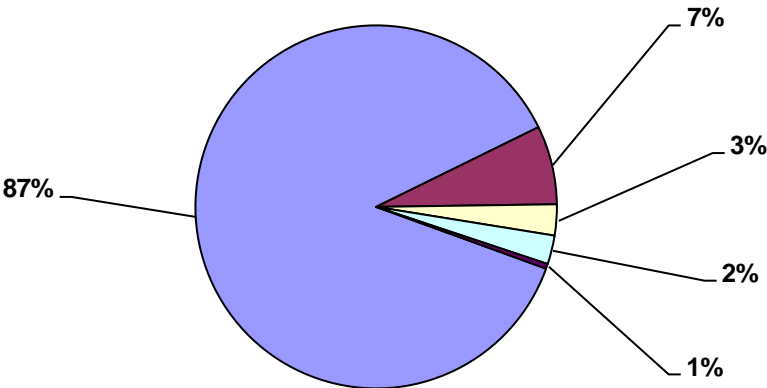
*General Fund*

The fund balance of the General Fund increased \$4,881,556 from the prior year. The District's original budget plan was to use \$5.8 million of fund balance; instead there was an increase of \$10.7 million to budgeted fund balance. \$8.7 million in state revenue was received from increased student attendance and lower property values. There was a decrease in property tax revenue of \$2.7 million. Investment earnings increased \$1.7 million more than originally anticipated. An additional \$919,475 was received from the District's participation in the School Health and Related Services (SHARS) program, with the District's new Third Party Administrator identifying more qualifying costs and completing the final settle-up from the 2007 SHARS Cost Report. The District's participation in a Tax Increment Finance Zone generated \$848,186 in new revenue for the 2009 fiscal year. General Fund expenditures were \$581,322 less than originally budgeted, with the savings coming from no one particular source.

The District is a service entity; therefore, the largest portions of the General Fund expenditures are related to payroll and contracted services such as utilities, as illustrated below.

Expenditures by Object	August 31, 2009 Amounts	August 31, 2008 Amounts	Increase (Decrease) from Prior Year
Payroll	\$ 197,657,363	\$ 186,000,706	\$ 11,656,657
Contracted Services	15,986,964	15,015,930	971,034
Supplies	6,287,986	6,119,912	168,074
Other Operating	5,848,614	4,067,156	1,781,458
Capital Outlay	980,462	1,193,586	(213,124)
<b>Total</b>	<b>\$ 226,761,389</b>	<b>\$ 212,397,290</b>	<b>\$ 14,364,099</b>

**General Fund Expenditures**



■ Payroll	■ Contracted Services	■ Supplies	■ Other Operating	■ Capital Outlay
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### *Food Service Fund*

The fund balance of the Food Service fund increased \$639,213 from the prior year. The District's original budget plan was to use \$500,000 of fund balance; instead there was an increase of \$1.1 million to budgeted fund balance. The majority of this increase can be attributed to the increase in the District's free and reduced qualified students from the prior year. This generated \$2,102,064 in additional federal reimbursements for the National School Lunch and Breakfast programs. Expenditures were increased \$647,445 for food supplies, due to the increase in student participation. In addition, new capital outlay items were purchased for \$509,924 that was not in the original budget.

### *Debt Service Fund*

The Debt Service fund balance increased \$3,644,922. The District sold \$65 million in bonds issued in the summer of 2009. \$3.5 million of this increase was generated from a premium on bonds.

### *Capital Projects Fund*

The Capital Projects fund balance increased \$11,752,265 from the prior year due to the sale of the new \$65 million in bonds issued in the summer of 2009 that was offset with funds spent during the year for the completion of construction projects. Although these and other capital expenditures reduce available fund balances as projects are completed, they create new assets for the District as reported in the statement of net assets and as discussed in Note 5 in the financial statements.

## BUDGETARY HIGHLIGHTS

Over the course of the year, budget amendments are necessary to realign funds, which will increase and/or decrease various function levels and object series within the budget. All necessary budget amendments, which change the function level for appropriations and object series for revenues, are formally approved by the School Board and recorded in the board minutes each month. The difference between the original budget and the final amended budget were necessary amendments for changes in situations and estimates. Expenditures and other financing sources had budget amendments of \$2,665,680. Revenues had budget amendments of \$9,014,801. The major components of these changes are reflected on Exhibit G-1 and the key factors for the changes can be summarized as follows:

\$8,150,191 increase in state revenue, for better than anticipated student growth and average daily attendance and an increase in FTE's for special student populations.

\$462,000 increase to local revenue, for investment earnings.

\$505,000 increase in SHARS (School Health and Related Services) program budget, due to receipt of 2007 Cost Report final settle-up and additional participation.

\$130,646 increase in TRS on-behalf state revenue, due to recording GASB 24 expenses.

\$1,130,915 increase in Tax Increment Finance Zone payments to the City of Irving as a result of the increase in values of properties located within the Zone.

\$475,000 increase in contracted services for legal fees.

\$107,989 increase in contracted services for School Resource Officer overtime for after-school events.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of August 31, 2009, the District had invested \$408,510,490 in capital assets, net of accumulated depreciation of \$234,208,735, including land and improvements, facilities, and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase in capitalized cost of \$54,698,828 from last year. The increase is primarily due to completing various construction projects and equipment acquisitions.

The total depreciation expense for the year was \$17,665,849.

The following schedule presents capital asset balances net of depreciation for the fiscal year ended August 31, 2009:

Land and Improvements	\$	30,775,430
Furniture and Equipment		22,506,947
Buildings and Improvements		344,962,543
Construction in Progress		<u>10,265,570</u>
Total	\$	<u><u>408,510,490</u></u>

More detailed information about the District's capital assets is presented in Note 5 in the financial statements.

### Debt

As of August 31, 2009, the District had \$577,803,295 in general obligation bonds payable and \$2,246,985 in claims payable. The District had \$17,471,407 in bonds payable that are due within one year.

The District continues to have favorable general obligation bond ratings indicated by Aa3 and AA+ rating from Moody's Investors Service and Standard & Poor's Ratings Group, respectively.

State statutes currently limit the amount of general obligation debt a District may issue to 10% of its total assessed valuation. The current debt limitation for the District is \$998,588,916, which is more than the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 8 in the financial statements.



## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the 2009-2010 budget and 2009 tax rates. One of those factors was the economy. Going into the 2009 tax year the District experienced a 4.6% decrease in property values. This is the first year of a decrease in property values after several years of increasing values.

With 60% of the District's tax base in commercial and business personal property, this was the first year that the District experienced a significant decrease (9.8%) in its values in this category after three years of significant increases. The residential property values for the 2010 fiscal year decreased with a decline in values of 1.9%.

The decrease in property values was offset by an increase in state revenue for the General Fund as provided for under HB 1, but not the Debt Service Fund. The 81<sup>st</sup> legislative session provided a guaranteed increase of \$120 per weighted student in daily attendance. This additional revenue of \$4,979,114 from House Bill 3646 as approved by the Texas State Legislature, allowed the Board of Trustees to increase the 2009-2010 operating budget \$16,650,460 and to provide an average 4.5% employee pay raise which cost the District \$7,686,194 of this overall budget increase. A use of fund balance reserves of \$7,092,231 was also part of the adopted 2009-2010 budget.

The maintenance and operating tax rate remained the same as last year at \$1.02. A total of 4 cents above \$1.00 is allowable at the local level, under provisions of HB 1. The bill also provides a hold harmless guarantee for future years that ensures that the District will have the same funds per weighted pupil as the current year. In addition to the hold harmless, the District is able to access an additional \$2.8 million in state funding generated by the state equalization formulas that apply to the local option 2 pennies.

The debt service tax rate was increased by 3.4 cents to pay for the current outstanding bonded debt which includes the issuance of \$65 million of newly authorized voter authorized bonds from the November, 2007 election.

The District will continue to review its priorities to maintain the level of service to its children and taxpayers for future budget years.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office at Irving Independent School District, 2621 W. Airport Freeway, Irving, Texas, 75062.



# **BASIC FINANCIAL STATEMENTS**



**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**



**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
AUGUST 31, 2009**

**EXHIBIT A-1**

DATA CONTROL CODES		<u>GOVERNMENTAL ACTIVITIES</u>
	<b>ASSETS</b>	
1110	Cash & Cash Equivalents	\$ 162,527,524
1120	Investments	75,070,350
1220	Delinquent Taxes Receivable - Net of Estimated Uncollectible Taxes	4,097,117
1240	Due from Other Governments	3,438,605
1250	Accrued Interest	2,134,003
1290	Other Receivables	1,816,832
1310	Inventories	1,007,649
1410	Deferred Expenses	5,122,572
1490	Other Assets	7,990
1510	Land	19,272,649
1515	Land Improvements	17,300,465
1520	Buildings and Improvements	507,286,719
1580	Construction in Progress	10,265,570
1530	Furniture and Equipment	88,593,822
1570	Accumulated Depreciation	<u>(234,208,735)</u>
1000	<b>TOTAL ASSETS</b>	<u><b>663,733,132</b></u>
	<b>LIABILITIES</b>	
2110	Accounts Payable and Claims Liabilities	11,998,941
2150	Payroll Deductions and Withholdings	825,576
2160	Accrued Wages Payable	5,673,710
2140	Interest Payable	3,338,041
2180	Due to Other Governments	894,991
2300	Unearned Revenue	833,645
	Noncurrent Liabilities:	
	Due Within One Year:	
2121	Bonds Payable	17,471,407
2123	Claims Payable	1,975,984
	Due in More than One Year:	
2800	Claims Payable	271,001
2510	Bonds Payable	<u>561,753,728</u>
2000	<b>TOTAL LIABILITIES</b>	<u><b>605,037,024</b></u>
	<b>NET ASSETS</b>	
3800	Invested in Capital Assets, Net of Related Debt	(8,536,121)
3840	Restricted for Food Service	7,121,811
3850	Restricted for Debt Service	6,948,487
3430	Unrestricted Net Assets	<u>53,161,931</u>
3000	<b>TOTAL NET ASSETS</b>	<u><b>\$ 58,696,108</b></u>

*The notes to the basic financial statements are an integral part of this statement.*

**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT B-1**

Data Control Codes	Functions/Programs	1 Expenses	2 Charges for Services	3 Program Revenues		4 Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets  Total Governmental Activities
				Operating Grants and Contributions			
	Governmental Activities:						
11	Instruction	\$ 180,232,180	\$ 675,741	\$ 22,100,777	\$ 75,000		\$ (157,380,662)
12	Instructional Resources and Media Services	4,975,486	-	12,724	-		(4,962,762)
13	Curriculum Development and Instructional Staff Development	3,558,753	-	2,667,925	-		(890,828)
21	Instructional Leadership	5,155,792	-	970,512	-		(4,185,280)
23	School Leadership	18,327,617	-	59,051	-		(18,268,566)
31	Guidance, Counseling, and Evaluation Services	13,188,546	-	1,678,927	-		(11,509,619)
32	Social Work Services	454,045	-	-	-		(454,045)
33	Health Services	2,546,835	-	255,070	-		(2,291,765)
34	Student (Pupil) Transportation	3,498,826	-	724,610	-		(2,774,216)
35	Food Services	15,973,273	3,048,365	13,913,253	-		988,345
36	Co-Curricular/Extracurricular Activities	4,968,072	1,380,358	-	-		(3,587,714)
41	General Administration	7,214,596	-	85,472	-		(7,129,124)
51	Plant Maintenance and Operations	20,296,508	149,044	-	-		(20,147,464)
52	Security and Monitoring Services	2,615,072	-	59,444	-		(2,555,628)
53	Data Processing Services	3,574,010	-	68,205	-		(3,505,805)
61	Community Services	1,177,345	-	906,302	-		(271,043)
71	Debt Service - Interest and Fiscal Charges	24,205,191	-	-	-		(24,205,191)
81	Other Facility Costs	3,469	-	-	-		(3,469)
95	Payments to Juvenile Justice Alternative Education Program	176,431	-	-	-		(176,431)
97	Payments to TIF	2,347,460	-	2,347,460	-		-
99	Other Intergovernmental Charges	505,598	-	-	-		(505,598)
	Total Governmental Activities	<u>\$ 314,995,105</u>	<u>\$ 5,253,508</u>	<u>\$ 45,849,732</u>	<u>\$ 75,000</u>		<u>\$ (263,816,865)</u>

Data Control Codes	General Revenues:	
	Taxes:	
MT	M & O Property Taxes	97,024,305
DT	Debt Service Property Taxes	34,961,198
SF	State Aid - Not Restricted to Specific Programs	127,466,060
IE	Investment Income	4,993,990
MI	Miscellaneous	<u>3,040,957</u>
TG	Total General Revenues and Direct Allocation	267,486,510
CN	Change in Net Assets	3,669,645
NB	Net Assets - Beginning	<u>55,026,463</u>
NE	Net Assets - Ending	<u>\$ 58,696,108</u>

The notes to the basic financial statements are an integral part of this statement.



# **FUND FINANCIAL STATEMENTS**





**IRVING INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2009**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	<b>ASSETS</b>		
	Current Assets:		
1110	Cash & Cash Equivalents	\$ 42,961,534	\$ 6,970,278
1120	Investments	40,070,350	-
	Receivables:		
1220	Property Taxes - Delinquent	4,541,529	-
1230	Allowance for Uncollectible Taxes	(1,544,292)	-
1240	Due from Other Governments	611,245	418,993
1250	Accrued Interest	996,304	-
1260	Due from Other Funds	2,453,648	-
1290	Other Receivables	1,249,266	-
1310	Inventories, at cost	843,171	158,210
1410	Deferred Expenditures	254,133	-
1490	Other Current Assets	5,666	-
1000	<b>TOTAL ASSETS</b>	<b>\$ 92,442,554</b>	<b>\$ 7,547,481</b>
	<b>LIABILITIES</b>		
	Current Liabilities:		
2110	Accounts Payable	\$ 2,104,265	\$ 425,670
2140	Interest Payable	-	-
2150	Payroll Deductions and Withholdings	825,576	-
2160	Accrued Wages Payable	5,665,099	-
2170	Due to Other Funds	-	-
2180	Due to Other Governments	128	-
2300	Deferred Revenue	3,342,958	-
2000	<b>TOTAL LIABILITIES</b>	<b>11,938,026</b>	<b>425,670</b>
	<b>FUND BALANCE</b>		
	Reserved Fund Balances:		
3410	Investments in Inventory	843,171	158,210
3420	Retirement of Long-Term Debt	-	-
3430	Prepaid Items	254,133	-
3440	Outstanding Encumbrances	992,406	79,555
3450	Food Service	-	6,884,046
	Unreserved, Designated Fund Balances:		
3530	Capital Expenditures	-	-
3540	Self Insurance	1,163,106	-
3590	Campus and Other Activities	2,059,059	-
	Unreserved, Undesignated Fund Balance:		
3600	Reported in the General Fund	75,192,653	-
3610	Reported in Special Revenue Funds	-	-
3000	<b>TOTAL FUND BALANCE</b>	<b>80,504,528</b>	<b>7,121,811</b>
4000	<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 92,442,554</b>	<b>\$ 7,547,481</b>

*The notes to the basic financial statements are an integral part of this statement.*

EXHIBIT C-1

MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 10,004,124	\$ 95,539,312	\$ 979,517	\$ 156,454,765
7,000,000	28,000,000	-	75,070,350
1,388,339	-	-	5,929,868
(288,459)	-	-	(1,832,751)
-	-	2,408,367	3,438,605
362,423	775,276	-	2,134,003
-	-	-	2,453,648
52,285	-	5,400	1,306,951
-	-	-	1,001,381
-	-	-	254,133
-	-	-	5,666
<u>\$ 18,518,712</u>	<u>\$ 124,314,588</u>	<u>\$ 3,393,284</u>	<u>\$ 246,216,619</u>
\$ 100,977	\$ 8,541,570	\$ 445,884	\$ 11,618,366
100,538	-	-	100,538
-	-	-	825,576
-	-	8,611	5,673,710
363,502	-	2,090,146	2,453,648
877,324	-	17,539	894,991
1,099,880	-	487,924	4,930,762
<u>2,542,221</u>	<u>8,541,570</u>	<u>3,050,104</u>	<u>26,497,591</u>
-	-	-	1,001,381
15,976,491	-	-	15,976,491
-	-	-	254,133
-	3,313,197	-	4,385,158
-	-	-	6,884,046
-	112,459,821	-	112,459,821
-	-	-	1,163,106
-	-	-	2,059,059
-	-	-	75,192,653
-	-	343,180	343,180
<u>15,976,491</u>	<u>115,773,018</u>	<u>343,180</u>	<u>219,719,028</u>
<u>\$ 18,518,712</u>	<u>\$ 124,314,588</u>	<u>\$ 3,393,284</u>	<u>\$ 246,216,619</u>



**IRVING INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
AUGUST 31, 2009**

**EXHIBIT C-1R**

Total Fund Balances - Governmental Funds \$ 219,719,028

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$642,713,176, and the accumulated depreciation is \$234,206,920. 408,506,256

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 4,097,117

Internal Service Funds are used by the district's management to charge the cost of health insurance, workers compensation, unemployment, and benefits administration to the funds. The assets and liabilities of the Internal Service Funds are included with governmental activities. 3,967,906

Bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds. Bonds payable and related accounts at year-end consist of:

Bonds Payable	\$ (577,803,295)	
Premium/Discount on Bonds Payable	(7,441,254)	
Deferred Loss on Refunding Bonds	6,019,414	
Interest Payable	(3,237,503)	
Bond Issuance Costs	4,868,439	
	(577,594,199)	(577,594,199)

Net Assets - Governmental Activities \$ 58,696,108

*The notes to the basic financial statements are an integral part of this statement.*

**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	REVENUES		
5700	Local and Intermediate Sources	\$ 106,782,845	\$ 3,096,672
5800	State Program Revenues	122,914,126	111,223
5900	Federal Program Revenues	1,911,260	13,802,030
5020	TOTAL REVENUES	<u>231,608,231</u>	<u>17,009,925</u>
	EXPENDITURES		
	Current:		
0011	Instruction	143,852,543	-
0012	Instructional Resources and Media Services	4,294,545	-
0013	Curriculum Development and Instructional Staff Development	1,012,968	-
0021	Instructional Leadership	4,090,731	-
0023	School Leadership	17,403,489	-
0031	Guidance, Counseling, and Evaluation Services	11,028,657	-
0032	Social Work Services	446,818	-
0033	Health Services	2,181,145	-
0034	Student (Pupil) Transportation	2,640,033	-
0035	Food Services	287,334	15,290,241
0036	Co-Curricular/Extracurricular Activities	4,541,517	-
0041	General Administration	6,755,748	-
0051	Plant Maintenance and Operations	19,381,617	556,504
0052	Security and Monitoring Services	2,514,519	-
0053	Data Processing Services	2,988,008	-
0061	Community Services	310,509	-
	Debt Service:		
0071	Principal on Long-Term Debt	-	-
0072	Interest and Charges on Long-Term Debt	-	-
0073	Bond Issuance Costs and Fees	-	-
0081	Facilities Acquisition and Construction	1,719	523,967
0095	Payments to Juvenile Justice Alternative Education Program	176,431	-
0097	Payments to TIF	2,347,460	-
0099	Intergovernmental Charges	505,598	-
6030	TOTAL EXPENDITURES	<u>226,761,389</u>	<u>16,370,712</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,846,842</u>	<u>639,213</u>
	OTHER FINANCING SOURCES (USES)		
7912	Proceeds from Sale of Capital Assets	34,714	-
7911	Issuance of Bonds	-	-
7916	Premium on Issuance of Debt	-	-
7080	TOTAL OTHER FINANCING SOURCES AND (USES)	<u>34,714</u>	<u>-</u>
1200	Net Change in Fund Balances	4,881,556	639,213
0100	Fund Balance - September 1 (Beginning)	75,622,972	6,482,598
3000	Fund Balance - August 31 (Ending)	<u>\$ 80,504,528</u>	<u>\$ 7,121,811</u>

The notes to the basic financial statements are an integral part of this statement.



MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 35,331,200	\$ 1,994,383	\$ 105,566	\$147,310,666
4,551,934	-	7,439,546	135,016,829
-	-	19,947,800	35,661,090
<u>39,883,134</u>	<u>1,994,383</u>	<u>27,492,912</u>	<u>317,988,585</u>
-	8,858,914	20,863,150	173,574,607
-	1,371,105	12,011	5,677,661
-	-	2,518,523	3,531,491
-	38,267	916,164	5,045,162
-	3,496	55,744	17,462,729
-	1,536	1,584,909	12,615,102
-	-	-	446,818
-	-	240,786	2,421,931
-	147,590	684,032	3,471,655
-	11,580	-	15,589,155
-	90,937	-	4,632,454
-	30,912	80,686	6,867,346
-	146,369	-	20,084,490
-	16,624	56,115	2,587,258
-	1,815,786	64,386	4,868,180
-	-	855,550	1,166,059
16,784,392	-	-	16,784,392
22,114,075	-	-	22,114,075
837,801	-	-	837,801
-	42,709,002	-	43,234,688
-	-	-	176,431
-	-	-	2,347,460
-	-	-	505,598
<u>39,736,268</u>	<u>55,242,118</u>	<u>27,932,056</u>	<u>366,042,543</u>
<u>146,866</u>	<u>(53,247,735)</u>	<u>(439,144)</u>	<u>(48,053,958)</u>
-	-	-	34,714
-	65,000,000	-	65,000,000
<u>3,498,056</u>	<u>-</u>	<u>-</u>	<u>3,498,056</u>
<u>3,498,056</u>	<u>65,000,000</u>	<u>-</u>	<u>68,532,770</u>
3,644,922	11,752,265	(439,144)	20,478,812
<u>12,331,569</u>	<u>104,020,753</u>	<u>782,324</u>	<u>199,240,216</u>
<u>\$ 15,976,491</u>	<u>\$ 115,773,018</u>	<u>\$ 343,180</u>	<u>\$ 219,719,028</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT C-3**

Total Net Change in Fund Balances - Governmental Funds \$ 20,478,812

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$17,664,640) exceeded capital outlays (\$56,448,500) in the current period. 38,783,860

The disposal of capital assets is not recognized in the governmental funds. (11,233)

Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues, net of bad debt, increased by this amount this year. 548,097

Internal Service Funds are used by the district's management to charge the cost of health insurance, workers compensation, unemployment, and benefits administration to the funds. The net revenue (expense) of the Internal Service Funds is reported with governmental activities. (3,162,913)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 16,784,392

Bond issuances and refundings and related costs are shown as "Other Sources" and "Other Uses" in the governmental funds, but are shown on the statement of net assets with related costs amortized over the life of the bonds. Differences consist of the following:

Bond Proceeds	\$	(65,000,000)	
Discount/Premium on Bonds Issued		(3,498,056)	
Bond Issue Costs		837,801	
Amortization of Issue Costs		(220,317)	
Amortization of Refunding Loss		(464,961)	
Amortization of Bond Premium/Discount		682,540	(67,662,993)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. Differences consist of the following:

Change in Accrued Interest	\$	(277,615)	
Interest Accretion		(8,501,370)	
Accretion Retirement		6,690,608	(2,088,377)
Change in Net Assets - Governmental Activities			\$3,669,645

*The notes to the basic financial statements are an integral part of this statement.*

**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
AUGUST 31, 2009**

**EXHIBIT D-1**

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	<b>ASSETS</b>	
	Current Assets:	
1110	Cash and Temporary Investments	\$ 6,072,759
1260	Due from Other Funds	136,950
1290	Other Receivables	509,881
1310	Inventories, at cost	6,268
1490	Other Current Assets	2,324
	Total Current Assets	<u>6,728,182</u>
	Non-Current Assets:	
1500	Furniture and Equipment, net	<u>4,234</u>
	Total Non-Current Assets	<u>4,234</u>
1000	<b>TOTAL ASSETS</b>	<u><u>6,732,416</u></u>
	<b>LIABILITIES</b>	
	Current Liabilities:	
2110	Accounts Payable	380,575
2170	Due to Other Funds	136,950
	Total Current Liabilities	<u>517,525</u>
	Noncurrent Liabilities:	
2800	Claims due within one year	1,975,984
	Claims due in more than one year	<u>271,001</u>
	Total Long-Term Liabilities	<u>2,246,985</u>
2000	<b>TOTAL LIABILITIES</b>	<u><u>2,764,510</u></u>
	<b>NET ASSETS</b>	
3800	Invested in Capital Assets	4,234
3900	Unrestricted Net Assets	<u>3,963,672</u>
3000	<b>TOTAL NET ASSETS</b>	<u><u>\$ 3,967,906</u></u>

*The notes to the basic financial statements are an integral part of this statement.*

**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT D-2**

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	OPERATING REVENUES	
5700	Charges for Services	<u>\$ 17,081,376</u>
5020	Total Operating Revenues	<u>17,081,376</u>
	OPERATING EXPENSES	
6100	Payroll Costs	316,149
6200	Professional/Contracted Services	87,814
6300	Supplies and Materials	283,849
6400	Claims, Administration, and Other Expenses	<u>19,586,064</u>
6030	Total Operating Expenses	<u>20,273,876</u>
	OPERATING LOSS	(3,192,500)
	NON-OPERATING REVENUES	
7955	Interest Income	<u>29,587</u>
	CHANGE IN NET ASSETS	(3,162,913)
0100	Total Net Assets - September 1 (Beginning)	<u>7,130,819</u>
3000	Total Net Assets - August 31 (Ending)	<u><u>\$ 3,967,906</u></u>

*The notes to the basic financial statements are an integral part of this statement.*

**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT D-3**

	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:	
Cash Received for Premiums and Services	\$ 17,075,935
Cash Paid to Employees	(316,149)
Cash Paid for Claims and Administration, and Other Costs	(20,207,412)
Net Cash Used In Operating Activities	<u>(3,447,626)</u>
Cash Flows from Investing Activities:	
Interest Received	29,587
Net Cash Provided by Investing Activities	<u>29,587</u>
Net Decrease in Cash and Cash Equivalents	(3,418,039)
Cash and Cash Equivalents at Beginning of the Year	9,490,798
Cash and Cash Equivalents at End of the Year	<u>\$ 6,072,759</u>
Reconciliation of Operating Income to Net Cash Used In Operating Activities	
Operating loss	<u>\$ (3,192,500)</u>
Adjustments to Reconcile Operating Income to Net Cash Used In Operating Activities	
Depreciation	
Change in Current Assets and Liabilities:	1,210
Increase in Other Receivables	(458,569)
Decrease in Inventories	3,787
Decrease in Other Current Assets	131,509
Increase in Due From Other Funds	(136,950)
Increase in Accounts Payable and Claims Liability	38,161
Increase in Due To Other Funds	136,950
Increase in Long-term Claims Reserve	28,776
	<u>(255,126)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u><b>\$ (3,447,626)</b></u>

*The notes to the basic financial statements are an integral part of this statement.*

**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AUGUST 31, 2009**

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**EXHIBIT E-1**

	<u>AGENCY FUNDS</u>
<b>ASSETS</b>	
Cash and Temporary Investments	\$ 732,977
<b>TOTAL ASSETS</b>	<u>\$ 732,977</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 445,287
Due to Student Groups	<u>287,690</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 732,977</u>

*The notes to the basic financial statements are an integral part of this statement.*

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Irving Independent School District's (the "District") basic financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's (TEA) Financial Accountability System Resource Guide (FASRG). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY**

The Board of Trustees, a seven-member group, has financial accountability for all activities related to public elementary and secondary education within the jurisdiction of the District. Because members of the board are elected by the public, they have the authority to make decisions and to appoint administrators and managers. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. In addition, there are no component units which meet the financial accountability criteria as defined in Governmental Accounting Standards Board Statement No. 14 and amended by GASB 39 which are included in the District's reporting entity.

The District receives funding from local, state and federal government sources and is required to comply with the requirements of these funding source entities.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from these statements. An exception to this general rule would be amounts that are reasonably equivalent in value to the interfund services provided. The *governmental activities* are supported by tax revenues and intergovernmental revenues. The District has no *business-type activities* that rely, to a significant extent, on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**B. GOVERNMENT-WIDE AND FUND ACCOUNTING STATEMENTS, cont'd.**

The District reports the following Major Funds:

**General Fund** - This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.

**Food Service Fund** - This fund is established to account for Food Service Program transactions. The District's Food Service Fund is considered a special revenue fund since it meets the following criteria: (1) User fees are charged to supplement the National School Lunch Program (NSLP), (2) The General Fund subsidizes the Food Service Program for all expenditures in excess of NSLP, and (3) The District does not consider the Food Service Program completely self-supporting. Food Service fund balances are used exclusively for child nutrition program purposes.

**Debt Service Fund** - This governmental fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.

**Capital Projects Fund** - This governmental fund is established to account for proceeds, on the modified accrual basis, from the sale of bonds and other resources to be used for Board authorized acquisition, construction or renovation, and furnishing and equipping of major capital facilities. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

The District reports the following Proprietary Funds:

**Internal Service Funds** - The District utilizes Internal Service Funds to account for its health, workers' compensation, unemployment, and benefit administration self-insurance plans, for science kit refurbishment, the district wide print shop, and for the Irving.net project to improve connectivity between schools and the community. The General Fund is contingently liable for liabilities of these funds. Sub-fund accounting is employed to maintain the integrity of these activities of the District. See Note 1 (O), (P), (Q), (R), and (S) for additional discussion of the District's self-insurance plans.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other funds for services. Operating expenses for internal service funds include the cost of providing the services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.



**B. GOVERNMENT-WIDE AND FUND ACCOUNTING STATEMENTS, cont'd.**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

**Agency Funds** - These custodial funds are used to account for activities of student groups and other organizational activities requiring clearing accounts. Financial resources for the Agency funds are recorded as assets and liabilities; therefore, these funds do not include revenues and expenditures and have no fund equity. If any unused resources are declared surplus by the student groups, they are transferred to the General Fund with a recommendation to the Board for an appropriate utilization through a budgeted program.

**C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are 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. 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. Accordingly, when such funds are received, they are recorded as deferred revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount. In accordance with the Financial Accountability System Resource Guide (FASRG), the District has adopted and installed an accounting system that exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FASRG. Mandatory codes are utilized in the form provided in that section.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**D. BUDGETARY DATA**

Formal budgetary accounting is employed for the General, Food Service, and Debt Service funds, as required in TEA's FASRG. The budget is prepared and controlled at the fund and function level (See Note 1 in the Notes to Required Supplementary Information). The official school budget is prepared for adoption for required Governmental Funds prior to August 20 of the preceding fiscal year for the subsequent fiscal year beginning September 1. The Board of Trustees formally adopts the budget at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Food Service Special Revenue Fund and Debt Service Fund. The remaining special revenue funds and the Capital Projects Fund adopt project-length budgets, which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The budget was properly amended throughout the year by the Board of Trustees. Such amendments are before the fact and are reflected in the official minutes of the Board.

**E. ENCUMBRANCE ACCOUNTING**

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at August 31 and encumbrances outstanding at that time are either canceled or provided for in the subsequent year's budget. Outstanding encumbrances at August 31, 2009 that were subsequently provided for in the 2009-2010 budget totaled \$992,406 for the General Fund, \$79,555 for the Food Service Fund, and \$3,313,197 for the Capital Projects Fund. These amounts are reflected as reserves of fund balance in those funds.

**F. DEPOSITS AND INVESTMENTS**

**Cash and Cash Equivalents** - For purposes of the Statement of Cash Flows, the Internal Service Funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**Investments** - Other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**G. DUE FROM (TO) OTHER FUNDS**

Interfund receivables and payables arise from interfund transactions and are recorded in all affected funds in the period in which transactions are executed in the normal course of operations. See Note 10 for additional discussion of interfund receivables and payables.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**H. INVENTORIES**

The consumption method is used to account for inventories of food products, school supplies and athletic equipment. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed. Inventories in the Capital Projects Fund represent computers purchased with bond funds but not yet distributed to the schools. The General Fund and Capital Projects inventories are offset by a fund balance reserve indicating that they are unavailable as current expendable financial resources. The Food Service (Special Revenue Fund) commodity inventories received through the U.S. Department of Agriculture are recognized as revenue.

**I. DEFERRED EXPENDITURES**

Deferred expenditures of \$254,133 in the General Fund are prepaid items, which benefit the next school year. Deferred expenses on government-wide financial statements include these prepaid items and bond issuance costs of \$4,868,439, net of accumulated amortization of \$837,801. These bond issuance costs will be amortized using the straight-line method over the life of the bonds.

**J. CAPITAL ASSETS**

Capital assets, which include land, buildings, furniture and equipment, and construction in progress, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as land, land improvements, buildings with an initial cost of any amount and furniture and equipment with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed. Land and construction in progress are not depreciated.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Land Improvements	20
Portable Buildings	20
Furniture, Fixtures & Equipment	10
Computer Equipment	5
Software	3
Automobiles	5
Food Service Equipment	15

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**K. LONG TERM DEBT**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred losses on refundings are amortized over the shorter of the life of the old debt or the life of the new debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**L. FUND EQUITY**

In the fund financial statements, unreserved undesignated fund equity for governmental funds indicate available amounts for the budgeting of future operations. The unreserved designated fund equity for governmental funds indicates unreserved funds that have been earmarked by Board Resolution for specific purposes and are therefore not available for general expenditures to be appropriated in the following period unless amended by future Board action. Reserved fund balance is that portion of fund equity which is not available for appropriation or which has been legally separated for specific purposes. As of August 31, 2009, General Fund Reserved Fund Balance includes \$843,171 for inventories, \$254,133 for prepaid items and \$992,406 for year-end encumbrances. The Food Service Fund Balance includes \$158,210 for inventories and reserves, \$79,555 for year-end encumbrances and \$6,884,046 for food service. Debt Service Fund reserves \$15,976,491 for retirement of bonded indebtedness. The Capital Projects Fund Reserved Fund Balance includes \$3,313,197 for year-end encumbrances.

Unreserved Designated Fund Balance includes \$1,163,106 for self-insurance and \$2,059,059 for campus and other activities in the General Fund. A total of \$112,459,821 has been designated for authorized construction projects in the Capital Projects Fund. The General Fund and Non-Major Special Revenue Funds Unreserved, Undesignated Fund Balance were \$75,192,653 and \$343,180 respectively.

**M. VACATION AND SICK LEAVE**

Vacations are to be taken within the same year they are earned, and any unused days at the end of the year are forfeited. Therefore, no liability has been accrued in the accompanying basic financial statements. Employees of the District are entitled to sick leave based on category/class of employment. Sick leave is allowed to be accumulated but does not vest, therefore, a liability for unused sick leave has not been recorded in the accompanying basic financial statements.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**N. DATA CONTROL CODES**

Data control codes refer to the account code structure prescribed by the Texas Education Agency, Financial Accountability System Resource Guide.

**O. HEALTH CARE**

The health self-insurance plan was established September 1, 1992. The revenues of this fund are received from both the General and Special Revenue Funds and its expenses are comprised of administrative fees, stop-loss coverage and claims paid on behalf of District employees. The District contributed \$262 per month per employee to the plan for the first half of the year and \$269 per month per employee for the remainder of the year for a total of \$13,034,043. The employees, at their option, may authorize payroll withholdings to pay premiums for dependents' health insurance coverage. Health claim payments are processed by a third party administrator acting on behalf of the District. As of August 31, 2009, the total liabilities of the health self-insurance fund of \$1,606,282 includes accounts payable of \$349,016 and current health claim short-term liabilities of \$1,257,266 representing claims reported but not paid and incurred but not reported. The net assets of the health self-insurance fund had a deficit of \$118,255.

Claims incurred after September 1, 2002 are subject to an individual stop-loss of \$200,000 per participant annually and \$1,000,000 lifetime maximum benefit for the PPO plan and \$200,000 per participant annually and unlimited lifetime maximum benefit for the OAP plan. Individual employee health claims are self-insured by the District up to \$200,000 annually and stop-loss benefits above \$200,000 are provided by Blue Cross Blue Shield of Texas, up to an aggregate district-wide attachment point of \$16,380,544.

The latest financial statements available for Blue Cross Blue Shield of Texas are filed with the Texas State Board of Insurance, Austin, Texas, and are public records. The District does not provide any post-retirement health benefits to its employees.

Changes in the medical claims liability amounts in fiscal 2008 and 2009 are presented below:

	<b>Beginning of Fiscal-Year Liability</b>	<b>Current-Year Claims &amp; Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
2008 Medical	\$ 1,030,629	\$ 12,274,369	\$ 12,097,382	\$ 1,207,616
2009 Medical	\$ 1,207,616	\$ 16,635,093	\$ 16,585,443	\$ 1,257,266

**P. SELF-INSURED WORKERS' COMPENSATION**

On September 1, 1992, the District established its self-funded Workers' Compensation program. The District currently maintains a self-insured retention of \$500,000 per occurrence and purchases excess coverage to statutory limits from Midwest Employer's Casualty Company. Claims administration is currently provided by the third party administrator Tristar Inc., and the Texas Association of School Boards maintains claims processing for liabilities between September 1, 1986 and July 31, 1992.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**P. SELF-INSURED WORKERS' COMPENSATION, cont'd.**

The total liabilities for the Workers' Compensation self-insurance fund of \$994,905 include incurred but not reported claims in the amount of \$989,759 (of which \$718,758 is expected to be paid within one year,) and accounts payable of \$5,146. The claims liability reported in the fund at August 31, 2009 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. Professional Actuarial Services, Inc. through its actuarial review of the Workers' Compensation self-insurance program, projected an estimated discounted liability of \$989,759 as of August 31, 2009 for the ultimate loss reserve of the fund. The fund had net assets as August 31, 2009 of \$3,934,724.

Changes in the workers' compensation claims liability amounts in fiscal 2008 and 2009 are presented below:

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims &amp; Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2008 Workers' Compensation	\$ 1,037,572	\$ 549,622	\$ 626,211	\$ 960,983
2009 Workers' Compensation	\$ 960,983	\$ 820,742	\$ 791,966	\$ 989,759

**Q. SELF-INSURED UNEMPLOYMENT**

The District through a reimbursement program provides unemployment insurance protection through the Texas Workforce Commission (TWC), should an employee experience a job loss through no fault of his own. As a reimbursing employer (IISD employees receive unemployment benefits directly from the Texas Workforce Commission), the District refunds unemployment benefit claims on a quarterly basis to TWC. Unemployment liabilities have been established at \$16,122 for claims reported and not paid, and net assets as of August 31, 2009 were \$136,974.

