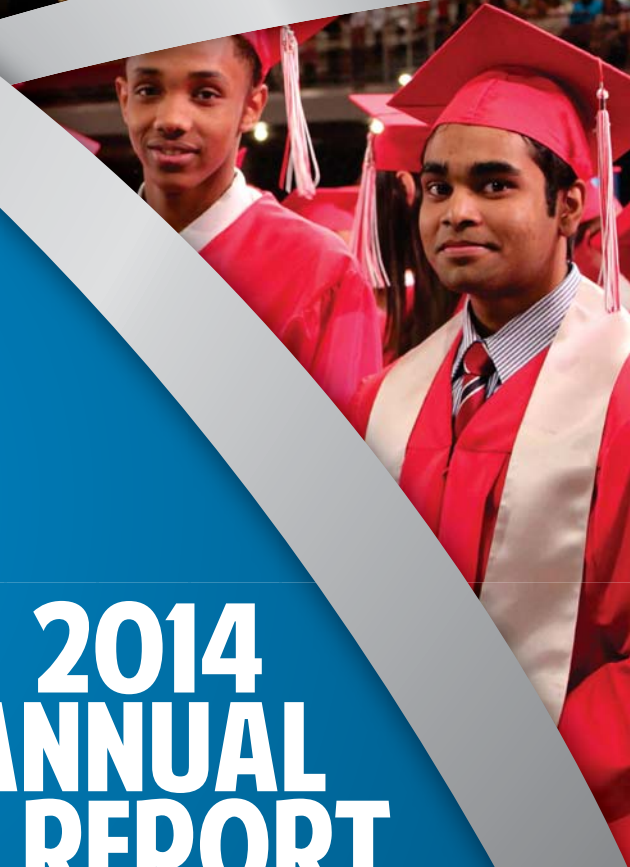


2621
IRVING INDEPENDENT SCHOOL DISTRICT
ADMINISTRATOR BUILDING



2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending August 31, 2014

IRVING
Independent School District

2621 W. Airport Freeway
Irving, Texas 75062

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**



Irving, Texas

**For the
Fiscal Year Ended
August 31, 2014**

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

**Prepared by
Irving ISD Business Office**

Debbie Cabrera, CPA, MBA
Associate Superintendent for Business Services

Kimberlyee Chappell, MSA, CIA
Director of Business Operations



**IRVING INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED
 AUGUST 31, 2014**

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CERTIFICATE OF BOARD

Irving Independent School District
Name of School District

Dallas
County

057-912
Co-District Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) / approved _____ disapproved for the year ended August 31, 2014 at a meeting of the board of school trustees of such school district on the 20th day of January, 2015.



Board President
Larry Stipes



Board Secretary
Steven Jones

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





DEBBIE CABRERA, CPA, MBA
Associate Superintendent
Business Services

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

January 12, 2015

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, 2014 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, 2014, 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).

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Federal Financial Assistance. The Introductory Section includes this transmittal letter, the District's organizational chart, the GFOA and Association of School Business Officials (ASBO) Certificates, and a list of principal officers. The Financial Section includes the report of the independent auditor, management's discussion and analysis (MD&A), basic financial statements, the required supplementary information, the combining and individual fund financial statements, and the required TEA schedules. The Statistical Section includes selected financial, operational and demographic information, generally presented on a multi-year basis. The Federal Financial Assistance Section includes the required reports on compliance with generally accepted government auditing standards and OMB A-133, as well as the supplementary schedule of federal financial assistance.

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, 2014. The independent auditor's report is located at the front of the Financial Section.

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 | dcabrera@irvingsisd.net

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.

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 2013-2014 school year was 35,403, which was 3 more than the original projection of 35,400. For fiscal year 2014-2015, peak enrollment decreased by 0.65% to 35,171.

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) and a 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 maintenance 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 66 years (Britain Elementary and Bowie Middle Schools) to 4 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

According to Forbes Magazine (June 2013), Irving, Texas is thriving, and is one the fastest growing cities since the recession. Irving ranks sixth nationally in job growth and seventh in population growth. Major corporations are drawn to Irving not only because of its accessibility to major transportation systems, availability of affordable land, high quality of life, large skilled work force and host of hotels and conference centers, but also because its commercial properties are designed to hold or increase in value over the long term. These key factors will assist continued business growth in the future.

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

Long-term Financial Planning

The District's unassigned fund balance for the General Fund is approximately 33% of the operating expenditures, or about four months of expenditures. The Board adopted a financial policy to maintain the General Fund balance at a minimum of three months. For the last eight years, the fund balance has consistently been between the 33% and 35% range.

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 early January. Staffing charts are updated, and new campus staff additions to accommodate student growth are estimated by the Human Resources department using this projection model. The Budget Office develops a forecast document that compares the prior year's actual expenditures to the current

year budget and projects the financial position of the District for the next three years. The parameters for this forecast model are developed early in the budget cycle by the Finance Committee, which is made up of three members of the Board of Trustees, the Superintendent, and the Associate Superintendent of Business Services. Such things as taxable assessed value growth, optional homestead exemption, employee raises, fund balance levels, and state funding assumptions are determined in February. This allows the District several months of planning for developing budgets for district-wide staffing and non-payroll campus and department needs, before the first budget draft is presented to the Board of Trustees in June, with the final adoption of the budget in August.

Financial Policies

The Comprehensive Annual Report for the year ended August 31, 2014 is prepared in accordance with GAAP and in conformance with standards of financial reporting established by GASB using guidelines recommended by the GFOA. All funds of the District are covered by this report. Presented funds are organized into three types dictated by the nature of the activities involved:

Governmental Funds:

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

Proprietary Funds:

- Internal Service Funds

Fiduciary Funds:

- Agency Funds

Single Audit

As a recipient of Federal financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to federal programs, and is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. As a part of the District's single audit, tests are made to determine the adequacy of internal controls, including that portion related to Federal financial assistance programs, as well as to determine the District's compliance with applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2014 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 are 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The independent auditor's report on the basic financial statements is included in the financial section of this report.

Awards

The Association of School Business Officials 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, 2013. In order to be awarded these certificates, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. This is the twenty-sixth 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 2014 certificates.

For the twelfth consecutive year, the District earned a Superior Achievement rating from the School's Financial Integrity Rating System of Texas, a system developed by the Texas Education Agency. The District received a perfect score of 70. The Superior Achievement Rating confirms its 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 and Finance 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



Debbie Cabrera, CPA, MBA
Associate Superintendent of Business
Services



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	3 years	2015	Contract Manager
Randy Randle, Vice President	2 years	2016	Business Owner
Steven Jones, Secretary	4 years	2017	Producer
Valerie Jones, Member	8 years	2015	Civic Leader
Lee Mosty, Member	2 years	2016	Retired Educator
Nell Anne Hunt, Member	1 year	2017	Realtor
Randy Necessary, Member	1 year	2016	Business Owner

ADMINISTRATIVE OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Jose L. Parra, Ed.D.	Superintendent	1 year
Debbie Cabrera, CPA, MBA	Associate Superintendent of Business and Finance	17 years
Adam Grinage, Ed.D.	Associate Superintendent of Academic Services	8 years
Scott Layne	Assistant Superintendent of School Support Services	23 years
Magda Hernandez	Assistant Superintendent of Human Resources	1 year
Bertha Bailey Whatley	Chief Legal Counsel	2 years

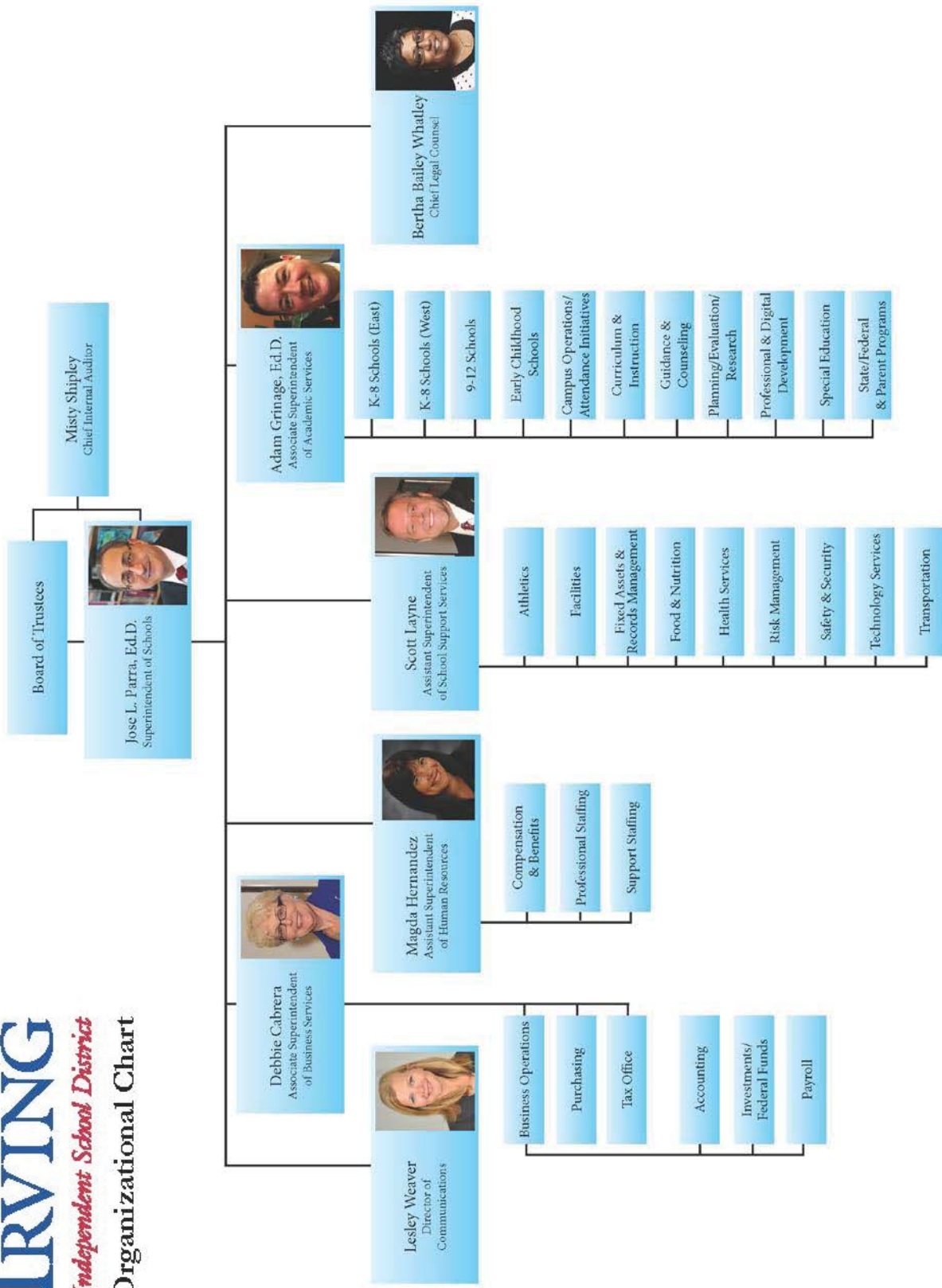
CONSULTANTS AND ADVISORS

Weaver and Tidwell LLP Dallas, Texas	Independent Auditors
Bracewell & Guiliani LLP 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

IRVING

Independent School District

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, 2013

Executive Director/CEO

Association of School Business Officials International



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

Irving Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2013*

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



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO
President

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

John D. Musso, CAE, RSBA
Executive Director





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, 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, 2014, 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.

Irving Independent School District

January 7, 2015

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2014, 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.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, the District adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, as of August 31, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 17–26) and the schedule of revenues, expenditures and changes in fund balances – budget and actual for the General Fund and Food Service Fund (on pages 63–65) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

Irving Independent School District

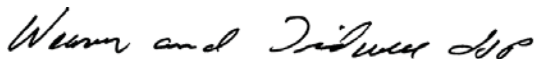
January 7, 2015

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2015, 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, L.L.P.

Dallas, Texas
January 7, 2015



**IRVING INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2014 (UNAUDITED)**

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, 2014. 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 \$315,966,067, or 85%, of all fiscal year 2014 revenues. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$56,594,177, or 15%, of total fiscal year 2014 revenues.
- The District had \$368,356,129 in expenses related to governmental activities, of which \$56,594,177 was offset by program-specific charges for services or grants and contributions. General revenues of \$315,966,067 were adequate to provide for the remaining costs of these programs, resulting in an \$4,204,115 increase in net position.
- Among major funds, the General Fund had \$275,766,387 in revenues, which primarily consisted of state aid and property taxes, and \$276,784,658 in expenditures. The General Fund's fund balance increased \$1,679,724, from \$96,838,779 as of August 31, 2013 to \$98,518,503 as of August 31, 2014.

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). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation, and operation of non-instructional services.

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$77,870,766 as of August 31, 2014. This is an increase of \$4,204,115 over the prior year, 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, 2014, the District's restricted net position for food service was \$5,840,117 and restricted net position for future debt service payments was \$11,811,520. 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, 2014, the District's unrestricted net position was \$25,431,713.

Net investment in capital assets was \$34,787,416. 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, 2014 and 2013.

