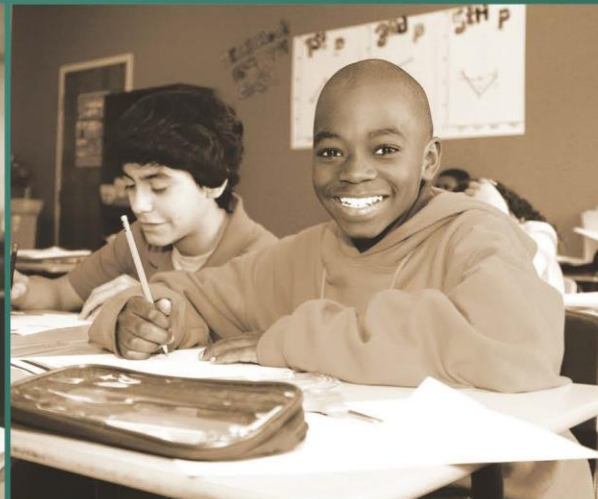




2017 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending August 31, 2017



IRVING
Independent School District

2621 W. Airport Freeway
Irving, Texas 75062

IRVING

Independent School District

**Comprehensive
Annual Financial
Report**



Irving, Texas

**For the
Fiscal Year Ended
August 31, 2017**

Jose L. Parra, Ed.D.
Superintendent of Schools

**Prepared by
Irving ISD Business Office**

Gary Micinski, CPA
Chief Financial Officer

Steve Franks, CPA, CIA
Director of Business Operations



Irving Independent School District
 Comprehensive Annual Financial Report
 For The Fiscal Year Ended August 31, 2017
 Table of Contents

	Page	Exhibit
Introductory Section		
Certificate of Board	vi	
Letter of Transmittal.....	vii	
List of Principal Officials	xiii	
Organizational Chart.....	xiv	
Government Finance Officers Association:		
Certificate of Achievement for Excellence in Financial Reporting	xv	
Association of School Business Officials International:		
Certificate of Excellence in Financial Reporting.....	xvi	
Financial Section		
Independent Auditor's Report.....	3	
Management's Discussion and Analysis.....	7	
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	21	A-1
Statement of Activities	22	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds	26	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	29	C-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	30	C-2
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	32	C-3
Statement of Net Position - Proprietary Funds	33	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	34	D-2
Statement of Cash Flows - Proprietary Funds.....	35	D-3
Statement of Fiduciary Assets and Liabilities.....	36	E-1
Notes to the Financial Statements	37	
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	66	G-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Food Service Fund	67	G-2
Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan - TRS.....	68	G-3
Schedule of the District's Contributions - TRS.....	69	G-4
Notes to Required Supplementary Information	70	

Irving Independent School District
 Comprehensive Annual Financial Report
 For The Fiscal Year Ended August 31, 2017
 Table of Contents

Page Exhibit

Other Supplementary Information:

Combining and Individual Fund Statements and Schedules:
 Nonmajor Governmental Funds:
 Combining Balance Sheet 77 H-1
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances 78 H-2
 Internal Service Funds:
 Combining Statement of Net Position 80 H-3
 Combining Statement of Revenues, Expenses and
 Changes in Fund Net Position 82 H-4
 Combining Statement of Cash Flows 84 H-5
 Fiduciary Funds:
 Combining Statement of Fiduciary Assets and Liabilities -
 Agency Funds 89 H-6
 Combining Statement of Changes in Assets and Liabilities -
 Agency Funds 90 H-7
 Required T.E.A. Schedules:
 Schedule of Delinquent Taxes Receivable 92 J-1
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual - Debt Service Fund 94 J-2

Statistical Section - (Unaudited)

Net Position by Component 96 S-1
 Expenses, Program Revenues, and Net (Expense)/Revenue 98 S-2
 General Revenues and Total Change in Net Position 100 S-3
 Fund Balances – Governmental Funds 102 S-4
 Governmental Funds Revenues 104 S-5
 Governmental Funds Expenditures and Debt Service Ratio 106 S-6
 Other Financing Sources and Uses and Net Change in Fund Balances 108 S-7
 Appraised Value and Actual Value of Taxable Property 110 S-8
 Direct and Overlapping Property Tax Rates 112 S-9
 Principal Property Tax Payers 114 S-10
 Property Tax Levies and Collections 116 S-11
 Outstanding Debt by Type 118 S-12
 Direct and Overlapping Governmental Activities Debt 119 S-13
 Legal Debt Margin Information 120 S-14
 Ratio of Net Bonded Debt to Assessed Value and Per Capita 122 S-15
 Demographic and Economic Statistics 123 S-16
 Principal Employers 124 S-17
 Full-Time Equivalent District Employees by Type 126 S-18
 Operating Statistics 128 S-19
 Capital Asset Information 129 S-20

Irving Independent School District
 Comprehensive Annual Financial Report
 For The Fiscal Year Ended August 31, 2017
 Table of Contents

	Page	Exhibit
Federal Financial Assistance Section		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	133	
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance	135	
Schedule of Expenditures of Federal Awards.....	137	K-1
Notes to Schedule of Expenditures of Federal Awards	139	
Schedule of Findings and Questioned Costs	140	



Introductory Section

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, 2017 at a meeting of the board of school trustees of such school district on the 22nd day of January, 2018.

Board President
Larry Stipes

Board Secretary
Randy Necessary

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



GARY MICINSKI, CPA
Chief Financial Officer
Business Services

JOSE L. PARRA, Ed.D.
Superintendent of Schools

January 22, 2018

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

Dear Citizens and Board Members:

The Comprehensive Annual Financial Report (CAFR) of Irving Independent School District (the District) for the fiscal year ended August 31, 2017 is submitted herewith. The District's Business Office has prepared this CAFR, assuming full responsibility for the accuracy and completeness of the information contained therein, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

We believe the data 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, 2017, is prepared in accordance with generally accepted accounting principles (GAAP) and is 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).

Weaver and Tidwell, L.L.P. has issued an unmodified ("clean") opinion on the Irving Independent School District's financial statements for the year ended August 31, 2017. The independent auditor's report is located at the front of the Financial Section.

The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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.

Mailing Address: P.O. Box 152637, Irving, Texas 75015-2637

2621 W. Airport Freeway, Irving, Texas 75062-6020 | Tel. 972.600.5405 | Fax 972.215.5412 | gmicinski@irvingisd.net

Profile of the District

Irving Independent School District is a political subdivision of the State of Texas located in Dallas County. The District, founded in 1909, is located in Irving, the 3rd largest city in Dallas County. It currently occupies 45.7 square miles and serves approximately 35,000 students. The District is one of 1,266 school districts and charter schools in the State of Texas. The District's mission is, "To ensure each student attains intellectual and personal excellence."

The District's 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. Since members of the Board are elected by the public and have the authority to make decisions, significantly influence operations, appoint administrators and managers, and 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 provides a comprehensive curriculum of educational services appropriate for students enrolled in pre-kindergarten through Grade 12. 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, athletics and Junior Reserve Officers' Training Corps (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.

Peak enrollment for the 2015-2016 school year was 35,007 students. For fiscal year 2016-2017, peak enrollment decreased by 147 students or a decline of .42% to 34,860 students.

The District's facilities include three early childhood schools (PK), twenty elementary schools (K-5), eight middle schools (6-8), three high schools (9-12), a high school academy (9-12), a career preparatory center (9-12), a reassignment center (9-12), a newcomer center, and an outdoor learning center. All campuses are air-conditioned facilities complete with cafeterias, library/media centers and gymnasiums. In addition, the District owns and operates additional facilities, which include an administration building and an annex, a facilities service center, a safety and security department, a food and nutrition center, a career development center, and an athletic stadium. The age of the District's campuses range from 69 years (Britain Elementary and Bowie Middle Schools) to 7 years (Lady Bird Johnson Middle School).

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.

The Board is required to adopt a final budget not later than the close of the fiscal year. This annual budget serves as the foundation of the District's financial planning and control. The budget is prepared by fund and function for expenditures, and by fund and object for revenues. If any change in the approved budget is required, requests are presented to the Board for consideration.

Economic Condition and Outlook

Local Economy

The City of Irving, Texas, is conveniently located between Dallas and Fort Worth and just minutes away from the Dallas/Fort Worth (DFW) International Airport – the country's fourth busiest airport. Irving's commitment to providing diverse, business-friendly, economic opportunities has made it the destination for the global headquarters for four Fortune 500 and nine Fortune 1000 companies and the site of more than 140 international companies currently operating throughout the city.

The state's strong economy, combined with Irving's numerous economic strengths, are the economic drivers to attract national and international companies, and commercial and retail development. This has led to several high profile projects in various stages of completion including Water Street, a mixed-use complex bringing more than 60,000 square feet of shops and restaurants and hundreds of apartments to a lakeside site in the Las Colinas Urban Center, and Toyota Music Factory, a state-of-the-art, destination venue that converts from a 2,500 intimate theater, to a 4,000 capacity indoor theater.

Irving offers a vibrant urban community for new economic development and high-wage jobs and a stable economic setting for some of the most respected and recognized companies in the world including ExxonMobil, Fluor, and Kimberly-Clark.

Long-term Financial Planning

The District's unassigned fund balance for the General Fund is approximately 30% of the operating expenditures, or about four months of expenditures. The Board adopted financial policy CE(LOCAL)-X to strive to maintain a minimum general operating fund balance equal to at least the sum of at least three months (i.e., 25 percent) of total budgeted general fund operating expenditures. For the last twelve years, the fund balance for the General Fund has consistently been above the 25% goal of Fund Balance to Actual Expenditures.

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 begins the budget development planning cycle with the release of the projected student enrollment for the following fall in December. Staffing charts are updated, and campus staff is adjusted by Human Resources to accommodate the changes in student enrollment. 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 Administration and provided to and discussed with the Finance Committee which is made up of three members of the Board of Trustees, the Superintendent, and the Chief Financial Officer. Financial calculations such as taxable assessed value growth, optional homestead exemption, employee raises, fund balance levels, and state funding assumptions are determined early in the budget cycle in preparation for accurate budget estimates necessary for budget compilation. 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 June, with the final adoption of the budget by August 31st each year.

Financial Policies

The Comprehensive Annual Report for the year ended August 31, 2017 is prepared in accordance with GAAP and in conformance with standards of financial reporting established by GASB using guidelines recommended by the GFOA. This report covers all funds of the District. 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
- Enterprise Fund

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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, 2017 provided no conditions that would be considered a material weakness in relation to a Federal financial assistance program, and no material instances of non-compliance 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 auditor's 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.

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 was also designed to meet the requirement of the Single Audit Act of 1984, as amended in 1996, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 awarded the Certificate of Excellence in Financial Reporting, and the Government Finance Officers Association awarded the Certificate of Achievement for Excellence in Financial Reporting, to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2016. 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-seventh 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 2017 certificates.

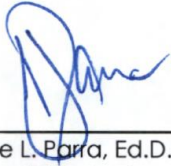
The District received a Superior rating for the 2017 School's Financial Integrity Rating System of Texas (FIRST). For the previous fourteen years, the District earned a Superior Achievement (or Perfect) rating from the School's FIRST. The superior and perfect ratings confirm the District's excellence in managing and reporting taxpayer dollars.

Acknowledgements

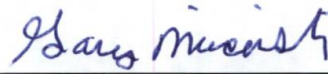
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Business Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation.

We also wish to thank 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,



Jose L. Parra, Ed.D.
Superintendent



Gary Micinski, CPA
Chief Financial Officer

LIST OF PRINCIPAL OFFICIALS

BOARD OF TRUSTEES

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Larry Stipes, President	6 years	2018	Contract Manager
Randy Randle, Vice President	5 years	2019	Business Owner
Randy Necessary, Secretary	4 years	2019	Business Owner
Dr. Steven Jones	7 years	2020	Producer
Nell Anne Hunt, Member	4 years	2020	Realtor
Dinesh Mali, Member	3 years	2018	Professional Engineer
A.D. Jenkins, Member	2 years	2019	Software Engineer

ADMINISTRATIVE OFFICIALS

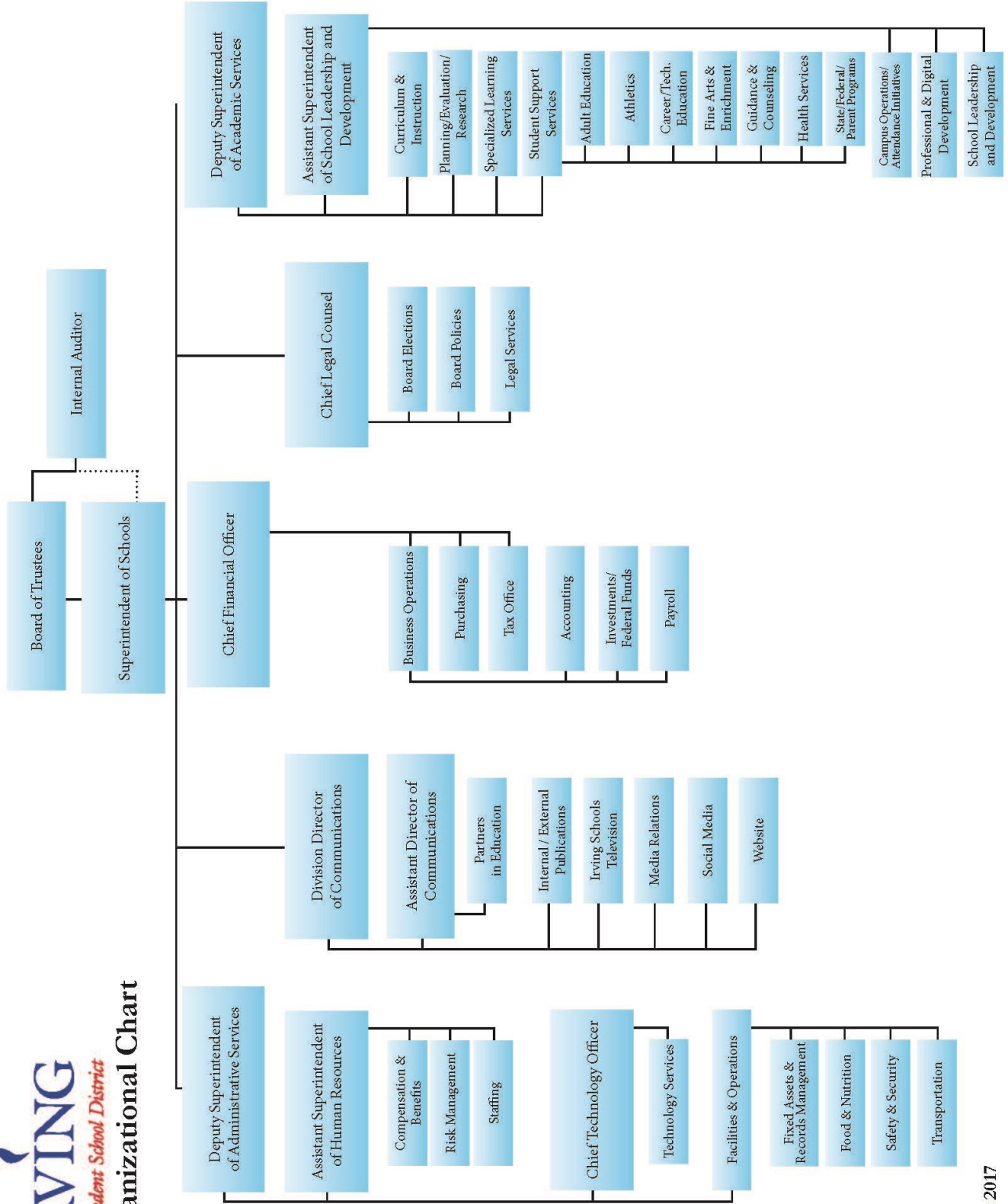
<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Jose L. Parra, Ed.D.	Superintendent	4 years
Gary Micinski, CPA	Chief Financial Officer	3 years
Adam Grinage, Ed.D.	Associate Superintendent of Academic Services	11 years
Magda Hernandez	Associate Superintendent of Human Resources	4 years
Sarah S. Flourney, J.D., Ed.D.	Chief Legal Counsel	1 year

CONSULTANTS AND ADVISORS

Weaver and Tidwell, L.L.P. Dallas, Texas	Independent Auditors
Bracewell & Guiliani, L.L.P. Dallas, Texas	Bond Counsel
RBC Capital Markets Dallas, Texas	Financial Advisor
Brackett & Ellis, P.C. Irving, Texas	Board Legal Counsel
Comerica Bank – Irving Irving, Texas	Official Depository



Organizational Chart





Government Finance Officers Association

**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, 2016

Christopher P. Morill

Executive Director/CEO



**The 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, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

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

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE
Executive Director

Financial Section





Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Irving Independent School District (the District), as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Members of the Board of Trustees
Irving Independent School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 15, 2018



Management's Discussion And Analysis

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, 2017. We encourage readers to consider the information presented here in conjunction with the District's financial statements and in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- General revenues accounted for \$349,529,976, or 81%, of all fiscal year 2017 revenues. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$81,070,097, or 19%, of total fiscal year 2017 revenues.
- The District had \$398,500,164 in expenses related to governmental activities, of which \$81,070,097 was offset by program-specific charges for services or grants and contributions. General revenues of \$349,529,976 were adequate to provide for the remaining costs of these programs, resulting in a \$32,099,909 increase in net position.
- Among major funds, the General Fund had \$335,372,897 in revenues, which primarily consisted of state aid and property taxes, and \$305,606,427 in expenditures. The General Fund's fund balance increased \$10,766,470, from \$103,112,125 as of August 31, 2016 to \$113,878,595 as of August 31, 2017.

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 position 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 position presents information on all of the District's assets, deferred inflows/outflows of resources, liabilities and net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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) and the functions of the District that operate like a business (business-type activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services. The business-type activities include the District's vending machine operations.

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 position may serve over time as a useful indicator of a government's financial position. In the case of the District, the District's overall assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$93,989,362 as of August 31, 2017. This is an increase of \$32,051,188 over the prior year's net position \$61,938,174, indicating an overall positive position for the District.

A portion of the District's net position represents resources subject to external restrictions on how they may be used. As of August 31, 2017, the District's restricted net position for food service was \$6,926,005 and restricted net position for future debt service payments was \$4,239,051. Unrestricted net position 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, 2017, the District's unrestricted net position was \$32,877,024.

Net investment in capital assets was \$49,947,282. 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 position for the fiscal years ended August 31, 2017 and 2016.

**Table I
Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 162,872,852	\$ 155,027,399	\$ (48,611)	\$ -	\$ 162,824,241	\$ 155,027,399
Capital assets (net)	511,375,874	513,425,824	-	-	511,375,874	513,425,824
Total assets	<u>674,248,726</u>	<u>668,453,223</u>	<u>(48,611)</u>	<u>-</u>	<u>674,200,115</u>	<u>668,453,223</u>
Deferred outflows	<u>58,163,772</u>	<u>73,261,910</u>	<u>-</u>	<u>-</u>	<u>58,163,772</u>	<u>73,261,910</u>
Current liabilities	45,722,535	46,984,234	110	-	45,722,645	46,984,234
Long-term liabilities	<u>585,784,983</u>	<u>615,535,508</u>	<u>-</u>	<u>-</u>	<u>585,784,983</u>	<u>615,535,508</u>
Total liabilities	<u>631,507,518</u>	<u>662,519,742</u>	<u>110</u>	<u>-</u>	<u>631,507,628</u>	<u>662,519,742</u>
Deferred inflows	<u>6,866,897</u>	<u>17,257,217</u>	<u>-</u>	<u>-</u>	<u>6,866,897</u>	<u>17,257,217</u>
Net investment in capital assets	49,947,282	32,387,346	-	-	49,947,282	32,387,346
Restricted	11,165,056	10,393,389	-	-	11,165,056	10,393,389
Unrestricted	<u>32,925,745</u>	<u>19,157,439</u>	<u>(48,721)</u>	<u>-</u>	<u>32,877,024</u>	<u>19,157,439</u>
Total net position	<u><u>\$ 94,038,083</u></u>	<u><u>\$ 61,938,174</u></u>	<u><u>\$ (48,721)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 93,989,362</u></u>	<u><u>\$ 61,938,174</u></u>

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

- Current and other assets increased by \$7.7 million, or 5.0%, due to an increase in cash & cash equivalents by \$3.2 million and an increase in due from other governments by \$4.9 million during the 2017 fiscal year.
- Deferred outflows decreased by \$15.0 million, or 20.6%, due to a change in deferred outflow of resources for pensions of \$15.0 million.
- Deferred inflows of resources were also impacted by the recognition of the pension liability, resulting in a decrease of \$10.4 million.
- Long-term liabilities decreased \$29.7 million. This was due to a decrease of bonds payable, as well as due to payments of accreted interest on capital appreciation bonds.