**R. BENEFITS ADMINISTRATION**

Benefit administrative expenses for the self-insurance programs are funded at the rate of \$1 per month per employee. Benefit administration liabilities of \$903 for accounts payable were recorded at year end. The August 31, 2009 net assets were \$20,624.

**S. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal 2005, the District executed an Interlocal agreement with the TASB Risk Management Fund. There were no significant reductions in coverage in the past fiscal year with no settlements exceeding insurance coverage for each of the past three fiscal years.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 2. DEPOSITS AND INVESTMENTS**

Under Texas state law, a bank serving as the school depository must have a bond or, in lieu thereof, deposited or pledged securities with the District or an independent third party agent, in an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

At August 31, 2009, the carrying amount of the District's cash, not including fiduciary funds, was \$31,291 including petty cash funds of \$31,291. The bank balance was \$556,431. During 2008-2009, the District's combined deposits were fully insured by federal depository insurance or collateralized with securities pledged to the District and held in the District's name by the District's agent. In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Name of bank: Comerica, Texas – Irving.
2. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$68,188,546 and occurred on August 31, 2009.
3. Largest combined collected cash account balance required to be collateralized amounted to \$41,710,108 and occurred on August 31, 2009.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

State statutes and Board policy authorize the District to invest in: (1) obligations of the U.S. or its agencies and instrumentalities, (2) obligations of the State of Texas or its agencies, (3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities, (4) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent, (5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas, and (6) fully collateralized repurchase agreements. Temporary investments are reported at cost or fair market, and are secured, when necessary, by the Federal Deposit Insurance Corporation (FDIC) or obligations that comply with the Public Funds Collateral Act. The District's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The District's management believes that it complied with the requirements of the PFIA and the District's investment policies. The investments owned at period-end are held by the District or its agent in the District's name (Category 1 securities). The District holds securities at fair value.

The investments held at period-end are as follows:

	<u>Fair Value</u>	<u>WAM</u>
Cash and Imprest Funds	\$ 31,291	1 Day
Certificates of Deposit	60,000,000	272 Days
U.S. Agencies	15,070,350	64 Days
Investments in Texpool	60,330,154	44 Day
Investments in TexStar	13,692,868	49 Day
Investments in Lone Star	16,337,259	52 Day
Investments in Texas Class	72,135,952	29 Day
Total	<u>\$ 237,597,874</u>	<u>99 Days</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**NOTE 2. DEPOSITS AND INVESTMENTS, cont'd.**

TexPool and TexStar are local government investment pools which operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These types of local government investment pools use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in these pools is the same as the value of the shares in each pool.

The Texas Local Government Investment Pool ("TexPool"), the Texas Short Term Asset Reserve Program ("TexStar") and Lone Star Investment Pool are organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexStar is co-administered by JP Morgan Fleming Asset Management, Inc. and First Southwest Asset Management under an agreement with the TexStar Board of Directors. The TexStar Board is comprised of participants in the pool and other persons who do not have a business relationship with TexStar. The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

Lone Star Investment Pool is administered by First Public which is a wholly owned subsidiary of the Texas Association of School Boards (TASB). First Public is also a registered broker-dealer with the Securities and Exchange Commission. The Lone Star Investment Pool is overseen by a Board of Trustees comprised of pool participants.

Texas CLASS (Texas Cooperative Liquid Assets Security System) was organized in March 1996 under a trust agreement executed by and among Texas local governmental entities in accordance with the Public Funds Investment Act, and the Texas Government Code and remains in full compliance with Chapter 2256. The fund is administered by MBIA (Municipal Investors Service Corp) through the MBIA Capital Management Corp. and is rated AAA/V1+ by Fitch Rating Services. Furthermore, MBIA guarantees municipal bonds, infrastructure finance issues, structured asset-backed and mortgage-backed transactions in both the new and secondary markets. MBIA provides specialized investment opportunities and a broad range of services to state and local governments, academic institutions, and other public and private-sector investors.

The Government Accounting Standards Board issued Statement No. 40, Deposit and Investment Risk Disclosures to address common deposit and investment risk related to credit risk, custodial risk, concentration of credit risk, interest rate risk, and foreign currency risk. The District employs various strategies to address these risks.

Interest rate risk occurs whenever rising interest rates will cause a fixed income security to lose fair value. The District manages its exposure to interest rate fluctuations and interest rate risk through its investment policy, through diversity of issuer and maturity and by limiting final maturity of its investments between two and five years, with most purchases less than two years. The District's investment policy states under the Diversity section that, "The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over concentration



**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**NOTE 2. DEPOSITS AND INVESTMENTS, cont'd.**

of assets in a specific class of investments, specific maturity, or specific issuer.” Therefore, it manages interest rate risk by laddering the portfolio so that agency positions are not concentrated in one time frame or in one issuer, thereby reducing the overall volatility of the portfolio.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and the District’s investment policy limits the District’s investments to high quality rated instruments that have been evaluated by agencies such as Standard and Poor’s or Moody’s Investor Service. The District controls and monitors credit risk by purchasing only quality rated instruments or investing in local government investment pools that have been evaluated by Standard and Poor’s, Fitch, or Moody’s Investors Service and complies with the Public Funds Investment Act. The Public Funds Investment Act limits investments in commercial paper to A1P1 ratings issued by at least two of the nationally recognized statistical rating organizations (NRSROs) and this is reflected in the investment policy of the District. The school district currently has no commercial paper. The local government investment pools that the District uses are also rated by the NRSROs. Lone Star, Texas CLASS, TexPool and TexStar are all rated AAAM by Standard & Poor’s.

Custodial credit risk-deposits occur when deposits are not covered by depository insurance and they are uncollateralized or the collateral is held by the financial institution or their trust department but not in the District’s name. The District’s investment policy requires the District to control this risk by employing a third party, the Federal Reserve Bank, to hold the collateral for the District in the District’s name.

Custodial credit risk-investments occur whenever investments are held by the counterparty’s trust department but not in the District’s name. The District’s investment policy requires the District to control this risk by trading all securities on a delivery vs. payment basis through the Federal Reserve book entry system and safekeeping them with a third party, Bank of America, registered in the District’s name.

Concentration of credit risk is the risk associated with holding investments that are not in pools and in excess of 5% of the total portfolio. As of August 31, 2009 the District held Federal Home Loan Bank securities with a par amount of \$15,000,000, which is 6.12% of the total portfolio and \$60,000,000 of certificates of deposit, which is 24.48% of the portfolio. All Agency securities held by the District are rated AAA by Standard and Poor’s or Moody’s Investors Service. The District controls this risk by laddering the portfolio, limiting the final maturity of each investment between two and five years through its investment policy with most purchases under two years, and by diversifying between agency types when possible.

Foreign currency risk is the risk of loss due to fluctuations in the exchange rate. The District has no exposure to foreign currency risk.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 3. PROPERTY TAXES**

Property taxes are considered available when they become due and receivable within the current accounting period or within 60 days thereafter. The District levies taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by the lien date, February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2008, upon which the levy for the 2008-2009 fiscal year was based, was \$10,135,897,746. The roll was subsequently decreased to a year-end assessed value of \$9,985,889,156. Taxes not paid by June 30 are subject to both penalty and interest charges plus 20% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended August 31, 2009, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.02 and \$.371 per \$100 valuation, respectively, for a total of \$1.391 per \$100 valuation.

Current tax collections for the year ended August 31, 2009 were 98.56% of the year-end adjusted 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 on historical experience in collecting 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. As of August 31, 2009, property taxes receivable, net of estimated uncollectible taxes, totaled \$2,997,237 and \$1,099,880 for the General and Debt Service Funds, respectively.

The District elected to participate in a tax increment reinvestment zone with the City of Irving in August 1999. By terms of the participation agreement with the City, the District will contribute 100% of ad valorem taxes collected on the increased assessed valuation of real property in the tax increment reinvestment zone in excess of the tax increment base value established for the zone on 1/1/98. In return, the City will reimburse the District 75% of the taxes collected for the zone to pay for district projects identified in the project plan to be constructed in the zone for educational facilities and maintenance for operating such facilities. The 25% retained by the City will be used to pay for infrastructure in the zone to promote economic development in the zone, specifically that portion of the tax increment reinvestment zone that encompasses the boundaries of the District.

A total of \$2,347,460 in tax levy was collected for the zone in the current fiscal year because the assessed valuation of real property in the reinvestment zone was greater than the tax increment base value as provided for in the participation agreement. Under current state funding laws, as well as a "hold harmless" provision in the participation agreement, the District will remain revenue neutral with respect to the total revenue from local ad valorem taxes and state sources. The District can expect to receive funds for each year it contributes to the tax increment reinvestment zone.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

**NOTE 4. DUE FROM OTHER GOVERNMENTS**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. All federal grants included below in Federal & State Special Revenue Funds are passed through the TEA and are reported on the financial statements as Due from Other Governments. Furthermore, there are times when overpayments are received from a State agency and money may be due to a State agency.

Balances at August 31, 2009 consisted of the following Due from Other Governments:

<b>Fund:</b>	
General Operating Fund	\$ 611,245
Food Service Fund	418,993
Federal & State Special Revenue Funds	<u>2,408,367</u>
Total	<u>\$ 3,438,605</u>

**NOTE 5. CAPITAL ASSETS**

Capital asset activity, as reported in governmental activities, for the year ended August 31, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital Assets not depreciated:					
Land	\$ 19,256,809	\$ 15,840	\$ -	\$ -	\$ 19,272,649
Construction in Progress	9,954,373	9,306,311	-	(8,995,114)	10,265,570
Total Capital Assets not depreciated	<u>29,211,182</u>	<u>9,322,151</u>	<u>-</u>	<u>(8,995,114)</u>	<u>29,538,219</u>
Capital Assets depreciated:					
Land Improvements	17,243,668	56,797	-	-	17,300,465
Buildings and Improvements	464,771,422	33,612,183	(92,000)	8,995,114	507,286,719
Furniture and Equipment	76,794,125	13,457,369	(1,657,672)	-	88,593,822
Total Capital Assets depreciated	<u>558,809,215</u>	<u>47,126,349</u>	<u>(1,749,672)</u>	<u>8,995,114</u>	<u>613,181,006</u>
<b>Total Capital Assets</b>	<u>588,020,397</u>	<u>56,448,500</u>	<u>(1,749,672)</u>	<u>-</u>	<u>642,719,225</u>
Less Accumulated Depreciation for:					
Land Improvements	4,934,463	863,221	-	-	5,797,684
Buildings and Improvements	153,516,543	8,899,633	(92,000)	-	162,324,176
Furniture and Equipment	59,830,318	7,902,996	(1,646,439)	-	66,086,875
Total Accumulated Depreciation	<u>218,281,324</u>	<u>17,665,850</u>	<u>(1,738,439)</u>	<u>-</u>	<u>234,208,735</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 369,739,073</u>	<u>\$38,782,650</u>	<u>\$ (11,233)</u>	<u>\$ -</u>	<u>\$ 408,510,490</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5. CAPITAL ASSETS, cont'd.**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Instruction	\$ 13,520,943
Instructional Resources & Media Services	632,344
Curriculum Development & Instructional Staff Development	13,884
Instructional Leadership	104,580
School Leadership	652,091
Guidance, Counseling & Evaluation Services	435,855
Health Services	96,039
Student Transportation	27,171
Food Services	724,611
Co-Curricular/Extracurricular Activities	416,497
General Administration	166,621
Plant Maintenance & Operations	319,834
Security & Monitoring Services	19,361
Data Processing Services	534,809
Internal Service Funds	1,210
Total Depreciation Expense, Governmental Activities	<u>\$ 17,665,850</u>

**NOTE 6. RETIREMENT PLAN**

The Teacher Retirement System of Texas is a cost sharing multiple employer public-employee retirement system (PERS). However, all risks and costs are not shared by the District but are a liability of the State of Texas. By statute, the State of Texas contributes to the retirement system an amount equal to the current authorized rate times the aggregate annual compensation of all members of the retirement system during that fiscal year. The System's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 223-8778.

For members of the retirement system entitled to the minimum salary for certain school personnel under Section 21.402 of the Texas Education Code and for members who would have been entitled to the state minimum salary under former Section 16.056, Texas Education Code, the District shall pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum, if the District's effective tax rate for maintenance and operations is less than 125 percent of the statewide average for the tax year that ended in the proceeding school year.

All employees of public, state-supported educational institutions in Texas who are employed for half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Subtitle C § 822.002 are covered by TRS membership. The Teacher Retirement System of Texas administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school system of Texas. It operates primarily under the provisions of Texas Constitution, Article § XVI, 67 and Texas Government Code, Title 8, Subtitle C.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 6. RETIREMENT PLAN, cont'd.**

The system also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and Chapter 805, respectively.

Service Retirement:

- 1) Normal
  - a) Age 65 with 5 years of service
  - b) Age 60 with 20 years of service
  - c) Age 50 with 30 years of service
  - d) Effective September 1, 1997 - any combination of age plus years of service which equals 80
- 2) Reduced
  - a) Age 55 with at least 5 years of service
  - b) Any age below 50 with 30 years of service

A member is fully vested after five years of creditable service and entitled to any benefit for which eligibility requirements have been met.

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.58% of the District's covered payroll. The District's employees' contributions to the System for the years ending August 31, 2009, 2008 and 2007 were \$11,875,070, \$11,098,609, and \$10,320,609, respectively, equal to the required contribution for each year. Other contributions the District made for salaries above the statutory minimum for the years ending August 31, 2009, 2008, and 2007 were \$2,582,004, \$2,271,062, and \$1,684,814, respectively, equal to the required contribution for each year. Contributions to the System by the State on behalf of the District for the years ending August 31, 2009, 2008 and 2007 were \$10,622,072, \$10,059,008, and \$8,603,531, respectively, equal to the required contributions for each year. The District recognized contributions made by the State on behalf of the District as revenues and expenditures in the General Fund in the current period.

**NOTE 7. RETIREE HEALTH PLAN**

Plan Description. The Irving Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at [www.trs.state.tx.us](http://www.trs.state.tx.us), by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 7. RETIREE HEALTH PLAN, cont'd.**

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2009, 2008, and 2007. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended August 31, 2009, 2008, and 2007, the State's contributions to TRS-Care were \$1,855,479, \$1,734,132, and \$1,612,543, respectively, the active member contributions were \$1,205,993, \$1,127,216, and \$1,048,153, respectively, and the District's contributions were \$1,020,465, \$953,773, and \$886,899, respectively, which equaled the required contributions each year.

Contributions Made. Contributions made by the State, the District and its employees, and the District's covered payroll for the fiscal years 2009, 2008, and 2007 are as follows:

	<b>2009</b>	<b>2008</b>	<b>2007</b>
Covered payroll	\$ 185,547,876	\$ 173,416,547	\$ 161,238,548
Contributions made by the State	10,161,328	10,059,008	8,603,531
Retirement plan rate	6.58%	6.58%	6.00%
Retiree health care rate	1.00%	1.00%	1.00%
Medicare Part D	446,280	416,967	-
District required and actual			
Contributions to TRS & TRS-Care	3,602,469	3,224,835	2,571,713
Employee contributions to TRS & TRS-Care	13,081,062	12,225,825	11,368,762

**NOTE 8. LONG-TERM LIABILITIES**

Long-term liabilities include arbitrage (which is typically liquidated by the General and Capital Projects funds) and actuarially determined claims liabilities (which are typically liquidated by the Internal Service fund). These liabilities are detailed as follows:

	<b>Beginning 9/1/2008</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 8/31/2009</b>	<b>Current Portion</b>
Arbitrage Payable	\$ -	\$ 15,770	\$ -	\$ 15,770	\$ -
Claims Payable	\$ 960,983	\$ 17,455,835	\$ 16,169,793	\$ 2,247,025	\$ 1,975,984

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

**NOTE 8. LONG-TERM LIABILITIES, cont'd.**

Long-term debt also includes par bonds, capital appreciation (deep discount) serial bonds, and variable rate bonds as follows:

Description	Interest Rate Payable	Amounts Original Issue	Bonds Outstanding at 09/01/2008	Issued (Retired)	Interest Accretion	Accreted Interest Retirements	Bonds Outstanding at 08/31/2009
1997 School Building	5.00%-5.20%	125,003,220	6,848,412	(1,050,000)	299,149	(935,000)	5,162,561
1997A Refunding	4.85%-5.42%	33,140,000	48,245,580	(3,495,000)	2,391,309	(2,695,000)	44,446,889
1998 Refunding	4.00%-4.00%	8,629,935	2,477,785	(475,000)	88,607	(820,000)	1,271,392
1999 School Building	3.70%-5.45%	8,000,000	270,000	(270,000)	-	-	-
2001 School Building	4.00%-5.50%	27,390,000	3,675,000	(1,125,000)	-	-	2,550,000
2001A Refunding	3.70%-4.30%	6,170,000	775,000	(380,000)	-	-	395,000
2002 School Building	2.09%-6.03%	130,853,959	44,049,793	(4,789,392)	2,029,620	(1,825,608)	39,464,413
2003 School Building	2.00%-5.00%	51,882,264	9,498,565	(1,150,000)	161,128	-	8,509,693
2004A School Building	Variable	20,000,000	15,850,000	(550,000)	-	-	15,300,000
2004B School Building	Variable	20,000,000	15,850,000	(550,000)	-	-	15,300,000
2005 Refunding	3.00%-5.25%	92,425,000	90,240,000	-	-	-	90,240,000
2006 Refunding	3.95%-5.46%	66,472,786	72,179,732	(220,000)	3,310,386	-	75,270,118
2007 Refunding	3.65%-4.40%	109,045,000	113,006,040	(105,000)	219,723	(415,000)	112,705,763
2007A School Building	3.87%-5.00%	20,000,000	16,685,000	(355,000)	-	-	16,330,000
2008 School Building	2.00%-5.00%	87,020,000	87,020,000	(2,265,000)	-	-	84,755,000
2009 School Building	3.00%-5.25%	66,106,018	-	66,101,018	1,448	-	66,102,466
Total Bonded Indebtedness			<u>526,670,907</u>	<u>49,321,626</u>	<u>8,501,370</u>	<u>(6,690,608)</u>	<u>577,803,295</u>
Less Current Portion							<u>17,471,407</u>
Long term portion as of August 31, 2009							<u>560,331,888</u>
Premium/Discounts/Loss on Refunding			(752,619)	2,174,459	-	-	<u>1,421,840</u>
Total Long Term Bonds Payable							<u>561,753,728</u>

Debt service principal requirements to maturity (below) exclude accumulated accretion of \$68,506,078, which is included in the interest column:

Year Ended August 31	Principal	Interest	Total Requirements
2010	\$ 17,471,407	\$ 26,429,132	\$ 43,900,539
2011	14,720,670	28,228,917	42,949,587
2012	16,383,540	26,025,211	42,408,751
2013	15,029,223	26,112,384	41,141,607
2014	14,846,432	26,575,369	41,421,801
2015-2019	91,820,945	113,988,301	205,809,246
2020-2024	116,840,000	88,972,016	205,812,016
2025-2029	107,530,000	98,186,235	205,716,235
2030-2034	98,580,000	11,995,537	110,575,537
2035-2038	16,075,000	1,572,607	17,647,607
Totals	<u>\$ 509,297,217</u>	<u>\$ 448,085,709</u>	<u>\$ 957,382,926</u>

There are a number of limitations and restrictions contained in the various general obligation bond indentures. The District is in compliance with all limitations and restrictions at August 31, 2009.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**NOTE 9. DEBT ISSUANCES AND DEFEASED DEBT**

On August 1, 2009, the District issued \$65,000,000 Series 2009 Unlimited Tax School Building Bonds bearing interest at a rate of 3.00% to 5.25%. The bonds pay interest every February 15 and August 25, commencing August 25, 2009.