Table I
Statement of Net Position
Governmental
Activities

	<u>2014</u>	<u>2013</u>	<u>Difference</u>
Current and other assets	\$ 169,642,792	\$ 179,384,513	\$ (9,741,721)
Capital assets (net)	<u>520,512,087</u>	<u>525,796,877</u>	<u>(5,284,790)</u>
Total assets	<u>690,154,879</u>	<u>705,181,390</u>	<u>(15,026,511)</u>
Deferred outflows	<u>13,909,659</u>	<u>9,987,594</u>	<u>3,922,065</u>
Current liabilities	50,961,588	46,909,070	4,052,518
Long-term liabilities	<u>575,232,184</u>	<u>594,593,263</u>	<u>(19,361,079)</u>
Total liabilities	<u>626,193,772</u>	<u>641,502,333</u>	<u>(15,308,561)</u>
Net investment in capital assets	34,787,416	33,082,682	1,704,734
Restricted	17,651,637	17,819,731	(168,094)
Unrestricted	<u>25,431,713</u>	<u>22,764,238</u>	<u>2,667,475</u>
Total net position, as adjusted	<u>\$ 77,870,766</u>	<u>\$ 73,666,651</u>	<u>\$ 4,204,115</u>

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

- Current and other assets decreased by \$9.7 million, or 5.4%, due to an increase in construction related bond expenditures. Overall, bond investment pools decreased by \$11,472,417 during the 2014 fiscal year.
- Deferred outflows increased by \$3,922,065, or 39%, due to loss incurred with the refunding of the 2005 bonds. There was a \$5,175,181 loss (increase), offset by the current year's amortization (decrease), of \$1,253,117.

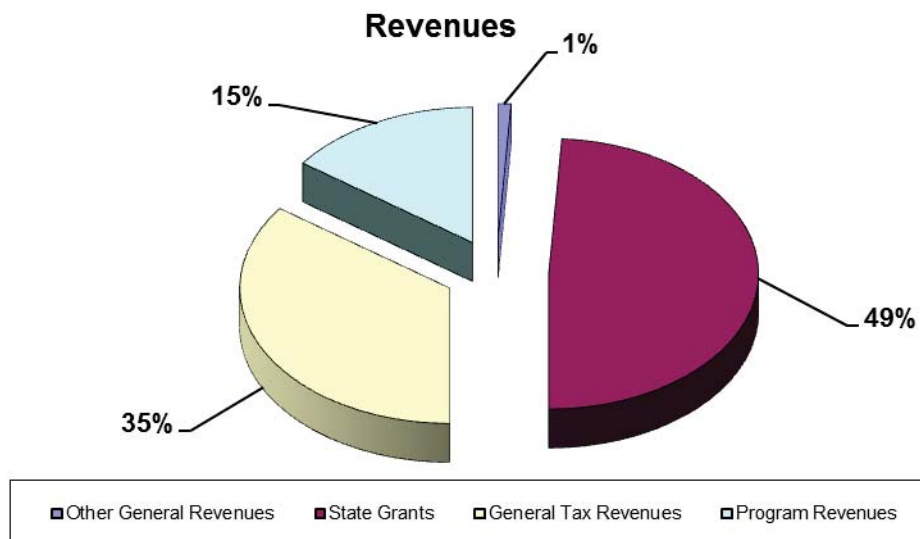
The District's total revenues for the fiscal year ended August 31, 2014 were \$372,560,244. The total cost of all programs and services was \$368,356,129. The following table presents a summary of the changes in net position for the fiscal years ended August 31, 2014 and 2013.

Table II
Change in Net Position
Governmental
Activities

	<u>2014</u>	<u>2013</u>	<u>Difference</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,362,989	\$ 6,998,922	\$ (1,635,933)
Operating grants and contributions	51,231,188	48,772,209	2,458,979
General revenues:			
Maintenance and operations taxes	91,269,145	89,907,666	1,361,479
Debt service taxes	37,578,332	36,708,071	870,261
State grants	184,171,041	165,468,694	18,702,347
Investment earnings	254,184	410,848	(156,664)
Miscellaneous	2,693,365	3,985,381	(1,292,016)
Total revenue	<u>372,560,244</u>	<u>352,251,791</u>	<u>20,308,453</u>
Expenses:			
Instruction, curriculum, and media services	224,186,434	201,273,035	22,913,399
Instructional and school leadership	25,039,185	22,999,303	2,039,882
Student support services, child nutrition and co-curricular activities	50,664,227	47,882,872	2,781,355
General administration	8,104,538	7,559,425	545,113
Plant maintenance, security, and data processing	29,355,990	28,410,666	945,324
Community services	1,818,555	1,839,893	(21,338)
Interest and fiscal charges	26,343,364	27,340,450	(997,086)
Other facility costs	10,703	2,559	8,144
Intergovernmental charges	650,936	577,137	73,799
Payments to TIF	2,182,197	3,100,836	(918,639)
Total expenses	<u>368,356,129</u>	<u>340,986,176</u>	<u>27,369,953</u>
Change in net position	4,204,115	11,265,615	(7,061,500)
Beginning net position, as adjusted	<u>73,666,651</u>	<u>62,401,036</u>	<u>11,265,615</u>
Ending net position	<u>\$ 77,870,766</u>	<u>\$ 73,666,651</u>	<u>\$ 4,204,115</u>

Net position of the District's governmental activities increased from \$73,666,651 to \$77,870,766, or \$4,204,115.

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 revenues this year were \$372,560,244, up \$20,308,453 from the prior year. This increase is mainly attributed to the \$18.7 million increase in State grants, resulting from increases in the basic allotment (\$4,765 to \$4,950) and weighted average daily attendance (WADA). Also, during the fiscal year, additional personnel costs resulted in a \$2.1 million increase in the State's on-behalf revenue recognized by the District.

The cost of all governmental activities this year was \$368,356,129. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through district taxes was \$124,643,362 because some of the costs were paid by those who directly benefited from the programs (\$5,362,989), by other governments and organizations that subsidized certain programs with grants and contributions (\$51,231,188), or by state aid (\$184,171,041), investment income (\$254,184), and other miscellaneous income (\$2,693,365).

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	\$ 224,186,434	\$ 198,943,181
Instructional and school leadership	25,039,185	23,967,680
Student support services, child nutrition and co-curricular activities	50,664,227	24,926,709
General administration	8,104,538	7,974,804
Plant maintenance, security, and data processing	29,366,693	26,407,572
Community services	1,818,555	411,471
Interest and fiscal charges	26,343,364	26,343,364
Intergovernmental charges	650,936	640,375
Payments to TIF	2,182,197	2,146,796
Total expenses	\$ 368,356,129	\$ 311,761,952

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$137,528,714, which is a decrease of \$9,289,135 from the prior year.

The schedule below indicates the fund balance by fund type as of August 31, 2014 and August 31, 2013.

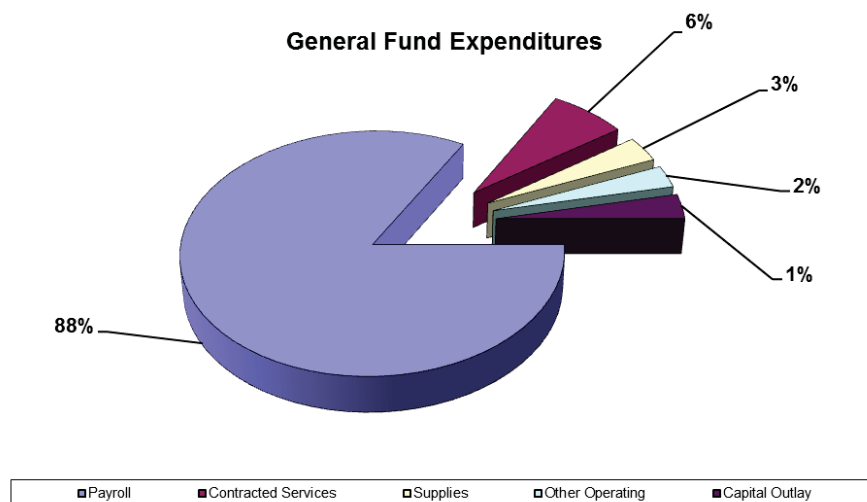
	<u>Fund Balance</u> <u>August 31, 2014</u>	<u>Fund Balance</u> <u>August 31, 2013</u>	<u>Change in</u> <u>Fund Balance</u>
General Fund	\$ 98,518,503	\$ 96,838,779	\$ 1,679,724
Food Service	5,840,117	8,548,803	(2,708,686)
Debt Service	15,495,011	12,567,151	2,927,860
Capital Projects	17,675,083	28,863,116	(11,188,033)
Total	<u>\$ 137,528,714</u>	<u>\$ 146,817,849</u>	<u>\$ (9,289,135)</u>

General Fund

The fund balance of the General Fund increased \$1,679,724 from the prior year. The District's original budget plan was to decrease fund balance \$514,792. The following factors contributed to the \$1.7 million difference:

- A net increase of \$942,074 in state funding from increased student attendance.
- An interfund transfer of \$484,772 was made from the Hands on Science Center Internal Service Fund (ISF) to the General Fund. The Hands on Science Center ISF fund balance was decreased to adjust for the overstatement of expenditures when the inventory account was established in the 2010 fiscal year.
- An additional \$437,996 was received from the District's participation in the School Health and Related Services (SHARS) program, from the final settle-up from the 2012 SHARS cost report.
- \$1,213,352 reduction in Tax Increment Financing (TIF) rebates received from the City of Irving. TIF collections were \$1,617,803 less than originally budgeted, due to a reduction in property values located in the TIF zones.
- \$1,255,898 reduction in electricity billings, due to a change to the provider with lower rates and a different billing cycle.

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 decreased \$2,708,686 from the prior year. During the year, \$5.9 million in construction related projects were funded by the Food Service Fund. These additional expenditures were offset by additional funding received from local and federal revenue.

Debt Service Fund

The Debt Service fund balance increased \$2,927,860. The original budget plan for the Debt Service Fund included \$1.8 million in bond issue costs and fees, to be expended on refundings and callable bonds. However, not many opportunities were available, and only \$150,724 was expended. During the year \$4.7 million of the Series 2006 Refunding Bonds were refunded and the proceeds were used to purchase the Series 2014 Refunding Bonds, at a lower interest rate, which resulted in an interest savings of \$1,447,444.

Capital Projects Fund

The Capital Projects fund balance decreased \$11,188,033 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 \$9,820,016. Revenues had budget amendment increases of \$4,204,646. Other Financing Sources had budget amendment increases of \$1,807,443. The major components of these changes are reflected on Exhibit G-1 and the key factors for the changes can be summarized as follows:

- \$785,402 increase in local tax revenue, for better than anticipated tax collections.
- \$613,000 increase for Head Start reimbursement for full day Pre-K left out of the original budget in error.
- \$1,000,000 decrease in Tax Increment Financing Zone tax collections as a result of anticipated value reduction of properties located within the Zone from lawsuit settlements.
- \$2,030,654 increase in state revenue, for better than anticipated student growth and average daily attendance.
- \$500,000 increase in SHARS (School Health and Related Services) program revenues due to increase in reimbursements received for the year.
- \$2,941,796 increase in instruction for shortage of textbook funds.
- \$1,630,059 increase in pupil transportation for increase in operational costs for Dallas County Schools.
- \$1,222,965 increase in other financing sources for insurance proceeds received for hail damage to multiple roofs in the District with a corresponding increase of \$2,720,127 to the Facilities Acquisitions and Construction budget. Insurance proceeds, totaling \$1,753,087 million, was received in the prior fiscal year, and was designated as part of the assigned fund balance.
- A negative variance, from actual to final budget, of \$2,456,267 is noted for Local and Intermediate Revenue Sources, which resulted from decreased Tax Increment Financing Zone collections and subsequent reimbursement from the City of Irving, due to a decrease in property value.
- A positive variance, from actual to final budget, of \$1,378,560 is noted for Function 11 expenditures and is attributed to campus savings on supplies and miscellaneous operating budgets.
- A positive variance, from actual to final budget, of \$1,400,585 is noted for Function 51 expenditures and is attributed to savings from utilities services being less than budgeted.
- A positive variance, from actual to final budget, of \$1,617,803 is noted for Function 97 expenditures for the reduction of decreased Tax Increment Financing Zone collections.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of August 31, 2014, the District had invested \$520,512,087 in capital assets, net of accumulated depreciation of \$336,881,062, including land and improvements, facilities, and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net decrease in capitalized cost of (\$5,284,790) from last year. The decrease is due to reduction of spending on capital assets, offset by the current year's depreciation. The total depreciation expense for the year was \$23,599,763. The following schedule presents capital asset balances net of depreciation for the fiscal year ended August 31, 2014:

Land and Improvements	\$	29,477,086
Furniture and Equipment		20,832,291
Buildings and Improvements		450,402,768
Construction in Progress		19,799,942
Total	\$	<u>520,512,087</u>

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

Debt

As of August 31, 2014, the District had \$581,026,372 in general obligation bonds payable, with \$20,783,623 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 setting the 2014-2015 budget and 2014 tax rates. One of those factors was the economy. Going into the 2014 tax year the District experienced a 6.2% increase in property values. This is the third year property values increased, after experiencing three years of decreasing values.

With 63% of the District's tax base in commercial and business personal property, this was the third year that the District experienced a significant increase (7.6%) in its values. The residential property values for the 2014 fiscal year incurred an increase in values of 4.6%.

Public education funding increased by \$5.6 billion more than the prior biennium, due to Senate Bill 1 and House Bill 1025 from the 83rd Legislative Session. A total of \$3.4 billion of the increase is for the formula increases in the Foundation School Program and \$2.2 billion for student enrollment growth. Because Irving's target revenue is substantially below the state average, our state aid will not only restore all of the funding that was lost in 2011-2012, but it will give the District an additional \$5 million. State revenue for 2014-2015 is projected to increase by \$16,601,086 over last year's Official Budget, with \$2.9 million of the increase attributed to

increases in student ADA (Average Daily Attendance), and \$2.2 million from the one-time contribution from the State to offset the 1.5% increase in the TRS employer contribution.

With the 6.2% increase in property values, the Board approved to decrease the debt service tax rate by three pennies, to \$.395. For the 2014-2015 fiscal year, the overall budget for the Debt Service Fund decreased \$515,029, even though the principal and interest debt payments increased by \$585,569. Since the District has issued all of the authorized bonds from the 2007 election, debt service payments will stay relatively level for the foreseeable future, and will start to decrease in 2025-2026.