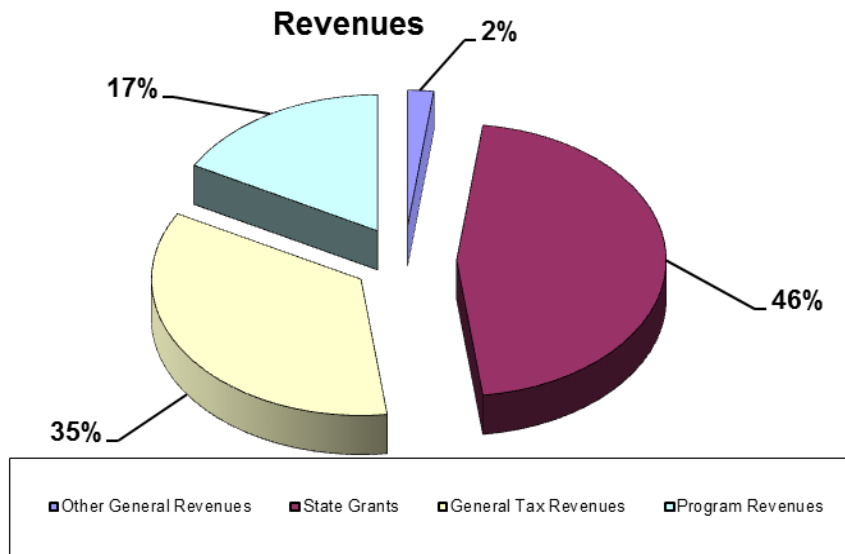
The District's total revenues for the fiscal year ended August 31, 2017 were \$431,027,838. The total cost of all programs and services was \$398,976,650. The following table presents a summary of the changes in net position for the fiscal years ended August 31, 2017 and 2016.

Table II
Change in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 5,570,714	\$ 5,706,843	\$ 321,361	\$ -	\$ 5,892,075	\$ 5,706,843
Operating grants and contributions	75,499,383	62,385,043	-	-	75,499,383	62,385,043
General revenues:						
Maintenance and operations taxes	122,229,287	100,440,711	-	-	122,229,287	100,440,711
Debt service taxes	28,770,790	38,749,543	-	-	28,770,790	38,749,543
State grants	187,453,054	184,411,595	-	-	187,453,054	184,411,595
Investment earnings	1,612,463	832,337	-	-	1,612,463	832,337
Miscellaneous	9,570,786	7,766,768	-	-	9,570,786	7,766,768
Transfers	(106,404)	-	106,404	-	-	-
Total revenues	<u>430,600,073</u>	<u>400,292,840</u>	<u>427,765</u>	<u>-</u>	<u>431,027,838</u>	<u>400,292,840</u>
Expenses:						
Instruction, curriculum, and media services	240,343,024	231,924,607	-	-	240,343,024	231,924,607
Instructional and school leadership	28,048,200	26,495,001	-	-	28,048,200	26,495,001
Student support services, child nutrition and co-curricular activities	58,637,059	56,322,287	-	-	58,637,059	56,322,287
General administration	7,939,216	7,791,108	-	-	7,939,216	7,791,108
Plant maintenance, security, and data processing	33,532,438	31,518,512	-	-	33,532,438	31,518,512
Community services	2,144,097	2,323,519	-	-	2,144,097	2,323,519
Interest and fiscal charges	16,096,943	20,103,591	-	-	16,096,943	20,103,591
Other facility costs	122,425	92,834	-	-	122,425	92,834
Intergovernmental charges	626,398	584,358	-	-	626,398	584,358
Payments to TIF	11,010,364	8,945,883	-	-	11,010,364	8,945,883
Vending	-	-	476,486	-	476,486	-
Total expenses	<u>398,500,164</u>	<u>386,101,700</u>	<u>476,486</u>	<u>-</u>	<u>398,976,650</u>	<u>386,101,700</u>
Change in net position	32,099,909	14,191,140	(48,721)	-	32,051,188	14,191,140
Beginning net position	61,938,174	47,747,034	-	-	61,938,174	47,747,034
Ending net position	<u>\$ 94,038,083</u>	<u>\$ 61,938,174</u>	<u>\$ (48,721)</u>	<u>\$ -</u>	<u>\$ 93,989,362</u>	<u>\$ 61,938,174</u>

Net position of the District's governmental activities increased from \$61,938,174 to \$94,038,083, or \$32,099,909. Net position of the District's business-type activities decreased from \$0 to (\$48,721), as the fund began in fiscal year 2017.

The District's reliance upon tax revenues is demonstrated by the graph below, which indicates that 35% of total revenues for governmental activities come from local taxes.



The District's total revenue this year was \$431,027,838, up \$30,734,998 from the prior year. The increase can be attributed to the 10% increase in property tax values which resulted in an increase in local revenue and Tax Increment Financing (TIF) collections received during the year due to the increase in property values located in that zone.

The cost of all governmental activities this year was \$398,500,164. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through district taxes was \$119,907,914 because some of the costs were paid by those who directly benefited from the programs (\$5,570,714), by other governments and organizations that subsidized certain programs with grants and contributions (\$75,499,383), or by state aid (\$187,453,054), investment income (\$1,612,463), and other miscellaneous income (\$9,570,786).

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):

	Total Expenses	Net Expenses
Instruction, curriculum, and media services	\$ 240,343,024	\$ 207,008,116
Instructional and school leadership	28,048,200	25,818,848
Student support services, child nutrition and co-curricular activities	58,637,059	29,804,162
General administration	7,939,216	7,418,952
Plant maintenance, security, and data processing	33,654,863	19,780,950
Community services	2,144,097	614,068
Interest and fiscal charges	16,096,943	16,096,943
Intergovernmental charges	626,398	586,094
Payments to TIF	11,010,364	10,301,934
Total expenses	\$ 398,500,164	\$ 317,430,067

The District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$132,804,327, which is an increase of \$9,121,743 from the prior year.

The schedule below indicates the fund balance by fund type as of August 31, 2017 and August 31, 2016.

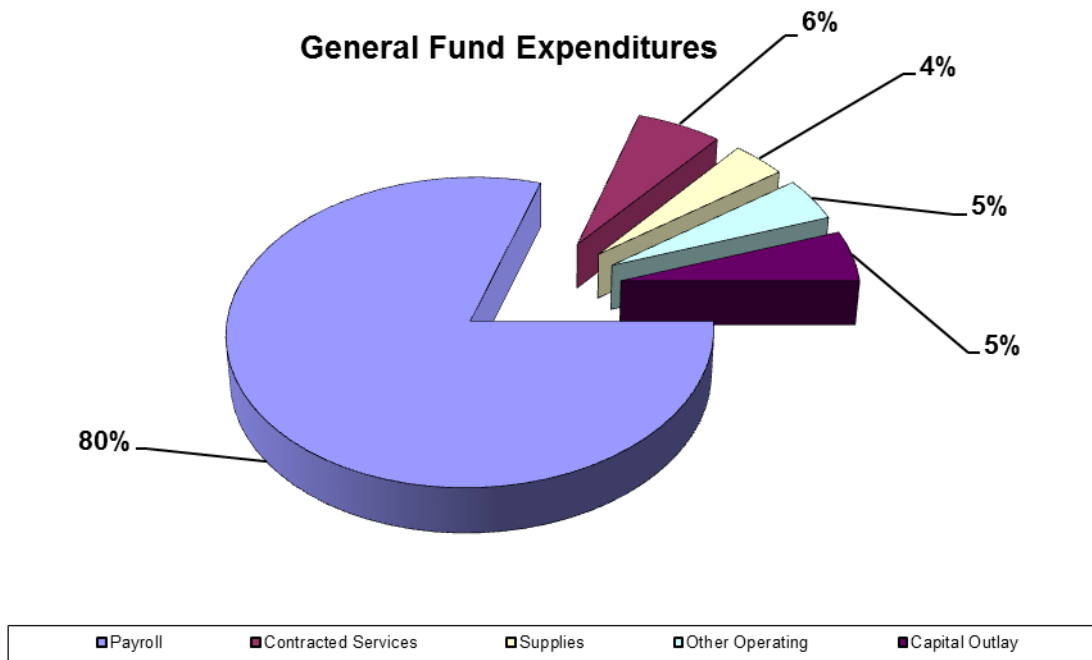
	Fund Balance August 31, 2017	Fund Balance August 31, 2016	Change in Fund Balance
General Fund	\$ 113,878,595	\$ 103,112,125	\$ 10,766,470
Food Service	6,889,141	6,190,761	698,380
Debt Service	6,909,698	6,766,016	143,682
Capital Projects	5,055,206	7,613,682	(2,558,476)
Nonmajor Funds	71,687	-	71,687
Total	\$ 132,804,327	\$ 123,682,584	\$ 9,121,743

General Fund

The fund balance of the General Fund increased \$10,766,470 from the prior year. The District's original budget plan was to increase fund balance \$11,216,158. The following factors contributed to the \$20,918,478 million difference:

- Actual general fund expenditures were \$305,606,427 which was \$8,792,446 less than the original budget total of \$314,398,873. Total actual expenditures were significantly less than originally budgeted because actual expenditures for function 11 and 81 ended the fiscal year lower than originally budgeted.
- There was a \$17,215,258 increase in actual local general fund revenue including property tax collections greater than the amount that was originally budgeted.
- There was a \$10,702,811 increase in actual state funding revenue greater than the amount that was originally budgeted. The District establishes the state revenue budget amount conservatively to limit any liability to Texas Education Agency.
- There was a \$2,924,422 increase in actual federal revenue greater than the amount that was originally budgeted. Also, the District received higher than anticipated revenue from its participation in the School Health and Related Services (SHARS) program.
- There was an operating transfer out of \$12,000,000 to the Debt Service fund that was not included in the original budget. Also, there was an operating transfer out of \$7,000,000 to Capital Projects fund for the Natatorium project that was not included in the original budget.

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.



Food Service Fund

The fund balance of the Food Service Fund increased \$698,380 from the prior year. Compared to the prior fiscal year, revenue and expenditures remained relatively consistent.

Debt Service Fund

The Debt Service fund balance increased \$143,682. The Interest & Sinking tax collections were \$12.6 million, or 30% less than was originally budgeted; however, the General Fund completed an operating transfer to the Debt Service Fund for \$12.0 million that represented existing surplus funds which resulted in a slight increase to end of year Debt Service fund balance.

Capital Projects Fund

The Capital Projects fund balance decreased \$2,558,476 from the prior year due to the use of 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 position 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 had budget amendments increasing the appropriation budget by \$15,353,061. Revenues had budget amendment increases of \$17,281,579. Other Financing Sources had budget amendment increases of \$19,000,000. The major components of these changes are reflected on Exhibit G-1 and the key factors for the changes can be summarized below.

The following factors contributed to the increase in the expenditures budget:

- \$10,197,249 budget amendments to increase Function 11 Instruction and \$1,855,191 in budget amendments to increase Function 51 Maintenance were approved to accommodate greater expenditures than were anticipated in the original budget.
- \$2,500,000 in budget amendments to offset the increase in property values located in the Tax Increment Financing (TIF) zone, which is submitted to the City of Irving.

The following factors contributed to the increase in the revenue budget:

- \$16,530,579 increase in actual local general fund revenue including property tax collections than the amount that was originally budgeted.
- \$730,000 increase in federal revenue due to the reclassification of the Build America Bond Subsidy from the Capital Projects Fund.

The following factor contributed to the increase in the other financing sources budget:

- \$19,000,000 increase in operating transfers out was attributed to a \$12,000,000 operating transfer out to the Debt Service fund that was not included in the original budget and a \$7,000,000 operating transfer out to Capital Projects fund for the Natatorium project that was not included in the original budget.

Capital Assets and Debt Administration

Capital Assets

As of August 31, 2017, the District had invested \$511,375,874 in capital assets, net of accumulated depreciation of \$402,376,671, including land and improvements, facilities, and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net decrease in capitalized cost of (\$2,049,950) from last year. The increase is due to land improvements and construction projects, which totaled \$19.1 million. The total depreciation expense for the year was \$21,204,425. The following schedule presents capital asset balances net of depreciation for the fiscal year ended August 31, 2017:

Land and Improvements	\$	29,970,641
Furniture and Equipment		19,588,336
Buildings and Improvements		453,266,565
Construction in Progress		8,550,332
Total	\$	511,375,874

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

Debt

As of August 31, 2017, the District had \$517,484,320 in general obligation bonds payable, with \$17,760,000 due within one year. The District continues to have favorable general obligation bond ratings indicated by Aa2 and AA+ rating from Moody's Investors Service and Standard & Poor's Ratings Group, respectively.

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 preparing the 2017-2018 budget and setting the 2017 tax rates. For the sixth year, property values increased. The certified tax roll reflected values of \$12,178,979,842 which is a 5.0% increase in value compared to the prior fiscal year.

The Board approved a total tax rate of \$1.4314 for the 2017 tax year. While the Maintenance and Operations tax rate remained the same, the Interest and Sinking rate decreased by .0136 from \$.2750 to \$.2614. Overall, the District anticipates an increase in property tax revenue for the 2017-2018 fiscal year based on the 5.0% increase in property values compared to the prior fiscal year.

As of August 31, 2017, the fund balance for the general fund totaled \$112,764,445. During the 2016-2017 fiscal year, the unassigned fund balance increased by \$15,904,491, to \$108,112,781. A total of \$4,651,664 of the fund balance has been designated as non-spendable or assigned and is therefore not available for any other public purpose. Construction projects to be determined will be paid out of TIF proceeds. While these construction projects will be paid out of TIF proceeds, they could constitute a temporary use of the fund balance reserves while waiting for future years' TIF collections. The TIF will end in the 2018-2019 fiscal year

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Director of Business Operations, Irving Independent School District, P.O. Box 152637, Irving, Texas, 75015-2637.

Basic Financial Statements



Government-Wide Financial Statements



Irving Independent School District
Statement of Net Position
August 31, 2017

Exhibit A-1

DATA CONTROL CODES	1 GOVERNMENTAL ACTIVITIES	2 BUSINESS-TYPE ACTIVITIES	3 TOTAL	
ASSETS				
1110	Cash and Cash Equivalents	\$ 133,682,897	\$ -	\$ 133,682,897
1120	Investments	12,995,737	-	12,995,737
1220	Delinquent Taxes Receivable - Net of Estimated Uncollectible Taxes	3,803,325	-	3,803,325
1240	Due from Other Governments	7,224,766	-	7,224,766
1250	Accrued Interest	29,632	-	29,632
1260	Internal Balances	168,710	(168,710)	-
1290	Other Receivables	3,425,722	-	3,425,722
1310	Inventories	1,038,365	120,099	1,158,464
1490	Other Assets	503,698	-	503,698
1510	Land	20,085,090	-	20,085,090
1515	Land Improvements	23,555,577	-	23,555,577
1520	Buildings and Improvements	715,251,344	-	715,251,344
1530	Furniture and Equipment	146,310,202	-	146,310,202
1580	Construction in Progress	8,550,332	-	8,550,332
1570	Accumulated Depreciation	(402,376,671)	-	(402,376,671)
1000	TOTAL ASSETS	674,248,726	(48,611)	674,200,115
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred charges on refunding	27,498,752	-	27,498,752
1705	Deferred outflows of resources - pension	30,665,020	-	30,665,020
1700	TOTAL DEFERRED OUTFLOWS OF RESOURCES	58,163,772	-	58,163,772
LIABILITIES				
2110	Accounts Payable and Claims Liabilities	7,659,194	110	7,659,304
2150	Payroll Deductions and Withholdings	2,319,463	-	2,319,463
2160	Accrued Wages Payable	12,199,732	-	12,199,732
2140	Interest Payable	3,575,415	-	3,575,415
2180	Due to Other Governments	1,899,910	-	1,899,910
2300	Unearned Revenue	6,100	-	6,100
	Due Within One Year:			
2121	Bonds Payable	17,760,000	-	17,760,000
2123	Claims Payable	302,721	-	302,721
	Noncurrent Liabilities:			
	Due in More than One Year:			
2800	Claims Payable	644,449	-	644,449
2510	Bonds Payable	499,724,320	-	499,724,320
2540	Net Pension Liability	85,416,214	-	85,416,214
2000	TOTAL LIABILITIES	631,507,518	110	631,507,628
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows of resources - pension	6,866,897	-	6,866,897
2600	TOTAL DEFERRED INFLOWS OF RESOURCES	6,866,897	-	6,866,897
NET POSITION				
3800	Net Investment in Capital Assets	49,947,282	-	49,947,282
3840	Restricted for Federal and State Programs	6,926,005	-	6,926,005
3850	Restricted for Debt Service	4,239,051	-	4,239,051
3900	Unrestricted	32,925,745	(48,721)	32,877,024
3000	TOTAL NET POSITION	\$ 94,038,083	\$ (48,721)	\$ 93,989,362

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District
Statement of Activities
For the Year Ended August 31, 2017

Data Control Codes	Functions/Programs	Program Revenues		
		1	2	3
		Expenses	Charges for Services	Operating Grants and Contributions
Governmental Activities:				
11	Instruction	\$ 224,360,321	\$ 572,448	\$ 27,489,413
12	Instructional Resources and Media Services	6,581,856	-	481,208
13	Curriculum Development and Instructional Staff Development	9,400,847	-	4,791,839
21	Instructional Leadership	5,654,331	-	933,937
23	School Leadership	22,393,869	-	1,295,415
31	Guidance, Counseling, and Evaluation Services	17,081,638	-	2,110,217
32	Social Work Services	1,728,065	-	171,320
33	Health Services	3,403,554	-	343,341
34	Student (Pupil) Transportation	7,009,837	-	1,019,077
35	Food Services	22,262,789	2,782,044	20,115,311
36	Co-Curricular/Extracurricular Activities	7,151,176	1,885,027	406,560
41	General Administration	7,939,216	-	520,264
51	Plant Maintenance and Operations	25,112,397	331,195	1,499,687
52	Security and Monitoring Services	3,551,287	-	219,158
53	Data Processing Services	4,868,754	-	338,058
61	Community Services	2,144,097	-	1,530,029
71	Debt Service - Interest and Fiscal Charges	16,096,943	-	-
81	Other Facility Costs	122,425	-	11,485,815
95	Payments to Juvenile Justice Alternative Education Program	42,900	-	2,760
97	Payments to TIF	11,010,364	-	708,430
99	Other Intergovernmental Charges	583,498	-	37,544
	Total Governmental Activities	398,500,164	5,570,714	75,499,383
Business-Type Activities:				
01	Vending	\$ 476,486	\$ 321,361	\$ -
	Total Business-Type Activities	476,486	321,361	-
	TOTAL PRIMARY GOVERNMENT	\$ 398,976,650	\$ 5,892,075	\$ 75,499,383

**Data
Control
Codes** General Revenues:

- Taxes:
 - MT M & O Property Taxes
 - DT Debt Service Property Taxes
 - SF State Aid - Not Restricted to Specific Programs
 - IE Investment Income
 - MI Miscellaneous
 - FR Transfers
- TR Total General Revenues and Transfers
- CN Change in Net Position
- NB Net Position - Beginning
- NE **Net Position - Ending**

The Notes to the Financial Statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Position**