The bond documents state that the proceeds from the sale of the bonds will be used to “(i) acquire, construct, and equip school facilities in the District, including the purchase of necessary sites for school facilities and the purchase of school buses and (ii) pay costs of issuance related to the bonds.”

In prior years, the District issued refunding bonds for the purpose of restructuring outstanding debt service requirements or decreasing the total debt service payments. These refunding issues defeased selected general obligation and maintenance bonds. The total principal outstanding of the insubstance defeased debt as of August 31, 2009 is \$144,250,623.

**NOTE 10. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

In the fund financial statements, interfund balances are the results of normal transactions between funds and will be liquidated in the subsequent fiscal year. These balances at August 31, 2009 consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>	<u>Reason</u>
General Fund:			
Debt Service Fund	\$ 363,502	\$ -	To clear negative cash.
Other Nonmajor Funds	2,090,146	-	To clear negative cash.
Debt Service Fund:			
General Fund	-	363,502	To clear negative cash.
Other Nonmajor Funds:			
General Fund	-	2,090,146	To clear negative cash.
Internal Service:			
Workers Compensation	136,950		To clear negative cash.
Science Kit Refurbishment		136,950	To clear negative cash.
	<u>\$ 2,590,598</u>	<u>\$ 2,590,598</u>	



**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**NOTE 11. LITIGATION, COMMITMENTS, AND CONTINGENCIES**

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

The District participates in numerous State and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2009 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The District was obligated at August 31, 2009 for 15 major construction projects. These projects cover construction and renovations at five high schools, two middle schools, seven elementary schools and Irving Stadium. The District was obligated for \$601,897 relating to these projects as of August 31, 2009.

**NOTE 12. LOCAL, INTERMEDIATE, AND OUT-OF-STATE REVENUES**

During the current year, local, intermediate and out-of-state revenues for the fund statements consisted of the following:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>
Property Taxes	\$ 95,482,061	\$ -	\$ 34,695,481	\$ -	\$ -	\$ 130,177,542
Food Sales	-	3,048,365	-	-	-	3,048,365
Investment Income	2,553,953	48,307	370,002	1,992,140	-	4,964,402
Penalties, Interest & Other Tax-Related Income	994,147	-	265,717	-	-	1,259,864
Co-curricular	-	-	-	-	-	-
Student Activities	1,380,358	-	-	-	-	1,380,358
Other	6,372,326	-	-	2,243	105,566	6,480,135
Total	<u>\$ 106,782,845</u>	<u>\$ 3,096,672</u>	<u>\$ 35,331,200</u>	<u>\$ 1,994,383</u>	<u>\$ 105,566</u>	<u>\$ 147,310,666</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2009**

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**NOTE 13. DEFERRED REVENUE**

Deferred revenue at year-end for the fund statements consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>
Net Tax Revenue	\$ 2,997,237	\$ 1,099,880	\$ -	\$ 4,097,117
Taxes Paid in Advance	38,687	-	-	38,687
Laptop Computer Fees	294,416	-	-	294,416
Immigration Legal Fees	12,761	-	-	12,761
Other	(143)	-	-	(143)
AP/IB Program	-	-	68,681	68,681
Foundation Summer School & Shared Services	-	-	142,408	142,408
Regional State Deaf	-	-	276,835	276,835
Total Deferred Revenue	<u>\$ 3,342,958</u>	<u>\$ 1,099,880</u>	<u>\$ 487,924</u>	<u>\$ 4,930,762</u>

For government-wide financial statements, deferred revenue relating to taxes is recognized as revenue.

**NOTE 14. NEW ACCOUNTING PRONOUNCEMENTS**

GASB issued Statement No. 51, "*Accounting and Financial Reporting for Intangible Assets*," which will be effective for the District in the fiscal year ending August 31, 2010. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets clarifying whether and when intangible assets should be considered capital assets for financial reporting purposes. The District will evaluate the impact of the standards on its financial statements and take the necessary steps to implement.

GASB issued Statement No. 52, "*Land and Other Real Estate Held as Investments by Endowments*," which is effective for the District in the fiscal year ending August 31, 2009. This statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. The District will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement if appropriate.

GASB issued Statement No. 53, "*Accounting and Financial Reporting of Derivative Instruments*," which will be effective for the District in the fiscal year ending August 31, 2010. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. The District will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement if appropriate.

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," which will be effective for the District in the fiscal year ending August 31, 2010. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The District will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement if appropriate.

**REQUIRED SUPPLEMENTARY  
INFORMATION**



**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT G-1**

DATA CONTROL CODES	Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
<b>REVENUES</b>				
5700	\$ 106,496,084	\$ 106,603,874	\$ 106,782,845	\$ 178,971
5800	114,100,765	122,397,776	122,914,126	516,350
5900	905,400	1,509,400	1,911,260	401,860
5020	<u>221,502,249</u>	<u>230,511,050</u>	<u>231,608,231</u>	<u>1,097,181</u>
<b>EXPENDITURES</b>				
Current:				
0010	Instruction and Instructional-Related Services:			
0011	143,577,510	144,317,309	143,852,543	464,766
0012	4,417,554	4,411,521	4,294,545	116,976
0013	Curriculum Development & Instructional Staff Development			
	2,218,025	1,184,106	1,012,968	171,138
	<u>150,213,089</u>	<u>149,912,936</u>	<u>149,160,056</u>	<u>752,880</u>
0020	Instructional and School Leadership:			
0021	4,064,142	4,232,712	4,090,731	141,981
0023	17,057,925	17,403,783	17,403,489	294
	<u>21,122,067</u>	<u>21,636,495</u>	<u>21,494,220</u>	<u>142,275</u>
0030	Support Services - Student (Pupil):			
0031	10,279,469	11,099,375	11,028,657	70,718
0032	470,505	469,855	446,818	23,037
0033	2,416,107	2,347,104	2,181,145	165,959
0034	2,688,791	2,686,866	2,640,033	46,833
0035	343,711	301,634	287,334	14,300
0036	4,805,403	4,895,169	4,541,517	353,652
	<u>21,003,986</u>	<u>21,800,004</u>	<u>21,125,504</u>	<u>674,500</u>
0040	Administrative Support Services:			
0041	6,963,798	7,160,363	6,755,748	404,615
	<u>6,963,798</u>	<u>7,160,363</u>	<u>6,755,748</u>	<u>404,615</u>
0050	Support Services - Nonstudent Based:			
0051	19,722,213	19,739,054	19,381,617	357,437
0052	2,473,669	2,756,960	2,514,519	242,441
0053	3,733,815	3,641,621	2,988,008	653,613
	<u>25,929,697</u>	<u>26,137,635</u>	<u>24,884,144</u>	<u>1,253,491</u>
0060	Ancillary Services:			
0061	222,931	329,754	310,509	19,245
	<u>222,931</u>	<u>329,754</u>	<u>310,509</u>	<u>19,245</u>
0080	Capital Outlay:			
0081	-	1,716	1,719	(3)
	<u>-</u>	<u>1,716</u>	<u>1,719</u>	<u>(3)</u>
0090	Intergovernmental Charges:			
0095	165,000	176,431	176,431	-
0097	1,216,545	2,347,460	2,347,460	-
0099	505,598	505,598	505,598	-
	<u>1,887,143</u>	<u>3,029,489</u>	<u>3,029,489</u>	<u>-</u>
6030	<u>227,342,711</u>	<u>230,008,391</u>	<u>226,761,389</u>	<u>3,247,002</u>
1100	<u>(5,840,462)</u>	<u>502,658</u>	<u>4,846,842</u>	<u>4,344,184</u>
7912	30,000	36,000	34,714	(1,286)
8911	-	-	-	-
	<u>30,000</u>	<u>36,000</u>	<u>34,714</u>	<u>(1,286)</u>
1200	(5,810,462)	538,658	4,881,556	4,342,898
0100	75,622,972	75,622,972	75,622,972	-
3000	<u>\$ 69,812,510</u>	<u>\$ 76,161,630</u>	<u>\$ 80,504,528</u>	<u>\$ 4,342,898</u>

See Notes to Required Supplementary Information.

**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL – FOOD SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT G-2**

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
	<b>REVENUES</b>				
5700	Local and Intermediate Sources	\$ 3,147,125	\$ 3,117,125	\$ 3,096,672	\$ (20,453)
5800	State Program Revenues	111,329	111,223	111,223	-
5900	Federal Program Revenues	11,620,000	13,568,527	13,802,030	233,503
5020	Total Revenues	<u>14,878,454</u>	<u>16,796,875</u>	<u>17,009,925</u>	<u>213,050</u>
	<b>EXPENDITURES</b>				
	Current:				
0030	Support Services - Student (Pupil):				
0035	Food Services	14,724,282	15,750,206	15,290,241	459,965
	Total Support Services - Student (Pupil):	<u>14,724,282</u>	<u>15,750,206</u>	<u>15,290,241</u>	<u>459,965</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	654,172	563,622	556,504	7,118
	Total Support Services - Nonstudent Based:	<u>654,172</u>	<u>563,622</u>	<u>556,504</u>	<u>7,118</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	523,967	523,967	-
	Total Capital Outlay:	<u>-</u>	<u>523,967</u>	<u>523,967</u>	<u>-</u>
6030	Total Expenditures	<u>15,378,454</u>	<u>16,837,795</u>	<u>16,370,712</u>	<u>467,083</u>
1100	Excess of Revenues Over Expenditures	<u>(500,000)</u>	<u>(40,920)</u>	<u>639,213</u>	<u>680,133</u>
1200	Net Change in Fund Balances	(500,000)	(40,920)	639,213	680,133
0100	Fund Balance - September 1 (Beginning)	6,482,598	6,482,598	6,482,598	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 5,982,598</u>	<u>\$ 6,441,678</u>	<u>\$ 7,121,811</u>	<u>\$ 680,133</u>

See Notes to Required Supplementary Information.

## **NOTE 1. BUDGETARY LEGAL COMPLIANCE**

The Official Budget was prepared for adoption prior to August 20, 2008 for all required Governmental Funds on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (see Note 1D in the Notes to the Financial Statements). The budget is adopted by fund and function for expenditures and by fund and object for revenues. The appropriate department head or campus principal controls the budget. Therefore, management may transfer appropriations at the object level as necessary without the approval of the Board unless the intent is to cross fund or function, or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level for expenditures and object code level for revenues.

The Budget is formally adopted by the Board of Trustees at a duly advertised public meeting in accordance with law prior to the expenditure of funds. The approved budget is filed with the TEA through the Public Education Information Management System (PEIMS).

Should any change in the approved budget be required, budget amendment requests are presented to the Board of Trustees for consideration. Amendments are made before the fact and, once approved, are reflected in the official minutes. During the year the budget was properly amended in accordance with the above procedures. The Board of Trustees approved the final amendment on August 31, 2009.





**OTHER SUPPLEMENTARY  
INFORMATION**



**COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**



**NONMAJOR  
GOVERNMENTAL FUNDS**



**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2009**

**EXHIBIT H-1**

<u>DATA CONTROL CODES</u>		<u>FEDERAL SPECIAL REVENUE</u>	<u>STATE SPECIAL REVENUE</u>	<u>TOTALS NONMAJOR GOVERNMENTAL FUNDS</u>
	<b>ASSETS</b>			
1110	Cash & Temporary Investment	\$ -	\$ 979,517	\$ 979,517
	Receivables:			
1240	Due from Other Governments	1,987,842	420,525	2,408,367
1290	Other Receivables	-	5,400	5,400
1000	<b>TOTAL ASSETS</b>	<u>\$ 1,987,842</u>	<u>\$ 1,405,442</u>	<u>\$ 3,393,284</u>
	<b>LIABILITIES</b>			
2110	Accounts Payable	\$ 275,319	\$ 170,565	\$ 445,884
2160	Accrued Wages Payable	8,611	-	8,611
2170	Due to Other Funds	1,703,912	386,234	2,090,146
2180	Due to Other Governments	-	17,539	17,539
2300	Deferred Revenue	-	487,924	487,924
2000	<b>TOTAL LIABILITIES</b>	<u>1,987,842</u>	<u>1,062,262</u>	<u>3,050,104</u>
	<b>FUND BALANCE</b>			
	Unreserved, Undesignated Fund Balance:	-	343,180	343,180
3000	<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>343,180</u>	<u>343,180</u>
4000	<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,987,842</u>	<u>\$ 1,405,442</u>	<u>\$ 3,393,284</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT H-2**

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
	<b>REVENUES</b>			
5700	Local and Intermediate Sources	\$ -	\$ 105,566	\$ 105,566
5800	State Program Revenues	-	7,439,546	7,439,546
5900	Federal Program Revenues	19,947,800	-	19,947,800
5020	Total Revenues	<u>19,947,800</u>	<u>7,545,112</u>	<u>27,492,912</u>
	<b>EXPENDITURES</b>			
	Current:			
0010	Instruction and Instructional-Related Services:			
0011	Instruction	14,001,076	6,862,074	20,863,150
0012	Instructional Resources and Media Services	12,011	-	12,011
0013	Curriculum Development & Instructional Staff Development	1,989,815	528,708	2,518,523
	Total Instruction and Instructional-Related Services:	<u>16,002,902</u>	<u>7,390,782</u>	<u>23,393,684</u>
0020	Instructional and School Leadership:			
0021	Instructional Leadership	731,264	184,900	916,164
0023	School Leadership	29,886	25,858	55,744
	Total Instructional and School Leadership:	<u>761,150</u>	<u>210,758</u>	<u>971,908</u>
0030	Support Services - Student (Pupil):			
0031	Guidance, Counseling, and Evaluation Services	1,376,954	207,955	1,584,909
0033	Health Services	130,582	110,204	240,786
0034	Student (Pupil) Transportation	684,032	-	684,032
	Total Support Services - Student (Pupil):	<u>2,191,568</u>	<u>318,159</u>	<u>2,509,727</u>
0040	Administrative Support Services:			
0041	General Administration	80,686	-	80,686
	Total Administrative Support Services:	<u>80,686</u>	<u>-</u>	<u>80,686</u>
0050	Support Services - Nonstudent Based:			
0052	Security and Monitoring Services	3,572	52,543	56,115
0053	Data Processing Services	64,386	-	64,386
	Total Support Services - Nonstudent Based:	<u>67,958</u>	<u>52,543</u>	<u>120,501</u>
0060	Ancillary Services:			
0061	Community Services	843,536	12,014	855,550
	Total Ancillary Services:	<u>843,536</u>	<u>12,014</u>	<u>855,550</u>
6030	Total Expenditures	<u>19,947,800</u>	<u>7,984,256</u>	<u>27,932,056</u>
1200	Net Change in Fund Balances	-	(439,144)	(439,144)
0100	Fund Balance - September 1 (Beginning)	-	782,324	782,324
	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 343,180</u>	<u>\$ 343,180</u>



# **INTERNAL SERVICE FUNDS**





**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
AUGUST 31, 2009**

DATA CONTROL CODES		WORKERS'		
		HEALTH	COMPENSATION	UNEMPLOYMENT
	<b>ASSETS</b>			
	Current Assets:			
1110	Cash and Temporary Investments	\$ 993,404	\$ 4,790,355	\$ 153,096
1260	Due from Other Funds	-	136,950	-
1290	Other Receivables	494,623	-	-
1310	Inventories, at cost	-	-	-
1490	Other Current Assets	-	2,324	-
	Total Current Assets	<u>1,488,027</u>	<u>4,929,629</u>	<u>153,096</u>
	Non-Current Assets:			
1500	Furniture and Equipment, net	\$ -	\$ -	\$ -
	Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
1000	Total Assets	<u>1,488,027</u>	<u>4,929,629</u>	<u>153,096</u>
	<b>LIABILITIES</b>			
	Current Liabilities:			
2110	Accounts Payable	\$ 349,056	\$ 5,146	\$ 16,122
2170	Due to Other Funds	-	-	-
	Total Current Liabilities	<u>349,056</u>	<u>5,146</u>	<u>16,122</u>
	Noncurrent Liabilities:			
2800	Claims due within one year	1,257,226	718,758	-
	Claims due in more than one year	-	271,001	-
	Total Long-Term Liabilities	<u>1,257,226</u>	<u>989,759</u>	<u>-</u>
2000	Total Liabilities	<u>1,606,282</u>	<u>994,905</u>	<u>16,122</u>
	<b>NET ASSETS (DEFICIT)</b>			
3800	Invested in Capital Assets, Net of Related Debt	-	-	-
3900	Unrestricted Net Assets (Deficit)	<u>(118,255)</u>	<u>3,934,724</u>	<u>136,974</u>
3000	TOTAL NET ASSETS (DEFICIT)	<u>\$ (118,255)</u>	<u>\$ 3,934,724</u>	<u>\$ 136,974</u>

**EXHIBIT H-3**

<u>BENEFITS ADMINISTRATION</u>	<u>SCIENCE KIT REFURBISHMENT</u>	<u>IRVING.NET</u>	<u>PRINT SHOP</u>	<u>TOTALS INTERNAL SERVICE FUNDS</u>
\$ 21,527	\$ -	\$ 18,092	\$ 96,285	\$ 6,072,759
-	-	-	-	136,950
-	15,258	-	-	509,881
-	-	-	6,268	6,268
-	-	-	-	2,324
<u>21,527</u>	<u>15,258</u>	<u>18,092</u>	<u>102,553</u>	<u>6,728,182</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,234</u>	<u>\$ 4,234</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,234</u>	<u>4,234</u>
<u>21,527</u>	<u>15,258</u>	<u>18,092</u>	<u>106,787</u>	<u>6,732,416</u>
\$ 903	\$ 5,645	\$ -	\$ 3,703	380,575
-	136,950	-	-	136,950
<u>903</u>	<u>142,595</u>	<u>-</u>	<u>3,703</u>	<u>517,525</u>
-	-	-	-	1,975,984
-	-	-	-	271,001
-	-	-	-	2,246,985
<u>903</u>	<u>142,595</u>	<u>-</u>	<u>3,703</u>	<u>2,764,510</u>
-	-	-	4,234	4,234
<u>20,624</u>	<u>(127,337)</u>	<u>18,092</u>	<u>98,850</u>	<u>3,963,672</u>
<u>\$ 20,624</u>	<u>\$ (127,337)</u>	<u>\$ 18,092</u>	<u>\$ 103,084</u>	<u>\$ 3,967,906</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009**