The Maintenance and Operating (M&O) tax rate of \$1.04 remains unchanged for the fourth year in a row. Under current school law, the local school board has the ability to raise the M&O tax rate to no more than 4 pennies and up to an additional 13 pennies over the \$1.00 compressed M&O tax rate, but only with voter approval. The Board was able to adopt a balanced budget for the 2014-2015 year with the use of \$995,914 of fund balance, mainly attributed to one-time projects.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, 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, 2014**

EXHIBIT A-1

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES
	ASSETS	
1110	Cash and Cash Equivalents	\$ 125,117,752
1120	Investments	32,503,096
1220	Delinquent Taxes Receivable - Net of Estimated Uncollectible Taxes	3,522,476
1240	Due from Other Governments	2,813,196
1250	Accrued Interest	49,501
1290	Other Receivables	3,793,482
1310	Inventories	1,217,283
1490	Other Assets	626,006
1510	Land	20,085,090
1515	Land Improvements	19,912,450
1520	Buildings and Improvements	670,845,250
1530	Furniture and Equipment	126,750,417
1580	Construction in Progress	19,799,942
1570	Accumulated Depreciation	<u>(336,881,062)</u>
1000	TOTAL ASSETS	<u>690,154,879</u>
	DEFERRED OUTFLOWS OF RESOURCES	
1700	Deferred charges on refunding	13,909,659
1700	TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>13,909,659</u>
	LIABILITIES	
2110	Accounts Payable and Claims Liabilities	14,931,862
2150	Payroll Deductions and Withholdings	2,059,013
2160	Accrued Wages Payable	6,610,245
2140	Interest Payable	4,680,589
2180	Due to Other Governments	668,853
2300	Unearned Revenue	588,191
	Due Within One Year:	
2121	Bonds Payable	20,783,623
2123	Claims Payable	639,212
	Noncurrent Liabilities:	
	Due in More than One Year:	
2800	Claims Payable	425,570
2510	Bonds Payable	<u>574,806,614</u>
2000	TOTAL LIABILITIES	<u>626,193,772</u>
	NET POSITION	
3800	Net Investment in Capital Assets	34,787,416
3840	Restricted for Federal and State Programs	5,840,117
3850	Restricted for Debt Service	11,811,520
3900	Unrestricted	<u>25,431,713</u>
3000	TOTAL NET POSITION	<u>\$ 77,870,766</u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014**

EXHIBIT B-1

		1	2	3	Net (Expense) Revenue and Changes in Net Position
		Program Revenues			Total
Data Control		Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Codes	Functions/Programs				
	Governmental Activities:				
11	Instruction	\$ 209,800,052	\$ 425,016	\$ 21,019,656	\$ (188,355,380)
12	Instructional Resources and Media Services	5,915,181	-	80,672	(5,834,509)
13	Curriculum Development and Instructional Staff Development	8,471,201	-	3,717,909	(4,753,292)
21	Instructional Leadership	5,112,718	-	762,476	(4,350,242)
23	School Leadership	19,926,467	-	309,029	(19,617,438)
31	Guidance, Counseling, and Evaluation Services	15,040,908	-	1,022,626	(14,018,282)
32	Social Work Services	584,649	-	27,357	(557,292)
33	Health Services	2,814,171	-	140,547	(2,673,624)
34	Student (Pupil) Transportation	6,354,947	-	739,225	(5,615,722)
35	Food Services	19,309,738	3,284,981	19,013,709	2,988,952
36	Co-Curricular/Extracurricular Activities	6,559,814	1,421,847	87,226	(5,050,741)
41	General Administration	8,104,538	-	129,734	(7,974,804)
51	Plant Maintenance and Operations	21,912,291	231,145	338,773	(21,342,373)
52	Security and Monitoring Services	3,182,215	-	51,401	(3,130,814)
53	Data Processing Services	4,261,484	-	108,558	(4,152,926)
61	Community Services	1,818,555	-	1,407,084	(411,471)
71	Debt Service - Interest and Fiscal Charges	26,343,364	-	-	(26,343,364)
81	Other Facility Costs	10,703	-	2,229,244	2,218,541
95	Payments to Juvenile Justice Alternative Education Program	116,850	-	1,896	(114,954)
97	Payments to TIF	2,182,197	-	35,401	(2,146,796)
99	Other Intergovernmental Charges	534,086	-	8,665	(525,421)
	Total Governmental Activities	<u>\$ 368,356,129</u>	<u>\$ 5,362,989</u>	<u>\$ 51,231,188</u>	<u>\$ (311,761,952)</u>

Data		
Control General Revenues:		
Codes	Taxes:	
MT	M & O Property Taxes	\$ 91,269,145
DT	Debt Service Property Taxes	37,578,332
SF	State Aid - Not Restricted to Specific Programs	184,171,041
IE	Investment Income	254,184
MI	Miscellaneous	<u>2,693,365</u>
TG	Total General Revenues	315,966,067
CN	Change in Net Position	4,204,115
NB	Net Position - Beginning	78,686,893
PA	Cumulative Adjustment from Change in Accounting Principle	<u>(5,020,242)</u>
NE	Net Position - Ending	<u>\$ 77,870,766</u>

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

FUND FINANCIAL STATEMENTS

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**IRVING INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	ASSETS		
	Current Assets:		
1110	Cash and Cash Equivalents	\$ 83,399,136	\$ 6,855,053
1120	Investments	25,501,216	-
	Receivables:		
1220	Property Taxes - Delinquent	4,436,801	-
1230	Allowance for Uncollectible Taxes	(1,911,423)	-
1240	Due from Other Governments	-	503,702
1250	Accrued Interest	30,391	-
1260	Due from Other Funds	1,671,014	-
1290	Other Receivables	3,792,623	859
1310	Inventories, at cost	725,030	183,405
1410	Prepaid Items	626,006	-
1000	TOTAL ASSETS	\$ 118,270,794	\$ 7,543,019
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	\$ 7,340,704	\$ 1,702,902
2150	Payroll Deductions and Withholdings	2,059,013	-
2160	Accrued Wages Payable	6,610,245	-
2170	Due to Other Funds	294,705	-
2180	Due to Other Governments	668,796	-
2300	Unearned Revenue	253,450	-
2000	TOTAL LIABILITIES	17,226,913	1,702,902
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue	2,525,378	-
2600	TOTAL DEFERRED INFLOWS OF RESOURCES	2,525,378	-
	FUND BALANCES		
	Nonspendable		
3410	Inventory	725,030	183,405
3430	Prepaid Items	626,006	-
	Restricted		
3450	Food Service	-	5,656,712
3470	Capital Acquisition and Contractual Obligation	-	-
3480	Retirement of Long-Term Debt	-	-
	Assigned		
3590	Campus Activity Funds	2,547,723	-
3590	TIF	1,416,826	-
3590	Budgetary Deficit	995,914	-
3590	Other	958,620	-
3600	Unassigned	91,248,384	-
3000	TOTAL FUND BALANCE	98,518,503	5,840,117
4000	TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 118,270,794	\$ 7,543,019

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

MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 8,398,733	\$ 22,141,023	\$ 798,841	\$ 121,592,786
7,001,880	-	-	32,503,096
1,610,371	-	-	6,047,172
(613,273)	-	-	(2,524,696)
224,492	-	2,085,002	2,813,196
19,110	-	-	49,501
294,705	-	-	1,965,719
-	-	-	3,793,482
-	-	-	908,435
-	-	-	626,006
<u>\$ 16,936,018</u>	<u>\$ 22,141,023</u>	<u>\$ 2,883,843</u>	<u>\$ 167,774,697</u>
\$ 443,909	\$ 4,254,556	\$ 1,089,415	\$ 14,831,486
-	-	-	2,059,013
-	-	-	6,610,245
-	211,384	1,459,630	1,965,719
-	-	57	668,853
-	-	334,741	588,191
<u>443,909</u>	<u>4,465,940</u>	<u>2,883,843</u>	<u>26,723,507</u>
997,098	-	-	3,522,476
<u>997,098</u>	<u>-</u>	<u>-</u>	<u>3,522,476</u>
-	-	-	908,435
-	-	-	626,006
-	-	-	5,656,712
-	17,675,083	-	17,675,083
15,495,011	-	-	15,495,011
-	-	-	2,547,723
-	-	-	1,416,826
-	-	-	995,914
-	-	-	958,620
-	-	-	91,248,384
<u>15,495,011</u>	<u>17,675,083</u>	<u>-</u>	<u>137,528,714</u>
<u>\$ 16,936,018</u>	<u>\$ 22,141,023</u>	<u>\$ 2,883,843</u>	<u>\$ 167,774,697</u>



**IRVING INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2014**

EXHIBIT C-1R

Total Fund Balances - Governmental Funds \$ 137,528,714

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 \$857,393,149 and the accumulated depreciation is \$336,881,062. 520,512,087

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. 3,522,476

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. 2,668,656

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. 13,909,659

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	\$ (581,026,372)	
Premium/Discount on Bonds Payable	(14,563,865)	
Interest Payable	<u>(4,680,589)</u>	<u>(600,270,826)</u>

Net Position - Governmental Activities \$ 77,870,766

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

**IRVING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	REVENUES		
5700	Local and Intermediate Sources	\$ 99,648,828	\$ 3,286,672
5800	State Program Revenues	172,162,044	119,653
5900	Federal Program Revenues	3,955,515	18,888,553
5020	TOTAL REVENUES	<u>275,766,387</u>	<u>22,294,878</u>
	EXPENDITURES		
	Current:		
0011	Instruction	173,745,395	-
0012	Instructional Resources and Media Services	4,972,477	-
0013	Curriculum Development and Instructional Staff Development	4,816,334	-
0021	Instructional Leadership	4,320,586	-
0023	School Leadership	19,002,038	-
0031	Guidance, Counseling, and Evaluation Services	13,600,219	-
0032	Social Work Services	566,369	-
0033	Health Services	2,581,134	-
0034	Student (Pupil) Transportation	5,680,713	-
0035	Food Services	339,116	17,933,799
0036	Co-Curricular/Extracurricular Activities	5,376,387	578,607
0041	General Administration	7,996,682	-
0051	Plant Maintenance and Operations	20,881,568	597,635
0052	Security and Monitoring Services	3,168,345	-
0053	Data Processing Services	3,594,631	-
0061	Community Services	409,662	-
	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	2,899,869	5,893,523
0095	Payments to Juvenile Justice Alternative Education Program	116,850	-
0097	Payments to TIF	2,182,197	-
0099	Intergovernmental Charges	534,086	-
6030	TOTAL EXPENDITURES	<u>276,784,658</u>	<u>25,003,564</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,018,271)</u>	<u>(2,708,686)</u>
	OTHER FINANCING SOURCES		
7901	Issuance of Refunding Bonds	-	-
7912	Proceeds from Sale of Capital Assets	148,857	-
7915	Transfers in	487,672	-
7916	Premium on Issuance of Debt	-	-
7919	Insurance Recoveries	2,061,466	-
8940	Payment to Refunded Bond Escrow Agent	-	-
7080	TOTAL OTHER FINANCING SOURCES	<u>2,697,995</u>	<u>-</u>
1200	Net Change in Fund Balances	1,679,724	(2,708,686)
0100	Fund Balance - September 1 (Beginning)	96,838,779	8,548,803
3000	Fund Balance - August 31 (Ending)	<u>\$ 98,518,503</u>	<u>\$ 5,840,117</u>

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

MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 37,613,336	\$ 36,458	\$ 355,497	\$140,940,791
12,008,997	-	6,355,692	190,646,386
-	729,889	18,839,159	42,413,116
<u>49,622,333</u>	<u>766,347</u>	<u>25,550,348</u>	<u>374,000,293</u>
-	3,767,945	18,200,889	195,714,229
-	328,294	-	5,300,771
-	-	3,639,769	8,456,103
-	13,878	692,380	5,026,844
-	-	748	19,002,786
-	-	801,981	14,402,200
-	-	18,170	584,539
-	-	98,671	2,679,805
-	-	647,063	6,327,776
-	195,848	-	18,468,763
-	4,936	-	5,959,930
-	-	-	7,996,682
-	228,009	-	21,707,212
-	479,036	-	3,647,381
-	888,256	50,239	4,533,126
-	-	1,400,438	1,810,100
17,901,432	-	-	17,901,432
28,633,014	-	-	28,633,014
150,754	-	-	150,754
-	6,048,178	-	14,841,570
-	-	-	116,850
-	-	-	2,182,197
-	-	-	534,086
<u>46,685,200</u>	<u>11,954,380</u>	<u>25,550,348</u>	<u>385,978,150</u>
<u>2,937,133</u>	<u>(11,188,033)</u>	<u>-</u>	<u>(11,977,857)</u>
4,685,000	-	-	4,685,000
-	-	-	148,857
-	-	-	487,672
5,165,908	-	-	5,165,908
-	-	-	2,061,466
<u>(9,860,181)</u>	<u>-</u>	<u>-</u>	<u>(9,860,181)</u>
<u>(9,273)</u>	<u>-</u>	<u>-</u>	<u>2,688,722</u>
2,927,860	(11,188,033)	-	(9,289,135)
12,567,151	28,863,116	-	146,817,849
<u>\$ 15,495,011</u>	<u>\$ 17,675,083</u>	<u>\$ -</u>	<u>\$ 137,528,714</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014**

EXHIBIT C-3

Total Net Change in Fund Balances - Governmental Funds \$ (9,289,135)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$23,599,763) exceeded capital outlay (\$18,412,134) in the current period. (5,187,629)

The disposal of capital assets is not recognized in the governmental funds. (97,161)

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. (1,097,038)

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. (476,031)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 17,901,432

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:

Refunded Bonds	\$ (4,685,000)	
Payment to Escrow Agent	9,860,181	
Discount/Premium on Bonds Issued	(5,165,908)	
Amortization of Refunding Loss	(1,253,118)	
Amortization of Bond Premium/Discount	<u>1,878,120</u>	634,275