6	7	8
Governmental Activities	Business-Type Activities	Total
\$ (196,298,460)	\$ -	\$ (196,298,460)
(6,100,648)	-	(6,100,648)
(4,609,008)	-	(4,609,008)
(4,720,394)	-	(4,720,394)
(21,098,454)	-	(21,098,454)
(14,971,421)	-	(14,971,421)
(1,556,745)	-	(1,556,745)
(3,060,213)	-	(3,060,213)
(5,990,760)	-	(5,990,760)
634,566	-	634,566
(4,859,589)	-	(4,859,589)
(7,418,952)	-	(7,418,952)
(23,281,515)	-	(23,281,515)
(3,332,129)	-	(3,332,129)
(4,530,696)	-	(4,530,696)
(614,068)	-	(614,068)
(16,096,943)	-	(16,096,943)
11,363,390	-	11,363,390
(40,140)	-	(40,140)
(10,301,934)	-	(10,301,934)
(545,954)	-	(545,954)
<u>(317,430,067)</u>	<u>-</u>	<u>(317,430,067)</u>
\$ -	\$ (155,125)	\$ (155,125)
<u>-</u>	<u>(155,125)</u>	<u>(155,125)</u>
\$ (317,430,067)	\$ (155,125)	\$ (317,585,192)
122,229,287	-	122,229,287
28,770,790	-	28,770,790
187,453,054	-	187,453,054
1,612,463	-	1,612,463
9,570,786	-	9,570,786
(106,404)	106,404	-
<u>349,529,976</u>	<u>106,404</u>	<u>349,636,380</u>
32,099,909	(48,721)	32,051,188
61,938,174	-	61,938,174
<u>\$ 94,038,083</u>	<u>\$ (48,721)</u>	<u>\$ 93,989,362</u>



Fund Financial Statements

Irving Independent School District
Balance Sheet
Governmental Funds
August 31, 2017

DATA CONTROL CODES	MAJOR		
	GENERAL	FOOD SERVICE	
ASSETS			
Current Assets:			
1110	Cash and Cash Equivalents	\$ 109,856,183	\$ 6,911,607
1120	Investments	12,995,737	-
Receivables:			
1220	Property Taxes - Delinquent	5,178,896	-
1230	Allowance for Uncollectible Taxes	(2,280,339)	-
1240	Due from Other Governments	1,674,245	882,099
1250	Accrued Interest	29,632	-
1260	Due from Other Funds	5,038,763	70,164
1290	Other Receivables	3,425,722	-
1310	Inventories, at cost	745,770	79,029
1410	Prepaid Items	503,698	-
1000	TOTAL ASSETS	<u>\$ 137,168,307</u>	<u>\$ 7,942,899</u>
LIABILITIES			
Current Liabilities:			
2110	Accounts Payable	\$ 4,173,636	\$ 507,984
2150	Payroll Deductions and Withholdings	2,319,463	-
2160	Accrued Wages Payable	12,199,732	-
2170	Due to Other Funds	158,594	545,774
2180	Due to Other Governments	1,533,630	-
2300	Unearned Revenue	6,100	-
2000	TOTAL LIABILITIES	<u>20,391,155</u>	<u>1,053,758</u>
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable Revenue	2,898,557	-
2600	TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,898,557</u>	<u>-</u>
FUND BALANCES			
Nonspendable			
3410	Inventory	745,770	79,029
3430	Prepaid Items	503,698	-
Restricted			
3450	Food Service	-	6,810,112
3450	Grant Funds	-	-
3470	Capital Acquisition and Contractual Obligation	-	-
3480	Retirement of Long-Term Debt	-	-
Assigned			
3590	Campus Activity Funds	2,455,873	-
3590	Construction Projects	202,483	-
3590	Other	743,840	-
3600	Unassigned	109,226,931	-
3000	TOTAL FUND BALANCE	<u>113,878,595</u>	<u>6,889,141</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 137,168,307</u>	<u>\$ 7,942,899</u>

The Notes to the Financial Statements are an integral part of this statement.

Exhibit C-1

MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 7,117,384	\$ 7,564,045	\$ 236,497	\$ 131,685,716
-	-	-	12,995,737
1,789,838	-	-	6,968,734
(885,070)	-	-	(3,165,409)
-	-	4,668,422	7,224,766
-	-	-	29,632
158,594	-	-	5,267,521
-	-	-	3,425,722
-	-	-	824,799
-	-	-	503,698
<u>\$ 8,180,746</u>	<u>\$ 7,564,045</u>	<u>\$ 4,904,919</u>	<u>\$ 165,760,916</u>
\$ -	\$ 2,508,839	\$ 438,789	\$ 7,629,248
-	-	-	2,319,463
-	-	-	12,199,732
-	-	4,394,443	5,098,811
366,280	-	-	1,899,910
-	-	-	6,100
<u>366,280</u>	<u>2,508,839</u>	<u>4,833,232</u>	<u>29,153,264</u>
904,768	-	-	3,803,325
<u>904,768</u>	<u>-</u>	<u>-</u>	<u>3,803,325</u>
-	-	-	824,799
-	-	-	503,698
-	-	-	6,810,112
-	-	71,687	71,687
-	5,055,206	-	5,055,206
6,909,698	-	-	6,909,698
-	-	-	2,455,873
-	-	-	202,483
-	-	-	743,840
-	-	-	109,226,931
<u>6,909,698</u>	<u>5,055,206</u>	<u>71,687</u>	<u>132,804,327</u>
<u>\$ 8,180,746</u>	<u>\$ 7,564,045</u>	<u>\$ 4,904,919</u>	<u>\$ 165,760,916</u>



Irving Independent School District

Exhibit C-1R

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position August 31, 2017

Total Fund Balances - Governmental Funds \$ 132,804,327

Amounts reported for governmental activities in the statement of net position 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 \$913,752,545 and the accumulated depreciation is \$402,376,671.	511,375,874
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.	3,803,325
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.	1,233,631
The deferred loss on refundings is not a current period transaction and therefore is not reported in the funds. The deferred loss on refundings is included in the deferred outflows of resources with governmental activities.	27,498,752
Included in the items related to debt is the recognition of the District's proportionate share of the TRS net pension liability (\$85,416,214) and a deferred inflow of resources (\$6,866,897), and a deferred outflow of resources (\$30,665,020). The result is a decrease in net position.	(61,618,091)

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	\$ (470,756,770)	
Premium/Discount on Bonds Payable	(46,727,550)	
Interest Payable	(3,575,415)	(521,059,735)

Net Position - Governmental Activities **\$ 94,038,083**

Irving Independent School District
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended August 31, 2017

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
REVENUES			
5700	Local and Intermediate Sources	\$ 147,215,258	\$ 2,813,945
5800	State Program Revenues	181,554,217	119,779
5900	Federal Program Revenues	6,603,422	19,972,952
5020	TOTAL REVENUES	335,372,897	22,906,676
EXPENDITURES			
Current:			
0011	Instruction	181,349,144	-
0012	Instructional Resources and Media Services	5,360,696	-
0013	Curriculum Development and Instructional Staff Development	4,519,148	-
0021	Instructional Leadership	4,541,685	-
0023	School Leadership	20,127,258	-
0031	Guidance, Counseling, and Evaluation Services	14,297,985	-
0032	Social Work Services	1,471,294	-
0033	Health Services	2,921,281	-
0034	Student (Pupil) Transportation	6,373,687	-
0035	Food Services	350,934	21,558,406
0036	Co-Curricular/Extracurricular Activities	6,318,739	2,235
0041	General Administration	7,351,872	-
0051	Plant Maintenance and Operations	23,308,011	541,251
0052	Security and Monitoring Services	3,406,129	-
0053	Data Processing Services	4,418,737	-
0061	Community Services	463,664	-
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	7,389,401	-
0095	Payments to Juvenile Justice Alternative Education Program	42,900	-
0097	Payments to TIF	11,010,364	-
0099	Intergovernmental Charges	583,498	-
6030	TOTAL EXPENDITURES	305,606,427	22,101,892
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	29,766,470	804,784
OTHER FINANCING SOURCES			
7901	Issuance of Refunding Bonds	-	-
7915	Transfers in	-	-
7916	Premium on Issuance of Debt	-	-
8911	Transfers out	(19,000,000)	(106,404)
8940	Payment to Refunded Bond Escrow Agent	-	-
7080	TOTAL OTHER FINANCING SOURCES	(19,000,000)	(106,404)
1200	Net Change in Fund Balances	10,766,470	698,380
0100	Fund Balance - September 1 (Beginning)	103,112,125	6,190,761
3000	Fund Balance - August 31 (Ending)	\$ 113,878,595	\$ 6,889,141

The Notes to the Financial Statements are an integral part of this statement.

MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 28,920,869	\$ 126,741	\$ 826,790	\$179,903,603
5,898,837	-	3,321,656	190,894,489
-	-	20,591,469	47,167,843
34,819,706	126,741	24,739,915	417,965,935
-	3,115,539	15,756,580	200,221,263
-	8,834	135,468	5,504,998
-	-	4,501,191	9,020,339
-	-	641,714	5,183,399
-	-	384	20,127,642
-	-	1,190,254	15,488,239
-	-	76,653	1,547,947
-	-	155,380	3,076,661
-	-	608,979	6,982,666
-	-	-	21,909,340
-	-	-	6,320,974
-	-	47,229	7,399,101
-	-	-	23,849,262
-	-	-	3,406,129
-	1,421,480	53,746	5,893,963
-	-	1,500,650	1,964,314
27,860,000	-	-	27,860,000
18,811,331	-	-	18,811,331
226,110	-	-	226,110
-	5,139,364	-	12,528,765
-	-	-	42,900
-	-	-	11,010,364
-	-	-	583,498
46,897,441	9,685,217	24,668,228	408,959,205
(12,077,735)	(9,558,476)	71,687	9,006,730
20,105,000	-	-	20,105,000
12,000,000	7,000,000	-	19,000,000
2,334,052	-	-	2,334,052
-	-	-	(19,106,404)
(22,217,635)	-	-	(22,217,635)
12,221,417	7,000,000	-	115,013
143,682	(2,558,476)	71,687	9,121,743
6,766,016	7,613,682	-	123,682,584
\$ 6,909,698	\$ 5,055,206	\$ 71,687	\$ 132,804,327

Irving Independent School District

Exhibit C-3

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, 2017

Total Net Change in Fund Balances - Governmental Funds	\$	9,121,743
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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 (\$21,204,425) exceeded capital outlay (\$19,154,475) in the current period.</p>		(2,049,950)
<p>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 inflows in the governmental funds. Unavailable revenue, net of bad debt, decreased by this amount this year.</p>		(109,316)
<p>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.</p>		(619,212)
<p>Current year long-term debt payments on bonds payable and payments of accreted interest on capital appreciation bonds are expenditures in the fund financial statements, but reduces long-term liabilities in the statement of net position.</p>		27,860,000
<p>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 position with related costs amortized over the life of the bonds. Differences consist of the following:</p>		
Refunded Bonds Issued	\$	(20,105,000)
Payment to Escrow Agent		22,217,635
Premium on Current Interest Bonds		(2,334,052)
Amortization of Refunding Loss		(2,112,723)
Amortization of Bond Premiums		6,022,503
		3,688,363
<p>The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of an decrease in deferred outflows (\$15,018,048); decrease in deferred inflows (\$10,390,320); and increase in net pension liability (\$194,709).</p>		(4,822,437)
<p>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:</p>		
Change in Accrued Interest	\$	(65,195)
Interest Accretion		(904,087)
		(969,282)
Change in Net Position - Governmental Activities	\$	32,099,909

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District
Statement of Net Position
Proprietary Funds
August 31, 2017

Exhibit D-1

DATA CONTROL CODES		BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES
		VENDING FUND	INTERNAL SERVICE FUNDS
	ASSETS		
	Current Assets:		
1110	Cash and Temporary Investments	\$ -	\$ 1,997,181
1310	Inventories, at Cost	120,099	213,566
1000	TOTAL ASSETS	120,099	2,210,747
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	110	29,946
2170	Due to Other Funds	168,710	-
2800	Claims Due Within One Year	-	302,721
	Total Current Liabilities	168,820	332,667
	Noncurrent Liabilities:		
	Claims Due in More than One Year	-	644,449
	Total Long-Term Liabilities	-	644,449
2000	TOTAL LIABILITIES	168,820	977,116
	NET POSITION		
3900	Unrestricted Net Position	(48,721)	1,233,631
3000	TOTAL NET POSITION	\$ (48,721)	\$ 1,233,631

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District

Exhibit D-2

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended August 31, 2017

DATA CONTROL CODES	BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES
	VENDING FUND	INTERNAL SERVICE FUNDS
OPERATING REVENUES		
5700	Charges for Services	\$ 1,416,811
5020	Total Operating Revenues	1,416,811
OPERATING EXPENSES		
6100	Payroll Costs	304,387
6200	Professional/Contracted Services	142,233
6300	Supplies and Materials	272,536
6400	Claims, Administration, and Other Expenses	1,329,512
6030	Total Operating Expenses	2,048,668
	OPERATING LOSS	(631,857)
NONOPERATING REVENUES		
7955	Interest Income	12,645
7915	Transfers In	-
	CHANGE IN NET POSITION	(619,212)
0100	Total Net Position - September 1 (Beginning)	1,852,843
3000	Total Net Position - August 31 (Ending)	\$ 1,233,631

The Notes to the 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, 2017

Exhibit D-3

	BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES
	VENDING FUND	INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:		
Cash Received for Premiums and Services	\$ 462,587	\$ 1,404,146
Cash Paid to Employees	(188,164)	(295,302)
Cash Paid to Suppliers	(380,827)	-
Cash Paid for Claims and Administration, and Other Costs	-	(1,707,752)
Net Cash Used In Operating Activities	<u>(106,404)</u>	<u>(598,908)</u>
Cash Flows from Noncapital Financing Activities:		
Transfers from Other Funds	106,404	-
Net Cash Provided by Noncapital Financing Activities	<u>106,404</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest Received	-	12,645
Net Cash Provided by Investing Activities	<u>-</u>	<u>12,645</u>
Net Decrease in Cash and Cash Equivalents	-	(586,263)
Cash and Cash Equivalents at Beginning of the Year	-	2,583,444
Cash and Cash Equivalents at End of the Year	<u>\$ -</u>	<u>\$ 1,997,181</u>
Reconciliation of Operating Income (Loss) to Net Cash Used In Operating Activities		
Operating Loss	<u>\$ (155,125)</u>	<u>\$ (631,857)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities		
Change in Current Assets and Liabilities:		
Increase in Inventories	(120,099)	(18,037)
Increase (Decrease) in Accounts Payable and Claims Liability	110	(19,570)
Increase in Due To Other Funds	168,710	-
Increase in Long-term Claims Reserve	-	70,556
	<u>48,721</u>	<u>32,949</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (106,404)</u>	<u>\$ (598,908)</u>

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District
 Statement of Fiduciary Assets and Liabilities
 August 31, 2017

Exhibit E-1

	AGENCY FUNDS
ASSETS	
Cash and Temporary Investments	\$ 722,034
TOTAL ASSETS	<u>\$ 722,034</u>
LIABILITIES	
Accounts Payable	\$ 213,766
Due to Student Groups	508,268
TOTAL LIABILITIES	<u>\$ 722,034</u>

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District

Notes to the Financial Statements

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. Since members of the board are elected by the public, they have the authority to make decisions and to appoint administrators and managers.

In evaluating how to define the government for financial reporting purposes, the District's management has considered all potential component units. By applying the criteria set forth in generally accepted accounting principles, the District has determined that no other organizations require inclusion in its reporting entity.

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all non-fiduciary 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 *business-type activities* 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.

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.

Irving Independent School District

Notes to the Financial Statements

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:

Enterprise Funds - The District has one fund for the operation of a self-supporting activity which provides services to outside parties in return for fees. The funds account for assets, liabilities, revenues and expenses of the District's vending machines.

Internal Service Funds - The District utilizes Internal Service Funds to account for its workers' compensation, unemployment insurance, science kit refurbishment and district-wide print shop. The General Fund is contingently liable for liabilities of these funds. 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 non-operating revenues and expenses. Sub-fund accounting is employed to maintain the integrity of these activities of the District. See Note 1 (O), (P), and (Q) for additional discussion of the District's self-insurance plans.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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.

Agency Funds - These custodial funds are used to account for activities of student groups and other organizational activities requiring clearing accounts and are accounted for on the accrual basis. 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/Masurement Focus

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. 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.

Irving Independent School District

Notes to the Financial Statements

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 unearned 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 Account Codes section of the FASRG. Mandatory codes are utilized in the form provided in that section.

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 appropriations 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, 2017 that were subsequently provided for in the 2017-2018 budget totaled \$743,840 for the General Fund.

Irving Independent School District

Notes to the Financial Statements

F. Deposits and Investments

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

Investments – Investments for the District, except for certain investment pools and certificates of deposit, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value; i.e. fair value.

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.

H. Inventories

The consumption method is used to account for inventories of food products, technology, 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. The Food Service (Special Revenue Fund) commodity inventories received through the U.S. Department of Agriculture are recorded as inventory on the date received and recognized as revenue. In the governmental funds, inventories are reported as nonspendable fund balance.

I. Prepaid Items

Prepaid items of \$503,698 in the General Fund are purchases which benefit the next school year. The consumption method is used to account for these items paid in advance. In the governmental funds, they are reported as nonspendable fund balance.

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 as land, land improvements, buildings, building improvements with an initial cost of any amount, and vehicles, furniture and equipment with an initial individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair value. 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.

Irving Independent School District

Notes to the Financial Statements

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

Assets	Years
Building and Improvements	40
Land Improvements	20
Portable Buildings	20
Food Service/Vocational/Athletic Equipment	15
Furniture, Fixtures and Equipment	10
Library Books/Musical Instruments	10
Vehicles	10
Technology/Maintenance Equipment	5
Software	3

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 position. 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. Deferred losses on refundings are reported as deferred outflows of resources and are amortized over the shorter of the life of the old debt or the life of the new debt. Issuance costs are included in interest and fiscal charges.

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

Nonspendable -- includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories and prepaid items.

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to contractual provisions or enabling legislation. This classification includes the child nutrition program, retirement of long-term debt, construction programs and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees.

Irving Independent School District

Notes to the Financial Statements

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Board Policy CE (Local) has authorized the Superintendent or Chief Financial Officer to assign fund balance. As of August 31, 2017, the District has assigned fund balance in the General Fund for the following purposes: 1) Campus Activity Funds – assigned to distinguish portion of fund balance allocated to activity funds, 2) TIF – assigned to identify the unexpended proceeds from the revenue generated from Tax Increment Financing (TIF) rebates, 3) Construction projects – assigned to planned capital projects not completed during the fiscal year, and 4) Other Assigned Fund Balance – assigned to outstanding encumbrances as of the fiscal year end.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts.

It is the desire of the Board to attempt to maintain a fund balance in the general operating fund that is approximately 25 percent, or three months, of general operating expenditures, excluding any nonspendable fund balance.

Net position on the Statement of Net Position includes the following:

Net Investment in Capital Assets -- the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

Restricted for Food Service -- the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the U.S. Department of Agriculture.

Restricted for Debt Service -- the component of net position that reports the difference between assets, liabilities, and deferred inflows/outflows of resources with constraints placed on their use by law.

Unrestricted -- the difference between the assets and liabilities that are not reported in net investment in capital assets and restricted net position.

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.

N. Data Control Codes

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

Irving Independent School District

Notes to the Financial Statements

O. 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 \$600,000 per occurrence and purchases excess coverage to statutory limits from Safety National Casualty Company. Claims administration is currently provided by the third party administrator TRISTAR Risk Management Inc.

The total liabilities for the Workers' Compensation self-insurance fund of \$947,626 include incurred but not reported claims in the amount of \$947,170 (of which \$302,721 is expected to be paid within one year) and accounts payable of \$456. The claims liability reported in the fund at August 31, 2017, 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. Lewis & Ellis, Inc. through its actuarial review of the Workers' Compensation self-insurance program, projected an estimated discounted liability of \$947,170 as of August 31, 2017, for the ultimate loss reserve of the fund. The fund had net position at August 31, 2017, of \$450,822.

Changes in the workers' compensation claims liability amounts in fiscal year 2017 and 2016 are presented below:

	Beginning of Fiscal-Year Liability	Current-Year Claims & Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2016 Workers' Compensation	\$ 887,982	\$ 730,453	\$ 741,821	\$ 876,614
2017 Workers' Compensation	\$ 876,614	\$ 1,131,404	\$ 1,060,848	\$ 947,170

P. 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 \$16,602 for claims reported and not paid, and net position as of August 31, 2017, was \$271,419.

Q. 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. The risk is minimized by the purchase of excess workers' compensation insurance, property and liability coverage, and a set-aside loss fund for damages under a particular deductible or for where no other protection exists. During fiscal year 2017, there were no significant reductions in insurance coverage for any category of risk. In addition, there are no settlements in excess of the insurance coverage in any of the three prior fiscal years.