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DATA CONTROL CODES	HEALTH	WORKERS' COMPENSATION	UNEMPLOYMENT
<b>OPERATING REVENUES</b>			
5700 Charges for Services	\$15,953,889	\$ 568,175	\$ 71,563
5020 Total Operating Revenues	<u>15,953,889</u>	<u>568,175</u>	<u>71,563</u>
<b>OPERATING EXPENSES</b>			
6100 Payroll Costs	-	104,799	-
6200 Professional/Contracted Services	293	-	-
6300 Supplies and Materials	-	387	-
6400 Claims, Administration, & Other Exp.	18,434,980	973,688	108,764
6030 Total Operating Expenses	<u>18,435,273</u>	<u>1,078,874</u>	<u>108,764</u>
Operating Income (Loss)	(2,481,384)	(510,699)	(37,201)
<b>NON-OPERATING REVENUES</b>			
7955 Interest Income	<u>3,605</u>	<u>25,982</u>	<u>-</u>
<b>CHANGE IN NET ASSETS (DEFICIT)</b>			
0100 Total Net Assets - September 1 (Beg.)	(2,477,779)	(484,717)	(37,201)
3000 Total Net Assets (Deficit) - August 31 (Ending)	<u>2,359,524</u>	<u>4,419,441</u>	<u>174,175</u>
	<u>\$ (118,255)</u>	<u>\$ 3,934,724</u>	<u>\$ 136,974</u>

**EXHIBIT H-4**

BENEFITS ADMINISTRATION	SCIENCE KIT REFURBISHMENT	IRVING.NET	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 61,655	\$ 272,379	\$ 17,992	\$ 135,723	\$ 17,081,376
61,655	272,379	17,992	135,723	17,081,376
-	198,320	13,030	-	316,149
-	10,174	65	77,282	87,814
-	225,770	569	57,123	283,849
52,548	6,080	8,794	1,210	19,586,064
52,548	440,344	22,458	135,615	20,273,876
9,107	(167,965)	(4,466)	108	(3,192,500)
-	-	-	-	29,587
9,107	(167,965)	(4,466)	108	(3,162,913)
11,517	40,628	22,558	102,976	7,130,819
\$ 20,624	\$ (127,337)	\$ 18,092	\$ 103,084	\$ 3,967,906

**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009**

	HEALTH	WORKERS COMPENSATION	UNEMPLOYMENT
Cash Flows from Operating Activities:			
Cash Received for Premiums and Services	\$16,085,398	\$ 431,225	\$ 71,563
Cash Paid to Employees	-	(104,799)	-
Cash Paid for Claims, Administration, & Other Costs	(18,892,106)	(944,592)	(100,928)
Net Cash Provided by (Used in) Operating Activities	(2,806,708)	(618,166)	(29,365)
Cash Flows from Investing Activities:			
Interest Received	3,605	25,982	-
Net Cash Provided by Investing Activities	3,605	25,982	-
Net Increase (Decrease) in Cash & Cash Equivalents	(2,803,103)	(592,184)	(29,365)
Cash and Cash Equivalents at Beginning of the Year	3,796,507	5,382,539	182,461
Cash and Cash Equivalents at End of the Year	\$ 993,404	\$ 4,790,355	\$ 153,096
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (2,481,384)	\$ (510,699)	\$ (37,201)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	-	-	-
Change in Current Assets and Liabilities:			
(Increase) Decrease in Other Receivables	(494,623)	-	-
Decrease in Inventories	-	-	-
Decrease in Other Current Assets	131,509	-	-
Increase in Due from Other Funds	-	(136,950)	-
Increase (Decrease) in Accounts Payable	37,790	707	7,836
Increase in Due to Other Funds	-	-	-
Increase in Long-term Claims Reserve	-	28,776	-
Total Adjustments	(325,324)	(107,467)	7,836
Net Cash Provided by (Used for) Operating Activities	\$ (2,806,708)	\$ (618,166)	\$ (29,365)



EXHIBIT H-5

BENEFITS ADMINISTRATION	SCIENCE KIT REFURBISHMENT	IRVING.NET	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 61,655	\$ 272,379	\$ 17,992	\$ 135,723	\$ 17,075,935
-	(198,320)	(13,030)	-	(316,149)
(51,645)	(81,798)	(9,428)	(126,915)	(20,207,412)
10,010	(7,739)	(4,466)	8,808	(3,447,626)
-	-	-	-	29,587
-	-	-	-	29,587
10,010	(7,739)	(4,466)	8,808	(3,418,039)
11,517	7,739	22,558	87,477	9,490,798
<u>\$ 21,527</u>	<u>\$ -</u>	<u>\$ 18,092</u>	<u>\$ 96,285</u>	<u>\$ 6,072,759</u>
\$ 9,107	\$ (167,965)	\$ (4,466)	\$ 108	\$ (3,192,500)
-	-	-	1,210	1,210
-	36,054	-	-	(458,569)
-	-	-	3,787	3,787
-	-	-	-	131,509
-	-	-	-	(136,950)
903	(12,778)	-	3,703	38,161
-	136,950	-	-	136,950
-	-	-	-	28,776
903	160,226	-	8,700	(255,126)
<u>\$ 10,010</u>	<u>\$ (7,739)</u>	<u>\$ (4,466)</u>	<u>\$ 8,808</u>	<u>\$ (3,447,626)</u>



# **FIDUCIARY FUNDS**



**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 AUGUST 31, 2009**

**EXHIBIT H-6**

	STUDENT ACTIVITY FUNDS	FLEXIBLE BENEFITS	TOTALS AGENCY FUNDS
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 324,831	\$ 408,146	\$ 732,977
<b>TOTAL ASSETS</b>	<b>\$ 324,831</b>	<b>\$ 408,146</b>	<b>\$ 732,977</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 37,141	408,146	\$ 445,287
Due to Student Groups	287,690	-	287,690
<b>TOTAL LIABILITIES</b>	<b>\$ 324,831</b>	<b>\$ 408,146</b>	<b>\$ 732,977</b>

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT H-7**

	<u>BALANCE</u> <u>9/1/2008</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>8/31/2009</u>
<b>STUDENT ACTIVITIES:</b>				
Assets:				
Cash & Temporary Investments	\$ 312,617	\$ 1,068,884	\$ 1,056,670	\$ 324,831
Total Assets	<u>\$ 312,617</u>	<u>\$ 1,068,884</u>	<u>\$ 1,056,670</u>	<u>\$ 324,831</u>
Liabilities:				
Accounts Payable	\$ 33,998	\$ 1,018,510	\$ 1,015,367	\$ 37,141
Due to Student Groups	278,619	1,130,311	1,121,240	287,690
Total Liabilities	<u>\$ 312,617</u>	<u>\$ 2,148,821</u>	<u>\$ 2,136,607</u>	<u>\$ 324,831</u>
<b>FLEXIBLE BENEFITS:</b>				
Assets:				
Cash & Temporary Investments	\$ 249,843	\$ 1,759,366	\$ 1,601,063	\$ 408,146
Total Assets	<u>\$ 249,843</u>	<u>\$ 1,759,366</u>	<u>\$ 1,601,063</u>	<u>\$ 408,146</u>
Liabilities:				
Accounts Payable	\$ 249,843	\$ 1,796,549	\$ 1,638,246	\$ 408,146
Total Liabilities	<u>\$ 249,843</u>	<u>\$ 1,796,549</u>	<u>\$ 1,638,246</u>	<u>\$ 408,146</u>
<b>TOTAL AGENCY FUNDS:</b>				
Assets:				
Cash & Temporary Investments	\$ 562,460	\$ 2,828,250	\$ 2,657,733	\$ 732,977
Total Assets	<u>\$ 562,460</u>	<u>\$ 2,828,250</u>	<u>\$ 2,657,733</u>	<u>\$ 732,977</u>
Liabilities:				
Accounts Payable	\$ 283,841	\$ 2,815,059	\$ 2,653,613	\$ 445,287
Due to Student Groups	278,619	1,130,311	1,121,240	287,690
Total Liabilities	<u>\$ 562,460</u>	<u>\$ 3,945,370</u>	<u>\$ 3,774,853</u>	<u>\$ 732,977</u>

**CAPITAL ASSETS  
USED IN THE  
OPERATION OF  
GOVERNMENTAL FUNDS**





**IRVING INDEPENDENT SCHOOL DISTRICT  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 AUGUST 31, 2009**

**EXHIBIT I-1**

Activity	Land and Improvements	Buildings and Improvements	Construction in Progress	Furniture and Equipment	Total
Senior High Schools	\$ 11,201,980	\$ 186,455,149	\$ 5,415,608	\$ 31,369,314	\$ 234,442,051
Middle Schools	13,840,273	98,609,777	441,817	13,564,719	126,456,586
Elementary Schools	7,699,823	180,385,957	4,408,145	22,001,751	214,495,676
Administration and Services	3,831,038	41,835,836	-	21,658,038	67,324,912
Total	<u>\$ 36,573,114</u>	<u>\$ 507,286,719</u>	<u>\$10,265,570</u>	<u>\$ 88,593,822</u>	<u>\$ 642,719,225</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
AUGUST 31, 2009**

**EXHIBIT I-2**

Activity	Capital Assets 9/1/2008	Increases	Decreases	Capital Assets 8/31/2009
<b>Senior High Schools</b>				
Land and Improvements	\$ 11,182,836	\$ 19,144	\$ -	\$ 11,201,980
Buildings and Improvements	154,526,931	31,928,218	-	186,455,149
Construction in Progress	6,148,968	4,663,292	(5,396,652)	5,415,608
Furniture and Equipment	27,557,392	4,243,669	(431,747)	31,369,314
<b>Total</b>	<b>199,416,127</b>	<b>40,854,323</b>	<b>(5,828,399)</b>	<b>234,442,051</b>
<b>Middle Schools</b>				
Land and Improvements	13,786,780	53,493	-	13,840,273
Buildings and Improvements	98,573,442	36,335	-	98,609,777
Construction in Progress	148,546	293,271	-	441,817
Furniture and Equipment	10,682,631	3,004,771	(122,683)	13,564,719
<b>Total</b>	<b>123,191,399</b>	<b>3,387,870</b>	<b>(122,683)</b>	<b>126,456,586</b>
<b>Elementary Schools</b>				
Land and Improvements	7,699,823	-	-	7,699,823
Buildings and Improvements	179,131,343	1,254,614	-	180,385,957
Construction in Progress	58,396	4,349,749	-	4,408,145
Furniture and Equipment	18,405,996	3,601,216	(5,461)	22,001,751
<b>Total</b>	<b>205,295,558</b>	<b>9,205,579</b>	<b>(5,461)</b>	<b>214,495,676</b>
<b>Administration and Services</b>				
Land and Improvements	3,831,038	-	-	3,831,038
Buildings and Improvements	32,539,706	9,388,130	(92,000)	41,835,836
Construction in Progress	3,598,463	-	(3,598,463)	-
Furniture and Equipment	20,148,106	2,607,712	(1,097,780)	21,658,038
<b>Total</b>	<b>60,117,313</b>	<b>11,995,842</b>	<b>(4,788,243)</b>	<b>67,324,912</b>
<b>Total for All Functions/Activities</b>	<b>\$ 588,020,397</b>	<b>\$ 65,443,614</b>	<b>\$(10,744,786)</b>	<b>\$ 642,719,225</b>

**IRVING INDEPENDENT SCHOOL DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY LOCATION  
AUGUST 31, 2009**

**EXHIBIT I-3**

Location	Land and Improvements	Buildings and Improvements	Construction in Progress	Furniture and Equipment	Total
<b>Senior High Schools</b>					
Irving High School	\$ 2,239,129	\$ 42,554,461	\$ 4,286,402	\$ 523,850	\$ 49,603,842
MacArthur High School	2,750,922	51,485,285	-	787,540	55,023,747
Nimitz High School	2,236,983	39,046,671	739,679	1,057,873	43,081,206
Union Bower	1,081,946	2,840,247	389,527	140,683	4,452,403
The Academy of Irving ISD	1,984,808	43,945,684	-	1,431,849	47,362,341
Ratterree	320,832	4,270,480	-	176,641	4,767,953
Reassignment Center	587,360	2,312,321	-	16,719	2,916,400
All High Schools	-	-	-	27,234,159	27,234,159
Total Senior High Schools	11,201,980	186,455,149	5,415,608	31,369,314	234,442,051
<b>Middle Schools</b>					
Bowie Middle School	815,875	15,152,288	-	247,708	16,215,871
Crockett Middle School	713,990	12,094,417	-	215,749	13,024,156
Travis Middle School	2,292,463	14,617,848	156,718	282,179	17,349,208
Lamar Middle School	967,461	10,998,588	136,553	342,406	12,445,008
Austin Middle School	1,565,588	11,744,353	-	191,061	13,501,002
Houston Middle School	2,212,991	14,931,086	-	249,685	17,393,762
de Zavala Middle School	3,104,951	19,071,197	-	331,145	22,507,293
New Middle School	2,166,954	-	148,546	-	2,315,500
All Middle Schools	-	-	-	11,704,786	11,704,786
Total Middle Schools	13,840,273	98,609,777	441,817	13,564,719	126,456,586
<b>Elementary Schools</b>					
Barton Elementary	117,166	6,776,729	-	159,023	7,052,918
Brown Elementary	112,697	7,389,903	-	166,774	7,669,374
Britain Elementary	150,560	10,675,906	-	128,535	10,955,001
Elementary Development Center	18,118	960,793	-	11,094	990,005
Good Elementary	120,307	6,395,677	-	152,146	6,668,130
J Haley Elementary	102,551	7,635,420	52,476	127,127	7,917,574
T Haley Elementary	646,740	9,641,728	-	134,700	10,423,168
Johnston Elementary	127,628	8,017,959	-	144,404	8,289,991
Keyes Elementary	262,956	7,002,627	39,329	213,187	7,518,099
Lee Elementary	149,160	7,723,469	-	144,693	8,017,322
Lively Elementary	215,060	7,914,176	-	136,743	8,265,979
Farine Elementary	278,513	8,420,903	-	161,982	8,861,398
Schultz Elementary	231,429	6,113,991	-	173,694	6,519,114
Brandenburg Elementary	119,236	6,378,566	-	157,179	6,654,981
Elliott Elementary	329,952	7,224,435	-	137,939	7,692,326
Hanes Elementary	461,747	8,683,665	4,256,993	147,400	13,549,805
Townley Elementary	268,251	7,521,174	59,347	131,197	7,979,969
Davis Elementary	101,907	7,267,557	-	138,738	7,508,202
FM Gilbert Elementary	1,062,426	7,870,882	-	142,561	9,075,869
Townsell Elementary	278,055	12,707,703	-	330,684	13,316,442
Stipes Elementary	1,263,880	13,208,189	-	320,203	14,792,272
New Elementary	3,199	-	-	-	3,199
Clifton Early Childhood	96,260	4,955,323	-	99,008	5,150,591
Pierce Early Childhood	703,003	4,812,240	-	96,356	5,611,599
Kinkeade Early Childhood	479,022	5,086,942	-	84,086	5,650,050
All Elementary Schools	-	-	-	18,362,298	18,362,298
Total Elementary Schools	7,699,823	180,385,957	4,408,145	22,001,751	214,495,676
Administration and Services	3,831,038	41,835,836	-	21,658,038	67,324,912
<b>Total</b>	<b>\$36,573,114</b>	<b>\$507,286,719</b>	<b>\$10,265,570</b>	<b>\$88,593,822</b>	<b>\$642,719,225</b>



**REQUIRED T.E.A.  
SCHEDULES**





**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED AUGUST 31, 2009**

Last Ten Years Tax Roll Fiscal Year Ending August 31	Operations	Maintenance Debt	**	Total	Interest & Sinking	3 Assessed/ Appraised Value for School Tax
2000 & Prior Years	Various	Various	**	Various	Various	Various
2001	1.4565	0.0235	**	1.4800	0.2150	\$ 7,412,373,288
2002	1.4950	--	**	1.4950	0.2000	\$ 7,683,491,069
2003	1.5000	--		1.5000	0.2706	\$ 7,626,582,560
2004	1.5000	--		1.5000	0.3150	\$ 7,554,198,014
2005	1.5000	--		1.5000	0.3370	\$ 7,860,220,752
2006	1.5000	--		1.5000	0.3140	\$ 8,239,493,587
2007	1.3300	--		1.3300	0.3140	\$ 8,831,620,036
2008	1.0000	--		1.0000	0.3485	\$ 9,582,309,159
2009	1.0200	--		1.0200	0.3710	\$ 9,985,889,156 *
1000 Totals						

9000 Portion of Row 1000 for taxes collected for payment into the Tax Increment Finance (TIF) Zone.

Column 3 - Assessed/Appraised Value for School Tax Purposes:

This is the net appraised value through the July supplement as reported by the Dallas Central Appraisal District, after exemptions provided by law and those granted by the District, which includes tax abatements.

Column 20 - Current Year's Tax Levy:

This amount is calculated by multiplying the total tax rate times per \$100 of Assessed/Appraised value, then deducting the levy lost due to the over 65 tax freeze exemption of \$4,746,720.

\* Source: 2008 School District Report of Property Value  
(Includes all Supplements and Litigated Accounts).

\*\* The debt tax rates for Debt Service requirements associated with Contractual Obligations.



EXHIBIT J-1

10 Beginning Balance 9/1/2008	20 Current Year's Total Levy	30 Maintenance Total Collections	30a Debt Service Total Collections	40 Fiscal Year's Adjustment	50 Ending Balance 8/31/2009
\$ 563,026 ***	\$ -	\$ 3,757	\$ 1,202	\$ 43,478	\$ 601,545
\$ 121,319	\$ -	\$ 1,292	\$ 188	\$ 14,905	\$ 134,744
\$ 128,972	\$ -	\$ 5,377	\$ 719	\$ 14,979	\$ 137,855
\$ 183,699	\$ -	\$ 14,514	\$ 2,618	\$ 19,962	\$ 186,529
\$ 252,077	\$ -	\$ 21,882	\$ 4,595	\$ (2,892)	\$ 222,708
\$ 486,861	\$ -	\$ 43,041	\$ 9,670	\$ (5,991)	\$ 428,159
\$ 617,567	\$ -	\$ 183,669	\$ 38,448	\$ 95,072	\$ 490,522
\$ 827,960	\$ -	\$ 155,533	\$ 36,720	\$ (102,005)	\$ 533,702
\$ 1,789,451	\$ -	\$ 121,667	\$ 42,401	\$ (864,777)	\$ 760,606
\$ -	\$ 134,156,998	\$ 96,590,919	\$ 35,132,581	\$ -	\$ 2,433,498
<u>\$ 4,970,932</u>	<u>\$ 134,156,998</u>	<u>\$ 97,141,651</u>	<u>\$ 35,269,142</u>	<u>\$ (787,269)</u>	<u>\$ 5,929,868</u>
		\$ 2,347,460			

Column 30 - Fiscal Year Collections:

These are levy collections prior to adjustments described in Column 40, according to each year's tax roll. Penalty and interest collections are not included.

Column 40 - Fiscal Year's Adjustments:

These adjustments include corrections for errors in taxes assessed, total reductions for missing taxpayers and taxes lost due to exemptions. Amount may vary due to rounding.

Column 50 - Ending balance 8/31/09:

This total is displayed in Exhibit C-1, Balance Sheet.