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

Change in Accrued Interest	\$ 3,922	
Interest Accretion	(11,253,004)	
Accretion Retirement	<u>13,064,484</u>	<u>1,815,402</u>
Change in Net Position - Governmental Activities		<u>\$ 4,204,115</u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2014**

EXHIBIT D-1

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	ASSETS	
	Current Assets:	
1110	Cash and Temporary Investments	\$ 3,524,966
1310	Inventories, at cost	308,848
1000	TOTAL ASSETS	<u>3,833,814</u>
	LIABILITIES	
	Current Liabilities:	
2110	Accounts Payable	100,376
2800	Claims Due Within One Year	639,212
	Total Current Liabilities	<u>739,588</u>
	Noncurrent Liabilities:	
	Claims Due in More than One Year	425,570
	Total Long-Term Liabilities	<u>425,570</u>
2000	TOTAL LIABILITIES	<u>1,165,158</u>
	NET POSITION	
3900	Unrestricted Net Position	<u>2,668,656</u>
3000	TOTAL NET POSITION	<u>\$ 2,668,656</u>

The notes to the basic 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, 2014

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	OPERATING REVENUES	
5700	Charges for Services	\$ 1,897,189
5020	Total Operating Revenues	<u>1,897,189</u>
	OPERATING EXPENSES	
6100	Payroll Costs	353,736
6200	Professional/Contracted Services	135,799
6300	Supplies and Materials	222,964
6400	Claims, Administration, and Other Expenses	1,174,043
6030	Total Operating Expenses	<u>1,886,542</u>
	OPERATING INCOME	10,647
	NONOPERATING REVENUES	
7955	Interest Income	994
8911	Transfers Out	<u>(487,672)</u>
	CHANGE IN NET POSITION	(476,031)
0100	Total Net Position - September 1 (Beginning)	<u>3,144,687</u>
3000	Total Net Position - August 31 (Ending)	<u><u>\$ 2,668,656</u></u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014**

EXHIBIT D-3

	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:	
Cash Received for Premiums and Services	\$ 1,928,865
Cash Paid to Employees	(353,736)
Cash Paid for Claims and Administration, and Other Costs	(1,708,514)
Net Cash Used In Operating Activities	<u>(133,385)</u>
Cash Flows from Noncapital Financing Activities:	
Transfers to Other Funds	(487,672)
Net Cash Used in Noncapital Financing Activities	<u>(487,672)</u>
Cash Flows from Investing Activities:	
Interest Received	994
Net Cash Provided by Investing Activities	<u>994</u>
Net Decrease in Cash and Cash Equivalents	(620,063)
Cash and Cash Equivalents at Beginning of the Year	4,145,029
Cash and Cash Equivalents at End of the Year	<u>\$ 3,524,966</u>
Reconciliation of Operating Income to Net Cash Used In Operating Activities	
Operating Income	<u>\$ 10,647</u>
Adjustments to Reconcile Operating Income to Net Cash Used In Operating Activities	
Change in Current Assets and Liabilities:	
Decrease in Other Receivables	22,773
Decrease in Inventories	42,473
Increase in Accounts Payable and Claims Liability	44,163
Decrease in Long-term Claims Reserve	(253,441)
	<u>(144,032)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (133,385)</u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AUGUST 31, 2014**

EXHIBIT E-1

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and Temporary Investments	<u>\$ 761,729</u>
TOTAL ASSETS	<u><u>\$ 761,729</u></u>
LIABILITIES	
Accounts Payable	\$ 333,236
Due to Student Groups	<u>428,493</u>
TOTAL LIABILITIES	<u><u>\$ 761,729</u></u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Board of Trustees, a seven-member group, has financial accountability for all activities related to public elementary and secondary education within the jurisdiction of the District. 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 District has no *business-type activities* that rely, to a significant extent, on fees and charges for support.

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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

The District reports the following Major Funds:

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

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

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

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

The District reports the following Proprietary Funds:

Internal Service Funds - The District utilizes Internal Service Funds to account for its workers' compensation, unemployment insurance, science kit refurbishment, district-wide print shop, and for the Irving.net project to improve connectivity between schools and the community. The General Fund is contingently liable for liabilities of these funds. Sub-fund accounting is employed to maintain the integrity of these activities of the District. See Note 1 (O), (P), 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. The principal operating revenues of the District's internal service funds are charges to other

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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

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.

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/MEASUREMENT 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.

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 Accounting Code Section of the FASRG. Mandatory codes are utilized in the form provided in that section.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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, 2014 that were subsequently provided for in the 2014-2015 budget totaled \$958,620 for the General Fund, \$30,942 for the Food Service Fund, \$738,744 for the Capital Projects Fund, \$12,254 for the Proprietary Funds, and \$51,240 for the Nonmajor Funds.

F. DEPOSITS AND INVESTMENTS

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

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

G. DUE FROM (TO) OTHER FUNDS

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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 \$626,006 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 by the government as land, land improvements, buildings with an initial cost of any amount and furniture and equipment with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. When assets are retired, or otherwise disposed of, the related costs or other recorded amounts are removed. Land and construction in progress are not depreciated.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Land Improvements	20
Portable Buildings	20
Food Service/Vocational/Athletic Equipment	15
Furniture, Fixtures and Equipment	10
Vehicles	10
Technology/Maintenance Equipment	5
Software	3

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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 fiscal year 2011, the District adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. In the fund financial statements, the District classifies governmental fund balances as follows:

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.

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 Associate Superintendent of Business to assign fund balance. As of August 31, 2014, 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) Budgetary Deficit – assigned to identify the difference between revenue and appropriations in the 2014-2015 budget, 3) TIF – assigned to identify the unexpended proceeds from the revenue generated from Tax Increment Financing (TIF) rebates, and 4) Other Assigned Fund Balance – assigned to outstanding encumbrances as of the fiscal year end.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

L. FUND EQUITY, cont'd.

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 BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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 \$1,080,375 include incurred but not reported claims in the amount of \$1,064,782 (of which \$639,212 is expected to be paid within one year,) and accounts payable of \$15,593. The claims liability reported in the fund at August 31, 2014 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 \$1,064,782 as of August 31, 2014 for the ultimate loss reserve of the fund. The fund had net position at August 31, 2014 of \$1,603,507.

Changes in the workers' compensation claims liability amounts in fiscal year 2014 and 2013 are presented below:

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims & Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2013 Workers' Compensation	\$ 1,220,097	\$ 1,202,340	\$ 1,104,214	\$ 1,318,223
2014 Workers' Compensation	\$ 1,318,223	\$ 844,852	\$ 1,098,293	\$ 1,064,782

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 \$36,560 for claims reported and not paid, and net position as of August 31, 2014 were \$645,357.

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

Q. RISK MANAGEMENT, cont'd.

There are no settlements in excess of the insurance coverage in any of the three prior fiscal years.

<u>Insurance/Coverage</u>	<u>Deductible/ Retention</u>	<u>Per Occurrence Limit</u>
Property	\$100,000 \$250,000 Wind/Hail	\$900,245,884 blanket RC
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)	\$10,000	\$2,000,000
Employee Benefits	\$10,000	\$100,000
Liability (Fleet)	\$5,000	\$500,000 CSL
Comprehensive ACV	\$1,000	
Collision ACV	\$1,000	
Catastrophic PD	\$10,000	\$2,371,647
Workers' Compensation Excess	\$600,000	Statutory

During fiscal 2005, the District executed an 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, 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.

NOTE 2. DEPOSITS AND INVESTMENTS

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

NOTE 2. DEPOSITS AND INVESTMENTS, cont'd.

At August 31, 2014, the carrying amount of the District's cash, not including fiduciary funds, was \$24,927. The bank balance was \$142,167. During 2013-2014, the District's combined deposits were fully insured by federal depository insurance or collateralized with securities pledged to the District and held in the District's name by the District's agent. In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Name of bank: Comerica, Texas – Irving.
2. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$23,723,509.
3. Largest combined collected cash account balance required to be collateralized amounted to \$11,921,998 and occurred on December 18, 2013.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

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

The cash and investments held at period-end are as follows:

	<u>Fair Value</u>	<u>WAM</u>
Cash and Imprest Funds	\$ 24,927	1 Day
Certificates of Deposit	6,000,000	1 Day
U.S. Agencies	26,503,096	1065 Days
Investments in Texpool	8,803,084	53 Days
Investments in TexStar	8,630,479	52 Days
Investments in Texas Class	71,017,582	50 Days
Investments in Lone Star	5,947,127	49 Days
Investments in LOGIC	31,456,282	56 Days
Total	<u>\$ 158,382,577</u>	<u>218 Days</u>

TexPool, LOGIC, TexSTAR, Lone Star Investment Pool, and Texas CLASS are local government investment pools which operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. These types of local government investment pools use amortized cost rather than market value to report net 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.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

NOTE 2. DEPOSITS AND INVESTMENTS, cont'd.

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.

The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool’s Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

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

Texas CLASS (Texas Cooperative Liquid Assets Security System) was organized in March 1996 under a trust agreement executed by and among Texas local governmental entities in accordance with the Public Funds Investment Act, and the Texas Government Code and remains in full compliance with Chapter 2256. The fund is administered by Cutwater Investor Services Corp. and is rated AAAM by Standard & Poor’s Rating Services. Furthermore, Cutwater Investor Services Corp. 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.

NOTE 2. DEPOSITS AND INVESTMENTS, cont'd.

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

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

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

Concentration of credit risk is the risk associated with holding investments that are not in pools and in excess of 5% of the total portfolio. As of August 31, 2014 the District held \$26,500,000 of securities with a zero par amount, which is 16.58% of the total portfolio, and \$6,000,000 of certificates of deposit, which is 3.75% of the portfolio. All agency securities held by the District are rated AA+ by Standard and Poor's or Aaa and 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, 2013, upon which the levy for the 2013-2014 fiscal year was based, was \$9,423,271,055. The roll was subsequently decreased to a year-end assessed value of \$9,307,845,260. Taxes not paid by June 30 are subject to both penalty and interest charges plus 20% delinquent collection fees for attorney costs.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

NOTE 3. PROPERTY TAXES, cont'd.

The tax rates assessed for the year ended August 31, 2014, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$.425 per \$100 valuation, respectively, for a total of \$1.465 per \$100 valuation.

Current tax collections for the year ended August 31, 2014 were 100.19% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of August 31, 2014, property taxes receivable, net of estimated uncollectible taxes, totaled \$2,525,378 and \$997,098 for the General and Debt Service Funds, respectively.

The District elected to participate in a tax increment reinvestment zone with the City of Irving in August 1999. By terms of the participation agreement with the City, the District will contribute 100% of ad valorem taxes collected on the increased assessed valuation of real property in the tax increment reinvestment zone in excess of the tax increment base value established for the zone on 1/1/1998. 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 \$2,182,197 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, 2014 consisted of the following Due from Other Governments:

<u>Fund:</u>	<u>State Entitlements</u>	<u>Federal Grants</u>
Food Service Fund	\$ -	\$ 503,702
Debt Service Fund	224,492	-
Nonmajor Special Revenue Funds	411,754	1,673,248
Total	<u>\$ 636,246</u>	<u>\$ 2,176,950</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

NOTE 5. CAPITAL ASSETS

Capital asset activity, as reported in governmental activities, for the year ended August 31, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital Assets not depreciated:					
Land	\$ 20,085,090	\$ -	\$ -	\$ -	\$ 20,085,090
Construction in Progress	20,333,832	10,444,193	-	(10,978,083)	19,799,942
Total Capital Assets not depreciated	40,418,922	10,444,193	-	(10,978,083)	39,885,032
Capital Assets depreciated:					
Land Improvements	19,866,323	46,127	-	-	19,912,450
Buildings and Improvements	658,081,250	1,812,309	(26,392)	10,978,083	670,845,250
Furniture and Equipment	121,433,758	6,109,505	(792,846)	-	126,750,417
Total Capital Assets depreciated	799,381,331	7,967,941	(819,238)	10,978,083	817,508,117
Total Capital Assets	839,800,253	18,412,134	(819,238)	-	857,393,149
Less Accumulated Depreciation for:					
Land Improvements	9,535,938	984,515	-	-	10,520,453
Buildings and Improvements	207,237,300	13,231,710	(26,527)	-	220,442,483
Furniture and Equipment	97,230,138	9,383,538	(695,550)	-	105,918,126
Total Accumulated Depreciation	314,003,376	23,599,763	(722,077)	-	336,881,062
Governmental Activities Capital Assets, Net	\$ 525,796,877	\$ (5,187,629)	\$ (97,161)	\$ -	\$ 520,512,087

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

Governmental Activities:	
Instruction	\$ 18,213,556
Instructional Resources & Media Services	945,640
Curriculum Development & Instructional Staff Development	14,300
Instructional Leadership	98,925
School Leadership	920,156
Guidance, Counseling & Evaluation Services	636,131
Health Services	133,834
Student Transportation	27,171
Food Services	1,138,271
Co-Curricular/Extracurricular Activities	638,783
General Administration	112,910
Plant Maintenance & Operations	459,687
Security & Monitoring Services	13,561
Data Processing Services	246,838
Total Depreciation Expense, Governmental Activities	<u>\$ 23,599,763</u>

NOTE 6. PENSION PLAN

Plan Description. The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple-employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading, by calling the TRS Communications Department at the 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

Types of Employees Covered. All employees of public, state-supported educational institutions in Texas who are employed for half or more of the standard work load and who are not exempted from membership are covered by TRS membership.

Benefit Provisions and Service Requirements. The system also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and Chapter 805, respectively. Service requirements are as follows:

Normal – Age 65 with 5 or more years of service credit, or at least age 60 and the sum of member's age and years of credit equals or exceeds 80, with at least five years of service.

Reduced – If a member prior to September 1, 2007, age 55 with 5 or more years of service credit, or any age below 50 with 30 or more years of credited service. If a member on or after September 1, 2007, at least age 55 with five or more years of service credit; your age and service credit total 80 but age is less than 60 with at least 5 years of service credit; or 30 years of service credit and age is less than 60.