Irving Independent School District

Notes to the Financial Statements

Insurance and coverage policies are purchased for the following exposure with the deductible/retention also indicated.

Insurance/Coverage	Deductible/ Retention	Per Occurrence Limit
Property	\$100,000	\$957,450,548 blanket RC
	\$250,000 Wind/Hail	
Flood/Earthquake/Extra Exp.	\$100,000	\$10,000,000
EDP Equip/EE/Data & Media	\$10,000	\$4,293,427
Wind Turbines, Geothermal Systems	\$10,000	\$5,721,764
BI/EE	\$10,000	\$25,000
Other Equipment Breakdown	\$10,000	\$100,000,000
Crime	\$10,000	\$500,000
Valuable Papers	\$100,000	\$500,000
Liability (E & O)	\$10,000	\$2,000,000 PO/2,000,000 Agg.
Liability (General)	None	\$2,000,000
Employee Benefits	None	\$100,000
Cyber Liability - TASB	None	\$100,000/\$10,000 to notify
Cyber Liability - Endurance	\$75,000	\$1,000,000
Liability (Fleet)	\$5,000	\$500,000 CSL
Comprehensive ACV	\$1,000	ACV
Collision ACV	\$1,000	ACV
Catastrophic PD	\$10,000	\$2,621,948
Workers' Compensation Excess	\$600,000	Statutory

During fiscal 2012, the District executed a revised interlocal agreement with the TASB Risk Management Fund (the Fund). In addition to coverage protection the Fund also provides its members with valuable loss control assistance to include inspections, webinars/seminars, loss prevention grants and awards, and an annual two-day conference each spring. The District is expected to adhere to standards and best practices in the timely reporting of any claims or potential claims, in the implementation of prudent loss control measures, and address any deficiencies noted in a timely manner. Any subrogation cannot be waived without prior approval of the Fund. The District expects timely payment of any claims and the protection of tort immunity to be exercised as appropriate.

The Fund is to provide legal counsel when appropriate to defend a lawsuit against the District, and that the legal counsel arrangement is agreed to either work independently or collaboratively with the District's legal counsel in defense of legal actions. This Fund agreement can renew every year unless a 30-day notice is given to not renew by any party for any reason. If any breach of the agreement occurs, immediate termination of the agreement can go into effect as well.

Irving Independent School District

Notes to the Financial Statements

R. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note 6 and the RSI section immediately following the Notes to the Financial Statements), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The District recognizes a net pension liability for the qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the respective pensions' fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

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

Note 2. Deposits and Investments

Cash Deposits - The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

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.

Irving Independent School District

Notes to the Financial Statements

At August 31, 2017, the carrying amount of the District's cash, not including fiduciary funds, was \$20,068. The bank balance was \$1,204,057. During 2016-2017, 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 Bank - Irving, Texas.
2. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$13,029,828.
3. Largest combined collected cash account balance required to be collateralized amounted to \$8,568,257 and occurred on January 31, 2017.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

Investments - The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in: (1) obligations, including letters of credit, of the U.S. or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (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.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Irving Independent School District

Notes to the Financial Statements

The District's investments are measured as presented in the table below. The District's investment balances, weighted average maturity, and credit risk of such investments are as follows:

	August 31, 2017	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
Cash and Imprest Funds	\$ 20,068	\$ -	\$ -	\$ -	0.01%		
Investments Measured at Amortized Cost:							
Investment Pools:							
TexPool	8,887,268	-	-	-	6.03%	32	AAAm
Lone Star	6,003,667	-	-	-	4.07%	22	AAA
Investments Measured at Net Asset Value (NAV)							
Investment Pools:							
TexSTAR	8,514,398	-	-	-	5.78%	33	AAAm
Texas CLASS	73,093,762	-	-	-	49.59%	56	AAAm
LOGIC	37,885,768	-	-	-	25.70%	32	AAAm
Investment Pools Total	<u>134,384,863</u>	<u>-</u>	<u>-</u>	<u>-</u>			
Investments Subject to Fair Value Agency Securities	12,995,737	-	12,995,737	-	8.82%	919	
Total Value	\$ 147,400,668	\$ -	\$ 12,995,737	\$ -			
Portfolio Weighted Average Maturity						122	

The TexPool, TexSTAR, Texas CLASS, Lone Star, and LOGIC investment pools are external investment pools measured at amortized cost to report net position 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. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and Lone Star have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

These local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Texas Local Government Investment Pool (TexPool), Local Government Investment Cooperative (LOGIC), 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. LOGIC and TexSTAR are co-administered by JP Morgan Chase & Co. and First Southwest Asset Management under an agreement with their Boards of Directors.

Irving Independent School District

Notes to the Financial Statements

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 Short Term Asset Reserve Program (TexSTAR) is administered by J.P. Morgan Investment Management Inc. (JPMIM) and Hilltop Securities Inc. (HTS) under an agreement with the TexStar board of directors. JPMIM provides investment management services, and FirstSouthwest, a division of HTS, provides participant services and marketing. The fund is rated AAAM by Standard and Poor's Rating Service.

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 Public Trust Advisors, LLC and is rated AAAM by Standard & Poor's Rating Services.

LOGIC is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Southwest Asset Management, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM. J.P. Morgan Chase provides custody, fund accounting and transfer agency services. LOGIC may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one nationally recognized statistical rating organization (NRSRO); and commercial paper rated A-1, P-1 or equivalent by on NRSRO and is fully secured by an irrevocable letter of credit.

Furthermore, Public Trust Advisors, LLC 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 for a maximum of five years, with most purchases between 1.5 and 3.5 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 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.

Irving Independent School District

Notes to the Financial Statements

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, Comerica Bank, registered in the District's name.

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 direct holdings of commercial paper. The local government investment pools that the District uses are also rated by the NRSROs. Lone Star and LOGIC are rated AAA by Standard and Poor's. Texas CLASS, TexPool, and TexSTAR are rated AAAM by Standard & Poor's as noted in the table above.

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, 2017, the District held \$12,995,737 of securities with a zero par amount, which is 8.82% of the total portfolio. All agency securities held by the District are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The District controls this risk by laddering the portfolio, limiting the final maturity of each investment of a maximum of five years through its investment policy with most purchases between 1.5 and 3.5 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.

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, 2016, upon which the levy for the 2016-2017 fiscal year was based, was \$11,594,095,283. The roll was subsequently decreased to a year-end assessed value of \$11,457,829,623. 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, 2017, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.17 and \$.275 per \$100 valuation, respectively, for a total of \$1.445 per \$100 valuation.

Current tax collections for the year ended August 31, 2017, were 97.74% 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.

Irving Independent School District

Notes to the Financial Statements

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, 2017, property taxes receivable, net of estimated uncollectible taxes, totaled \$2,898,557 and \$904,768 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 January 1, 1998.

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 \$11,010,364 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.

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, 2017 consisted of the following Due from Other Governments:

<u>Fund:</u>	<u>State Entitlements</u>	<u>Federal Grants</u>
General Operating Fund	\$ 1,674,245	\$ -
Food Service Fund	-	882,099
Nonmajor Special Revenue Funds	690,058	3,978,364
Total	\$ 2,364,303	\$ 4,860,463

Irving Independent School District

Notes to the Financial Statements

Note 5. Capital Assets

Capital asset activity, as reported in governmental activities, for the year ended August 31, 2017, was as follows:

	Beginning Balance	Additions	Deletions/ Transfers	Ending Balance
Capital Assets not depreciated:				
Land	\$ 20,085,090	\$ -	\$ -	\$ 20,085,090
Construction in Progress	19,588,940	6,776,882	(17,815,490)	8,550,332
Total Capital Assets not depreciated	39,674,030	6,776,882	(17,815,490)	28,635,422
Capital Assets depreciated:				
Land Improvements	23,248,025	160,482	147,070	23,555,577
Buildings and Improvements	692,487,268	6,986,122	15,777,954	715,251,344
Furniture and Equipment	139,188,747	5,230,989	1,890,466	146,310,202
Total Capital Assets depreciated	854,924,040	12,377,593	17,815,490	885,117,123
Total Capital Assets	894,598,070	19,154,475	-	913,752,545
Less Accumulated Depreciation for:				
Land Improvements	12,509,644	1,160,382	-	13,670,026
Buildings and Improvements	247,863,712	14,121,067	-	261,984,779
Furniture and Equipment	120,798,890	5,922,976	-	126,721,866
Total Accumulated Depreciation	381,172,246	21,204,425	-	402,376,671
Governmental Activities Capital Assets, Net	\$ 513,425,824	\$ (2,049,950)	\$ -	\$ 511,375,874

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

Governmental Activities:	
Instruction	\$ 15,293,208
Instructional Resources & Media Services	891,097
Curriculum Development & Instructional Staff Development	15,475
Instructional Leadership	107,495
School Leadership	986,410
Guidance, Counseling & Evaluation Services	679,229
Health Services	143,600
Student Transportation	27,171
Food Services	1,402,611
Co-Curricular/Extracurricular Activities	685,088
General Administration	172,844
Plant Maintenance & Operations	519,416
Security & Monitoring Services	18,443
Data Processing Services	262,338
Total Depreciation Expense, Governmental Activities	\$ 21,204,425

Irving Independent School District

Notes to the Financial Statements

The District has active construction projects. Of the District's active construction projects, the Natatorium was near completion at the end of the fiscal year, and the remainder of the construction projects were materially complete with the exception of outstanding retainage balances. The total construction commitment as of August 31, 2017 is \$2,066,120 for projects under the General and Capital Project funds.

Note 6. Employees' Retirement Plan

A. Plan Description

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

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

B. Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

C. Benefits Provided

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

D. Contributions

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

Irving Independent School District

Notes to the Financial Statements

Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan fiscal years 2016 and 2017.

Contribution Rates

	2016	2017
Member	7.2%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers/District	6.8%	6.8%
2017 Employer Contributions	\$	7,181,784
2017 Member Contributions	\$	15,828,669
2017 NECE On-behalf Contributions	\$	10,421,449

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

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

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

Irving Independent School District

Notes to the Financial Statements

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to.

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

E. Actuarial Assumptions

The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term Expected Investment Rate of Return	8.00%
Inflation	2.5%
Salary Increases Includes Inflation	3.5% to 9.5%
Payroll Growth Rate	2.5%
Benefit Changes During the Year	None
Ad Hoc Post-employment Benefit Changes	None

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

F. Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2016, are summarized below:

Irving Independent School District

Notes to the Financial Statements

	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns *
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	7.0%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Hedge Funds (Stable Value)	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global Inflation Linked-Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation	0.0%	0.0%	2.2%
Alpha	0.0%	0.0%	1.0%
Total	100.0%		8.7%

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

G. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability:	\$132,195,526	\$85,416,214	\$45,737,901

Irving Independent School District

Notes to the Financial Statements

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

At August 31, 2017, the District reported a liability of \$85,416,214 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 85,416,214
State's proportionate share that is associated with the District	123,700,991
Total	<u>\$ 209,117,205</u>

The net pension liability was measured as of August 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2015 through August 31, 2016.

At August 31, 2016, the District's proportion of the collective net pension liability was 0.2260375%, which was a decrease of .0150508% from its proportion measured as of August 31, 2015.

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

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

For the year ended August 31, 2017, the District recognized pension expense of \$17,659,650 and revenue of \$12,837,213 for support provided by the State.

At August 31, 2017, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,339,310	\$ 2,550,479
Changes in actuarial assumptions	2,603,333	2,367,624
Difference between projected and actual investment earnings	7,232,869	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	11,917,799	1,948,794
Contributions paid to TRS subsequent to the measurement date	7,571,709	-
Total	<u>\$ 30,665,020</u>	<u>\$ 6,866,897</u>

Irving Independent School District

Notes to the Financial Statements

\$7,571,709 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Pension Expense (Income)
Year ended August 31:	
2018	\$ 2,763,284
2019	2,763,284
2020	7,376,760
2021	2,408,832
2022	1,077,580
Thereafter	(163,326)
Total	\$ 16,226,414

Note 7. Retiree Health Plan

Plan Description. The 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.texas.gov, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701-2698, or by calling (800)-223-8778.

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. Funding for free basic coverage is provided by the program based upon public school district payroll. 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. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2017-2015.

Contribution Rates and Contribution Amounts					
	Member		State		Statutory Minimum Amount
Year	Rate	Amount	Rate	Amount	
2017	7.70%	\$17,387,871	6.80%	\$12,341,594	\$3,698,854
2016	7.20%	\$15,828,674	6.80%	\$13,142,791	\$3,406,182
2015	6.70%	\$14,652,962	6.80%	\$13,121,632	\$3,436,740

Irving Independent School District

Notes to the Financial Statements

Contributions Made. Contributions made by the State, the District and its employees, and the District's covered payroll for the fiscal years 2017, 2016, and 2015 are as follows:

	2017	2016	2015
Covered payroll	\$ 225,816,020	\$ 219,842,627	\$ 218,700,802
Contributions made by the State	12,341,594	13,142,791	12,237,003
Retirement plan rate	6.80%	6.80%	6.80%
Retiree health care rate	1.00%	1.00%	1.00%
Medicare Part D	677,184	845,795	884,629
District required and actual			
Contributions to TRS & TRS-Care	4,940,844	4,615,328	4,639,605
Employee contributions to TRS & TRS-Care	18,855,686	17,257,665	16,074,522

Note 8. Long-Term Liabilities

Long-term liabilities include actuarially determined claims liabilities (which are typically liquidated by the Internal Service fund). These liabilities are detailed as follows:

	Beginning 09/01/16	Increases	Decreases	Balance 08/31/17	Current Portion
Claims Payable	\$ 876,614	\$ 1,131,404	\$ 1,060,848	\$ 947,170	\$ 302,721

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

Description	Final Maturity	Interest Rate Payable	Amounts Original Issue	Bonds			Interest Accretion	Bonds	
				Outstanding at 09/01/2016	Additions	Refunded/Retired		Outstanding at 08/31/2017	Due Within One Year
1997A Refunding	2018	4.85% - 5.42%	\$ 33,140,000	\$ 4,270,000	\$ -	\$ (2,195,000)	\$ -	\$ 2,075,000	\$ 2,075,000
2004-A School Building	2033	Variable	20,000,000	10,090,000	-	(10,090,000)	-	-	-
2004-B School Building	2033	Variable	20,000,000	10,095,000	-	(10,095,000)	-	-	-
2007-A School Building	2033	3.87% - 5.00%	20,000,000	1,085,000	-	(530,000)	-	555,000	555,000
2008 School Building	2038	3.25% - 5.00%	87,020,000	3,825,000	-	(1,195,000)	-	2,630,000	1,290,000
2009 School Building	2033	3.00% - 5.25%	64,995,000	11,860,000	-	(2,145,000)	-	9,715,000	2,260,000
2010A School Building	2030	3.625% - 5.00%	18,485,000	14,435,000	-	(1,245,000)	-	13,190,000	1,190,000
2010B Build America Bonds	2040	5.561% - 5.661%	40,000,000	40,000,000	-	-	-	40,000,000	-
2011 Qualified School Construction Bonds	2026	None	21,640,000	18,040,000	-	(1,800,000)	-	16,240,000	1,800,000
2012 School Building	2025	2.00% - 5.00%	13,985,000	10,080,000	-	(965,000)	-	9,115,000	990,000
2013 Refunding	2023	2.00% - 4.00%	66,145,000	65,080,000	-	(5,815,000)	-	59,265,000	5,950,000
2014 Refunding	2027	4.00%	4,685,000	4,685,000	-	-	-	4,685,000	-
2015 Refunding	2033	2.00% - 5.00%	60,010,000	54,310,000	-	(640,000)	-	53,670,000	655,000
2015A Refunding	2031	4.00% - 5.00%	139,295,000	139,295,000	-	(1,100,000)	-	138,195,000	265,000
2016 Refunding	2038	2.00% - 5.00%	79,345,000	78,665,000	-	(500,000)	-	78,165,000	510,000
2016A Refunding	2033	3.00% - 5.00%	20,105,000	-	20,105,000	(350,000)	-	19,755,000	220,000
Total Bonded Indebtedness				\$ 465,815,000	\$ 20,105,000	\$ (38,665,000)	\$ -	\$ 447,255,000	\$ 17,760,000
Accreted Interest and CAB premium				31,977,686	-	(9,380,000)	904,084	23,501,770	-
Premium/Discounts on Bonds				50,416,001	2,334,052	(6,022,503)	-	46,727,550	-
Total Long Term Bonds Payable				\$ 548,208,687	\$ 22,439,052	\$ (54,067,503)	\$ 904,084	\$ 517,484,320	\$ 17,760,000

Irving Independent School District

Notes to the Financial Statements

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

Year Ended August 31	Principal	Interest	Total Requirements
2018	\$ 17,760,000	\$ 28,809,489	\$ 46,569,489
2019	20,995,000	25,583,126	46,578,126
2020	29,590,000	17,009,139	46,599,139
2021	30,100,000	16,222,301	46,322,301
2022	31,320,000	15,001,001	46,321,001
2023-2027	153,380,000	59,276,658	212,656,658
2028-2032	108,035,000	25,178,026	133,213,026
2033-2037	38,605,000	8,958,093	47,563,093
2038-2040	17,470,000	1,317,952	18,787,952
Totals	\$ 447,255,000	\$ 197,355,785	\$ 644,610,785

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, 2017.

Note 9. Debt Issuances and Defeased Debt

On September 15, 2016, the District issued "Irving Independent School District Unlimited Tax Refunding Bonds, Series 2016A," totaling \$20,105,000 to refund a portion of the outstanding bonds. These bonds incur costs over the life of the bonds at rates between 3.00% - 5.00% and mature annually with semi-annual interest payments. The proceeds were used to purchase U.S. Government securities and these securities were placed in an irrevocable escrow account until the refunded bonds are redeemed.

This Series 2016A refunding resulted in a decrease in the District's debt service payments of \$4,957,511, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$3,391,732. As a result of these transactions, \$20,185,000 of Unlimited Tax School Building Bonds, Series 2004A and 2004B were refunded and are considered legally defeased, and are no longer included in the District's basic financial statements.

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 defeased debt as of August 31, 2017, is \$73,605,000.