**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS  
OF INDIRECT COST FOR 2008-2009  
GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT J-2**

**FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION**

Account Number	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
6100	\$ 12,757	\$ 221,336	\$1,120,394	\$ 4,194,093	\$ 88,875	\$ -	\$ 5,637,455
6211	765,288	-	41,033	-	-	-	806,321
6212	-	-	-	75,000	-	-	75,000
6213	-	-	-	-	-	-	-
621X	-	14,225	23,958	251,581	40	-	289,804
6230	-	-	-	62,390	-	-	62,390
6240	-	120	-	-	456,760	-	456,880
6250	-	-	-	-	144,516	-	144,516
6260	-	2,952	78,324	30,139	-	-	111,415
6290	-	-	1,636	376	-	-	2,012
6320	-	-	-	216	-	-	216
63XX	-	20,064	28,102	376,695	890	-	425,751
6410	11,727	6,803	7,159	69,755	1,421	-	96,865
6420	-	438	-	113,493	-	-	113,931
6430	-	-	-	-	-	-	-
6490	6,394	1,815	20,642	153,860	-	-	182,711
6600	-	-	-	-	-	146,875	146,875
<b>Total</b>	<b>\$ 796,166</b>	<b>\$ 267,753</b>	<b>\$1,321,248</b>	<b>\$ 5,327,598</b>	<b>\$ 692,502</b>	<b>\$ 146,875</b>	<b>\$ 8,552,142</b>

Total Expenditures for General and Special Revenue Funds (Schedule C-2) (8) \$271,064,157

LESS: Deductions of Unallowable Costs

FISCAL YEAR

Total Capital Outlay (6600)

\$ 2,934,768

Total Debt & Lease (6500)

-

Plant Maintenance (Function 51, 6100-6400)

19,720,793

Food (Function 35, 6341 and 6499)

5,923,864

Stipends (6413)

-

Column 4 (above) - Total Indirect Cost

5,327,598

Subtotal:

33,907,023

Net Allowed Direct Cost

\$237,157,134

CUMULATIVE

Total Cost of Buildings before Depreciation (1520)

\$507,286,719

Historical Cost of Buildings over 50 years old

23,237,059

Amount of Federal Money in building cost (Net of Above)

-

Total Cost of Furniture & Equipment before Depreciation (1530)

88,593,822

Historical Cost of Furniture & Equipment over 16 years old

1,177,314

Amount of Federal Money in Furniture & Equipment (Net of Above)

1,784,254

Note: \$1,715,707 in Function 53 expenditures are included in this report on administrative costs.

**IRVING INDEPENDENT SCHOOL DISTRICT  
 FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET  
 GENERAL FUND  
 AUGUST 31, 2009**

**EXHIBIT J-3**

1. Total General Fund Balance as of 8/31/09	<u>\$ 80,504,528</u>
2. Total General Fund Reserved Fund Balance	\$ 2,089,710
3. Total General Fund Designated Unreserved Fund Balance	3,222,165
4. Estimated amount needed to cover Fall (9/1/08 - 1/31/09) cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	-
5. Estimated Average Monthly Cash Disbursements of General Fund for period 9/1/09 - 5/31/10	20,313,022
6. Estimate of delayed payments from state sources (58XX) including August payment delays	-
7. Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LEP) and District Planning Estimate (DPE) or District's calculated earned state aid amount	611,245
8. Estimate of delayed payments from federal sources (59XX)	2,406,836
9. Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	<u>-</u>
10. General Fund Optimum Fund Balance (Lines 2+3+4+5+6+7+8+9)	<u>28,642,978</u>
11. Excess (Deficit) Undesignated Unreserved General Fund Balance (Line 1 minus Line 10)	<u>\$ 51,861,550</u>

Explanation for Undesignated Unreserved General Fund Balance:

The Board of Trustees has a minimum goal of a 16.67% fund balance. This represents an 22.87% ratio of undesignated unreserved general fund balance to expenditures, which is slightly over their minimum requirement.

**IRVING INDEPENDENT SCHOOL DISTRICT** **EXHIBIT J-4**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – DEBT SERVICE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2009**

Data Control Codes		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 35,969,838	\$ 35,408,187	\$ 35,331,200	\$ (76,987)
5800	State Program Revenues	3,214,364	4,552,646	4,551,934	(712)
5020	Total Revenues	<u>39,184,202</u>	<u>39,960,833</u>	<u>39,883,134</u>	<u>(77,699)</u>
<b>EXPENDITURES</b>					
0070	Debt Service:				
0071	Principal	16,779,393	16,784,393	16,784,392	1
0072	Interest and Charges on Long-Term Debt	22,115,518	22,115,528	22,114,075	1,453
0073	Bond Issue Costs and Fees	289,291	934,291	837,801	96,490
	Total Debt Services	<u>39,184,202</u>	<u>39,834,212</u>	<u>39,736,268</u>	<u>97,944</u>
6030	Total Expenditures	<u>39,184,202</u>	<u>39,834,212</u>	<u>39,736,268</u>	<u>97,944</u>
1100	Excess (Deficiency) of Revenues Over (under) Expenditures	<u>-</u>	<u>126,621</u>	<u>146,866</u>	<u>20,245</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7916	Premium on Issuance of Debt	-	3,498,056	3,498,056	-
	Total Other Financing Sources and (Uses)	<u>-</u>	<u>3,498,056</u>	<u>3,498,056</u>	<u>-</u>
1200	Net Change in Fund Balances	-	3,624,677	3,644,922	20,245
0100	Fund Balance - September 1 (Beginning)	12,331,569	12,331,569	12,331,569	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 12,331,569</u>	<u>\$ 15,956,246</u>	<u>\$ 15,976,491</u>	<u>\$ 20,245</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
INDEX FOR STATISTICAL SECTION**

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This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about Irving Independent School District's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends Information</b> These schedules contain trend information intended to help the reader understand how the district's financial position has changed over time.	88
<b>Revenue Capacity Information</b> These schedules contain information intended to help the reader assess the district's most significant revenue source, state tax collections.	100
<b>Debt Capacity information</b> These schedules contain information intended to assist users in understanding and assessing the district's current levels of outstanding debt and the ability to issue additional debt.	110
<b>Demographic and Economic information</b> These schedules provide demographic and economic indicators intended to help the reader understand the socioeconomic environment within which the district's financial activities take place.	114
<b>Operating Information</b> These schedules provide contextual information about the district's operations and resources intended to assist readers in using financial statement information to understand and assess the district's economic condition.	118

*Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports database for the relevant years. GASB Statements No. 34 and No. 35 were implemented in 2002; schedules presenting Government-wide information includes information beginning in that year.*

**IRVING INDEPENDENT SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS<sup>1</sup> (UNAUDITED)**

	<b>Fiscal Year</b>		
	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>
Governmental activities			
Invested in capital assets, net of related debt	\$ 22,969,447	\$ 31,468,629	\$ 53,188,552
Restricted			
Food Service	437,222	1,713,224	2,486,215
Debt Service	8,942,926	7,767,463	5,854,438
Unrestricted	8,889,321	(10,721,894)	(41,061,425)
Total primary government net assets	<u>\$ 41,238,916</u>	<u>\$ 30,227,422</u>	<u>\$ 20,467,780</u>

**Source:** The Statement of Net Assets for the Irving Independent School District

**Note:**

<sup>1</sup> Amounts were not available prior to the GASB 34 requirements in 2002.

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<b>Fiscal Year</b>				
<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
	As Restated			
\$ 20,925,351	\$ 15,482,850	\$ 17,326,732	\$ 12,678,217	\$ (8,536,121)
3,379,086	4,910,165	5,829,135	6,482,598	7,121,811
(320,233)	3,546,649	483,099	3,866,540	6,948,487
(4,516,715)	6,134,559	22,854,621	31,999,108	53,161,931
<u>\$ 19,467,489</u>	<u>\$ 30,074,223</u>	<u>\$ 46,493,587</u>	<u>\$ 55,026,463</u>	<u>\$ 58,696,108</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE  
LAST TEN FISCAL YEARS<sup>1</sup> (UNAUDITED)**

	Fiscal Year		
	<u>2002<sup>2</sup></u>	<u>2003</u>	<u>2004</u>
<b>Expenses</b>			
Governmental activities			
Instruction	\$ 140,506,756	\$ 141,378,290	\$ 140,482,414
Instructional resources and media services	-	4,125,063	4,086,837
Curriculum and staff development services	-	2,922,273	2,796,047
Instructional leadership	16,603,759	4,124,716	4,520,665
School leadership	-	13,656,367	14,133,219
Guidance, counseling, & evaluation services	24,352,766	9,070,236	9,428,195
Social work services	-	313,467	338,892
Health services	-	1,830,314	1,847,329
Student transportation	-	1,780,177	2,082,926
Food Service	-	10,271,774	10,992,177
Extracurricular activities	-	3,566,372	3,601,010
General administration	5,471,326	5,582,107	6,271,739
Plant maintenance and operations	20,130,621	16,627,084	16,583,792
Security and monitoring services	-	1,460,917	1,486,013
Data processing services	-	2,447,109	2,564,905
Community services	309,318	709,301	1,031,252
Interest on long-term debt	18,859,658	20,209,588	24,143,929
Facilities acquisition/construction	1,253,511	1,792	3,458
Intergovernmental charges	818,673	601,929	112,540
Payments to TIF	-	-	-
Other Intergovernmental Charges	-	-	-
Total primary government program expenses	<u>228,306,388</u>	<u>240,678,876</u>	<u>246,507,339</u>
Prior Period Adjustment			
As restated	<u><u>\$ 228,306,388</u></u>	<u><u>\$ 240,678,876</u></u>	<u><u>\$ 246,507,339</u></u>
<b>Program Revenues</b>			
Governmental activities			
Charges for services			
Instruction	619,595	1,063,806	1,658,110
Instructional leadership	-	35,555	370,890
Guidance, counseling, & evaluation services	4,054,385	-	-
Food service	-	3,023,447	2,854,792
Extracurricular activities	-	1,333,805	1,428,587
Plant maintenance and operations	169,784	137,990	168,366
Operating grants and contributions	18,582,537	26,434,666	25,974,739
Capital Grants and Contributions			
Total primary government program revenues	<u>\$ 23,426,301</u>	<u>\$ 32,029,269</u>	<u>\$ 32,455,484</u>
<b>Net (Expense)/Revenue</b>			
Total primary government expenses	<u><u>\$(204,880,087)</u></u>	<u><u>\$(208,649,607)</u></u>	<u><u>\$(214,051,855)</u></u>

**Source:** The Statement of Activities for the Irving Independent School District

**Notes:**

<sup>1</sup> Amounts were not available prior to the GASB 34 requirements in 2002.

<sup>2</sup> Functional expenditure reporting was rolled into a summary format for 2002, therefore the detailed functional breakdown is not provided.



Fiscal Year				
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 146,901,790	\$ 151,485,746	\$ 156,793,863	\$ 168,804,073	\$ 180,232,180
4,226,810	4,305,056	4,427,356	4,710,352	4,975,486
3,045,050	3,113,527	3,295,719	3,923,766	3,558,753
4,290,512	4,285,657	4,932,500	5,225,582	5,155,792
14,355,641	15,372,131	16,069,867	17,269,721	18,327,617
9,556,167	9,622,840	10,134,028	11,014,134	13,188,546
334,891	386,673	391,517	451,833	454,045
1,891,844	1,911,962	2,070,801	2,352,144	2,546,835
2,407,130	2,818,312	3,141,164	3,294,523	3,498,826
11,327,917	11,868,793	12,864,427	13,916,614	15,973,273
3,640,268	3,819,855	4,291,034	4,905,015	4,968,072
6,253,171	6,533,431	6,831,531	7,024,356	7,214,596
17,454,062	19,046,590	18,259,089	18,582,655	20,296,508
1,486,523	1,557,058	1,671,357	2,221,348	2,615,072
3,627,658	3,050,837	3,978,718	3,704,739	3,574,010
801,428	738,404	858,752	1,088,711	1,177,345
21,928,409	20,163,981	21,739,963	22,865,771	24,205,191
-	-	-	-	3,469
98,414	162,003	121,135	166,095	176,431
-	-	-	498,713	2,347,460
-	-	-	-	505,598
253,627,685	260,242,856	271,872,821	292,020,145	314,995,105
948,669				
\$ 254,576,354	\$ 260,242,856	\$ 271,872,821	\$ 292,020,145	\$ 314,995,105
1,703,997	1,703,590	1,428,425	827,006	675,741
-	-	344,144	-	-
-	-	177,332	-	-
3,025,401	3,063,206	2,985,422	2,996,746	3,048,365
1,303,344	1,333,011	1,487,930	1,262,648	1,380,358
192,941	178,949	163,346	132,445	149,044
30,492,545	33,430,779	32,270,600	38,828,216	45,849,732
				75,000
\$ 36,718,228	\$ 39,709,535	\$ 38,857,199	\$ 44,047,061	\$ 51,178,240
\$ (217,858,126)	\$ (220,533,321)	\$ (233,015,622)	\$ (247,973,084)	\$ (263,816,865)

**IRVING INDEPENDENT SCHOOL DISTRICT  
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS  
LAST TEN FISCAL YEARS<sup>1</sup> (UNAUDITED)**

	Fiscal Year		
	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Net (Expense)/Revenue</b>			
Total primary government expenses	<u>\$ (204,880,087)</u>	<u>\$ (208,649,607)</u>	<u>\$ (214,051,855)</u>
<b>General Revenues</b>			
Governmental activities			
Taxes			
Property taxes levied for general purposes	\$ 113,675,672	\$ 112,163,035	\$ 110,325,929
Property taxes levied for debt service	15,243,715	20,041,515	23,214,927
State Aid Formula Grants	56,043,738	61,600,073	67,793,701
Investment earnings	3,760,849	2,386,301	1,847,751
Miscellaneous	1,927,092	1,447,189	1,109,905
Total primary government	<u>190,651,066</u>	<u>197,638,113</u>	<u>204,292,213</u>
<b>Change in Net Assets</b>			
Total primary government	<u>\$ (14,229,021)</u>	<u>\$ (11,011,494)</u>	<u>\$ (9,759,642)</u>

**Source:** The Statement of Activities for the Irving Independent School District

**Note:**

<sup>1</sup> Amounts were not available prior to the GASB 34 requirements in 2002.

Fiscal Year				
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>\$ (217,858,126)</u>	<u>\$ (220,533,321)</u>	<u>\$ (233,015,622)</u>	<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>
\$ 114,765,808	\$ 118,995,866	\$ 114,148,984	\$ 91,437,264	\$ 97,024,305
25,730,326	24,870,366	26,892,668	32,112,354	34,961,198
72,033,002	80,428,670	99,077,027	123,663,032	127,466,060
3,358,191	5,407,773	7,551,678	7,590,752	4,993,990
970,508	1,177,260	1,764,629	1,702,558	3,040,957
<u>216,857,835</u>	<u>230,879,935</u>	<u>249,434,986</u>	<u>256,505,960</u>	<u>267,486,510</u>
<u>\$ (1,000,291)</u>	<u>\$ 10,346,614</u>	<u>\$ 16,419,364</u>	<u>\$ 8,532,876</u>	<u>\$ 3,669,645</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Reserved and designated	\$ 14,001,014	\$ 13,037,613	\$ 9,469,016	\$ 8,774,971
Unreserved	22,915,945	24,996,935	28,521,931	21,389,155
Total general fund	<u>\$ 36,916,959</u>	<u>\$ 38,034,548</u>	<u>\$ 37,990,947</u>	<u>\$ 30,164,126</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	175,671	(283,172)	437,222	1,713,224
Debt service fund	9,380,033	9,742,310	10,321,508	9,260,702
Capital projects fund	31,576,814	23,205,248	101,574,549	74,463,098
Total all other governmental funds	<u>\$ 41,132,518</u>	<u>\$ 32,664,386</u>	<u>\$ 112,333,279</u>	<u>\$ 85,437,024</u>

**Source:** The Balance Sheet of Governmental Funds for the Irving Independent School District

Fiscal Year					
<u>2004</u>	<u>2005</u>	<u>2006</u> As Restated	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 7,829,443	\$ 7,783,690	\$ 6,658,936	\$ 5,178,967	\$ 4,950,861	\$ 5,498,527
25,229,172	30,251,545	46,797,121	62,600,749	70,672,111	75,006,001
<u>\$ 33,058,615</u>	<u>\$ 38,035,235</u>	<u>\$ 53,456,057</u>	<u>\$ 67,779,716</u>	<u>\$ 75,622,972</u>	<u>\$ 80,504,528</u>
2,486,215	3,379,086	5,170,285	6,977,423	7,264,922	4,922,770
9,540,108	10,454,626	12,084,774	13,439,971	12,331,569	18,518,712
70,965,056	41,325,555	19,109,623	32,858,019	104,020,753	115,773,018
<u>\$ 82,991,379</u>	<u>\$ 55,159,267</u>	<u>\$ 36,364,682</u>	<u>\$ 53,275,413</u>	<u>\$ 123,617,244</u>	<u>\$ 139,214,500</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUNDS REVENUES<sup>1</sup>  
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Federal sources:				
Federal grants	\$ 809,207	\$ 572,390	\$ 8,166,254	\$ 11,296,230
Food service	11,234,393	11,878,852	6,649,977	7,505,425
Capital projects	352,926	58,635	-	-
Total federal sources	<u>\$ 12,396,526</u>	<u>\$ 12,509,877</u>	<u>\$ 14,816,231</u>	<u>\$ 18,801,655</u>
State sources:				
State grants and other	45,550,607	48,795,992	56,053,440	65,041,434
Food service	3,312,982	4,337,275	104,271	109,717
Debt service	4,116,978	4,391,562	4,195,529	4,798,323
Total state sources	<u>\$ 52,980,567</u>	<u>\$ 57,524,829</u>	<u>\$ 60,353,240</u>	<u>\$ 69,949,474</u>
Local sources:				
Local & intermediate sources	108,679,628	114,096,255	118,628,634	115,689,544
Food service	2,563,069	2,371,448	2,744,444	3,023,447
Debt service	16,712,187	16,425,154	15,604,634	20,286,203
Capital projects	3,747,114	1,858,411	1,463,675	1,137,469
Total local sources	<u>\$131,701,998</u>	<u>\$134,751,268</u>	<u>\$138,441,387</u>	<u>\$140,136,663</u>
Total revenues	<u><u>\$197,079,091</u></u>	<u><u>\$204,785,974</u></u>	<u><u>\$213,610,858</u></u>	<u><u>\$228,887,792</u></u>

**Source:** Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds for the Irving Independent School District

**Note:**

<sup>1</sup> Includes General, Food Service, Debt Service, Capital Projects, and Special Revenue Funds.