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if as a result of a the particular action, the time required to amortize TRS's 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.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

NOTE 6. RETIREMENT PLAN, cont'd.

Contribution rates and contributions for fiscal years 2014-2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the District is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceed statutory minimum.

Contribution Rates and Contribution Amounts					
	Member		State		Statutory Minimum Amount
Year	Rate	Amount	Rate	Amount	
2014	6.40%	\$13,456,968	6.80%	\$12,336,438	\$3,225,001
2013	6.40%	\$12,659,122	6.40%	\$10,196,814	\$2,765,446
2012	6.40%	\$12,539,074	6.00%	\$11,791,433	\$2,535,117

The District recognized contributions made by the State on behalf of the District as revenues and expenditures in the General Fund in the current period.

NOTE 7. RETIREE HEALTH PLAN

Plan Description. The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us, 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 2014-2012.

Contribution Rates						
	Active Member		State		School District	
Year	Rate	Amount	Rate	Amount	Rate	Amount
2014	0.65%	\$1,366,724	1.00%	\$2,102,650	0.55%	\$1,156,467
2013	0.65%	\$1,285,694	0.50%	\$988,994	0.55%	\$1,087,898
2012	0.65%	\$1,273,489	1.00%	\$1,959,231	0.55%	\$1,077,583

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

NOTE 7. RETIREE HEALTH PLAN, cont'd.

Contributions Made. Contributions made by the State, the District and its employees, and the District's covered payroll for the fiscal years 2014, 2013, and 2012 are as follows:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Covered payroll	\$ 210,264,992	\$ 197,798,881	\$ 195,923,073
Contributions made by the State	11,777,067	9,672,330	10,800,225
Retirement plan rate	6.800%	6.400%	6.000%
Retiree health care rate	1.00%	0.50%	1.00%
Medicare Part D	559,371	524,484	509,914
ERRP	-	-	482,214
District required and actual			
Contributions to TRS & TRS-Care	4,381,768	3,853,344	3,612,701
Employee contributions to TRS & TRS-Care	14,823,692	13,944,816	13,812,563

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:

	<u>Beginning 09/01/13</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 08/31/14</u>	<u>Current Portion</u>
Claims Payable	\$ 1,318,223	\$ 844,852	\$ 1,098,293	\$ 1,064,782	\$ 639,212

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

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Bonds Outstanding at 09/01/2013</u>	<u>Issued</u>	<u>(Retired / Refunding)</u>	<u>Interest Accretion</u>	<u>Accreted Interest Retirements</u>	<u>Bonds Outstanding at 08/31/2014</u>
1997A Refunding	2018	4.85%-5.42%	33,140,000	27,231,172	-	(2,620,000)	1,304,245	(3,570,000)	22,345,417
2002 School Building	2016	2.09%-6.03%	130,853,959	18,357,176	-	(3,561,432)	791,675	(3,033,568)	12,553,851
2004A School Building	2033	Variable	20,000,000	15,300,000	-	-	-	-	15,300,000
2004B School Building	2033	Variable	20,000,000	15,300,000	-	-	-	-	15,300,000
2005 Refunding	2016	3.00%-5.25%	92,425,000	14,825,000	-	(4,685,000)	-	-	10,140,000
2006 Refunding	2033	3.95%-5.46%	66,472,786	89,398,795	-	(4,955,000)	4,066,744	(4,265,916)	84,244,623
2007 Refunding	2031	3.65%-4.40%	109,045,000	109,897,141	-	(420,000)	47,859	(2,195,000)	107,330,000
2007A School Building	2033	3.87%-5.00%	20,000,000	14,710,000	-	(460,000)	-	-	14,250,000
2008 School Building	2038	2.00%-5.00%	87,020,000	75,770,000	-	(790,000)	-	-	74,980,000
2009 School Building	2033	3.00%-5.25%	66,106,018	60,800,000	-	(1,905,000)	-	-	58,895,000
2010A School Building	2030	3.63%-5.00%	18,485,000	17,380,000	-	(780,000)	-	-	16,600,000
2010B Build America Bonds	2040	5.56%-5.66%	40,000,000	40,000,000	-	-	-	-	40,000,000
2011 Qualified School Construction Bond	2026	0%	21,640,000	21,640,000	-	-	-	-	21,640,000
2012 School Building	2025	2.00%-5.00%	13,985,000	13,985,000	-	(2,060,000)	-	-	11,925,000
2013 Refunding	2023	2.00%-4.00%	66,145,000	66,145,000	-	(350,000)	-	-	65,795,000
2014 Refunding	2027	4.00%	4,685,000	-	4,685,000	-	5,042,481	-	9,727,481
Total Bonded Indebtedness				<u>600,739,284</u>	<u>4,685,000</u>	<u>(22,586,432)</u>	<u>11,253,004</u>	<u>(13,064,484)</u>	<u>581,026,372</u>
Less Current Portion									<u>20,783,623</u>
Long term portion as of August 31, 2014									<u>560,242,749</u>
Premium/Discounts				<u>11,276,077</u>	<u>5,165,908</u>	<u>(1,878,120)</u>	<u>-</u>	<u>-</u>	<u>14,563,865</u>
Total Long Term Bonds Payable									<u>574,806,614</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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

Debt service principal requirements to maturity (below) exclude accumulated accretion of \$64,475,426, which is included in the interest column:

<u>Year Ended August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2015	\$ 20,783,623	\$ 26,346,660	\$ 47,130,283
2016	21,042,009	26,119,973	47,161,982
2017	21,615,623	25,607,386	47,223,009
2018	21,835,000	25,285,569	47,120,569
2019	26,520,000	17,121,242	43,641,242
2020-2024	134,641,623	102,114,708	236,756,331
2025-2029	115,618,068	103,576,652	219,194,720
2030-2034	111,790,000	25,841,651	137,631,651
2035-2039	37,615,000	7,579,036	45,194,036
2040	5,090,000	424,292	5,514,292
Totals	<u>\$ 516,550,946</u>	<u>\$ 360,017,169</u>	<u>\$ 876,568,115</u>

There are a number of limitations and restrictions contained in the various general obligation bond indentures. The District is in compliance with all limitations and restrictions at August 31, 2014.

NOTE 9. DEBT ISSUANCES AND DEFEASED DEBT

On June 15, 2014, the District issued "Irving Independent School District Unlimited Tax Refunding Bonds, Series 2014," totaling \$4,685,000 to refund a portion of the outstanding bonds. These bonds incur an average cost over the life of the bonds at a rate of 4.00% 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 refunding resulted in a decrease in the District's debt service payments of \$2,088,779, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$1,447,444. As a result of this transaction, \$4,685,000 of Unlimited Tax School Building and Refunding Bonds, Series 2006 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, 2014 is \$71,090,310.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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, 2014 consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>	<u>Reason</u>
General Fund:			
Debt Service Fund	\$ -	\$ 294,705	To reclassify deficit pooled cash
Capital Project Funds	211,384	-	To reclassify deficit pooled cash
Other Nonmajor Funds	1,459,630	-	To reclassify deficit pooled cash
Debt Service Fund:			
General Fund	294,705	-	To reclassify deficit pooled cash
Capital Project Funds:			
General Fund	-	211,384	To reclassify deficit pooled cash
Other Nonmajor Funds:			
General Fund	-	1,459,630	To reclassify deficit pooled cash
	<u>\$ 1,965,719</u>	<u>\$ 1,965,719</u>	

The detail transfer schedule for the year ended August 31, 2014 includes the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Internal Service Funds	\$ 484,772	To adjust net position of HOSC ISF to reflect inventory activity prior to FY2010
General Fund	Internal Service Funds	2,900	Transfer balance of Irving.Net ISF, to be accounted for in the General Fund
		<u>\$ 487,672</u>	

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, 2014 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 BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

**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:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>
Property Taxes	\$ 91,282,556	\$ -	\$ 37,292,416	\$ -	\$ -	\$ 128,574,972
Food Sales	-	2,703,393	-	-	-	2,703,393
Food Service-Vending	-	581,588	-	-	-	581,588
TIF Proceeds	1,636,648	-	-	-	-	1,636,648
Investment Income	189,529	1,691	35,004	26,966	-	253,190
Rental of Facilities	218,349	-	-	-	-	218,349
Tuition	311,351	-	-	-	-	311,351
Gifts and Bequests	200,134	-	-	-	-	200,134
Penalties, Interest & Other Tax-Related Income	1,083,627	-	285,916	-	-	1,369,543
Co-curricular Student Activities	1,176,135	-	-	-	-	1,176,135
Athletics	263,400	-	-	-	-	263,400
Other	3,287,099	-	-	9,492	355,497	3,652,088
Total	\$ 99,648,828	\$ 3,286,672	\$ 37,613,336	\$ 36,458	\$ 355,497	\$ 140,940,791

NOTE 13. UNEARNED REVENUE AND DEFERRED INFLOWS

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:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>
Deferred Inflows of Resources:				
Net Tax Revenue	\$ 2,525,378	\$ 997,098	\$ -	\$ 3,522,476
Total Deferred Inflows of Resources	\$ 2,525,378	\$ 997,098	\$ -	\$ 3,522,476
Unearned Revenue:				
Laptop Computer Fees	\$ 219,416	\$ -	\$ -	\$ 219,416
Technology Inventory	18,264	-	-	18,264
Parking Fees	6,364	-	-	6,364
Other	9,406	-	-	9,406
AP/IB Program	-	-	12,706	12,706
Regional Day School for the Deaf	-	-	322,035	322,035
Total Unearned Revenue	\$ 253,450	\$ -	\$ 334,741	\$ 588,191

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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, 2014 are summarized below:

	2014
Duncanville ISD	\$ 140,375
Grand Prairie ISD	198,250
	<u>\$ 338,625</u>

NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions, which will be effective for periods beginning after June 15, 2014, or fiscal year 2015. The objective of this statement is to improve accounting and financial reporting of state and local governmental pension plans. This statement applies to all state and local governmental entities and replaces Statements 27 and 50.

The GASB issued Statement No. 69, Governmental Combinations and Disposals of Government Operations, which will be effective for periods beginning after December 15, 2013, or fiscal year 2015. The objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations.

The GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68, which will be effective for fiscal year 2015. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2014**

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 purchased from the IMA totaling \$5,523,905 are recorded as revenues and expenditures in a state special revenue fund.

NOTE 17. CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE

The District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the fiscal year ended August 31, 2014. In accordance with GASB Statement No. 65, debt issuance costs should be recognized as expenses in the period incurred. Previously, debt issuance costs were recorded as assets and amortized over the life of the debt. The implementation of GASB Statement No. 65 resulted in the cumulative change in accounting principle shown on the statement of activities.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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**IRVING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2014**

EXHIBIT G-1

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
	REVENUES				
5700	Local and Intermediate Sources	\$ 101,495,425	\$ 102,105,097	\$ 99,648,828	\$ (2,456,269)
5800	State Program Revenues	168,756,477	171,851,451	172,162,044	310,593
5900	Federal Program Revenues	3,526,000	4,026,000	3,955,515	(70,485)
5020	Total Revenues	<u>273,777,902</u>	<u>277,982,548</u>	<u>275,766,387</u>	<u>(2,216,161)</u>
	EXPENDITURES				
	Current:				
0010	Instruction and Instructional-Related Services:				
0011	Instruction	171,531,265	175,123,955	173,745,395	1,378,560
0012	Instructional Resources and Media Services	5,820,756	5,067,498	4,972,477	95,021
0013	Curriculum Development and Instructional Staff Development	5,478,618	5,001,346	4,816,334	185,012
	Total Instruction and Instructional-Related Services:	<u>182,830,639</u>	<u>185,192,799</u>	<u>183,534,206</u>	<u>1,658,593</u>
0020	Instructional and School Leadership:				
0021	Instructional Leadership	5,036,666	4,403,056	4,320,586	82,470
0023	School Leadership	18,450,476	19,226,363	19,002,038	224,325
	Total Instructional and School Leadership:	<u>23,487,142</u>	<u>23,629,419</u>	<u>23,322,624</u>	<u>306,795</u>
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	13,212,443	13,830,926	13,600,219	230,707
0032	Social Work Services	467,749	610,183	566,369	43,814
0033	Health Services	2,686,914	2,676,280	2,581,134	95,146
0034	Student (Pupil) Transportation	4,089,941	5,721,371	5,680,713	40,658
0035	Food Services	354,571	392,771	339,116	53,655
0036	Co-Curricular/Extracurricular Activities	5,334,211	5,861,909	5,376,387	485,522
	Total Support Services - Student (Pupil):	<u>26,145,829</u>	<u>29,093,440</u>	<u>28,143,938</u>	<u>949,502</u>
0040	Administrative Support Services:				
0041	General Administration	8,079,850	8,213,679	7,996,682	216,997
	Total Administrative Support Services:	<u>8,079,850</u>	<u>8,213,679</u>	<u>7,996,682</u>	<u>216,997</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	21,390,755	22,282,153	20,881,568	1,400,585
0052	Security and Monitoring Services	3,249,040	3,520,213	3,168,345	351,868
0053	Data Processing Services	4,239,856	4,217,452	3,594,631	622,821
	Total Support Services - Nonstudent Based:	<u>28,879,651</u>	<u>30,019,818</u>	<u>27,644,544</u>	<u>2,375,274</u>
0060	Ancillary Services:				
0061	Community Services	481,497	527,770	409,662	118,108
	Total Ancillary Services:	<u>481,497</u>	<u>527,770</u>	<u>409,662</u>	<u>118,108</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	4,000	3,020,699	2,899,869	120,830
	Total Capital Outlay:	<u>4,000</u>	<u>3,020,699</u>	<u>2,899,869</u>	<u>120,830</u>
0090	Intergovernmental Charges:				
0095	Payments to JJAEP	100,000	131,000	116,850	14,150
0097	Payments to TIF	3,800,000	3,800,000	2,182,197	1,617,803
0099	Intergovernmental Charges	534,086	534,086	534,086	-
	Total Intergovernmental Charges:	<u>4,434,086</u>	<u>4,465,086</u>	<u>2,833,133</u>	<u>1,631,953</u>
6030	Total Expenditures	<u>274,342,694</u>	<u>284,162,710</u>	<u>276,784,658</u>	<u>7,378,052</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(564,792)</u>	<u>(6,180,162)</u>	<u>(1,018,271)</u>	<u>5,161,891</u>
	OTHER FINANCING SOURCES (USES)				
7912	Proceeds from Sale of Fixed Assets	50,000	149,706	148,857	(849)
7915	Transfers In	-	484,772	487,672	2,900
7919	Insurance Recoveries	-	1,222,965	2,061,466	838,501
	Total Other Financing Sources (Uses)	<u>50,000</u>	<u>1,857,443</u>	<u>2,697,995</u>	<u>840,552</u>
1200	Net Change in Fund Balances	(514,792)	(4,322,719)	1,679,724	6,002,443
0100	Fund Balance - September 1 (Beginning)	96,838,779	96,838,779	96,838,779	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 96,323,987</u>	<u>\$ 92,516,060</u>	<u>\$ 98,518,503</u>	<u>\$ 6,002,443</u>

See Notes to Required Supplementary Information.