Irving Independent School District

Notes to the Financial Statements

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, 2017, consisted of the following individual fund receivables and payables:

Fund	Receivable	Payable	Reason
General Fund:			
Debt Service Fund	\$ -	\$ 158,594	To reclassify deficit pooled cash
Other Nonmajor Funds	4,394,443	-	To reclassify deficit pooled cash
Food Service Fund	545,774	-	To reclassify deficit pooled cash
Vending Fund	98,546	-	To reclassify deficit pooled cash
Debt Service Fund:			
General Fund	158,594	-	To reclassify deficit pooled cash
Food Service Fund:			
Vending Fund	70,164	-	To reclassify deficit pooled cash
General Fund	-	545,774	To reclassify deficit pooled cash
Other Nonmajor Funds:			
General Fund	-	4,394,443	To reclassify deficit pooled cash
Vending Fund:			
General Fund	-	70,164	To reclassify deficit pooled cash
Food Service Fund	-	98,546	To reclassify deficit pooled cash
	\$ 5,267,521	\$ 5,267,521	

The detail transfer schedule for the year ended August 31, 2017, includes the following:

Transfer In	Transfer Out	Amount	Purpose
Capital Projects Funds	General Fund	\$ 7,000,000	To offset cost of auditorium capital outla
Debt Service Fund	General Fund	12,000,000	Surplus of General Funds to Debt Service
Vending Fund	Food Service Fund	106,404	To offset expenditures in food service
		\$ 19,106,404	

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 impact 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, 2017, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Irving Independent School District

Notes to the Financial Statements

Note 12. Local, Intermediate, and Out-of-State Revenues – Governmental Funds

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

	General Fund	Food Service Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Other Funds	Total
Property Taxes	\$ 121,329,876	\$ -	\$ 28,566,502	\$ -	\$ -	\$ 149,896,378
Food Sales	-	2,702,612	-	-	-	2,702,612
Food Service-Vending	-	79,432	-	-	-	79,432
TIF Proceeds	8,257,774	-	-	-	-	8,257,774
Investment Income	1,291,097	31,901	150,079	126,741	-	1,599,818
Rental of Facilities	311,052	-	-	-	-	311,052
Tuition	458,741	-	-	-	-	458,741
Gifts and Bequests	210,916	-	-	-	-	210,916
Penalties, Interest & Other Tax-Related Income	1,008,727	-	204,288	-	-	1,213,015
Co-curricular Student Activities	1,631,465	-	-	-	-	1,631,465
Athletics	253,562	-	-	-	-	253,562
Other	12,462,048	-	-	-	826,790	13,288,838
Total	\$ 147,215,258	\$ 2,813,945	\$ 28,920,869	\$ 126,741	\$ 826,790	\$ 179,903,603

Note 13. Unearned Revenue and Deferred Inflows of Resources

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (unearned revenue). Unearned revenue and deferred inflows of resources at year-end for the fund statements consisted of the following:

	General Fund	Debt Service Fund	Total
Deferred Inflows of Resources:			
Net Tax Revenue	\$ 2,898,557	\$ 904,768	\$ 3,803,325
Total Deferred Inflows of Resources	<u>\$ 2,898,557</u>	<u>\$ 904,768</u>	<u>\$ 3,803,325</u>
Unearned Revenue:			
Tax Office	\$ 6,100	\$ -	\$ 6,100
Total Unearned Revenue	<u>\$ 6,100</u>	<u>\$ -</u>	<u>\$ 6,100</u>

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

Irving Independent School District

Notes to the Financial Statements

Note 14. Shared Services Arrangement

The District is the fiscal agent for the Regional Day School for the Deaf (RDSPD) Shared Services Arrangement (SSA), which provides services to students in its member districts, who have educationally significant hearing loss. In addition to the District, other member districts include Duncanville ISD and Grand Prairie ISD. The District, acting as the fiscal agent, manages the shared arrangement's financial matters, including the budgeting, accounting, auditing, and reporting. In accordance to guidance provided in the TEA's Financial Accountability System Resource Guide the District has accounted for the activities of the SSA in the appropriate special revenue funds. Additionally, the SSA is accounted for using Model #2 and #3 in Section 1.3.1.6 of the Accounting and Reporting Treatment Guidance.

Expenditures billed to the SSA members as of August 31, 2017, are summarized below:

	2017
Duncanville ISD	\$ 158,383
Grand Prairie ISD	405,013
	<u>\$ 563,396</u>

Note 15. New Accounting Pronouncements

The GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. The implementation had no significant effect on the District's financial statements.

The GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This standard becomes effective for the District in fiscal year 2018.

The GASB issued Statement No. 77, Tax Abatement Disclosures. The implementation had no significant effect on the District's financial statements.

The GASB issued Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. The implementation had no significant effect on the District's financial statements.

The GASB issued Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14. The implementation had no significant effect on the District's financial statements.

The GASB issued Statement No. 81, Irrevocable Split-Interest Agreements. This standard becomes effective for the District in fiscal year 2018.

The GASB issued Statement No. 82, Pensions Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73. The implementation had no significant effect on the District's financial statements.

The District will evaluate the impact of the standards on its financial statements and will take the necessary steps to implement them.

Note 16. Instructional Materials Allotment

In May 2011, Senate Rule 6 repealed the technology allotment used by Texas schools and created an instructional materials allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA, instructional materials purchases must be made through TEA's online registration system. Instructional materials totaling \$1,158,685 were purchased with the IMA and were recorded in a state special revenue fund as both revenue and expenditure.

Irving Independent School District

Notes to the Financial Statements

Note 17. Subsequent Event

On September 25, 2017, the Board of Trustees approved issuance of the "Irving Independent School District Unlimited Tax Refunding Bonds, Series 2017", in the aggregated principal amount of \$8,885,000. Proceeds of this issuance were used to refund \$1,205,000 of Series 2009 Unlimited Tax School Building Bonds and \$8,065,000 of Series 2010A Unlimited Tax School Building Bonds.



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, 2017

Exhibit G-1

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
REVENUES					
5700	Local and Intermediate Sources	\$ 129,716,459	\$ 146,247,038	\$ 147,215,258	\$ 968,220
5800	State Program Revenues	169,737,256	169,758,256	181,554,217	11,795,961
5900	Federal Program Revenues	3,679,000	4,409,000	6,603,422	2,194,422
5020	Total Revenues	<u>303,132,715</u>	<u>320,414,294</u>	<u>335,372,897</u>	<u>14,958,603</u>
EXPENDITURES					
Current:					
0010	Instruction and Instructional-Related Services:				
0011	Instruction	177,314,750	187,511,999	181,349,144	6,162,855
0012	Instructional Resources and Media Services	4,943,798	5,844,355	5,360,696	483,659
0013	Curriculum Development and Instructional Staff Development	4,813,022	4,634,084	4,519,148	114,936
	Total Instruction and Instructional-Related Services:	<u>187,071,570</u>	<u>197,990,438</u>	<u>191,228,988</u>	<u>6,761,450</u>
0020	Instructional and School Leadership:				
0021	Instructional Leadership	5,060,507	4,744,920	4,541,685	203,235
0023	School Leadership	19,882,090	21,698,364	20,127,258	1,571,106
	Total Instructional and School Leadership:	<u>24,942,597</u>	<u>26,443,284</u>	<u>24,668,943</u>	<u>1,774,341</u>
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	14,749,936	15,450,107	14,297,985	1,152,122
0032	Social Work Services	1,603,797	1,696,778	1,471,294	225,484
0033	Health Services	3,032,235	3,281,269	2,921,281	359,988
0034	Student (Pupil) Transportation	5,519,190	6,519,112	6,373,687	145,425
0035	Food Services	393,221	493,221	350,934	142,287
0036	Co-Curricular/Extracurricular Activities	5,603,692	7,240,815	6,318,739	922,076
	Total Support Services - Student (Pupil):	<u>30,902,071</u>	<u>34,681,302</u>	<u>31,733,920</u>	<u>2,947,382</u>
0040	Administrative Support Services:				
0041	General Administration	8,486,720	7,999,930	7,351,872	648,058
	Total Administrative Support Services:	<u>8,486,720</u>	<u>7,999,930</u>	<u>7,351,872</u>	<u>648,058</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	23,349,111	25,204,302	23,308,011	1,896,291
0052	Security and Monitoring Services	3,585,317	3,807,611	3,406,129	401,482
0053	Data Processing Services	4,965,244	5,030,108	4,418,737	611,371
	Total Support Services - Nonstudent Based:	<u>31,899,672</u>	<u>34,042,021</u>	<u>31,132,877</u>	<u>2,909,144</u>
0060	Ancillary Services:				
0061	Community Services	420,210	585,993	463,664	122,329
	Total Ancillary Services:	<u>420,210</u>	<u>585,993</u>	<u>463,664</u>	<u>122,329</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	18,871,701	13,654,634	7,389,401	6,265,233
	Total Capital Outlay:	<u>18,871,701</u>	<u>13,654,634</u>	<u>7,389,401</u>	<u>6,265,233</u>
0090	Intergovernmental Charges:				
0095	Payments to JJAEP	190,000	240,000	42,900	197,100
0097	Payments to TIF	11,029,834	13,529,834	11,010,364	2,519,470
0099	Intergovernmental Charges	584,498	584,498	583,498	1,000
	Total Intergovernmental Charges:	<u>11,804,332</u>	<u>14,354,332</u>	<u>11,636,762</u>	<u>2,717,570</u>
6030	Total Expenditures	<u>314,398,873</u>	<u>329,751,934</u>	<u>305,606,427</u>	<u>24,145,507</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,266,158)</u>	<u>(9,337,640)</u>	<u>29,766,470</u>	<u>39,104,110</u>
OTHER FINANCING SOURCES (USES)					
7912	Proceeds from Sale of Fixed Assets	50,000	50,000	-	(50,000)
7915	Transfers In	-	-	-	-
7919	Insurance Recoveries	-	-	-	-
8911	Transfers Out	-	(19,000,000)	(19,000,000)	-
	Total Other Financing Sources (Uses)	<u>50,000</u>	<u>(18,950,000)</u>	<u>(19,000,000)</u>	<u>(50,000)</u>
1200	Net Change in Fund Balances	(11,216,158)	(28,287,640)	10,766,470	39,054,110
0100	Fund Balance - September 1 (Beginning)	103,112,125	103,112,125	103,112,125	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 91,895,967</u>	<u>\$ 74,824,485</u>	<u>\$ 113,878,595</u>	<u>\$ 39,054,110</u>

See Notes to the Required Supplementary Information.

Irving Independent School District

Exhibit G-2

Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Food Service Fund
For The Year Ended August 31, 2017

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
REVENUES					
5700	Local and Intermediate Sources	\$ 2,764,000	\$ 2,774,000	\$ 2,813,945	\$ 39,945
5800	State Program Revenues	120,000	120,000	119,779	(221)
5900	Federal Program Revenues	19,875,895	20,200,895	19,972,952	(227,943)
5020	Total Revenues	<u>22,759,895</u>	<u>23,094,895</u>	<u>22,906,676</u>	<u>(188,219)</u>
EXPENDITURES					
Current:					
0030	Support Services - Student (Pupil):				
0035	Food Services	21,403,920	23,396,383	21,558,406	1,837,977
0036	Co-Curricular/Extracurricular Activities	706,965	522,965	2,235	520,730
	Total Support Services - Student (Pupil):	<u>22,110,885</u>	<u>23,919,348</u>	<u>21,560,641</u>	<u>2,358,707</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	649,010	649,010	541,251	107,759
	Total Support Services - Nonstudent Based:	<u>649,010</u>	<u>649,010</u>	<u>541,251</u>	<u>107,759</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	105,315	105,315	-	105,315
	Total Capital Outlay:	<u>105,315</u>	<u>105,315</u>	<u>-</u>	<u>105,315</u>
6030	Total Expenditures	<u>22,865,210</u>	<u>24,673,673</u>	<u>22,101,892</u>	<u>2,571,781</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(105,315)</u>	<u>(1,578,778)</u>	<u>804,784</u>	<u>2,383,562</u>
OTHER FINANCING SOURCES (USES)					
8911	Transfers To General Fund	-	(106,404)	(106,404)	-
	Total Other Financing Sources and (Uses)	-	(106,404)	(106,404)	-
1200	Net Change in Fund Balances	(105,315)	(1,685,182)	698,380	2,383,562
0100	Fund Balance - September 1 (Beginning)	6,190,761	6,190,761	6,190,761	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 6,085,446</u>	<u>\$ 4,505,579</u>	<u>\$ 6,889,141</u>	<u>\$ 2,383,562</u>

See Notes to the Required Supplementary Information.

Irving Independent School District
 Schedule of the District's Proportionate
 Share of the Net Pension Liability of a Cost-
 Sharing Multiple-Employer Pension Plan - TRS
 For the Last Three Fiscal Years

Exhibit G-3

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.2260375%	0.2410883%	0.1782444%
District's Proportionate Share of Net Pension Liability	\$ 85,416,214	\$ 85,221,505	\$ 47,611,544
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>123,700,991</u>	<u>122,441,157</u>	<u>105,347,641</u>
Total	\$ 209,117,205	\$ 207,662,662	\$ 152,959,185
District's Covered Employee Payroll	219,842,627	218,700,802	210,264,992
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	38.85%	38.97%	22.64%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.00%	78.43%	83.25%

Note: GASB 68,81,2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2016 - the period from September 1, 2015 - August 31, 2016.

Note: Ten years of data is not available.

Irving Independent School District
 Schedule of the District's Contributions- TRS
 For the Last Three Fiscal Years

Exhibit G-4

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 5,272,151	\$ 5,816,323	\$ 5,760,719
Contribution in Relation to the Contractually Required Contribution	<u>(5,272,151)</u>	<u>(5,816,323)</u>	<u>(5,760,719)</u>
Contribution Deficiency (Excess)	-	-	-
District's Covered Employee Payroll	225,816,020	219,842,627	218,700,802
Contributions as a percentage of Covered Employee Payroll	2.33%	2.65%	2.63%

Note: GASB 68, Paragraph 81.2.b. requires that the data in this schedule be presented as the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2015 - August 31, 2016.

Note: Ten years of data is not available.

Irving Independent School District

Notes to the Required Supplementary Information

Note 1. Budgetary Legal Compliance

A. Budgetary Information

The Official Budget was prepared for adoption prior to August 20, 2016 for all required Governmental Funds on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (see Note 1 (D) 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. The Board of Trustees maintains control within Fund Groups at the function code level for appropriations 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 21, 2017.

Note 2. Pension Liability

A. TRS – Actuarial Assumptions for Contribution Rate

Actuarial Assumptions – The information presented in the following table was used in the actuarial valuation for determining the actuarially determined contribution rate. The assumptions are as follows:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Floating
Remaining Amortization Period	33 years
Asset Valuation Method	5 Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.50%
Salary Increases	3.50% to 9.50% including Inflation
Investment Rate of Return	8.00%
Ad Hoc Post-employment Benefit Changes	None
Benefit Changes During the Year	None

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, 2017

Exhibit H-1

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	LOCAL SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
1110	Cash and Temporary Investment Receivables:	\$ 24,000	\$ 175,198	\$ 37,299	\$ 236,497
1240	Due from Other Governments	3,978,364	690,058	-	4,668,422
1000	TOTAL ASSETS	\$ 4,002,364	\$ 865,256	\$ 37,299	\$ 4,904,919
LIABILITIES					
2110	Accounts Payable	\$ 259,066	\$ 177,247	\$ 2,476	\$ 438,789
2170	Due to Other Funds	3,743,298	651,145	-	4,394,443
2000	TOTAL LIABILITIES	4,002,364	828,392	2,476	4,833,232
FUND BALANCE					
	Restricted	-	36,864	34,823	71,687
3000	TOTAL FUND BALANCE	-	36,864	34,823	71,687
4000	TOTAL LIABILITIES AND FUND BALANCE	\$ 4,002,364	\$ 865,256	\$ 37,299	\$ 4,904,919

Irving Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended August 31, 2017

Exhibit H-2

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	LOCAL SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
REVENUES					
5700	Local and Intermediate Sources	\$ -	\$ 789,490	\$ 37,300	\$ 826,790
5800	State Program Revenues	-	3,321,656	-	3,321,656
5900	Federal Program Revenues	20,591,469	-	-	20,591,469
5020	Total Revenues	20,591,469	4,111,146	37,300	24,739,915
EXPENDITURES					
Current:					
0010	Instruction and Instructional-Related Services:				
0011	Instruction	12,267,875	3,486,228	2,477	15,756,580
0012	Instructional Resources and Media Services	-	135,468	-	135,468
0013	Curriculum Development and Instructional Staff Developme	4,318,014	183,177	-	4,501,191
	Total Instruction and Instructional-Related Services:	16,585,889	3,804,873	2,477	20,393,239
0020	Instructional and School Leadership:				
0021	Instructional Leadership	523,246	118,468	-	641,714
0023	School Leadership	-	384	-	384
	Total Instructional and School Leadership:	523,246	118,852	-	642,098
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	1,162,289	27,965	-	1,190,254
0032	Social Work Services	76,653	-	-	76,653
0033	Health Services	155,380	-	-	155,380
0034	Student (Pupil) Transportation	608,979	-	-	608,979
	Total Support Services - Student (Pupil):	2,003,301	27,965	-	2,031,266
0040	Administrative Support Services:				
0041	General Administration	47,229	-	-	47,229
	Total Administrative Support Services:	47,229	-	-	47,229
0050	Support Services - Nonstudent Based:				
0053	Data Processing Services	53,746	-	-	53,746
	Total Support Services - Nonstudent Based:	53,746	-	-	53,746
0060	Ancillary Services:				
0061	Community Services	1,378,058	122,592	-	1,500,650
	Total Ancillary Services:	1,378,058	122,592	-	1,500,650
6030	Total Expenditures	20,591,469	4,074,282	2,477	24,668,228
1200	Net Change in Fund Balances	-	36,864	34,823	71,687
0100	Fund Balance - September 1 (Beginning)	-	-	-	-
	Fund Balance - August 31 (Ending)	\$ -	\$ 36,864	\$ 34,823	\$ 71,687

Internal Service Funds

Irving Independent School District
Combining Statement of Net Position
Internal Service Funds
August 31, 2017

DATA CONTROL CODES		WORKERS' COMPENSATION	UNEMPLOYMENT
	ASSETS		
	Current Assets:		
1110	Cash and Temporary Investments	\$ 1,398,448	\$ 288,021
1310	Inventories, at Cost	-	-
	Total Current Assets	<u>1,398,448</u>	<u>288,021</u>
1000	Total Assets	<u>1,398,448</u>	<u>288,021</u>
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	456	16,602
2800	Claims Due Within One Year	302,721	-
	Total Current Liabilities	<u>303,177</u>	<u>16,602</u>
	Noncurrent Liabilities:		
	Claims Due In More Than One Year	644,449	-
	Total Long-Term Liabilities	<u>644,449</u>	<u>-</u>
2000	Total Liabilities	<u>947,626</u>	<u>16,602</u>
	NET POSITION		
3900	Unrestricted Net Position	<u>450,822</u>	<u>271,419</u>
3000	TOTAL NET POSITION	<u>\$ 450,822</u>	<u>\$ 271,419</u>

<u>SCIENCE KIT REFURBISHMENT</u>	<u>PRINT SHOP</u>	<u>TOTALS INTERNAL SERVICE FUNDS</u>
\$ 252,988	\$ 57,724	\$ 1,997,181
203,245	10,321	213,566
<u>456,233</u>	<u>68,045</u>	<u>2,210,747</u>
456,233	68,045	2,210,747
12,888	-	29,946
-	-	302,721
<u>12,888</u>	<u>-</u>	<u>332,667</u>
-	-	644,449
<u>-</u>	<u>-</u>	<u>644,449</u>
12,888	-	977,116
<u>443,345</u>	<u>68,045</u>	<u>1,233,631</u>
<u>\$ 443,345</u>	<u>\$ 68,045</u>	<u>\$ 1,233,631</u>

Irving Independent School District
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Internal Service Funds
For the Year Ended August 31, 2017

DATA CONTROL CODES		WORKERS' COMPENSATION	UNEMPLOYMENT
OPERATING REVENUES			
5700	Charges for Services	\$ 861,805	\$ 10,788
5020	Total Operating Revenues	<u>861,805</u>	<u>10,788</u>
OPERATING EXPENSES			
6100	Payroll Costs	146,127	45,129
6200	Professional/Contracted Services	34,514	-
6300	Supplies and Materials	67,645	19
6400	Claims, Administration, and Other Expenses	1,196,650	77,309
6030	Total Operating Expenses	<u>1,444,936</u>	<u>122,457</u>
	Operating Income (Loss)	(583,131)	(111,669)
NONOPERATING REVENUES			
7955	Interest Income	<u>12,645</u>	<u>-</u>
	CHANGE IN NET POSITION	(570,486)	(111,669)
0100	Total Net Position - September 1 (Beg.)	1,021,308	383,088
3000	Total Net Position - August 31 (Ending)	<u><u>\$ 450,822</u></u>	<u><u>\$ 271,419</u></u>

SCIENCE KIT REFURBISHMENT	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 408,996	\$ 135,222	\$ 1,416,811
408,996	135,222	1,416,811
113,131	-	304,387
-	107,719	142,233
169,017	35,855	272,536
55,553	-	1,329,512
337,701	143,574	2,048,668
71,295	(8,352)	(631,857)
-	-	12,645
71,295	(8,352)	(619,212)
372,050	76,397	1,852,843
\$ 443,345	\$ 68,045	\$ 1,233,631

Irving Independent School District
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended August 31, 2017

	WORKERS' COMPENSATION	UNEMPLOYMENT
Cash Flows from Operating Activities:		
Cash Received for Premiums and Services	\$ 861,805	\$ 10,788
Cash Paid to Employees	(146,127)	(36,044)
Cash Paid for Claims, Administration, and Other Costs	(1,228,193)	(84,239)
Net Cash Provided by (Used in) Operating Activities	<u>(512,515)</u>	<u>(109,495)</u>
Cash Flows from Investing Activities:		
Interest Received	<u>12,645</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>12,645</u>	<u>-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(499,870)	(109,495)
Cash and Cash Equivalents at Beginning of the Year	<u>1,898,318</u>	<u>397,516</u>
Cash and Cash Equivalents at End of the Year	<u>\$ 1,398,448</u>	<u>\$ 288,021</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating Income (Loss)	<u>\$ (583,131)</u>	<u>\$ (111,669)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Increase in Inventories	-	-
Increase (Decrease) in Accounts Payable	60	2,174
Increase in Long-term Claims Reserve	70,556	-
Total Adjustments	<u>70,616</u>	<u>2,174</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (512,515)</u>	<u>\$ (109,495)</u>