Fiscal Year					
<u>2004</u>	<u>2005</u>	<u>2006</u> As Restated	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 14,241,524	\$ 17,290,408	\$ 18,513,271	\$ 15,366,903	\$ 19,536,650	\$ 21,859,060
8,062,369	8,833,357	9,837,963	11,305,672	11,756,508	13,802,030
-	-	-	-	-	-
<u>\$ 22,303,893</u>	<u>\$ 26,123,765</u>	<u>\$ 28,351,234</u>	<u>\$ 26,672,575</u>	<u>\$ 31,293,158</u>	<u>\$ 35,661,090</u>
65,901,252	69,877,065	77,597,077	97,207,159	123,615,224	130,353,672
105,897	101,329	104,521	105,045	111,329	111,223
5,931,418	6,777,084	8,426,457	7,863,269	6,635,812	4,551,934
<u>\$ 71,938,567</u>	<u>\$ 76,755,478</u>	<u>\$ 86,128,055</u>	<u>\$105,175,473</u>	<u>\$130,362,365</u>	<u>\$135,016,829</u>
115,104,227	119,114,539	125,880,509	124,237,728	102,058,885	106,888,411
2,868,595	3,088,575	3,223,491	3,210,101	3,162,463	3,096,672
23,294,950	25,915,188	25,414,527	27,994,311	32,834,524	35,331,200
839,266	1,251,009	1,200,876	1,109,368	2,338,211	1,994,383
<u>\$142,107,038</u>	<u>\$149,369,311</u>	<u>\$155,719,403</u>	<u>\$156,551,508</u>	<u>\$140,394,083</u>	<u>\$147,310,666</u>
<u>\$236,349,498</u>	<u>\$252,248,554</u>	<u>\$270,198,692</u>	<u>\$288,399,556</u>	<u>\$302,049,606</u>	<u>\$317,988,585</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO<sup>1</sup>  
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	<u>2000<sup>2</sup></u>	<u>2001<sup>2</sup></u>	<u>2002<sup>2</sup></u>	<u>2003</u>
<b>Expenditures</b>				
<b>Governmental activities</b>				
11 Instruction				\$151,720,835
12 Instructional resources & media services				4,651,601
13 Curriculum & staff development services				2,905,061
Total function 10	<u>124,188,997</u>	<u>125,865,079</u>	<u>133,692,821</u>	<u>159,277,497</u>
21 Instructional leadership				4,091,776
23 School leadership				13,160,646
Total function 20	<u>15,042,416</u>	<u>16,318,098</u>	<u>15,914,685</u>	<u>17,252,422</u>
31 Guidance, counseling, & evaluation services				8,751,742
32 Social work services				312,915
33 Health services				1,762,015
34 Student transportation				1,753,028
35 Food service				9,720,315
36 Extracurricular activities				3,318,132
Total function 30	<u>22,273,651</u>	<u>21,844,659</u>	<u>22,966,703</u>	<u>25,618,147</u>
41 General administration				6,726,117
Total function 40	<u>5,040,245</u>	<u>5,521,151</u>	<u>5,522,034</u>	<u>6,726,117</u>
51 Plant maintenance and operations				16,557,826
52 Security and monitoring services				1,482,338
53 Data processing services				2,347,326
Total function 50	<u>17,986,825</u>	<u>20,254,631</u>	<u>19,400,321</u>	<u>20,387,490</u>
61 Community services				708,822
Total function 60	<u>33,427</u>	<u>170,105</u>	<u>306,114</u>	<u>708,822</u>
71 Debt service <sup>3</sup>				
Principal on long-term debt			7,071,041	11,521,344
Interest on long-term debt <sup>3</sup>			13,746,172	15,004,129
Bond issuance costs and fees				
Total function 70	<u>21,939,166</u>	<u>22,828,836</u>	<u>20,817,213</u>	<u>26,525,473</u>
81 Facilities acquisition/construction				54,932,374
Total function 80	<u>44,864,242</u>	<u>40,012,659</u>	<u>45,779,339</u>	<u>54,932,374</u>
95 Payments to JJAEP				66,504
97 Payments to TIF				535,425
99 Intergovernmental Charges				
Total function 90	<u>-</u>	<u>547,891</u>	<u>818,673</u>	<u>601,929</u>
<b>Total expenditures</b>	<u>251,368,969</u>	<u>253,363,109</u>	<u>265,217,903</u>	<u>312,030,271</u>
<b>Prior Period Adjustment</b>				
As restated	<u>\$251,368,969</u>	<u>\$253,363,109</u>	<u>\$265,217,903</u>	<u>\$312,030,271</u>
Debt service as a percentage of noncapital expenditures	10.6%	10.7%	9.5%	10.3%

**Source:** Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds for the Irving Independent School District

**Notes:**

<sup>1</sup> Includes General, Food Service, Debt Service, Capital Projects, and Special Revenue Funds.

<sup>2</sup> Functional expenditure reporting was rolled into a summary format for fiscal years 2000 through 2002, therefore the detailed functional breakdown is not provided.

<sup>3</sup> Principal and interest were not split for financial reporting in 2001. Bond issuance costs and fees were not split until 2006.



Fiscal Year					
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 133,489,497	\$ 137,871,663	\$ 140,965,033	\$ 148,395,516	\$ 162,448,414	\$ 173,574,607
4,262,714	4,438,065	4,196,788	4,229,238	4,697,079	5,677,661
2,768,619	3,041,593	3,108,679	3,307,335	3,911,629	3,531,491
<u>140,520,830</u>	<u>145,351,321</u>	<u>148,270,500</u>	<u>155,932,089</u>	<u>171,057,122</u>	<u>182,783,759</u>
4,181,626	3,927,769	4,044,615	4,448,576	5,171,093	5,045,162
13,445,689	13,934,237	14,771,684	15,638,048	16,627,903	17,462,729
<u>17,627,315</u>	<u>17,862,006</u>	<u>18,816,299</u>	<u>20,086,624</u>	<u>21,798,996</u>	<u>22,507,891</u>
8,976,635	9,197,470	9,218,760	9,805,805	10,584,700	12,615,102
337,185	338,207	388,421	399,004	452,623	446,818
1,789,906	1,853,302	1,803,601	1,982,160	2,253,193	2,421,931
2,055,755	2,379,959	2,791,141	3,113,993	3,267,352	3,471,655
10,336,431	10,970,668	11,576,056	12,734,631	13,469,056	15,589,155
3,293,191	3,390,310	3,508,333	3,960,786	4,618,842	4,632,454
<u>26,789,103</u>	<u>28,129,916</u>	<u>29,286,312</u>	<u>31,996,379</u>	<u>34,645,766</u>	<u>39,177,115</u>
5,880,996	5,816,669	5,900,645	6,196,903	7,077,655	6,867,346
5,880,996	5,816,669	5,900,645	6,196,903	7,077,655	6,867,346
16,461,637	17,238,257	18,943,773	18,297,271	18,594,964	20,084,490
1,501,233	1,483,529	1,563,207	1,707,830	2,243,275	2,587,258
2,473,285	4,516,994	3,827,566	3,362,101	2,944,091	4,868,180
<u>20,436,155</u>	<u>23,238,780</u>	<u>24,334,546</u>	<u>23,367,202</u>	<u>23,782,330</u>	<u>27,539,928</u>
1,008,516	800,270	735,436	849,700	1,089,717	1,166,059
<u>1,008,516</u>	<u>800,270</u>	<u>735,436</u>	<u>849,700</u>	<u>1,089,717</u>	<u>1,166,059</u>
12,100,437	13,444,789	13,460,943	16,464,750	15,542,222	16,784,392
17,212,417	18,386,035	18,698,016	18,054,594	24,943,371	22,114,075
		810,321	919,403	813,384	837,801
<u>29,312,854</u>	<u>31,830,824</u>	<u>32,969,280</u>	<u>35,438,747</u>	<u>41,298,977</u>	<u>39,736,268</u>
34,406,064	21,088,401	24,801,952	2,030,735	11,283,423	43,234,688
34,406,064	21,088,401	24,801,952	2,030,735	11,283,423	43,234,688
112,540	98,414	162,003	121,135	166,095	176,431
-	-	-	-	498,713	2,347,460
					505,598
<u>112,540</u>	<u>98,414</u>	<u>162,003</u>	<u>121,135</u>	<u>664,808</u>	<u>3,029,489</u>
276,094,373	274,216,601	285,276,973	276,019,514	312,698,794	366,042,543
	948,669				
<u>\$ 276,094,373</u>	<u>\$ 275,165,270</u>	<u>\$ 285,276,973</u>	<u>\$ 276,019,514</u>	<u>\$ 312,698,794</u>	<u>\$ 366,042,543</u>
12.1%	12.5%	12.7%	12.9%	13.7%	12.3%

**IRVING INDEPENDENT SCHOOL DISTRICT  
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES  
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
<b>Excess of revenues over (under) expenditures</b>	\$(54,289,878)	\$ (48,577,135)	\$ (51,607,045)	\$ (83,142,479)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of bonds	8,000,000	38,946,894	130,000,000	49,500,000
Premium or (discount) on bonds issued	-	-	-	-
Proceeds from sale of maintenance tax notes	1,000,000	-	-	-
Proceeds from sale of refunding bonds	-	-	9,351,533	4,875,256
Proceeds from sale of contractual obligations	2,000,000	3,521,444	-	-
Sale of real or personal property	12,067	11,524	24,688	13,353
Transfers in	300,000	211,000	301,563	252,156
Transfers out	(300,000)	(211,000)	(777,964)	(1,789,424)
Payments to escrow agents	-	(1,253,270)	(7,667,483)	(4,431,938)
<b>Total other financing sources (uses)</b>	<u>\$ 11,012,067</u>	<u>\$ 41,226,592</u>	<u>\$ 131,232,337</u>	<u>\$ 48,419,403</u>
<b>Net change in fund balances</b>	<u><u>\$(43,277,811)</u></u>	<u><u>\$ (7,350,543)</u></u>	<u><u>\$ 79,625,292</u></u>	<u><u>\$ (34,723,076)</u></u>

**Source:** Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds  
for the Irving Independent School District

Fiscal Year					
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ (39,744,875)	\$ (21,968,047)	\$ (15,078,281)	\$ 12,380,042	\$ (10,649,188)	\$ (48,053,958)
40,000,000	92,425,000	10,000,000	20,000,000	87,020,000	65,000,000
187,400	6,573,811	(83,842)	3,335,506	1,700,239	3,498,056
-	-	-	-	-	-
-	-	56,292,787	109,045,000	-	-
-	-	-	-	-	-
6,319	41,427	946,074	5,576	114,036	34,714
381,751	616,229	-	-	-	-
(381,751)	(649,502)	-	(2,046,167)	-	-
-	(98,945,741)	(55,450,501)	(111,485,567)	-	-
<u>\$ 40,193,719</u>	<u>\$ 61,224</u>	<u>\$ 11,704,518</u>	<u>\$ 18,854,348</u>	<u>\$ 88,834,275</u>	<u>\$ 68,532,770</u>
<u>\$ 448,844</u>	<u>\$ (21,906,823)</u>	<u>\$ (3,373,763)</u>	<u>\$ 31,234,390</u>	<u>\$ 78,185,087</u>	<u>\$ 20,478,812</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
 APPRAISED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS (UNAUDITED)**

**EXHIBIT S-8**

Fiscal Year	APPRAISED VALUE <sup>1</sup>			Total Estimated Taxable Value	Total Direct Rate <sup>3</sup>
	Residential or Real Property	Personal Property	Less: Exemptions <sup>2</sup>		
2000	6,205,463,010	1,824,177,200	879,122,982	7,150,517,228	1.668
2001	6,596,000,610	1,751,583,220	935,210,542	7,412,373,288	1.695
2002	6,881,771,460	1,793,929,054	992,209,445	7,683,491,069	1.695
2003	7,047,315,280	1,674,555,340	1,095,288,060	7,626,582,560	1.771
2004	6,976,135,611	1,530,328,860	952,266,457	7,554,198,014	1.815
2005	6,958,121,200	1,537,889,415	635,789,863	7,860,220,752	1.837
2006	7,174,877,690	1,526,364,000	461,748,103	8,239,493,587	1.814
2007	7,670,724,880	1,651,921,440	491,026,284	8,831,620,036	1.644
2008	8,315,691,790	1,743,828,360	477,210,991	9,582,309,159	1.349
2009	8,668,807,690	1,780,763,340	463,681,874	9,985,889,156	1.391

**Source:** Dallas Central Appraisal District

**Notes:**

<sup>1</sup> Property is appraised at full market value. Properties are reappraised at least once every three years.

<sup>2</sup> Effective 1998, the state-mandated homestead exemption on qualified residential property increased from \$5,000 to \$15,000.

<sup>3</sup> Per \$100 of assessed value.



**IRVING INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Irving Independent School District Direct Rates			Overlapping Rates <sup>1</sup>	
	Maintenance and Operations	Debt Service	Total	City of Irving	Irving Flood Control District Section I
2000	1.443	0.225	1.668	0.488	0.274
2001	1.480	0.215	1.695	0.488	0.267
2002	1.495	0.200	1.695	0.488	0.263
2003	1.500	0.271	1.771	0.498	0.263
2004	1.500	0.315	1.815	0.533	0.200
2005	1.500	0.337	1.837	0.548	0.200
2006	1.500	0.314	1.814	0.548	0.225
2007	1.330	0.314	1.644	0.548	0.271
2008	1.000	0.349	1.349	0.548	0.242
2009	1.020	0.371	1.391	- <sup>2</sup>	0.291

**Source:** Appropriate government entities' tax departments

**Note:**

<sup>1</sup> Includes levies for operating and debt service costs.

<sup>2</sup> Information not available.

Overlapping Rates <sup>1</sup>						
City of Grand Prairie	City of Dallas	Dallas County	Dallas County Community College	Dallas County Hospital	Dallas County Flood Control	Dallas County Utility and Reclamation
0.670	0.668	0.196	0.050	0.196	1.990	1.202
0.670	0.668	0.196	0.060	0.254	2.870	1.221
0.670	0.668	0.196	0.060	0.254	2.100	1.381
0.670	0.670	0.196	0.078	0.254	2.080	1.868
0.670	0.670	0.204	0.080	0.254	2.080	2.322
0.670	0.720	0.204	0.082	0.254	2.780	2.360
0.670	0.742	0.214	0.081	0.254	2.836	2.097
0.670	0.729	0.228	0.080	0.254	2.836	1.628
0.670	0.748	0.228	0.089	0.254	2.836	1.626
0.670	0.748	0.228	0.095	0.254	2.836	1.763

**IRVING INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

**EXHIBIT S-10**

<u>Taxpayer</u>	2009			2000		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value <sup>1</sup></u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value <sup>2</sup></u>
Verizon	\$ 254,516,790	1	2.5%	\$ -		0.0%
TIAA	183,336,070	2	1.8%	325,743,120	2	0.0%
BF Las Colinas LP	122,592,280	3	1.2%	-		0.0%
Texas Utilities	84,790,640	4	0.8%	65,610,400	8	0.9%
SP Millennium Center LP	78,000,000	5	0.8%	-		0.0%
SP4	74,604,980	6	0.7%	-		0.0%
Simon Property Group	62,787,890	7	0.6%	-		0.0%
Equastone	58,971,210	8	0.6%	-		0.0%
Dr Pepper Bottling Co.	57,433,510	9	0.6%	-		1.0%
MPA Las Colinas LTD PS	54,480,000	10	0.5%	-		0.0%
GTE Telephone	-		0.0%	365,134,180	1	5.1%
Crescent Real Estate	-		0.0%	120,817,760	3	1.7%
EOP 545 E. John Carpenter	-		0.0%	105,579,650	4	1.5%
Associates Bancorp	-		0.0%	85,925,440	5	1.2%
Fidelity Waterways	-		0.0%	83,427,250	6	1.2%
W9 CGN Real Estate	-		0.0%	68,875,000	7	1.0%
Darr Equipment	-		0.0%	64,651,420	9	0.9%
Post Apartments	-		0.0%	63,164,790	10	0.9%
	<u>\$ 1,031,513,370</u>		<u>10.3%</u>	<u>\$ 1,348,929,010</u>		<u>18.9%</u>

**Source:** Dallas Central Appraisal District

**Note:**

<sup>1</sup> Total appraised taxable value for 2009 = \$9,885,889,187

<sup>2</sup> Total appraised taxable value for 2000 = \$7,150,517,228





**IRVING INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS<sup>1</sup>  
LAST TEN FISCAL YEARS (UNAUDITED)**

<b>Fiscal Year Ending</b>	<b>Taxes Levied for the Fiscal Year <sup>2</sup></b>	<b>Collected within the Fiscal Year of the Levy</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>
2000	117,599,080	116,166,865	98.78%
2001	123,699,211	121,599,158	98.30%
2002	127,313,189	125,522,907	98.59%
2003	132,100,388	128,617,287	97.36%
2004	133,004,134	130,969,935	98.47%
2005	138,674,876	136,301,769	98.29%
2006	142,940,929	140,189,082	98.07%
2007	140,160,896	137,934,118	98.41%
2008	124,619,570	122,830,119	98.56%
2009	134,156,998	131,723,500	98.19%

**Source:** Dallas Central Appraisal District and IISD Tax Office Year-to-Date records

**Notes:**

<sup>1</sup> The District performs its own tax collection activities.

<sup>2</sup> The tax levy reflects the original levy as submitted in the State Property Tax Board School District Report of Property Values, net of any additions or deletions occurring during the year.

<sup>3</sup> Total cash collections is total cash, net of interest and penalties and other judgments.

Collections other than Current Year		Total Collections to Date <sup>3</sup>	
Delinquent Taxes	Penalty and Interest	Amount	Percentage of Total Collections to Tax Levy
733,030	701,324	117,601,219	100.00%
991,253	626,943	123,217,354	99.61%
1,398,486	1,079,277	128,000,670	100.54%
1,490,073	1,079,133	131,186,493	99.31%
1,902,788	907,035	133,779,758	100.58%
2,228,831	1,149,148	139,679,748	100.72%
1,537,958	1,359,651	143,086,691	100.10%
2,469,351	1,565,168	141,968,637	101.29%
1,952,621	1,239,561	126,022,301	101.13%
687,293	1,259,864	133,670,657	99.64%

**IRVING INDEPENDENT SCHOOL DISTRICT  
OUTSTANDING DEBT BY TYPE<sup>1</sup>  
LAST TEN FISCAL YEARS (UNAUDITED)**

**EXHIBIT S-12**

<b>Governmental Activities</b>						
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Loans</b>	<b>Contractual Obligations</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income <sup>2</sup></b>	<b>Per Capita <sup>2</sup></b>
2000	\$210,758,278	\$ 3,453	\$ 3,715,000	\$214,476,731	4.52%	1,159
2001	238,344,054	-	5,885,000	244,229,054	6.68%	1,275
2002	373,903,024	-	-	373,903,024	8.21%	1,923
2003	424,303,006	-	-	424,303,006	9.16%	2,145
2004	456,726,320	-	-	456,726,320	9.91%	2,321
2005	444,002,433	-	-	444,002,433	9.51%	2,249
2006	446,066,092	-	-	446,066,092	9.39%	2,209
2007	457,137,621	-	-	457,137,621	9.76%	2,223
2008	526,670,907	-	-	526,670,907	11.00%	2,506
2009	577,803,295	-	-	577,803,295	-	2,722

**Source:** Dallas Central Appraisal District

**Notes:**

<sup>1</sup> Details of the District's outstanding debt can be found in the notes to the financial statements.

<sup>2</sup> See Schedule S-15 for personal income and population data. No 2009 population data was available from the current City of Irving CAFR.