**IRVING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – FOOD SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2014**

EXHIBIT G-2

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
	REVENUES				
5700	Local and Intermediate Sources	\$ 3,076,000	\$ 2,851,000	\$ 3,286,672	\$ 435,672
5800	State Program Revenues	116,578	116,578	119,653	3,075
5900	Federal Program Revenues	17,900,000	18,171,097	18,888,553	717,456
5020	Total Revenues	<u>21,092,578</u>	<u>21,138,675</u>	<u>22,294,878</u>	<u>1,156,203</u>
	EXPENDITURES				
	Current:				
0030	Support Services - Student (Pupil):				
0035	Food Services	19,657,145	19,649,049	17,933,799	1,715,250
0036	Co-Curricular/Extracurricular Activities	486,873	594,133	578,607	15,526
	Total Support Services - Student (Pupil):	<u>20,144,018</u>	<u>20,243,182</u>	<u>18,512,406</u>	<u>1,730,776</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	670,976	664,686	597,635	67,051
	Total Support Services - Nonstudent Based:	<u>670,976</u>	<u>664,686</u>	<u>597,635</u>	<u>67,051</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	277,584	8,482,713	5,893,523	2,589,190
	Total Capital Outlay:	<u>277,584</u>	<u>8,482,713</u>	<u>5,893,523</u>	<u>2,589,190</u>
6030	Total Expenditures	<u>21,092,578</u>	<u>29,390,581</u>	<u>25,003,564</u>	<u>4,387,017</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(8,251,906)</u>	<u>(2,708,686)</u>	<u>5,543,220</u>
1200	Net Change in Fund Balances	-	(8,251,906)	(2,708,686)	5,543,220
0100	Fund Balance - September 1 (Beginning)	8,548,803	8,548,803	8,548,803	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 8,548,803</u>	<u>\$ 296,897</u>	<u>\$ 5,840,117</u>	<u>\$ 5,543,220</u>

See Notes to Required Supplementary Information.

NOTE 1. BUDGETARY LEGAL COMPLIANCE

The Official Budget was prepared for adoption prior to August 20, 2013 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 18, 2014.



OTHER SUPPLEMENTARY INFORMATION

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**COMBINING AND
INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

**IRVING INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2014**

EXHIBIT H-1

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
	ASSETS			
1110	Cash and Temporary Investment	\$ 7	\$ 798,834	\$ 798,841
	Receivables:			
1240	Due from Other Governments	1,673,248	411,754	2,085,002
1000	TOTAL ASSETS	<u>\$ 1,673,255</u>	<u>\$ 1,210,588</u>	<u>\$ 2,883,843</u>
	LIABILITIES			
2110	Accounts Payable	\$ 213,568	\$ 875,847	\$ 1,089,415
2170	Due to Other Funds	1,459,630	-	1,459,630
2180	Due to Other Governments	57	-	57
2300	Unearned Revenue	-	334,741	334,741
2000	TOTAL LIABILITIES	<u>1,673,255</u>	<u>1,210,588</u>	<u>2,883,843</u>
3000	TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,673,255</u>	<u>\$ 1,210,588</u>	<u>\$ 2,883,843</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014**

EXHIBIT H-2

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
	REVENUES			
5700	Local and Intermediate Sources	\$ -	\$ 355,497	\$ 355,497
5800	State Program Revenues	-	6,355,692	6,355,692
5900	Federal Program Revenues	18,839,159	-	18,839,159
5020	Total Revenues	<u>18,839,159</u>	<u>6,711,189</u>	<u>25,550,348</u>
	EXPENDITURES			
	Current:			
0010	Instruction and Instructional-Related Services:			
0011	Instruction	11,662,641	6,538,248	18,200,889
0013	Curriculum Development and Instructional Staff Development	3,622,682	17,087	3,639,769
	Total Instruction and Instructional-Related Services:	<u>15,285,323</u>	<u>6,555,335</u>	<u>21,840,658</u>
0020	Instructional and School Leadership:			
0021	Instructional Leadership	579,607	112,773	692,380
0023	School Leadership	748	-	748
	Total Instructional and School Leadership:	<u>580,355</u>	<u>112,773</u>	<u>693,128</u>
0030	Support Services - Student (Pupil):			
0031	Guidance, Counseling, and Evaluation Services	758,900	43,081	801,981
0032	Social Work Services	18,170	-	18,170
0033	Health Services	98,671	-	98,671
0034	Student (Pupil) Transportation	647,063	-	647,063
	Total Support Services - Student (Pupil):	<u>1,522,804</u>	<u>43,081</u>	<u>1,565,885</u>
0050	Support Services - Nonstudent Based:			
0053	Data Processing Services	50,239	-	50,239
	Total Support Services - Nonstudent Based:	<u>50,239</u>	<u>-</u>	<u>50,239</u>
0060	Ancillary Services:			
0061	Community Services	1,400,438	-	1,400,438
	Total Ancillary Services:	<u>1,400,438</u>	<u>-</u>	<u>1,400,438</u>
6030	Total Expenditures	<u>18,839,159</u>	<u>6,711,189</u>	<u>25,550,348</u>
1200	Net Change in Fund Balances	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-
	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



INTERNAL SERVICE FUNDS

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**IRVING INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 AUGUST 31, 2014**

DATA CONTROL CODES		<u>WORKERS'</u> <u>COMPENSATION</u>	<u>UNEMPLOYMENT</u>
	ASSETS		
	Current Assets:		
1110	Cash and Temporary Investments	\$ 2,683,882	\$ 681,917
1310	Inventories, At Cost	<u>-</u>	<u>-</u>
1000	Total Assets	<u>2,683,882</u>	<u>681,917</u>
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	\$ 15,593	\$ 36,560
	Total Current Liabilities	<u>15,593</u>	<u>36,560</u>
	Noncurrent Liabilities:		
2800	Claims Due Within One Year	639,212	-
	Claims Due In More Than One Year	425,570	-
	Total Long-Term Liabilities	<u>1,064,782</u>	<u>-</u>
2000	Total Liabilities	<u>1,080,375</u>	<u>36,560</u>
	NET POSITION		
3900	Unrestricted Net Position	<u>1,603,507</u>	<u>645,357</u>
3000	TOTAL NET POSITION	<u>\$ 1,603,507</u>	<u>\$ 645,357</u>

SCIENCE KIT REFURBISHMENT	IRVING.NET	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 35,123	\$ -	\$ 124,044	\$ 3,524,966
305,012	-	3,836	308,848
<u>340,135</u>	<u>-</u>	<u>127,880</u>	<u>3,833,814</u>
\$ 2,983	\$ -	\$ 45,240	100,376
<u>2,983</u>	<u>-</u>	<u>45,240</u>	<u>100,376</u>
-	-	-	639,212
-	-	-	425,570
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,064,782</u>
2,983	-	45,240	1,165,158
337,152	-	82,640	2,668,656
<u>\$ 337,152</u>	<u>-</u>	<u>\$ 82,640</u>	<u>\$ 2,668,656</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, 2014**

<u>DATA CONTROL CODES</u>		<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT</u>
	OPERATING REVENUES		
5700	Charges for Services	\$ 1,137,502	\$ 146,589
5020	Total Operating Revenues	<u>1,137,502</u>	<u>146,589</u>
	OPERATING EXPENSES		
6100	Payroll Costs	117,851	33,870
6200	Professional/Contracted Services	26,062	-
6300	Supplies and Materials	1,649	1
6400	Claims, Administration, and Other Expenses	1,039,813	104,277
6030	Total Operating Expenses	<u>1,185,375</u>	<u>138,148</u>
	Operating Income (Loss)	(47,873)	8,441
	NONOPERATING REVENUES		
7955	Interest Income	994	-
8911	Transfers Out	<u>-</u>	<u>-</u>
	CHANGE IN NET POSITION	(46,879)	8,441
0100	Total Net Position - September 1 (Beg.)	<u>1,650,386</u>	<u>636,916</u>
3000	Total Net Position - August 31 (Ending)	<u>\$ 1,603,507</u>	<u>\$ 645,357</u>

SCIENCE KIT REFURBISHMENT	IRVING.NET	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 444,127	\$ 20,826	\$ 148,145	\$ 1,897,189
<u>444,127</u>	<u>20,826</u>	<u>148,145</u>	<u>1,897,189</u>
169,843	32,172	-	353,736
-	495	109,242	135,799
174,092	874	46,348	222,964
26,019	3,934	-	1,174,043
<u>369,954</u>	<u>37,475</u>	<u>155,590</u>	<u>1,886,542</u>
74,173	(16,649)	(7,445)	10,647
-	-	-	994
<u>(484,772)</u>	<u>(2,900)</u>	<u>-</u>	<u>(487,672)</u>
(410,599)	(19,549)	(7,445)	(476,031)
747,751	19,549	90,085	3,144,687
<u>\$ 337,152</u>	<u>\$ -</u>	<u>\$ 82,640</u>	<u>\$ 2,668,656</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014**

	<u>WORKERS COMPENSATION</u>	<u>UNEMPLOYMENT</u>
Cash Flows from Operating Activities:		
Cash Received for Premiums and Services	\$ 1,137,502	\$ 146,589
Cash Paid to Employees	(117,851)	(33,870)
Cash Paid for Claims, Administration, and Other Costs	<u>(1,323,514)</u>	<u>(86,190)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(303,863)</u>	<u>26,529</u>
Cash Flows from Noncapital Financing Activities:		
Transfers to Other Funds	<u>-</u>	<u>-</u>
Net Cash Used in Noncapital Financing Activities	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:		
Interest Received	<u>994</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>994</u>	<u>-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(302,869)	26,529
Cash and Cash Equivalents at Beginning of the Year	<u>2,986,751</u>	<u>655,388</u>
Cash and Cash Equivalents at End of the Year	<u>\$ 2,683,882</u>	<u>\$ 681,917</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating Income (Loss)	<u>\$ (47,873)</u>	<u>\$ 8,441</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Change in Current Assets and Liabilities:		
Decrease in Other Receivables	-	-
Decrease (Increase) in Inventories	-	-
Increase (Decrease) in Accounts Payable	(2,549)	18,088
Decrease in Long-term Claims Reserve	<u>(253,441)</u>	<u>-</u>
Total Adjustments	<u>(255,990)</u>	<u>18,088</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (303,863)</u>	<u>\$ 26,529</u>

SCIENCE KIT REFURBISHMENT	IRVING.NET	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 444,127	\$ 20,826	\$ 179,821	\$ 1,928,865
(169,843)	(32,172)	-	(353,736)
(137,649)	(5,303)	(155,858)	(1,708,514)
136,635	(16,649)	23,963	(133,385)
(484,772)	(2,900)	-	(487,672)
(484,772)	(2,900)	-	(487,672)
-	-	-	994
-	-	-	994
(348,137)	(19,549)	23,963	(620,063)
383,260	19,549	100,081	4,145,029
\$ 35,123	\$ -	\$ 124,044	\$ 3,524,966
\$ 74,173	\$ (16,649)	\$ (7,445)	\$ 10,647
22,483	-	290	22,773
42,741	-	(268)	42,473
(2,762)	-	31,386	44,163
-	-	-	(253,441)
62,462	-	31,408	(144,032)
\$ 136,635	\$ (16,649)	\$ 23,963	\$ (133,385)



FIDUCIARY FUNDS

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**IRVING INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 AUGUST 31, 2014**

EXHIBIT H-6

	STUDENT ACTIVITY FUNDS	FLEXIBLE BENEFITS	TOTALS AGENCY FUNDS
ASSETS			
Cash and Temporary Investments	\$ 470,770	\$ 290,959	\$ 761,729
TOTAL ASSETS	\$ 470,770	\$ 290,959	\$ 761,729
LIABILITIES			
Accounts Payable	\$ 42,277	\$ 290,959	\$ 333,236
Due to Student Groups	428,493	-	428,493
TOTAL LIABILITIES	\$ 470,770	\$ 290,959	\$ 761,729