SCIENCE KIT REFURBISHMENT	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 408,996	\$ 122,557	\$ 1,404,146
(113,131)	-	(295,302)
(251,746)	(143,574)	(1,707,752)
<u>44,119</u>	<u>(21,017)</u>	<u>(598,908)</u>
-	-	12,645
-	-	12,645
44,119	(21,017)	(586,263)
208,869	78,741	2,583,444
<u>\$ 252,988</u>	<u>\$ 57,724</u>	<u>\$ 1,997,181</u>
\$ 71,295	\$ (8,352)	\$ (631,857)
(18,037)	-	(18,037)
(9,139)	(12,665)	(19,570)
-	-	70,556
<u>(27,176)</u>	<u>(12,665)</u>	<u>32,949</u>
<u>\$ 44,119</u>	<u>\$ (21,017)</u>	<u>\$ (598,908)</u>



Fiduciary Funds



Irving Independent School District

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

August 31, 2017

Exhibit H-6

	STUDENT ACTIVITY FUNDS	FLEXIBLE BENEFITS	TOTALS AGENCY FUNDS
ASSETS			
Cash and Temporary Investments	\$ 560,807	\$ 161,227	\$ 722,034
TOTAL ASSETS	<u>\$ 560,807</u>	<u>\$ 161,227</u>	<u>\$ 722,034</u>
LIABILITIES			
Accounts Payable	\$ 52,539	\$ 161,227	\$ 213,766
Due to Student Groups	508,268	-	508,268
TOTAL LIABILITIES	<u>\$ 560,807</u>	<u>\$ 161,227</u>	<u>\$ 722,034</u>

Irving Independent School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended August 31, 2017

Exhibit H-7

	BALANCE 9/1/2016	ADDITIONS	DELETIONS	BALANCE 8/31/2017
STUDENT ACTIVITIES:				
Assets:				
Cash and Temporary Investments	\$ 467,171	\$ 1,462,985	\$ 1,369,349	\$ 560,807
Total Assets	<u>\$ 467,171</u>	<u>\$ 1,462,985</u>	<u>\$ 1,369,349</u>	<u>\$ 560,807</u>
Liabilities:				
Accounts Payable	\$ 12,336	\$ 1,689,346	\$ 1,649,143	\$ 52,539
Due to Student Groups	454,835	1,531,726	1,478,293	508,268
Total Liabilities	<u>\$ 467,171</u>	<u>\$ 3,221,072</u>	<u>\$ 3,127,436</u>	<u>\$ 560,807</u>
FLEXIBLE BENEFITS:				
Assets:				
Cash and Temporary Investments	\$ 300,747	\$ 1,098,420	\$ 1,237,940	\$ 161,227
Total Assets	<u>\$ 300,747</u>	<u>\$ 1,098,420</u>	<u>\$ 1,237,940</u>	<u>\$ 161,227</u>
Liabilities:				
Accounts Payable	\$ 300,747	\$ 2,337,147	\$ 2,476,667	\$ 161,227
Total Liabilities	<u>\$ 300,747</u>	<u>\$ 2,337,147</u>	<u>\$ 2,476,667</u>	<u>\$ 161,227</u>
TOTAL AGENCY FUNDS:				
Assets:				
Cash and Temporary Investments	\$ 767,918	\$ 2,561,405	\$ 2,607,289	\$ 722,034
Total Assets	<u>\$ 767,918</u>	<u>\$ 2,561,405</u>	<u>\$ 2,607,289</u>	<u>\$ 722,034</u>
Liabilities:				
Accounts Payable	\$ 313,083	\$ 4,026,493	\$ 4,125,810	\$ 213,766
Due to Student Groups	454,835	1,531,726	1,478,293	508,268
Total Liabilities	<u>\$ 767,918</u>	<u>\$ 5,558,219</u>	<u>\$ 5,604,103</u>	<u>\$ 722,034</u>

Required T.E.A. Schedules

Irving Independent School District
 Schedule of Delinquent Taxes Receivable
 For the Year Ended August 31, 2017

Last Ten Years			3
Tax Roll			Assessed/
Fiscal Year Ending		Interest &	Appraised Value for
August 31	Operations	Sinking	School Tax
2008 & Prior Years	Various	Various	Various
2009	1.0200	0.3710	9,985,889,156
2010	1.0200	0.4050	9,485,866,005
2011	1.0400	0.4250	9,045,693,812
2012	1.0400	0.4250	8,914,841,212
2013	1.0400	0.4250	9,060,059,409
2014	1.0400	0.4250	9,307,845,260
2015	1.0400	0.3950	9,875,806,062
2016	1.0400	0.4050	10,428,027,790
2017	1.1700	0.2750	11,457,829,623 *
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 and proration of taxes of \$3,463,030.

* Source: 2017 School District Report of Property Value
 (Includes all Supplements and Litigated Accounts).

10 Beginning Balance 9/1/2016	20 Current Year's Total Levy	30 Maintenance Total Collections	30a Debt Service Total Collections	40 Fiscal Year's Adjustment	50 Ending Balance 8/31/2017
\$ 1,048,914	\$ -	\$ 44,551	\$ 10,375	\$ (5,398)	\$ 988,590
184,798	-	16,059	5,841	866	163,764
253,937	-	15,595	6,192	(6,451)	225,699
290,666	-	29,746	12,156	(9,137)	239,627
364,471	-	32,118	13,125	42,787	362,015
517,912	-	57,754	23,601	33,961	470,518
822,791	-	78,758	32,185	39,133	750,981
1,036,318	-	147,291	55,008	28,960	862,979
1,680,799	-	80,473	30,083	(468,388)	1,101,855
-	164,006,430	129,791,912	30,507,990	(1,903,822)	1,802,706
<u>\$ 6,200,606</u>	<u>\$ 164,006,430</u>	<u>\$ 130,294,257</u>	<u>\$ 30,696,556</u>	<u>\$ (2,247,489)</u>	<u>\$ 6,968,734</u>

\$ 11,010,364

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 8/31/17:

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

Irving Independent School District

Exhibit J-2

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Debt Service Fund
For the Year Ended August 31, 2017

Data Control Codes		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
REVENUES					
5700	Local and Intermediate Sources	\$ 41,551,232	\$ 41,570,632	\$ 28,920,869	\$ (12,649,763)
5800	State Program Revenues	6,475,017	6,475,017	5,898,837	(576,180)
5020	Total Revenues	<u>48,026,249</u>	<u>48,045,649</u>	<u>34,819,706</u>	<u>(13,225,943)</u>
EXPENDITURES					
0070	Debt Service:				
0071	Principal	28,404,144	28,404,144	27,860,000	544,144
0072	Interest and Charges on Long-Term Debt	19,163,295	19,163,295	18,811,331	351,964
0073	Bond Issue Costs and Fees	458,810	458,810	226,110	232,700
	Total Debt Services	<u>48,026,249</u>	<u>48,026,249</u>	<u>46,897,441</u>	<u>1,128,808</u>
6030	Total Expenditures	<u>48,026,249</u>	<u>48,026,249</u>	<u>46,897,441</u>	<u>1,128,808</u>
1100	Excess (Deficiency) of Revenues Over (under) Expenditures	<u>-</u>	<u>19,400</u>	<u>(12,077,735)</u>	<u>(12,097,135)</u>
OTHER FINANCING SOURCES (USES)					
7901	Issuance of Refunding Debt	-	20,105,000	20,105,000	-
7916	Premium on Issuance of Debt	-	2,334,053	2,334,052	1
7915	Transfers In	-	12,000,000	12,000,000	-
8940	Payment to Refunded Bond Escrow Agent	-	(22,217,635)	(22,217,635)	-
	Total Other Financing Sources and (Uses)	<u>-</u>	<u>12,221,418</u>	<u>12,221,417</u>	<u>1</u>
1200	Net Change in Fund Balances	-	12,240,818	143,682	(12,097,136)
0100	Fund Balance - September 1 (Beginning)	6,766,016	6,766,016	6,766,016	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 6,766,016</u>	<u>\$ 19,006,834</u>	<u>\$ 6,909,698</u>	<u>\$ (12,097,136)</u>

Irving Independent School District

Index for Statistical Section

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.

Contents

Exhibits

Financial Trends Information

These schedules contain trend information intended to help the reader understand how the district's financial position has changed over time.

S1 – S7

Revenue Capacity Information

These schedules contain information intended to help the reader assess the district's most significant revenue source, state tax collections.

S8 – S12

Debt Capacity information

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.

S13 – S15

Demographic and Economic information

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.

S16 – S18

Operating Information

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.

S19 – S20

Irving Independent School District

Net Position By Component
Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 12,678,217	\$ 235,946	\$ 3,431,449	\$ 4,933,936
Restricted				
Food Service	6,482,598	7,121,811	7,398,104	6,710,687
Debt Service	3,866,540	6,948,487	3,899,725	4,549,566
Unrestricted	31,999,108	44,389,864	36,876,813	35,907,568
Total governmental net position	<u>\$ 55,026,463</u>	<u>\$ 58,696,108</u>	<u>\$ 51,606,091</u>	<u>\$ 52,101,757</u>
Business-Type activities				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Total Business-Type net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government				
Net investment in capital assets	\$ 12,678,217	\$ 235,946	\$ 3,431,449	\$ 4,933,936
Restricted				
Food Service	6,482,598	7,121,811	7,398,104	6,710,687
Debt Service	3,866,540	6,948,487	3,899,725	4,549,566
Unrestricted	31,999,108	44,389,864	36,876,813	35,907,568
Total primary government	<u>\$ 55,026,463</u>	<u>\$ 58,696,108</u>	<u>\$ 51,606,091</u>	<u>\$ 52,101,757</u>

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

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 30,022,606	\$ 33,082,682	\$ 34,787,416	\$ 32,289,637	\$ 32,387,346	\$ 49,947,282
9,102,534	8,548,803	5,840,117	5,434,057	6,190,761	6,926,005
12,602,461	9,270,928	11,811,520	10,505,814	4,202,628	4,239,051
15,693,677	27,784,480	25,431,713	(482,474)	19,157,439	32,925,745
<u>\$ 67,421,278</u>	<u>\$ 78,686,893</u>	<u>\$ 77,870,766</u>	<u>\$ 47,747,034</u>	<u>\$ 61,938,174</u>	<u>\$ 94,038,083</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (48,721)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,721)</u>
\$ 30,022,606	\$ 33,082,682	\$ 34,787,416	\$ 32,289,637	\$ 32,387,346	\$ 49,947,282
9,102,534	8,548,803	5,840,117	5,434,057	6,190,761	6,926,005
12,602,461	9,270,928	11,811,520	10,505,814	4,202,628	4,239,051
15,693,677	27,784,480	25,431,713	(482,474)	19,157,439	32,877,024
<u>\$ 67,421,278</u>	<u>\$ 78,686,893</u>	<u>\$ 77,870,766</u>	<u>\$ 47,747,034</u>	<u>\$ 61,938,174</u>	<u>\$ 93,989,362</u>

Irving Independent School District
Expenses, Program Revenues, And Net (Expense)/Revenue
Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses				
Governmental activities				
Instruction	\$ 168,804,073	\$ 180,232,180	\$ 202,902,605	\$ 202,027,719
Instructional resources and media services	4,710,352	4,975,486	5,268,387	5,395,741
Curriculum and staff development services	3,923,766	3,558,753	5,052,148	5,230,001
Instructional leadership	5,225,582	5,155,792	5,767,304	5,302,420
School leadership	17,269,721	18,327,617	19,227,696	19,274,337
Guidance, counseling, & evaluation services	11,014,134	13,188,546	14,526,771	14,456,133
Social work services	451,833	454,045	421,492	452,483
Health services	2,352,144	2,546,835	2,668,537	2,677,435
Student transportation	3,294,523	3,498,826	3,894,410	4,462,792
Food Service	13,916,614	15,973,273	16,353,277	17,047,841
Extracurricular activities	4,905,015	4,968,072	5,244,068	6,243,463
General administration	7,024,356	7,214,596	7,239,959	7,248,095
Plant maintenance and operations	18,582,655	20,296,508	22,197,037	21,587,242
Security and monitoring services	2,221,348	2,615,072	2,835,972	2,849,399
Data processing services	3,704,739	3,574,010	3,369,105	3,549,859
Community services	1,088,711	1,177,345	1,336,533	1,246,312
Interest on long-term debt	22,865,771	24,205,191	27,919,340	28,495,578
Facilities acquisition/construction	-	3,469	3,450	-
Intergovernmental charges	166,095	176,431	91,036	64,752
Payments to TIF	498,713	2,347,460	1,414,723	1,010,907
Other Intergovernmental Charges	-	505,598	535,803	531,534
Total governmental activities expenses	<u>292,020,145</u>	<u>314,995,105</u>	<u>348,269,653</u>	<u>349,154,043</u>
Business-Type activities				
Vending	\$ -	\$ -	\$ -	\$ -
Total business-type activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government expenses	<u>\$ 292,020,145</u>	<u>\$ 314,995,105</u>	<u>\$ 348,269,653</u>	<u>\$ 349,154,043</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	\$ 827,006	\$ 675,741	\$ 592,479	\$ 543,735
Instructional leadership	-	-	-	-
Guidance, counseling, & evaluation services	-	-	-	-
Food service	2,996,746	3,048,365	2,751,056	2,508,940
Extracurricular activities	1,262,648	1,380,358	1,422,835	1,413,786
Plant maintenance and operations	132,445	149,044	212,710	177,518
Operating grants and contributions	38,828,216	45,849,732	72,112,849	74,113,382
Capital Grants and Contributions	-	75,000	-	-
Total governmental activities revenues	<u>\$ 44,047,061</u>	<u>\$ 51,178,240</u>	<u>\$ 77,091,929</u>	<u>\$ 78,757,361</u>
Business-Type activities				
Charges for services				
Vending	\$ -	\$ -	\$ -	\$ -
Total business-type activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government revenues	<u>\$ 44,047,061</u>	<u>\$ 51,178,240</u>	<u>\$ 77,091,929</u>	<u>\$ 78,757,361</u>

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

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 190,308,817	\$ 188,974,526	\$ 209,800,052	\$ 211,808,998	\$ 217,338,877	\$ 224,360,321
5,448,807	5,595,410	5,915,181	5,488,376	6,368,683	6,581,856
4,751,709	6,703,099	8,471,201	9,135,362	8,217,047	9,400,847
5,624,822	5,311,012	5,112,718	4,577,973	5,027,383	5,654,331
17,229,739	17,688,291	19,926,467	20,401,286	21,467,618	22,393,869
13,715,505	14,731,022	15,040,908	15,721,776	17,071,237	17,081,638
422,845	452,558	584,649	1,576,516	1,556,815	1,728,065
2,652,074	2,728,362	2,814,171	3,001,895	3,294,065	3,403,554
4,086,234	4,600,440	6,354,947	5,267,894	6,032,429	7,009,837
17,531,841	19,032,015	19,309,738	19,738,827	21,381,006	22,262,789
6,270,809	6,338,475	6,559,814	6,538,184	6,986,735	7,151,176
7,199,150	7,559,425	8,104,538	7,122,438	7,791,108	7,939,216
22,012,072	21,523,347	21,912,291	22,191,155	23,796,087	25,112,397
2,905,808	2,998,649	3,182,215	3,130,271	3,467,941	3,551,287
3,893,178	3,888,670	4,261,484	4,031,182	4,254,484	4,868,754
1,195,296	1,839,893	1,818,555	1,724,124	2,323,519	2,144,097
28,718,685	27,340,450	26,343,364	20,023,429	20,103,591	16,096,943
3,974	2,559	10,703	71,682	92,834	122,425
86,526	56,430	116,850	173,772	15,882	42,900
1,742,264	3,100,836	2,182,197	6,465,553	8,945,883	11,010,364
519,552	520,707	534,086	538,945	568,476	583,498
<u>336,319,707</u>	<u>340,986,176</u>	<u>368,356,129</u>	<u>368,729,638</u>	<u>386,101,700</u>	<u>398,500,164</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 476,486
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,486</u>
<u>\$ 336,319,707</u>	<u>\$ 340,986,176</u>	<u>\$ 368,356,129</u>	<u>\$ 368,729,638</u>	<u>\$ 386,101,700</u>	<u>\$ 398,976,650</u>
\$ 516,091	\$ 440,510	\$ 425,016	360,438	242,247	572,448
-	-	-	-	-	-
-	-	-	-	-	-
2,971,813	3,131,771	3,284,981	3,110,102	3,136,952	2,782,044
1,427,241	1,381,483	1,421,847	1,814,044	1,861,280	1,885,027
731,666	2,045,158	231,145	388,564	466,364	331,195
57,192,756	48,772,209	51,231,188	57,542,541	62,385,043	75,499,383
-	-	-	-	-	-
<u>\$ 62,839,567</u>	<u>\$ 55,771,131</u>	<u>\$ 56,594,177</u>	<u>\$ 63,215,689</u>	<u>\$ 68,091,886</u>	<u>\$ 81,070,097</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 321,361
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,361</u>
<u>\$ 62,839,567</u>	<u>\$ 55,771,131</u>	<u>\$ 56,594,177</u>	<u>\$ 63,215,689</u>	<u>\$ 68,091,886</u>	<u>\$ 81,391,458</u>

Irving Independent School District
 General Revenues And Total Change In Net Position
 Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Net (Expense)/Revenue				
Governmental activities	\$ (247,973,084)	\$ (263,816,865)	\$ (271,177,724)	\$ (270,396,682)
Business-Type activities	-	-	-	-
Total primary government expenses	<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>	<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>
General Revenues				
Governmental activities				
Taxes				
Property taxes levied for general purposes	\$ 91,437,264	\$ 97,024,305	\$ 93,248,521	\$ 90,847,221
Property taxes levied for debt service	32,112,354	34,961,198	37,025,527	37,126,703
State Aid Formula Grants	123,663,032	127,466,060	129,868,903	139,197,880
Investment earnings	7,590,752	4,993,990	1,870,376	871,377
Miscellaneous	1,702,558	3,040,957	2,074,380	2,849,167
Transfers	-	-	-	-
Total governmental activities	<u>256,505,960</u>	<u>267,486,510</u>	<u>264,087,707</u>	<u>270,892,348</u>
Business-Type activities				
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>256,505,960</u>	<u>267,486,510</u>	<u>264,087,707</u>	<u>270,892,348</u>
Change in Net Position				
Governmental activities	\$ 8,532,876	\$ 3,669,645	\$ (7,090,017)	\$ 495,666
Business-type activities	-	-	-	-
Total primary government	<u>\$ 8,532,876</u>	<u>\$ 3,669,645</u>	<u>\$ (7,090,017)</u>	<u>\$ 495,666</u>

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

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ (273,480,140)	\$ (285,215,045)	\$ (311,761,952)	\$ (305,513,949)	\$ (318,009,814)	\$ (317,430,067)
-	-	-	-	-	(155,125)
<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>	<u>\$ (311,761,952)</u>	<u>\$ (305,513,949)</u>	<u>\$ (318,009,814)</u>	<u>\$ (317,585,192)</u>
\$ 89,463,642	\$ 89,907,666	\$ 91,269,145	\$ 96,135,459	\$ 100,440,711	\$ 122,229,287
36,363,206	36,708,071	37,578,332	36,447,373	38,749,543	28,770,790
157,790,019	165,468,694	184,171,041	187,211,926	184,411,595	187,453,054
692,064	410,848	254,184	285,316	832,337	1,612,463
4,490,730	3,985,381	2,693,365	9,254,222	7,766,768	9,570,786
-	-	-	-	-	(106,404)
<u>288,799,661</u>	<u>296,480,660</u>	<u>315,966,067</u>	<u>329,334,296</u>	<u>332,200,954</u>	<u>349,529,976</u>
-	-	-	-	-	106,404
-	-	-	-	-	106,404
<u>288,799,661</u>	<u>296,480,660</u>	<u>315,966,067</u>	<u>329,334,296</u>	<u>332,200,954</u>	<u>349,636,380</u>
\$ 15,319,521	\$ 11,265,615	\$ 4,204,115	\$ 23,820,347	\$ 14,191,140	\$ 32,099,909
-	-	-	-	-	(48,721)
<u>\$ 15,319,521</u>	<u>\$ 11,265,615</u>	<u>\$ 4,204,115</u>	<u>\$ 23,820,347</u>	<u>\$ 14,191,140</u>	<u>\$ 32,051,188</u>

Irving Independent School District
Fund Balances – Governmental Funds
Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund				
Reserved and designated	\$ 4,950,861	\$ 5,498,527	\$ 8,703,587	\$ -
Nonspendable	-	-	-	1,058,731
Assigned	-	-	-	7,744,340
Unassigned	-	-	-	70,614,294
Unreserved	70,672,111	75,006,001	68,382,436	-
Total general fund	<u>\$ 75,622,972</u>	<u>\$ 80,504,528</u>	<u>\$ 77,086,023</u>	<u>\$ 79,417,365</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ 7,264,922	\$ 4,922,770	\$ 7,424,091	\$ -
Debt service fund	12,331,569	18,518,712	14,620,052	-
Capital projects fund	104,020,753	115,773,018	112,060,012	-
Nonspendable	-	-	-	193,802
Restricted	-	-	-	86,014,879
Total all other governmental funds	<u>\$ 123,617,244</u>	<u>\$ 139,214,500</u>	<u>\$ 134,104,155</u>	<u>\$ 86,208,681</u>

Note: In fiscal year 2011, the District implemented GASB 54 which changed the fund balance classifications to nonspendable, committed, restricted, assigned and unassigned.