**IRVING INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF AUGUST 31, 2009 (UNAUDITED)**

**EXHIBIT S-13**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable <sup>1</sup></b>	<b>Estimated Share of Direct and Overlapping Debt</b>
City of Irving	\$ 203,140,000 <sup>2</sup>	71.25%	\$ 144,737,250
Irving Flood Control District Section I	4,239,999	100.00%	4,239,999
City of Grand Prairie	161,559,400	0.77%	1,244,007
City of Dallas	2,000,869,913	0.24%	4,802,088
Dallas County	139,059,394	6.91%	9,609,004
Dallas County Community College	367,139,000	6.91%	25,369,305
Dallas County Hospital	-	6.91%	-
Dallas County Flood Control	30,240,100	97.70%	29,544,578
Dallas County Utility and Reclamation	306,396,472	90.63%	277,687,123
Subtotal, overlapping bonded debt			<u>497,233,353</u>
<b>Irving Independent School District direct debt</b>	<b>\$ 577,803,295</b>	<b>100.00%</b>	<b><u>\$ 577,803,295</u></b>
<b>Total direct and overlapping debt</b>			<b><u>\$1,075,036,648</u></b>
<b>Ratio of (net) general bonded debt to the estimated actual property value</b>			<b><u>5.79%</u></b>

**Source:** Taxable value data used to estimate applicable percentages provided by the Dallas Central District. Debt outstanding data provided by each governmental unit.

**Notes:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

<sup>2</sup> Information not available for 2009. Used Debt Outstanding as of August 31, 2008.

**IRVING INDEPENDENT SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS (UNAUDITED)**

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	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Debt Limit	\$ 715,051,723	\$ 741,237,329	\$ 768,349,107	\$ 762,658,256
Total net debt applicable to limit	<u>201,378,245</u>	<u>228,601,744</u>	<u>363,581,516</u>	<u>415,042,304</u>
Legal debt margin	<u>\$ 513,673,478</u>	<u>\$ 512,635,585</u>	<u>\$ 404,767,591</u>	<u>\$ 347,615,952</u>
 Total net debt applicable to the limit as a percentage of debt limit	 <u>28.16%</u>	 <u>30.84%</u>	 <u>47.32%</u>	 <u>54.42%</u>

**Source:** Calculation from taxable assessed valuation, total bonded debt and debt service reservation data.

**Legal Debt Margin Calculation for Fiscal Year 2009:**

Assessed value	<u>\$9,985,889,156</u>
Debt limit (10% of assessed value)	\$ 998,588,916
Debt applicable to limit	<u>(559,284,583)</u>
Legal debt margin	<u>\$ 439,304,333</u>

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 755,419,801	\$ 786,022,075	\$ 823,949,359	\$ 883,162,004	\$ 958,230,916	\$ 998,588,916
<u>447,186,212</u>	<u>433,547,807</u>	<u>433,981,318</u>	<u>443,697,650</u>	<u>514,339,338</u>	<u>559,284,583</u>
<u>\$ 308,233,589</u>	<u>\$ 352,474,268</u>	<u>\$ 389,968,041</u>	<u>\$ 439,464,354</u>	<u>\$ 443,891,578</u>	<u>\$ 439,304,333</u>
<u>59.20%</u>	<u>55.16%</u>	<u>52.67%</u>	<u>50.24%</u>	<u>53.68%</u>	<u>56.01%</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS (UNAUDITED)**

**EXHIBIT S-15**

<b>Period Ending</b>	<b>Population <sup>1</sup></b>	<b>Personal Income <sup>2</sup> (thousands of dollars)</b>	<b>Per Capita Personal Income (dollars)</b>	<b>Unemployment Rate</b>
2000	185,000	\$ 4,741,920	\$ 25,632	2.80%
2001	191,615	3,656,589	19,083	5.10%
2002	194,407	4,552,818	23,419	6.00%
2003	197,836	4,633,121	23,419	5.70%
2004	196,774	4,608,250	23,419	5.80%
2005	197,400	4,669,497	23,655	5.30%
2006	201,927	4,748,717	23,517	4.50%
2007	205,600	4,685,007	22,787	4.30%
2008	210,150	4,788,688	22,787	5.10%
2009	212,250	-	-	6.45%

**Sources:**

<sup>1</sup> North Central Texas Council of Governments.

<sup>2</sup> City of Irving CAFR, 'Demographic and Economic Statistics.' 2009 Personal Income data was not available from the current City of Irving CAFR.



**IRVING INDEPENDENT SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO<sup>1</sup> (UNAUDITED)**

**EXHIBIT S-16**

<u>Employer</u>	2009		<u>Percentage of Total Employment</u>
	<u>Employees</u>	<u>Rank</u>	
Citigroup	5,000	1	8.98%
Irving Independent School District	4,115	2	7.39%
Associates First Capital Corp	4,000	3	7.19%
Verizon Communications Inc	3,000	4	5.39%
Citicorp Credit Services	2,684	5	4.82%
Allstate Insurance Co.	2,000	6	3.59%
Central Freight Lines Inc.	2,000	7	3.59%
Microsoft Corporation - Las Colinas	1,200	8	2.16%
Baylor Medical Center - Irving	1,165	9	2.09%
NEC America Inc	1,000	10	1.80%
<b>Total</b>	<b>26,164</b>		<b>47.00%</b>

**Source:** North Central Texas Council of Governments

**Note:**

<sup>1</sup> 2000 data not available for 10-year comparison.

**IRVING INDEPENDENT SCHOOL DISTRICT  
 FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
 LAST TEN FISCAL YEARS<sup>1</sup> (UNAUDITED)**

	<b>Full-time-Equivalent Employees</b>		
	<u>2001<sup>2</sup></u>	<u>2002<sup>2</sup></u>	<u>2003</u>
<b>Teachers</b>	2,061.6	2,125.6	2,209.6
<b>Professional Support</b>			
Associate School Psychologist			4.7
Counselor			83.0
Educational Diagnostician			24.0
Librarian			34.1
Occupational Therapist			5.0
Physical Therapist			1.0
School Nurse			34.0
Speech Therapist/Speech-Language Pathologist			24.6
Teacher Facilitator			41.6
Campus Professional Personnel			2.0
Non-Campus Professional Personnel			26.6
<b>Total Professional Support</b>	<u>290.2</u>	<u>266.5</u>	<u>280.6</u>
<b>Campus Administration</b>			
Assistant Principal			73.5
Instructional Officer			12.0
Principal			34.8
Teacher Supervisor			35.4
Athletic Director			2.0
<b>Total Campus Administration</b>	<u>117.0</u>	<u>148.5</u>	<u>157.7</u>
<b>Central Administration</b>			
Assistant/Assoc/Deputy Superintendent			3.0
Superintendent			1.0
Teacher Supervisor			4.0
Business Manager			1.0
Tax Assessor &/or Collector			1.0
Director of Personnel/HR			1.0
<b>Total Central Administration</b>	<u>6.0</u>	<u>5.9</u>	<u>11.0</u>
<b>Educational Aides</b>			
Educational Aides			394.5
Interpreter			2.8
<b>Total Educational Aides</b>	<u>443.8</u>	<u>390.1</u>	<u>397.3</u>
<b>Auxiliary Staff</b>	<u>677.9</u>	<u>740.7</u>	<u>778.8</u>
<b>Total All Full-Time Equivalent Employees</b>	<u><u>3,596.5</u></u>	<u><u>3,677.3</u></u>	<u><u>3,835.0</u></u>

**Source:** District records from the Fall PEIMS submission

**Notes:**

<sup>1</sup> Data not available for year 2000, therefore a ten year comparison is not presented.

<sup>2</sup> Detailed information was not available for fiscal years 2001 and 2002.

<b>Full-time-Equivalent Employees</b>					
<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
2,092.9	2,093.6	2,155.4	2,213.0	2,270.2	2,329.6
3.7	3.4	3.7	3.7	6.2	6.9
78.3	75.0	80.7	79.9	81.0	79.0
27.0	27.5	27.5	27.0	28.9	26.5
35.4	34.2	32.2	32.0	32.0	28.0
5.3	4.8	5.3	4.8	4.9	4.8
1.0	0.0	2.0	2.0	2.0	2.0
34.0	33.8	33.9	33.4	35.5	35.0
22.1	25.0	23.1	25.5	20.4	24.8
42.1	40.4	39.3	3.0	3.0	4.0
2.0	2.0	1.1	14.0	9.0	3.5
27.1	33.0	53.2	59.9	67.8	73.0
<u>278.0</u>	<u>279.1</u>	<u>302.0</u>	<u>285.2</u>	<u>290.7</u>	<u>287.5</u>
75.0	76.8	75.6	75.0	76.0	80.0
12.0	10.0	9.0	11.0	13.0	12.4
33.0	36.0	36.0	35.7	35.7	36.0
31.2	29.6	31.8	3.0	4.0	2.0
2.0	2.0	2.0	1.0	1.0	1.0
<u>153.2</u>	<u>154.4</u>	<u>154.4</u>	<u>125.7</u>	<u>129.7</u>	<u>131.4</u>
3.0	3.0	3.0	4.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0	1.0
3.7	3.2	2.2	28.0	28.5	29.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
<u>10.7</u>	<u>10.2</u>	<u>9.2</u>	<u>36.0</u>	<u>36.5</u>	<u>37.0</u>
411.7	422.0	437.4	430.9	420.8	425.8
1.0	4.0	1.8	2.0	1.9	4.0
<u>412.7</u>	<u>426.0</u>	<u>439.2</u>	<u>432.9</u>	<u>422.7</u>	<u>429.8</u>
793.6	816.7	803.0	816.9	840.4	900.4
<u>3,741.1</u>	<u>3,780.0</u>	<u>3,863.2</u>	<u>3,909.7</u>	<u>3,990.2</u>	<u>4,115.7</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS (UNAUDITED)**

**EXHIBIT S-18**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Students Receiving Free or Reduced-Price Meals</b>
2000 <sup>1</sup>	27,961	\$ 161,265,370	\$ 5,768	15.48 %	-	-	53.7%
2001	29,097	166,091,016	5,708	(1.03)%	2,061.6	14.1	55.3%
2002	30,086	170,913,489	5,681	(0.48)%	2,125.6	14.2	61.4%
2003	30,853	179,762,746	5,826	2.56 %	2,209.6	14.0	59.3%
2004	31,215	174,851,490	5,602	(3.86)%	2,092.9	14.9	61.3%
2005	31,879	179,111,618	5,618	0.30 %	2,093.6	15.2	65.7%
2006	32,620	183,767,694	5,634	0.27 %	2,155.4	15.1	68.7%
2007	32,951	199,587,657	6,057	7.52 %	2,213.0	14.9	72.0%
2008	33,189	212,397,290	6,400	5.65 %	2,270.2	14.6	72.5%
2009	33,223	226,761,389	6,825	6.65 %	2,329.6	14.3	74.1%

**Source:** District records

**Note:**

<sup>1</sup> Data for teaching staff counts and pupil teacher ratios are not available for year 2000.

**IRVING INDEPENDENT SCHOOL DISTRICT  
CAPITAL ASSET INFORMATION  
(UNAUDITED)**

**EXHIBIT S-19**

<u>School</u>	<u>2009</u>	<u>2000</u>
<b>Elementary</b>		
Buildings	24	22
Square feet	2,048,484	1,798,965
Maximum Capacity	20,000	18,200
Enrollment	17,313	14,824
<b>Middle</b>		
Buildings	7	7
Square feet	1,149,983	1,149,983
Maximum Capacity	7,000	7,000
Enrollment	7,043	5,849
<b>High</b>		
Buildings	7	7
Square feet	1,401,249	1,284,650
Maximum Capacity	9,400	9,400
Enrollment	8,867	6,766
<b>Administrative</b>		
Buildings	9	10
Square feet	235,775	163,750
<b>Transportation</b>		
Buses (quantity)	57 <sup>1</sup>	45 <sup>1</sup>
<b>Athletics</b>		
Football fields (quantity)	11	11
Soccer fields (quantity)	11	11
Running tracks (quantity)	11	11
Baseball/softball (quantity)	6	6
Playgrounds (quantity)	23	21

**Source:** District records

**Note:**

<sup>1</sup> Buses are titled under Dallas County Schools. DCS maintains and repairs these buses.



# **SINGLE AUDIT REPORTS**







**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING  
STANDARDS***

Board of Trustees  
Irving Independent School District

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Irving Independent School District (the District), as of and for the year ended August 31, 2009 and have issued our report thereon dated January 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affect the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

Irving Independent School District  
January 15, 2010

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However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, District Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 15, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees  
Irving Independent School District

Compliance

We have audited the compliance of the Irving Independent School District (the "District"), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2009. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2009.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Irving Independent School District  
January 15, 2010

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A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affect the entity's ability to administer a federal program such that there is a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the District's Trustees, the administration, federal awarding agencies, and the Texas Education Agency and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P

Dallas, Texas  
January 15, 2010

**IRVING INDEPENDENT SCHOOL DISTRICT  
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2009**

**EXHIBIT K-1**

Pass-Through Grantor Program Title	Federal			Total Expenditures
	CFDA Number	Direct Expenditures	Indirect Charges	
Passed Through State Department of Education:				
Mckinney-Vento Homeless Education	84.196	\$ 151,705	\$ 3,043	\$ 154,748
21st Century Community Learning Centers-Cycle 3, Yr. 5	84.287C	438,275	8,792	447,067
21st Century Community Learning Centers-Cycle 6, Yr. 1	84.287C	27,907	-	27,907
21st Century Community Learning Centers-Cycle 4, Yr. 3	84.287C	679,657	14,373	694,030
21st Century Community Learning Centers-Cycle 4, Yr. 4	84.287C	5,151	-	5,151
Carl D. Perkins Basic Grant for Career & Technology	84.048A	408,925	3,186	412,111
Carl D. Perkins Basic Grant for Career & Technology	84.048A	162,462	-	162,462
Title I - School Improvement Program - De Zavala	84.010A	191,935	4,045	195,980
Title I, Part A - Improving Basic Program	84.010A	7,011,328	141,546	7,152,874
Title I, Part A - Improving Basic Program	84.010A	44,342	-	44,342
Title I, Part A - Improving Basic Program-ARRA-STIMULUS	84.389A	28,653	-	28,653
Title II, Part D - Technology	84.318X	63,723	1,459	65,182
Title II, Part D - Technology	84.318X	4,837	-	4,837
Title II, Part D - Star School Readiness	84.318X	156,460	3,880	160,340
Title II, Part D - Vision 2020	84.318X	78,098	1,324	79,422
Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	1,097,812	24,058	1,121,870
Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	173,031	-	173,031
Title IV - Safe & Drug Free Schools	84.186A	106,429	2,148	108,577
IDEA B - Formula	84.027A	6,382,189	94,743	6,476,932
IDEA B - Formula	84.027A	106,951	-	106,951
IDEA B - Formula - ARRA - STIMULUS	84.391A	132,994	-	132,994
IDEA B - Preschool	84.173A	94,564	1,899	96,463
IDEA B - Preschool	84.173A	3,376	-	3,376
Preschool Least Restrictive Environment - Region 10	84.027A	19,747	-	19,747
IDEA B - Preschool, Deaf	84.173A	1,085	23	1,108
IDEA B - Formula, Deaf	84.027A	8,743	179	8,922
IDEA B - Formula, Deaf	84.027A	1,014	-	1,014
IDEA B - Discretionary, Deaf	84.027A	68,617	65	68,682
IDEA C - Early Intervention	84.181A	573	12	585
Title I, Part C - Migrant	84.011A	136,569	2,945	139,514
Title I, Part C - Migrant	84.011A	13,267	-	13,267
Title III, Part A - Limited English Proficiency	84.365A	1,309,872	27,565	1,337,437
Title III, Part A - Limited English Proficiency	84.365A	35,011	-	35,011
Adult Ed - English Literacy & Civics Education, Secion 231	84.002A	97,607	2,008	99,615
Adult Ed - English Literacy & Civics Education, Secion 231	84.002A	20	-	20
Building Excellence in History Teachers	84215X	314,902	8,523	323,425
Mentoring Program Grants	84.184B	210,852	5,475	216,327
Summer School - Limited English Proficiency	84.369A	48,535	-	48,535
		<u>19,817,218</u>	<u>351,291</u>	<u>20,168,509</u>
Passed through Texas Department of Health and Human Services:				
Medicaid	93.778	130,582	-	130,582
		<u>130,582</u>		<u>130,582</u>
Passed through State Department of Education:				
USDA Donated Commodities	10.565	879,966	-	879,966
National School Lunch	10.555	9,309,292	-	9,309,292
School Breakfast Program	10.553	3,612,772	-	3,612,772
		<u>13,802,030</u>		<u>13,802,030</u>
Reserve Officer Training Corps				
	12.000	215,495	-	215,495
		<u>215,495</u>		<u>215,495</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u>\$ 33,965,325</u>	<u>\$ 351,291</u>	<u>\$ 34,316,616</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2009**

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1. The District utilizes the funds specified in the Texas Education Agency Resource Guide.

**Special Revenue Funds** – are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state awards are generally accounted for in the General Fund and in Special Revenue Funds. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Funds are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Funds. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Governmental Funds. Accordingly, the Schedule of Expenditures of Federal Awards was prepared under this basis of accounting, which requires that revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extends 30 days beyond the federal project period ending date, in accordance with the provisions in Section H. Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.
4. Funds were received by the District for school health and related services (“SHARS”) reimbursements (\$673,546). However, such reimbursements are not considered federal awards and are not included in the Schedule of Expenditures of Federal Awards.

**IRVING INDEPENDENT SCHOOL DISTRICT  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2009**

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**SECTION I - SUMMARY OF AUDITORS' RESULTS**

Financial Statements

- a. An unqualified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified?  Yes  No
  - Significant deficiency(ies) identified that are not considered a material weakness?  Yes  No
  - Control deficiency(ies) identified that are not considered a material weakness?  Yes  No
- c. Noncompliance material to financial statements noted  Yes  No

Major Programs

- d. Internal control over major programs:
- Material weakness(es) identified?  Yes  No
  - Significant deficiency(ies) identified that are not considered a material weakness?  Yes  No
  - Control deficiency(ies) identified that are not considered a material weakness?  Yes  No
- e. An unqualified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that were required to be reported under Section 510(a) or OMB Circular A-133.  Yes  No
- g. Identification of major programs:
- |         |                      |
|---------|----------------------|
| 84.027  | IDEA B, Formula      |
| 84.367A | Title II, Part A     |
| 84.365A | Title III, Part A    |
| 84.173A | IDEA B, Preschool    |
| 84.391A | IDEA B, Formula ARRA |
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$1,029,498
- i. Auditee qualified as a low-risk auditee.  Yes  No

**IRVING INDEPENDENT SCHOOL DISTRICT  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2009**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**NONE**

**SECTION III – FINDING AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**NONE**



**IRVING INDEPENDENT SCHOOL DISTRICT  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2009**

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**SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS**

**08-1**

**Criteria or Specific Requirement:**

The District's human resources department is responsible for maintaining accurate personnel data in the "MUNIS" system. Incorrect coding in the system results in inappropriate application of many of the payroll functions.

**Recommendation:** The District's human resources department should review their current procedures to ensure errors are caught timely. The District should also ensure that an individual is in place to supervise and review the work of those entering information into MUNIS on a regular basis.

**Status: Corrected**