**IRVING INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2014**

EXHIBIT H-7

	<u>BALANCE</u> <u>9/1/2013</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>8/31/2014</u>
STUDENT ACTIVITIES:				
Assets:				
Cash and Temporary Investments	\$ 390,663	\$ 1,374,004	\$ 1,293,897	\$ 470,770
Total Assets	<u>\$ 390,663</u>	<u>\$ 1,374,004</u>	<u>\$ 1,293,897</u>	<u>\$ 470,770</u>
Liabilities:				
Accounts Payable	\$ 31,488	\$ 1,334,917	\$ 1,324,128	\$ 42,277
Due to Student Groups	359,175	1,938,521	1,869,203	428,493
Total Liabilities	<u>\$ 390,663</u>	<u>\$ 3,273,438</u>	<u>\$ 3,193,331</u>	<u>\$ 470,770</u>
FLEXIBLE BENEFITS:				
Assets:				
Cash and Temporary Investments	\$ 414,933	\$ 1,340,368	\$ 1,464,342	\$ 290,959
Total Assets	<u>\$ 414,933</u>	<u>\$ 1,340,368</u>	<u>\$ 1,464,342</u>	<u>\$ 290,959</u>
Liabilities:				
Accounts Payable	\$ 414,933	\$ 2,807,374	\$ 2,931,348	\$ 290,959
Total Liabilities	<u>\$ 414,933</u>	<u>\$ 2,807,374</u>	<u>\$ 2,931,348</u>	<u>\$ 290,959</u>
TOTAL AGENCY FUNDS:				
Assets:				
Cash and Temporary Investments	\$ 805,596	\$ 2,714,372	\$ 2,758,239	\$ 761,729
Total Assets	<u>\$ 805,596</u>	<u>\$ 2,714,372</u>	<u>\$ 2,758,239</u>	<u>\$ 761,729</u>
Liabilities:				
Accounts Payable	\$ 446,421	\$ 4,142,291	\$ 4,255,476	\$ 333,236
Due to Student Groups	359,175	1,938,521	1,869,203	428,493
Total Liabilities	<u>\$ 805,596</u>	<u>\$ 6,080,812</u>	<u>\$ 6,124,679</u>	<u>\$ 761,729</u>

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

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**IRVING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2014**

Last Ten Years Tax Roll Fiscal Year Ending August 31	Operations	Maintenance Debt	Total	Interest & Sinking	3 Assessed/ Appraised Value for School Tax
2005 & Prior Years	Various	Various	Various	Various	Various
2006	1.5000	--	1.5000	0.3140	8,239,493,587
2007	1.3300	--	1.3300	0.3140	8,831,620,036
2008	1.0000	--	1.0000	0.3485	9,582,309,159
2009	1.0200	--	1.0200	0.3710	9,985,889,156
2010	1.0200	--	1.0200	0.4050	9,485,866,005
2011	1.0400	--	1.0400	0.4250	9,045,693,812
2012	1.0400	--	1.0400	0.4250	8,914,841,212
2013	1.0400	--	1.0400	0.4250	9,060,059,409
2014	1.0400	--	1.0400	0.4250	9,307,845,260 *
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 \$2,850,583

* Source: 2014 School District Report of Property Value
(Includes all Supplements and Litigated Accounts).

10 Beginning Balance 9/1/2013	20 Current Year's Total Levy	30 Maintenance Total Collections	30a Debt Service Total Collections	40 Fiscal Year's Adjustment	50 Ending Balance 8/31/2014
\$ 1,002,717	\$ -	\$ 14,766	\$ 2,815	\$ (202,748)	\$ 782,388
163,275	-	11,801	2,470	(2,675)	146,329
220,839	-	14,113	3,332	(7,371)	196,023
231,217	-	19,444	6,776	(10,419)	194,578
399,898	-	26,083	9,487	(77,883)	286,445
768,919	-	49,982	19,846	(193,844)	505,247
802,658	-	76,890	31,422	(2,455)	691,891
1,054,613	-	279,530	114,231	(8,722)	652,130
2,030,848	-	180,912	73,931	(801,536)	974,469
-	133,509,350	93,629,581	38,262,097	-	1,617,672
<u>\$ 6,674,984</u>	<u>\$ 133,509,350</u>	<u>\$ 94,303,102</u>	<u>\$ 38,526,407</u>	<u>\$ (1,307,653)</u>	<u>\$ 6,047,172</u>

\$ 2,182,197

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 8/31/14:

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, 2014

Data Control Codes		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
REVENUES					
5700	Local and Intermediate Sources	\$ 37,415,050	\$ 37,913,460	\$ 37,613,336	\$ (300,124)
5800	State Program Revenues	10,901,404	11,679,247	12,008,997	329,750
5020	Total Revenues	<u>48,316,454</u>	<u>49,592,707</u>	<u>49,622,333</u>	<u>29,626</u>
EXPENDITURES					
0070	Debt Service:				
0071	Principal	17,901,432	17,901,432	17,901,432	-
0072	Interest and Charges on Long-Term Debt	28,643,283	28,633,014	28,633,014	-
0073	Bond Issue Costs and Fees	1,771,739	273,000	150,754	122,246
	Total Debt Services	<u>48,316,454</u>	<u>46,807,446</u>	<u>46,685,200</u>	<u>122,246</u>
6030	Total Expenditures	<u>48,316,454</u>	<u>46,807,446</u>	<u>46,685,200</u>	<u>122,246</u>
1100	Excess (Deficiency) of Revenues Over (under) Expenditures	<u>-</u>	<u>2,785,261</u>	<u>2,937,133</u>	<u>151,872</u>
OTHER FINANCING SOURCES (USES)					
7901	Issuance of Refunding Debt	-	4,685,000	4,685,000	-
7916	Premium on Issuance of Debt	-	5,165,433	5,165,908	(475)
8940	Payment to Refunded Bond Escrow Agent	-	(9,861,729)	(9,860,181)	1,548
	Total Other Financing Sources and (Uses)	<u>-</u>	<u>(11,296)</u>	<u>(9,273)</u>	<u>1,073</u>
1200	Net Change in Fund Balances	-	2,773,965	2,927,860	153,895
0100	Fund Balance - September 1 (Beginning)	12,567,151	12,567,151	12,567,151	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 12,567,151</u>	<u>\$ 15,341,116</u>	<u>\$ 15,495,011</u>	<u>\$ 153,895</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	Page
Financial Trends Information These schedules contain trend information intended to help the reader understand how the district’s financial position has changed over time.	88
Revenue Capacity Information These schedules contain information intended to help the reader assess the district’s most significant revenue source, state tax collections.	102
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.	110
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.	115
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.	118

**IRVING INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net investment in capital assets	\$ 20,925,351	\$ 15,482,850	\$ 17,326,732	\$ 12,678,217
Restricted				
Food Service	3,379,086	4,910,165	5,829,135	6,482,598
Debt Service	(320,233)	3,546,649	483,099	3,866,540
Unrestricted	<u>(4,516,715)</u>	<u>6,134,559</u>	<u>22,854,621</u>	<u>31,999,108</u>
Total primary government net position	<u><u>\$ 19,467,489</u></u>	<u><u>\$ 30,074,223</u></u>	<u><u>\$ 46,493,587</u></u>	<u><u>\$ 55,026,463</u></u>

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

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 235,946	\$ 3,431,449	\$ 4,933,936	\$ 30,022,606	\$ 33,082,682	\$ 34,787,416
7,121,811	7,398,104	6,710,687	9,102,534	8,548,803	5,840,117
6,948,487	3,899,725	4,549,566	12,602,461	9,270,928	11,811,520
44,389,864	36,876,813	35,907,568	15,693,677	27,784,480	25,431,713
<u>\$ 58,696,108</u>	<u>\$ 51,606,091</u>	<u>\$ 52,101,757</u>	<u>\$ 67,421,278</u>	<u>\$ 78,686,893</u>	<u>\$ 77,870,766</u>

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

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses				
Governmental activities				
Instruction	\$ 146,901,790	\$ 151,485,746	\$ 156,793,863	\$ 168,804,073
Instructional resources and media services	4,226,810	4,305,056	4,427,356	4,710,352
Curriculum and staff development services	3,045,050	3,113,527	3,295,719	3,923,766
Instructional leadership	4,290,512	4,285,657	4,932,500	5,225,582
School leadership	14,355,641	15,372,131	16,069,867	17,269,721
Guidance, counseling, & evaluation services	9,556,167	9,622,840	10,134,028	11,014,134
Social work services	334,891	386,673	391,517	451,833
Health services	1,891,844	1,911,962	2,070,801	2,352,144
Student transportation	2,407,130	2,818,312	3,141,164	3,294,523
Food Service	11,327,917	11,868,793	12,864,427	13,916,614
Extracurricular activities	3,640,268	3,819,855	4,291,034	4,905,015
General administration	6,253,171	6,533,431	6,831,531	7,024,356
Plant maintenance and operations	17,454,062	19,046,590	18,259,089	18,582,655
Security and monitoring services	1,486,523	1,557,058	1,671,357	2,221,348
Data processing services	3,627,658	3,050,837	3,978,718	3,704,739
Community services	801,428	738,404	858,752	1,088,711
Interest on long-term debt	21,928,409	20,163,981	21,739,963	22,865,771
Facilities acquisition/construction	-	-	-	-
Intergovernmental charges	98,414	162,003	121,135	166,095
Payments to TIF	-	-	-	498,713
Other Intergovernmental Charges	-	-	-	-
Total primary government program expenses	<u>253,627,685</u>	<u>260,242,856</u>	<u>271,872,821</u>	<u>292,020,145</u>
Prior Period Adjustment	-	948,669	-	-
As restated	<u>\$ 253,627,685</u>	<u>\$ 261,191,525</u>	<u>\$ 271,872,821</u>	<u>\$ 292,020,145</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	\$ 1,703,997	\$ 1,703,590	\$ 1,428,425	\$ 827,006
Instructional leadership	-	-	344,144	-
Guidance, counseling, & evaluation services	-	-	177,332	-
Food service	3,025,401	3,063,206	2,985,422	2,996,746
Extracurricular activities	1,303,344	1,333,011	1,487,930	1,262,648
Plant maintenance and operations	192,941	178,949	163,346	132,445
Operating grants and contributions	30,492,545	33,430,779	32,270,600	38,828,216
Capital Grants and Contributions	-	-	-	-
Total primary government program revenues	<u>\$ 36,718,228</u>	<u>\$ 39,709,535</u>	<u>\$ 38,857,199</u>	<u>\$ 44,047,061</u>
Net (Expense)/Revenue				
Total primary government expenses	<u>\$ (216,909,457)</u>	<u>\$ (221,481,990)</u>	<u>\$ (233,015,622)</u>	<u>\$ (247,973,084)</u>

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

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 180,232,180	\$ 202,902,605	\$ 202,027,719	\$ 190,308,817	\$ 188,974,526	209,800,052
4,975,486	5,268,387	5,395,741	5,448,807	5,595,410	5,915,181
3,558,753	5,052,148	5,230,001	4,751,709	6,703,099	8,471,201
5,155,792	5,767,304	5,302,420	5,624,822	5,311,012	5,112,718
18,327,617	19,227,696	19,274,337	17,229,739	17,688,291	19,926,467
13,188,546	14,526,771	14,456,133	13,715,505	14,731,022	15,040,908
454,045	421,492	452,483	422,845	452,558	584,649
2,546,835	2,668,537	2,677,435	2,652,074	2,728,362	2,814,171
3,498,826	3,894,410	4,462,792	4,086,234	4,600,440	6,354,947
15,973,273	16,353,277	17,047,841	17,531,841	19,032,015	19,309,738
4,968,072	5,244,068	6,243,463	6,270,809	6,338,475	6,559,814
7,214,596	7,239,959	7,248,095	7,199,150	7,559,425	8,104,538
20,296,508	22,197,037	21,587,242	22,012,072	21,523,347	21,912,291
2,615,072	2,835,972	2,849,399	2,905,808	2,998,649	3,182,215
3,574,010	3,369,105	3,549,859	3,893,178	3,888,670	4,261,484
1,177,345	1,336,533	1,246,312	1,195,296	1,839,893	1,818,555
24,205,191	27,919,340	28,495,578	28,718,685	27,340,450	26,343,364
3,469	3,450	-	3,974	2,559	10,703
176,431	91,036	64,752	86,526	56,430	116,850
2,347,460	1,414,723	1,010,907	1,742,264	3,100,836	2,182,197
505,598	535,803	531,534	519,552	520,707	534,086
<u>314,995,105</u>	<u>348,269,653</u>	<u>349,154,043</u>	<u>336,319,707</u>	<u>340,986,176</u>	<u>368,356,129</u>
-	-	-	-	-	-
<u>\$ 314,995,105</u>	<u>\$ 348,269,653</u>	<u>\$ 349,154,043</u>	<u>\$ 336,319,707</u>	<u>\$ 340,986,176</u>	<u>\$ 368,356,129</u>
\$ 675,741	\$ 592,479	\$ 543,735	\$ 516,091	\$ 440,510	425,016
-	-	-	-	-	-
-	-	-	-	-	-
3,048,365	2,751,056	2,508,940	2,971,813	3,131,771	3,284,981
1,380,358	1,422,835	1,413,786	1,427,241	1,381,483	1,421,847
149,044	212,710	177,518	731,666	2,045,158	231,145
45,849,732	72,112,849	74,113,382	57,192,756	48,772,209	51,231,188
75,000	-	-	-	-	-
<u>\$ 51,178,240</u>	<u>\$ 77,091,929</u>	<u>\$ 78,757,361</u>	<u>\$ 62,839,567</u>	<u>\$ 55,771,131</u>	<u>\$ 56,594,177</u>
<u>\$ (263,816,865)</u>	<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>	<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>	<u>\$ (311,761,952)</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net (Expense)/Revenue				
Total primary government expenses	<u>\$ (221,481,990)</u>	<u>\$ (233,015,622)</u>	<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>
General Revenues				
Governmental activities				
Taxes				
Property taxes levied for general purposes	\$ 114,765,808	\$ 118,995,866	\$ 114,148,984	\$ 91,437,264
Property taxes levied for debt service	25,730,326	24,870,366	26,892,668	32,112,354
State Aid Formula Grants	72,033,002	80,428,670	99,077,027	123,663,032
Investment earnings	3,358,191	5,407,773	7,551,678	7,590,752
Miscellaneous	970,508	1,177,260	1,764,629	1,702,558
Total primary government	<u>216,857,835</u>	<u>230,879,935</u>	<u>249,434,986</u>	<u>256,505,960</u>
Change in Net Position				
Total primary government	<u>\$ (4,624,155)</u>	<u>\$ (2,135,687)</u>	<u>\$ 1,461,902</u>	<u>\$ (7,310,905)</u>