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

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
772,985	1,286,199	1,351,036	976,874	1,207,087	1,249,468
3,374,022	6,310,707	5,919,083	17,091,518	9,696,748	3,402,196
81,320,437	89,241,873	91,248,384	89,501,266	92,208,290	109,226,931
-	-	-	-	-	-
<u>\$ 85,467,444</u>	<u>\$ 96,838,779</u>	<u>\$ 98,518,503</u>	<u>\$ 107,569,658</u>	<u>\$ 103,112,125</u>	<u>\$ 113,878,595</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
262,320	113,409	183,405	268,747	283,454	79,029
82,214,192	49,865,661	38,826,806	33,001,787	20,287,005	18,846,703
<u>\$ 82,476,512</u>	<u>\$ 49,979,070</u>	<u>\$ 39,010,211</u>	<u>\$ 33,270,534</u>	<u>\$ 20,570,459</u>	<u>\$ 18,925,732</u>

Irving Independent School District

Governmental Funds Revenues¹

Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Federal sources:				
Federal grants	\$ 19,536,650	\$ 21,859,060	\$ 47,734,756	\$ 49,796,037
Food service	11,756,508	13,802,030	15,454,652	15,802,248
Capital projects	-	-	-	753,747
Total federal sources	<u>31,293,158</u>	<u>35,661,090</u>	<u>63,189,408</u>	<u>66,352,032</u>
State sources:				
State grants and other	123,615,224	130,353,672	130,813,857	137,449,208
Food service	111,329	111,223	112,830	110,412
Debt service	6,635,812	4,551,934	5,903,142	7,755,173
Total state sources	<u>130,362,365</u>	<u>135,016,829</u>	<u>136,829,829</u>	<u>145,314,793</u>
Local sources:				
Local & intermediate sources	102,058,885	106,888,411	99,594,423	97,155,289
Food service	3,162,463	3,096,672	2,760,323	2,515,749
Debt service	32,834,524	35,331,200	37,001,854	37,324,470
Capital projects	2,338,211	1,994,383	868,130	1,093,328
Total local sources	<u>140,394,083</u>	<u>147,310,666</u>	<u>140,224,730</u>	<u>138,088,836</u>
Total revenues	<u>\$ 302,049,606</u>	<u>\$ 317,988,585</u>	<u>\$ 340,243,967</u>	<u>\$ 349,755,661</u>

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

Note:

¹ Includes General, Food Service, Debt Service, Capital Projects, and Special Revenue Funds.

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 29,463,107	\$ 23,543,714	\$ 22,794,674	\$ 24,456,450	\$ 27,010,564	\$ 27,194,891
18,062,634	18,417,218	18,888,553	19,241,145	19,662,942	19,972,952
786,518	752,305	729,889	729,102	-	-
<u>48,312,259</u>	<u>42,713,237</u>	<u>42,413,116</u>	<u>44,426,697</u>	<u>46,673,506</u>	<u>47,167,843</u>
153,759,838	157,474,464	178,517,736	182,775,755	177,764,921	184,875,873
113,286	116,578	119,653	119,678	140,759	119,779
10,610,150	10,197,164	12,008,997	10,203,552	8,106,227	5,898,837
<u>164,483,274</u>	<u>167,788,206</u>	<u>190,646,386</u>	<u>193,098,985</u>	<u>186,011,907</u>	<u>190,894,489</u>
96,477,576	99,972,999	100,004,325	112,277,764	120,590,560	148,042,048
2,977,172	3,136,942	3,286,672	3,112,454	3,150,051	2,813,945
36,405,272	36,744,653	37,613,336	36,478,013	38,831,336	28,920,869
648,793	121,990	36,458	20,001	58,264	126,741
<u>136,508,813</u>	<u>139,976,584</u>	<u>140,940,791</u>	<u>151,888,232</u>	<u>162,630,211</u>	<u>179,903,603</u>
<u>\$ 349,304,346</u>	<u>\$ 350,478,027</u>	<u>\$ 374,000,293</u>	<u>\$ 389,413,914</u>	<u>\$ 395,315,624</u>	<u>\$ 417,965,935</u>

Irving Independent School District

Governmental Funds Expenditures and Debt Service Ratio¹

Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenditures				
Governmental funds				
11 Instruction	\$ 162,448,414	\$ 173,574,607	\$ 189,864,948	\$ 191,968,597
12 Instructional resources & media services	4,697,079	5,677,661	5,024,943	5,436,238
13 Curriculum & staff development services	3,911,629	3,531,491	5,021,634	5,217,049
Total function 10	<u>171,057,122</u>	<u>182,783,759</u>	<u>199,911,525</u>	<u>202,621,884</u>
21 Instructional leadership	5,171,093	5,045,162	5,816,865	5,206,067
23 School leadership	16,627,903	17,462,729	18,574,959	18,701,894
Total function 20	<u>21,798,996</u>	<u>22,507,891</u>	<u>24,391,824</u>	<u>23,907,961</u>
31 Guidance, counseling, & evaluation services	10,584,700	12,615,102	13,941,149	13,956,223
32 Social work services	452,623	446,818	421,492	454,168
33 Health services	2,253,193	2,421,931	2,541,463	2,575,673
34 Student transportation	3,267,352	3,471,655	4,649,537	4,486,050
35 Food service	13,469,056	15,589,155	17,820,690	16,983,540
36 Extracurricular activities	4,618,842	4,632,454	4,786,651	5,912,532
Total function 30	<u>34,645,766</u>	<u>39,177,115</u>	<u>44,160,982</u>	<u>44,368,186</u>
41 General administration	7,077,655	6,867,346	7,097,909	7,175,333
Total function 40	<u>7,077,655</u>	<u>6,867,346</u>	<u>7,097,909</u>	<u>7,175,333</u>
51 Plant maintenance and operations	18,594,964	20,084,490	22,285,279	21,522,498
52 Security and monitoring services	2,243,275	2,587,258	2,864,230	2,852,070
53 Data processing services	2,944,091	4,868,180	4,370,952	4,186,950
Total function 50	<u>23,782,330</u>	<u>27,539,928</u>	<u>29,520,461</u>	<u>28,561,518</u>
61 Community services	1,089,717	1,166,059	1,350,371	1,249,055
Total function 60	<u>1,089,717</u>	<u>1,166,059</u>	<u>1,350,371</u>	<u>1,249,055</u>
71 Debt service ²				
Principal on long-term debt	15,542,222	16,784,392	17,471,407	14,720,670
Interest on long-term debt ²	24,943,371	22,114,075	26,328,594	31,130,392
Bond issuance costs and fees	813,384	837,801	663,861	233,964
Total function 70	<u>41,298,977</u>	<u>39,736,268</u>	<u>44,463,862</u>	<u>46,085,026</u>
81 Facilities acquisition/construction	11,283,423	43,234,688	56,093,964	61,558,174
Total function 80	<u>11,283,423</u>	<u>43,234,688</u>	<u>56,093,964</u>	<u>61,558,174</u>
95 Payments to JJAEP	166,095	176,431	91,036	64,752
97 Payments to TIF	498,713	2,347,460	1,414,723	1,010,907
99 Intergovernmental Charges	-	505,598	535,803	531,534
Total function 90	<u>664,808</u>	<u>3,029,489</u>	<u>2,041,562</u>	<u>1,607,193</u>
Total expenditures	<u>312,698,794</u>	<u>366,042,543</u>	<u>409,032,460</u>	<u>417,134,330</u>
As restated	<u>\$ 312,698,794</u>	<u>\$ 366,042,543</u>	<u>\$ 409,032,460</u>	<u>\$ 417,134,330</u>
Debt service as a percentage of noncapital expenditures	13.7%	12.3%	12.8%	13.3%

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

Notes:

¹ Includes General, Food Service, Debt Service, Capital Projects, and Special Revenue Funds.

² Bond issuance costs and fees were not split until 2006.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 177,857,532	\$ 182,329,142	\$ 195,714,227	\$ 198,653,525	\$ 197,401,989	\$ 200,221,263
5,245,765	5,307,001	5,300,771	4,988,675	5,526,231	5,504,998
4,739,378	6,689,081	8,456,104	9,182,998	7,969,790	9,020,339
187,842,675	194,325,224	209,471,102	212,825,198	210,898,010	214,746,600
5,539,881	5,232,228	5,026,844	4,583,961	5,016,246	5,183,399
16,381,301	16,804,379	19,002,786	19,658,156	19,783,704	20,127,642
21,921,182	22,036,607	24,029,630	24,242,117	24,799,950	25,311,041
13,123,326	14,117,350	14,402,200	15,195,030	15,879,307	15,488,239
423,082	452,578	584,539	1,591,463	1,499,289	1,547,947
2,530,773	2,599,288	2,679,805	2,891,635	3,116,593	3,076,661
4,059,063	4,573,269	6,327,776	5,240,723	6,005,258	6,982,666
16,798,404	18,185,254	18,468,763	21,441,982	21,770,990	21,909,340
5,807,666	5,862,983	5,959,930	6,324,888	6,261,632	6,320,974
42,742,314	45,790,722	48,423,013	52,685,721	54,533,069	55,325,827
7,167,319	7,468,154	7,996,682	7,038,599	7,380,628	7,399,101
7,167,319	7,468,154	7,996,682	7,038,599	7,380,628	7,399,101
21,955,636	21,510,075	21,707,212	22,166,761	23,605,883	23,849,262
3,131,576	3,010,376	3,647,381	3,192,050	3,434,715	3,406,129
3,751,686	4,312,260	4,533,127	4,065,945	4,855,841	5,893,963
28,838,898	28,832,711	29,887,720	29,424,756	31,896,439	33,149,354
1,195,778	1,839,947	1,810,100	1,775,912	2,271,083	1,964,314
1,195,778	1,839,947	1,810,100	1,775,912	2,271,083	1,964,314
17,123,540	19,379,223	17,901,432	22,133,623	28,884,818	27,860,000
29,033,988	28,839,306	28,633,014	24,989,938	25,751,096	18,811,331
180,785	535,898	150,754	1,147,082	1,895,655	226,110
46,338,313	48,754,427	46,685,200	48,270,643	56,531,569	46,897,441
33,014,692	29,255,048	14,841,570	6,679,429	16,547,033	12,528,765
33,014,692	29,255,048	14,841,570	6,679,429	16,547,033	12,528,765
86,526	56,430	116,850	173,772	15,882	42,900
1,742,264	3,100,836	2,182,197	6,465,553	8,945,883	11,010,364
519,552	520,707	534,086	538,945	568,476	583,498
2,348,342	3,677,973	2,833,133	7,178,270	9,530,241	11,636,762
371,409,513	381,980,813	385,978,150	390,120,645	414,388,022	408,959,205
<u>\$ 371,409,513</u>	<u>\$ 381,980,813</u>	<u>\$ 385,978,150</u>	<u>\$ 390,120,645</u>	<u>\$ 414,388,022</u>	<u>\$ 408,959,205</u>
13.6%	13.9%	12.7%	12.5%	14.0%	12.0%

Irving Independent School District

Other Financing Sources and Uses and Net Change in Fund Balances

Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Excess of revenues over (under) expenditures	\$ (48,053,958)	\$ (68,788,493)	\$ (67,378,669)	\$ (22,105,167)
Other Financing Sources (Uses)				
Proceeds from sale of bonds	87,020,000	65,000,000	58,485,000	21,640,000
Premium or (discount) on bonds issued	1,700,239	3,498,056	1,717,427	-
Proceeds from sale of refunding bonds	-	-	-	-
Sale of real or personal property	114,036	34,714	57,216	174,537
Extraordinary Other Uses	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Insurance recoveries	-	-	-	-
Payments to escrow agents	-	-	-	-
Total other financing sources (uses)	<u>\$ 88,834,275</u>	<u>\$ 68,532,770</u>	<u>\$ 60,259,643</u>	<u>\$ 21,814,537</u>
Net change in fund balances	<u>\$ 40,780,317</u>	<u>\$ (255,723)</u>	<u>\$ (7,119,026)</u>	<u>\$ (290,630)</u>

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

Fiscal Year					
<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ (22,105,167)	\$ (31,502,786)	\$ (11,977,857)	\$ (706,731)	\$ (19,072,398)	\$ 9,006,730
-					
13,985,000	-	-	-	-	-
1,509,190	6,487,601	5,165,908	8,319,033	54,633,023	2,334,052
-	66,145,000	4,685,000	60,010,000	218,640,000	20,105,000
1,660,871	304,732	148,857	668,453	25,711	-
-	-	-	2,764,638	-	-
4,479,121	489,118	487,672	-	364,551	19,161,450
(4,479,121)	-	-	-	(364,551)	(19,267,854)
7,268,016	9,654,036	2,061,466	20,108	-	-
-	(72,703,808)	(9,860,181)	(67,764,023)	(271,383,944)	(22,217,635)
<u>\$ 24,423,077</u>	<u>\$ 10,376,679</u>	<u>\$ 2,688,722</u>	<u>\$ 4,018,209</u>	<u>\$ 1,914,790</u>	<u>\$ 115,013</u>
<u>\$ 2,317,910</u>	<u>\$ (21,126,107)</u>	<u>\$ (9,289,135)</u>	<u>\$ 3,311,478</u>	<u>\$ (17,157,608)</u>	<u>\$ 9,121,743</u>

Irving Independent School District**Exhibit S-8**Appraised Value and Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Fiscal Year	APPRAISED VALUE ¹			Total Estimated Taxable Value	Total Direct Rate ²
	Residential or Real Property	Personal Property	Less: Exemptions		
2008	8,315,691,790	1,743,828,360	477,210,991	9,582,309,159	1.644
2009	8,668,807,690	1,780,763,340	463,681,874	9,985,889,156	1.349
2010	8,181,587,045	1,762,119,040	457,840,080	9,485,866,005	1.391
2011	7,809,445,097	1,694,159,892	457,911,177	9,045,693,812	1.425
2012	7,658,082,224	1,704,481,030	447,722,042	8,914,841,212	1.465
2013	7,770,689,855	1,727,551,530	438,181,976	9,060,059,409	1.465
2014	7,968,927,106	1,815,107,590	476,189,436	9,307,845,260	1.465
2015	8,540,194,076	1,851,556,660	515,944,674	9,875,806,062	1.435
2016	9,196,806,320	1,970,652,639	739,431,169	10,428,027,790	1.445
2017	10,063,104,220	2,159,669,550	764,944,147	11,457,829,623	1.445

Source: Dallas Central Appraisal District**Notes:**¹ Property is appraised at full market value. Properties are reappraised at least once every three years.² 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 ¹	
	Maintenance and Operations	Debt Service	Total	City of Irving	Irving Flood Control District Section I
2008	1.000	0.349	1.349	0.548	0.242
2009	1.020	0.371	1.391	0.541	0.291
2010	1.020	1.040	1.425	0.576	0.355
2011	1.040	0.425	1.465	0.599	0.430
2012	1.040	0.425	1.465	0.599	0.465
2013	1.040	0.425	1.465	0.599	0.500
2014	1.040	0.425	1.465	0.594	0.505
2015	1.040	0.395	1.435	0.594	0.520
2016	1.170	0.405	1.445	0.594	0.520
2017	1.170	0.275	1.445	0.594	0.453

Source: Appropriate government entities' tax departments

Note:

¹ Includes levies for operating and debt service costs.

Overlapping Rates ¹

City of Grand Prairie	City of Dallas	Dallas County	Dallas County Community College	Dallas County Hospital	Dallas County Flood Control	Dallas County Schools	Dallas County Utility and Reclamation
0.670	0.748	0.228	0.089	0.254	2.836	0.005	1.626
0.670	0.748	0.228	0.095	0.254	2.836	0.005	1.763
0.670	0.797	0.228	0.099	0.274	2.836	0.005	2.050
0.670	0.797	0.243	0.100	0.271	2.900	0.010	2.122
0.670	0.797	0.243	0.119	0.271	3.050	0.010	1.840
0.670	0.797	0.243	0.125	0.271	2.750	0.010	1.791
0.670	0.797	0.243	0.125	0.276	2.750	0.010	1.983
0.670	0.797	0.243	0.124	0.286	2.650	0.010	1.590
0.670	0.797	0.243	0.124	0.286	2.250	0.009	1.590
0.670	0.783	0.243	0.123	0.279	2.250	0.009	1.295

Irving Independent School District
Principal Property Tax Payers
Current Year and Nine Years Ago (Unaudited)

Exhibit S-10

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ¹	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ²
Agre Williams Square	\$ 240,121,810	1	2.1%			0.0%
AG PCPI Urban Towers	124,519,780	2	1.1%			0.0%
Las Colinas Irving	108,315,000	3	0.9%			0.0%
Bre Las Colinas LLC	96,564,560	4	0.8%			0.0%
PPF AMLI	93,552,370	5	0.8%			0.0%
San Mar Corporation	92,790,630	6	0.8%			0.0%
Texas Utilities	92,113,880	7	0.8%	\$ 83,679,080	4	0.9%
Lake Carolyn Reit LLC	76,000,000	8	0.7%			0.0%
TCI 600 Las Colinas Inc.	71,646,950	9	0.6%			0.0%
Verizon	71,212,900	10	0.6%	240,854,060	1	2.5%
TIAA	-		0.0%	150,112,880	2	1.6%
BF Las Colinas LP	-		0.0%	123,579,080	3	1.3%
Simon Property Group	-		0.0%	73,773,850	5	0.8%
SP4	-		0.0%	68,689,990	6	0.7%
SP	-		0.0%	63,175,430	7	0.7%
Sprint United Management C	-		0.0%	58,561,910	8	0.6%
MPA Las Colinas LTD	-		0.0%	58,000,000	9	0.6%
Dr. Pepper Bottling Co.	-		0.0%	57,748,390	10	0.6%
	<u>\$ 1,066,837,880</u>		<u>9.3%</u>	<u>\$ 978,174,670</u>		<u>10.2%</u>

Source: Dallas Central Appraisal District

Note:

¹ Total appraised taxable value for 2017 = \$11,457,829,623

² Total appraised taxable value for 2008 = \$9,582,309,159



Irving Independent School District

Property Tax Levies and Collections¹

Last Ten Fiscal Years (Unaudited)

Fiscal Year Ending	Taxes Levied for the Fiscal Year ²	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2008	124,619,570	120,877,498	97.00%
2009	134,156,998	131,036,207	97.67%
2010	131,200,729	127,266,070	97.00%
2011	128,508,240	124,473,002	96.86%
2012	126,932,410	125,164,250	98.61%
2013	129,608,617	128,579,225	99.21%
2014	133,509,350	132,829,508	99.49%
2015	139,082,613	136,448,528	98.11%
2016	147,746,423	146,065,624	98.86%
2017	162,102,609	160,305,584	98.89%

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

Notes:

¹ The District performs its own tax collection activities.

² 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.

³ Total cash collections is total cash, net of interest and penalties and other judgments, as a result collections as a percentage of initial levy may exceed 100%.

<u>Collections other than Current Year</u>	<u>Total Collections to Date³</u>	
<u>Delinquent Taxes</u>	<u>Amount</u>	<u>Percentage of Total Collections to Tax Levy</u>
1,952,621	122,830,119	98.56%
687,293	131,723,500	98.19%
883,375	128,149,445	97.67%
1,928,590	126,401,592	98.36%
1,186,096	126,350,346	99.54%
1,001,456	129,580,681	99.98%
937,831	133,767,339	100.19%
(1,092,647)	135,355,881	97.32%
(19,273)	146,046,351	98.85%
685,256	160,990,840	99.31%

Irving Independent School DistrictOutstanding Debt By Type¹

Last Ten Fiscal Years (Unaudited)

Exhibit S-12

Governmental Activities					
Fiscal Year	General Obligation Bonds	Contractual Obligations	Total Primary Government	Percentage of Personal Income ²	Per Capita ²
2008	526,670,907	-	526,670,907	9.76%	2,506
2009	577,803,295	-	577,803,295	11.00%	2,722
2010	619,719,179	-	619,719,179	10.48%	2,900
2011	624,900,837	-	624,900,837	11.17%	2,880
2012	621,492,018	-	621,492,018	11.37%	2,840
2013	600,739,284	-	600,739,284	10.92%	2,721
2014	595,590,237	-	595,590,237	9.73%	2,623
2015	575,787,804	-	575,787,804	9.40%	2,519
2016	548,208,687	-	548,208,687	8.80%	2,349
2017	517,484,320	-	517,484,320	7.44%	2,205

Source: Dallas Central Appraisal District**Notes:**¹ Details of the District's outstanding debt can be found in the notes to the financial statements.² See Schedule S-16 for personal income and population data.

Irving Independent School District

Direct and Overlapping Governmental Activities Debt
August 31, 2016 (Unaudited)

Exhibit S-13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Direct and Overlapping Debt
City of Irving	\$ 529,777,118	47.98%	\$ 254,187,061
Irving Flood Control District # 1	5,755,000	100.00%	5,755,000
City of Grand Prairie	253,440,000	0.65%	1,647,360
City of Dallas	1,632,595,997	0.23%	3,754,971
Dallas County	199,545,000	5.70%	11,374,065
Dallas County Community College	263,140,000	5.46%	14,367,444
Dallas County Hospital	703,770,000	5.70%	40,114,890
Dallas County Flood Control	25,775,000	30.92%	7,969,630
Dallas County Schools	52,172,000	5.70%	2,973,804
Dallas County Utility and Reclamation	208,550,000	46.40%	96,767,200
Subtotal, overlapping bonded debt			<u>438,911,425</u>
Irving Independent School District direct debt	\$ 517,484,320	100.00%	\$ 517,484,320
Total direct and overlapping debt			<u><u>\$ 956,395,745</u></u>
Ratio of (net) general bonded debt to the estimated actual property value			<u><u>4.52%</u></u>

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.

¹ 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.

Irving Independent School District

Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 958,230,916	\$ 998,588,916	\$ 948,586,601	\$ 904,569,381
Total net debt applicable to limit	514,339,338	559,284,583	605,099,127	624,900,837
Legal debt margin	<u>\$ 443,891,578</u>	<u>\$ 439,304,333</u>	<u>\$ 343,487,474</u>	<u>\$ 279,668,544</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>53.68%</u>	<u>56.01%</u>	<u>63.79%</u>	<u>69.08%</u>

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

Legal Debt Margin Calculation for Fiscal Year 2016:

Assessed value	<u>\$ 11,457,829,623</u>
Debt limit (10% of assessed value)	<u>\$ 1,145,782,962</u>
Debt applicable to limit	<u>(517,484,320)</u>
Legal debt margin	<u><u>\$ 628,298,642</u></u>

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 891,484,121	\$ 906,005,941	\$ 930,784,526	\$ 987,580,606	\$ 1,042,802,779	\$ 1,145,782,962
621,492,018	600,739,284	595,590,237	575,827,393	542,765,501	517,484,320
<u>\$ 269,992,103</u>	<u>\$ 305,266,657</u>	<u>\$ 335,194,289</u>	<u>\$ 411,753,213</u>	<u>\$ 500,037,278</u>	<u>\$ 628,298,642</u>
<u>69.71%</u>	<u>66.31%</u>	<u>63.99%</u>	<u>58.31%</u>	<u>52.05%</u>	<u>45.16%</u>

Irving Independent School District

Ratio of Net Bonded Debt to Assessed Value and Per Capita
Last Ten Fiscal Years (Unaudited)

Exhibit S-15

Fiscal Year	Population ¹	Assessed Value ²	Total Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of net Bonded Debt	Net Bonded
			Outstanding ³		Outstanding	Assessed Value	Debt Per Capita
2008	210,150	9,582,309,159	526,670,907	12,331,569	514,339,338	5.37%	2,447
2009	212,250	9,985,889,156	577,803,295	15,976,491	561,826,804	5.63%	2,647
2010	213,700	9,485,866,005	619,719,179	14,620,052	605,099,127	6.38%	2,832
2011	216,970	9,045,693,812	624,900,837	13,614,669	611,286,168	6.76%	2,817
2012	218,850	8,914,841,212	621,492,017	14,450,968	607,041,049	6.81%	2,774
2013	220,750	9,060,059,409	600,739,282	12,567,151	588,172,131	6.49%	2,664
2014	227,030	9,307,845,260	595,590,237	15,495,011	580,095,226	6.23%	2,555
2015	228,610	9,875,806,062	575,827,393	14,519,439	561,307,954	5.68%	2,455
2016	231,040	10,428,027,790	542,765,501	4,202,628	535,999,485	5.14%	2,320
2017	234,710	11,457,829,623	517,484,320	4,239,051	513,245,269	4.48%	2,187

Source:

¹ See Exhibit S-16 for population data.

² See Exhibit S-8 for assessed value.

³ Fiscal year 2017 total bonded debt outstanding at year end amount includes bonds premium.

Irving Independent School District
Demographic and Economic Statistics
Last Ten Calendar Years (Unaudited)

Exhibit S-16

Period Ending	Population ¹	Personal Income ² (thousands of dollars)	Per Capita Personal Income ² (dollars)	Unemployment Rate ³
2008	210,150	4,788,688	22,787	5.10%
2009	212,250	5,510,859	25,964	6.45%
2010	213,700	5,548,507	25,964	7.98%
2011	216,970	5,494,548	25,324	7.86%
2012	218,850	5,693,602	26,016	6.58%
2013	220,750	5,905,946	26,754	5.79%
2014	227,030	6,122,999	26,970	4.90%
2015	228,610	6,096,800	26,669	3.60%
2016	231,040	6,166,771	26,691	3.52%
2017	234,710	6,953,988	29,628	3.20%

Sources:

¹ North Central Texas Council of Governments.

² City of Irving CAFR, 'Demographic and Economic Statistics.'

³ Texas Labor Market Information

Irving Independent School District
 Principal Employers
 Current Year and Nine Years Ago (Unaudited)

Exhibit S-17

<u>Employer</u>	<u>2017</u> ¹			<u>2008</u> ²		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Citigroup, Inc.	7,500	1	3.01%	6,430	2	5.35%
Irving ISD	4,137	2	1.66%	4,194	3	3.49%
Verizon Communications	3,260	3	1.31%	6,500	1	5.41%
Irving Mall (WP Glimcher)	2,100	4	0.84%			
DFW International Airport	1,700	5	0.68%			
Allstate Insurance Company	1,650	6	0.66%	2,000	6	1.66%
Microsoft Corporation	1,351	7	0.54%			
Neiman Marcus Direct	1,339	8	0.54%			
Health Mgmt Systems (HMS)	1,299	9	0.52%			
Zale Corporation	1,250	10	0.50%			
Citicorp Credit Company				3,795	4	3.16%
Nokia				2,500	5	2.08%
Central Freight Lines				2,000	7	1.66%
Abbott Laboratories				1,500	8	1.25%
Aegis Communications				1,500	9	1.25%
Baylor Medical Center				1,500	10	1.25%
Total	<u>25,586</u>		<u>10.25%</u>	<u>31,919</u>		<u>26.57%</u>

Source(s):

¹ City of Irving 2017 CAFR

² Irving ISD 2008 CAFR



Irving Independent School District
 Full-Time Equivalent District Employees By Type
 Last Ten Fiscal Years (Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Teachers	2,270.2	2,329.6	2,428.4	2,421.0
Professional Support				
Associate School Psychologist	6.2	6.9	8.2	8.8
Counselor	81.0	79.0	78.0	79.0
Educational Diagnostician	28.9	26.5	35.5	33.5
Librarian	32.0	28.0	30.0	29.0
Occupational Therapist	4.9	4.8	5.0	6.0
Physical Therapist	2.0	2.0	2.0	2.0
School Nurse	35.5	35.0	36.0	36.0
Speech Therapist/Speech- Language Pathologist	20.4	24.8	29.3	28.0
Teacher Facilitator	3.0	4.0	6.0	7.0
Campus Professional Personnel	9.0	3.5	12.3	56.8
Non-Campus Professional Personnel	67.8	73.0	81.0	81.0
Total Professional Support	<u>290.7</u>	<u>287.5</u>	<u>323.3</u>	<u>367.1</u>
Campus Administration				
Assistant Principal	76.0	80.0	83.0	81.0
Instructional Officer	13.0	12.4	13.0	0.0
Principal	35.7	36.0	37.0	38.0
Teacher Supervisor	4.0	2.0	1.0	38.0
Athletic Director	1.0	1.0	1.0	1.0
Total Campus Administration	<u>129.7</u>	<u>131.4</u>	<u>135.0</u>	<u>158.0</u>
Central Administration				
Assistant/Assoc/Deputy Superintendent	4.0	4.0	4.0	4.0
Superintendent	1.0	1.0	1.0	1.0
Instructional Program Director or Exec Director	28.5	29.0	35.0	13.0
Business Manager	1.0	1.0	1.0	1.0
Tax Assessor &/or Collector	1.0	1.0	1.0	1.0
Director of Personnel/HR	1.0	1.0	1.0	1.0
Total Central Administration	<u>36.5</u>	<u>37.0</u>	<u>43.0</u>	<u>21.0</u>
Educational Aides				
Educational Aides	420.8	425.8	448.4	431.8
Interpreter	1.9	4.0	0.0	4.0
Total Educational Aides	<u>422.7</u>	<u>429.8</u>	<u>448.4</u>	<u>435.8</u>
Auxiliary Staff	<u>840.4</u>	<u>900.4</u>	<u>923.9</u>	<u>999.3</u>
Total All Full-Time Equivalent Employees	<u><u>3,990.2</u></u>	<u><u>4,115.7</u></u>	<u><u>4,302.0</u></u>	<u><u>4,402.2</u></u>

Source: District records from the Fall PEIMS submission

Full-time-Equivalent Employees

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
2,280.8	2,304.0	2,351.3	2,351.7	2,284.0	2,283.4
8.8	9.0	10.6	9.2	9.6	10.5
79.5	79.5	85.0	87.4	88.3	87.8
29.5	32.5	31.4	36.4	39.9	39.7
27.0	27.0	32.0	32.9	29.0	29.0
6.0	5.5	5.6	5.6	5.5	7.0
2.0	2.0	2.0	3.0	3.0	3.0
35.0	36.0	35.9	38.0	38.0	39.0
26.6	30.3	34.9	35.1	38.4	36.9
5.0	37.9	40.7	78.4	76.8	85.7
37.0	51.0	83.8	75.1	75.0	77.2
76.0	80.0	78.9	92.0	93.4	95.7
<u>332.4</u>	<u>390.7</u>	<u>440.8</u>	<u>493.1</u>	<u>496.9</u>	<u>511.5</u>
69.0	69.0	65.0	71.9	70.2	72.9
0.0	0.0	0.0	0.0	0.0	0.0
38.0	38.0	36.9	37.0	37.0	37.0
32.0	30.0	33.0	36.9	37.7	37.0
1.0	1.0	1.0	1.0	1.0	1.0
<u>140.0</u>	<u>138.0</u>	<u>135.9</u>	<u>146.8</u>	<u>145.9</u>	<u>147.9</u>
6.0	7.0	5.7	4.0	4.0	4.0
1.0	1.0	0.6	1.0	1.0	1.0
13.0	13.0	12.0	12.9	13.0	12.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	3.0	3.0	3.0
1.0	2.0	1.7	2.0	2.0	2.0
<u>23.0</u>	<u>25.0</u>	<u>22.0</u>	<u>23.9</u>	<u>24.0</u>	<u>23.0</u>
381.0	387.5	403.5	426.1	437.4	446.1
0.0	4.0	8.3	9.5	8.5	8.0
<u>381.0</u>	<u>391.5</u>	<u>411.8</u>	<u>435.6</u>	<u>445.9</u>	<u>454.1</u>
707.0	707.0	721.3	732.0	709.9	717.1
<u>3,864.2</u>	<u>3,956.2</u>	<u>4,083.1</u>	<u>4,183.1</u>	<u>4,106.6</u>	<u>4,137.0</u>

Irving Independent School District
 Operating Statistics
 Last Ten Fiscal Years (Unaudited)

Exhibit S-19

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2008	33,189	212,397,290	6,400	5.65 %	2,010.0	16.5	72.5%
2009	33,223	226,761,389	6,825	6.65 %	2,011.0	16.5	74.1%
2010	33,798	229,344,297	6,786	(0.58)%	2,012.0	16.8	78.1%
2011	34,289	229,927,733	6,706	(1.18)%	2,013.0	17.0	80.5%
2012	34,851	243,870,930	6,998	4.35 %	2,280.8	15.3	81.5%
2013	35,114	257,769,548	7,341	4.92 %	2,304.0	15.2	81.3%
2014	35,403	276,784,658	7,818	6.49 %	2,351.3	15.1	80.5%
2015	35,191	288,104,156	8,187	4.72 %	2,351.7	15.0	76.9%
2016	34,929	307,995,593	8,818	7.71 %	2,284.0	15.3	77.2%
2017	34,792	305,606,427	8,784	(0.39)%	2,283.4	15.2	77.2%

Source: District records

Irving Independent School District
Capital Asset Information
Last Ten Fiscal Years (Unaudited)

Exhibit S-20

<u>School</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Elementary										
Buildings	24	24	24	24	24	24	24	24	24	24
Square feet	2,003,550	2,048,484	2,023,104	2,024,334	2,024,334	2,025,940	2,025,940	2,027,517	2,027,517	2,027,517
Maximum Capacity	18,600	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Enrollment	17,005	17,313	17,431	17,751	18,120	18,178	18,406	17,912	17,912	17,912
Middle										
Buildings	7	7	7	8	8	8	8	8	8	8
Square feet	1,149,983	1,149,983	1,156,734	1,326,868	1,326,868	1,328,012	1,328,012	1,328,012	1,328,012	1,328,012
Maximum Capacity	6,125	7,000	7,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Enrollment	7,000	7,043	7,083	7,222	7,310	7,397	7,355	7,454	7,454	7,454
High										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	1,276,660	1,401,249	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281
Maximum Capacity	14,700	9,400	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Enrollment	7,982	8,867	9,240	9,269	9,359	9,490	9,632	9,778	9,778	9,778
Administrative										
Buildings	9	9	9	9	9	9	9	9	9	9
Square feet	221,839	235,775	251,192	247,992	247,992	247,992	247,992	247,992	255,064	255,064
Transportation										
Buses (quantity) ¹	54	57	57	64	0	0	0	0	0	0
Athletics										
Football fields (quantity)	11	11	14	15	15	15	15	15	15	15
Soccer fields (quantity)	11	11	10	11	11	11	11	11	11	11
Running tracks (quantity)	11	11	9	11	11	11	11	11	11	11
Baseball/softball (quantity)	6	6	6	6	6	6	6	6	6	6
Playgrounds (quantity)	25	23	23	24	24	24	24	24	24	24

Source: District records

Note:

¹ Buses were titled under Dallas County Schools. Buses were sold to Dallas County Schools in 2012.



Single Audit Reports





**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

Board of Trustees
Irving Independent School District

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Irving Independent School District (the District), as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 15, 2018.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Trustees
Irving Independent School District

Purpose of this Report

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

A handwritten signature in black ink that reads "Weaver and Tidwell LLP". The signature is written in a cursive, slightly slanted style.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 15, 2018

**Independent Auditor's Report on Compliance for Each Major
Federal Program and Report on Internal Control Over Compliance in
Accordance with the Uniform Guidance**

Board of Trustees
Irving Independent School District

Report on Compliance for Each Major Federal Program

We have audited Irving Independent School District's (the District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2017.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Weaver and Tidwell LLP

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
January 15, 2018

Irving Independent School District
 Schedule of Expenditures of Federal Awards
 For the Year Ended August 31, 2017

Exhibit K-1

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through State Department of Education:			
McKinney-Vento Homeless Education Region X	84.196A	17-059	\$ 82,482
Title I Part A Improving Basic Programs	84.010A	17610101057912	10,836,301
Adult Ed English Literacy & Civics Awareness	84.002A	IISD-AEL1-2017	508,482
Special Education Cluster (IDEA):			
IDEA-B Formula	84.027A	176600010579126600	6,608,998
IDEA-B Preschool	84.173A	176610010579126610	84,648
IDEA-B Discretionary Deaf	84.027A	17600020579126673	97,436
Total Special Education Cluster (IDEA)			<u>6,791,082</u>
IDEA-C Early Childhood Intervention, Deaf	84.181A	163911010579123911	1,103
Carl D Perkins Basic Grant for Career & Technology	84.048A	16420006057912	567,783
Title II Part A Teacher & Principal Training & Recruiting	84.367A	17694501057912	914,374
Title III Part A Limited English Proficiency	84.365A	17671001057912	1,399,677
LEP Summer School-Limited Proficiency	84.369A	69551502	64,872
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>21,166,156</u>
<u>U.S. TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Texas Department of Health and Human Services:			
Medicaid	93.778	00057912	155,380
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>155,380</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Child Nutrition Cluster:			
Passed through State Department of Agriculture - Noncash assistance:			
USDA Donated Commodities	10.555	00057912	1,544,701
Passed through State Department of Education:			
National School Lunch	10.555	00057912	12,500,589
School Breakfast Program	10.553	00057912	5,374,215
Passed through State Department of Agriculture:			
Summer Feeding Program	10.559	00057912	419,276
Total Child Nutrition Cluster			<u>19,838,781</u>
Passed through State Department of Agriculture:			
Child & Adult Care Program	10.558	00057912	134,171
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>19,972,952</u>
<u>U.S. DEPARTMENT OF DEFENSE</u>			
Reserve Officer Training Corps	12.000	N/A	311,984
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>311,984</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 41,606,472</u>

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Irving Independent School District

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2017

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2017. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District. The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 2. Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General Fund and certain Special Revenue funds in accordance with the Texas Education Agency's Financial Accountability System Resource Guide. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e. both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. National School Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

Note 3. Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards programs per Exhibit K-1 and Federal revenues reported on Exhibit C-2:

Total expenditures of federal awards per Exhibit K-1	\$	41,606,472
SHARS		4,829,123
Federal interest subsidy		732,248
Total federal revenues per Exhibit C-2	\$	<u>47,167,843</u>

Irving Independent School District
 Schedule of Findings and Questioned Costs
 For the Year Ended August 31, 2017

Section I – Summary of Auditor’s Results

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
 - Material weakness(es) identified? Yes No
 - Significant deficiency(ies) identified? Yes None Reported
- c. Is any noncompliance material to the financial statements noted? Yes No

Major Programs

- d. Internal control over major programs:
 - Material weakness(es) identified? Yes No
 - Significant deficiency(ies) identified? Yes None Reported
- e. An unmodified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No
- g. Identification of major programs:

84.010A	Title I, Part A
84.027A, 84.173A	Special Education Cluster
- h. The dollar threshold used to distinguish between Type A and Type B programs: \$1,248,194
- i. Auditee qualified as a low-risk auditee? Yes No

Irving Independent School District
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2017

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Schedule of Prior Audit Findings and Questioned Costs

None