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

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>	<u>\$ (273,480,140)</u>	<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>	<u>\$ (311,761,952)</u>
\$ 97,024,305	\$ 93,248,521	\$ 90,847,221	\$ 89,463,642	\$ 89,907,666	91,269,145
34,961,198	37,025,527	37,126,703	36,363,206	36,708,071	37,578,332
127,466,060	129,868,903	139,197,880	157,790,019	165,468,694	184,171,041
4,993,990	1,870,376	871,377	692,064	410,848	254,184
<u>3,040,957</u>	<u>2,074,380</u>	<u>2,849,167</u>	<u>4,490,730</u>	<u>3,985,381</u>	<u>2,693,365</u>
<u>267,486,510</u>	<u>264,087,707</u>	<u>270,892,348</u>	<u>288,799,661</u>	<u>296,480,660</u>	<u>315,966,067</u>
<u>\$ (3,691,214)</u>	<u>\$ (6,308,975)</u>	<u>\$ (2,587,792)</u>	<u>\$ 15,319,521</u>	<u>\$ 11,265,615</u>	<u>\$ 4,204,115</u>

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

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Reserved and designated	\$ 7,783,690	\$ 6,658,936	\$ 5,178,967	\$ 4,950,861
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unreserved	30,251,545	46,797,121	62,600,749	70,672,111
Total general fund	<u>\$ 38,035,235</u>	<u>\$ 53,456,057</u>	<u>\$ 67,779,716</u>	<u>\$ 75,622,972</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ 3,379,086	\$ 5,170,285	\$ 6,977,423	\$ 7,264,922
Debt service fund	10,454,626	12,084,774	13,439,971	12,331,569
Capital projects fund	41,325,555	19,109,623	32,858,019	104,020,753
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	<u>\$ 55,159,267</u>	<u>\$ 36,364,682</u>	<u>\$ 53,275,413</u>	<u>\$ 123,617,244</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 5,498,527	\$ 8,703,587	\$ -	\$ -	\$ -	\$ -
-	-	1,058,731	772,985	1,286,199	1,351,036
-	-	7,744,340	3,374,022	6,310,707	5,919,083
-	-	70,614,294	81,320,437	89,241,873	91,248,384
75,006,001	68,382,436	-	-	-	-
<u>\$ 80,504,528</u>	<u>\$ 77,086,023</u>	<u>\$ 79,417,365</u>	<u>\$ 85,467,444</u>	<u>\$ 96,838,779</u>	<u>\$ 98,518,503</u>
\$ 4,922,770	\$ 7,424,091	\$ -	\$ -	\$ -	\$ -
18,518,712	14,620,052	-	-	-	-
115,773,018	112,060,012	-	-	-	-
-	-	193,802	262,320	113,409	183,405
-	-	86,014,879	82,214,192	49,865,661	38,826,806
-	-	-	-	-	-
<u>\$ 139,214,500</u>	<u>\$ 134,104,155</u>	<u>\$ 86,208,681</u>	<u>\$ 82,476,512</u>	<u>\$ 49,979,070</u>	<u>\$ 39,010,211</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES¹
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Federal sources:				
Federal grants	\$ 17,290,408	\$ 18,513,271	\$ 15,366,903	\$ 19,536,650
Food service	8,833,357	9,837,963	11,305,672	11,756,508
Capital projects	-	-	-	-
Total federal sources	<u>26,123,765</u>	<u>28,351,234</u>	<u>26,672,575</u>	<u>31,293,158</u>
State sources:				
State grants and other	69,877,065	77,597,077	97,207,159	123,615,224
Food service	101,329	104,521	105,045	111,329
Debt service	6,777,084	8,426,457	7,863,269	6,635,812
Total state sources	<u>76,755,478</u>	<u>86,128,055</u>	<u>105,175,473</u>	<u>130,362,365</u>
Local sources:				
Local & intermediate sources	119,114,539	125,880,509	124,237,728	102,058,885
Food service	3,088,575	3,223,491	3,210,101	3,162,463
Debt service	25,915,188	25,414,527	27,994,311	32,834,524
Capital projects	1,251,009	1,200,876	1,109,368	2,338,211
Total local sources	<u>149,369,311</u>	<u>155,719,403</u>	<u>156,551,508</u>	<u>140,394,083</u>
Total revenues	<u>\$ 252,248,554</u>	<u>\$ 270,198,692</u>	<u>\$ 288,399,556</u>	<u>\$ 302,049,606</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 21,859,060	\$ 47,734,756	\$ 49,796,037	\$ 29,463,107	\$ 23,543,714	\$ 22,794,674
13,802,030	15,454,652	15,802,248	18,062,634	18,417,218	18,888,553
-	-	753,747	786,518	752,305	729,889
35,661,090	63,189,408	66,352,032	48,312,259	42,713,237	42,413,116
130,353,672	130,813,857	137,449,208	153,759,838	157,474,464	178,517,736
111,223	112,830	110,412	113,286	116,578	119,653
4,551,934	5,903,142	7,755,173	10,610,150	10,197,164	12,008,997
135,016,829	136,829,829	145,314,793	164,483,274	167,788,206	190,646,386
106,888,411	99,594,423	97,155,289	96,477,576	99,972,999	100,004,325
3,096,672	2,760,323	2,515,749	2,977,172	3,136,942	3,286,672
35,331,200	37,001,854	37,324,470	36,405,272	36,744,653	37,613,336
1,994,383	868,130	1,093,328	648,793	121,990	36,458
147,310,666	140,224,730	138,088,836	136,508,813	139,976,584	140,940,791
\$ 317,988,585	\$ 340,243,967	\$ 349,755,661	\$ 349,304,346	\$ 350,478,027	\$ 374,000,293

**IRVING INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO¹
LAST TEN FISCAL YEARS (UNAUDITED)**

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenditures				
Governmental activities				
11 Instruction	\$ 137,871,663	\$ 140,965,033	\$ 148,395,516	\$ 162,448,414
12 Instructional resources & media services	4,438,065	4,196,788	4,229,238	4,697,079
13 Curriculum & staff development services	3,041,593	3,108,679	3,307,335	3,911,629
Total function 10	<u>145,351,321</u>	<u>148,270,500</u>	<u>155,932,089</u>	<u>171,057,122</u>
21 Instructional leadership	3,927,769	4,044,615	4,448,576	5,171,093
23 School leadership	13,934,237	14,771,684	15,638,048	16,627,903
Total function 20	<u>17,862,006</u>	<u>18,816,299</u>	<u>20,086,624</u>	<u>21,798,996</u>
31 Guidance, counseling, & evaluation services	9,197,470	9,218,760	9,805,805	10,584,700
32 Social work services	338,207	388,421	399,004	452,623
33 Health services	1,853,302	1,803,601	1,982,160	2,253,193
34 Student transportation	2,379,959	2,791,141	3,113,993	3,267,352
35 Food service	10,970,668	11,576,056	12,734,631	13,469,056
36 Extracurricular activities	3,390,310	3,508,333	3,960,786	4,618,842
Total function 30	<u>28,129,916</u>	<u>29,286,312</u>	<u>31,996,379</u>	<u>34,645,766</u>
41 General administration	5,816,669	5,900,645	6,196,903	7,077,655
Total function 40	<u>5,816,669</u>	<u>5,900,645</u>	<u>6,196,903</u>	<u>7,077,655</u>
51 Plant maintenance and operations	17,238,257	18,943,773	18,297,271	18,594,964
52 Security and monitoring services	1,483,529	1,563,207	1,707,830	2,243,275
53 Data processing services	4,516,994	3,827,566	3,362,101	2,944,091
Total function 50	<u>23,238,780</u>	<u>24,334,546</u>	<u>23,367,202</u>	<u>23,782,330</u>
61 Community services	800,270	735,436	849,700	1,089,717
Total function 60	<u>800,270</u>	<u>735,436</u>	<u>849,700</u>	<u>1,089,717</u>
71 Debt service ²				
Principal on long-term debt	13,444,789	13,460,943	16,464,750	15,542,222
Interest on long-term debt ²	18,386,035	18,698,016	18,054,594	24,943,371
Bond issuance costs and fees	-	810,321.00	919,403	813,384
Total function 70	<u>31,830,824</u>	<u>32,969,280</u>	<u>35,438,747</u>	<u>41,298,977</u>
81 Facilities acquisition/construction	21,088,401	24,801,952	2,030,735	11,283,423
Total function 80	<u>21,088,401</u>	<u>24,801,952</u>	<u>2,030,735</u>	<u>11,283,423</u>
95 Payments to JJAEP	98,414	162,003	121,135	166,095
97 Payments to TIF	-	-	-	498,713.00
99 Intergovernmental Charges	-	-	-	-
Total function 90	<u>98,414</u>	<u>162,003</u>	<u>121,135</u>	<u>664,808</u>
Total expenditures	<u>274,216,601</u>	<u>285,276,973</u>	<u>276,019,514</u>	<u>312,698,794</u>
Prior Period Adjustment	948,669	-	-	-
As restated	<u>\$ 275,165,270</u>	<u>\$ 285,276,973</u>	<u>\$ 276,019,514</u>	<u>\$ 312,698,794</u>
Debt service as a percentage of noncapital expenditures	12.5%	12.7%	12.9%	13.7%

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					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 173,574,607	\$ 189,864,948	\$ 191,968,597	\$ 177,857,532	\$ 182,329,142	\$ 195,714,229
5,677,661	5,024,943	5,436,238	5,245,765	5,307,001	5,300,771
3,531,491	5,021,634	5,217,049	4,739,378	6,689,081	8,456,103
<u>182,783,759</u>	<u>199,911,525</u>	<u>202,621,884</u>	<u>187,842,675</u>	<u>194,325,224</u>	<u>209,471,103</u>
5,045,162	5,816,865	5,206,067	5,539,881	5,232,228	5,026,844
17,462,729	18,574,959	18,701,894	16,381,301	16,804,379	19,002,786
<u>22,507,891</u>	<u>24,391,824</u>	<u>23,907,961</u>	<u>21,921,182</u>	<u>22,036,607</u>	<u>24,029,630</u>
12,615,102	13,941,149	13,956,223	13,123,326	14,117,350	14,402,200
446,818	421,492	454,168	423,082	452,578	584,539
2,421,931	2,541,463	2,575,673	2,530,773	2,599,288	2,679,805
3,471,655	4,649,537	4,486,050	4,059,063	4,573,269	6,327,776
15,589,155	17,820,690	16,983,540	16,798,404	18,185,254	18,468,763
4,632,454	4,786,651	5,912,532	5,807,666	5,862,983	5,959,930
<u>39,177,115</u>	<u>44,160,982</u>	<u>44,368,186</u>	<u>42,742,314</u>	<u>45,790,722</u>	<u>48,423,013</u>
6,867,346	7,097,909	7,175,333	7,167,319	7,468,154	7,996,682
6,867,346	7,097,909	7,175,333	7,167,319	7,468,154	7,996,682
20,084,490	22,285,279	21,522,498	21,955,636	21,510,075	21,707,212
2,587,258	2,864,230	2,852,070	3,131,576	3,010,376	3,647,381
4,868,180	4,370,952	4,186,950	3,751,686	4,312,260	4,533,126
<u>27,539,928</u>	<u>29,520,461</u>	<u>28,561,518</u>	<u>28,838,898</u>	<u>28,832,711</u>	<u>29,887,719</u>
1,166,059	1,350,371	1,249,055	1,195,778	1,839,947	1,810,100
1,166,059	1,350,371	1,249,055	1,195,778	1,839,947	1,810,100
16,784,392	17,471,407	14,720,670	17,123,540	19,379,223	17,901,432
22,114,075	26,328,594	31,130,392	29,033,988	28,839,306	28,633,014
837,801	663,861	233,964	180,785	535,898	150,754
<u>39,736,268</u>	<u>44,463,862</u>	<u>46,085,026</u>	<u>46,338,313</u>	<u>48,754,427</u>	<u>46,685,200</u>
43,234,688	56,093,964	61,558,174	33,014,692	29,255,048	14,841,570
<u>43,234,688</u>	<u>56,093,964</u>	<u>61,558,174</u>	<u>33,014,692</u>	<u>29,255,048</u>	<u>14,841,570</u>
176,431	91,036	64,752	86,526	56,430	116,850
2,347,460	1,414,723	1,010,907	1,742,264	3,100,836	2,182,197
505,598.00	535,803	531,534	519,552	520,707	534,086
3,029,489	2,041,562	1,607,193	2,348,342	3,677,973	2,833,133
<u>366,042,543</u>	<u>409,032,460</u>	<u>417,134,330</u>	<u>371,409,513</u>	<u>381,980,813</u>	<u>385,978,150</u>
-	-	-	-	-	-
<u>\$ 366,042,543</u>	<u>\$ 409,032,460</u>	<u>\$ 417,134,330</u>	<u>\$ 371,409,513</u>	<u>\$ 381,980,813</u>	<u>\$ 385,978,150</u>
12.3%	12.8%	13.3%	13.6%	13.9%	12.7%

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

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Excess of revenues over (under) expenditures	\$ (15,078,281)	\$ 12,380,042	\$ (10,649,188)	\$ (48,053,958)
Other Financing Sources (Uses)				
Proceeds from sale of bonds	92,425,000	10,000,000	20,000,000	87,020,000
Premium or (discount) on bonds issued	6,573,811	(83,842)	3,335,506	1,700,239
Proceeds from sale of refunding bonds	-	56,292,787	109,045,000	-
Sale of real or personal property	41,427	946,074	5,576	114,036
Transfers in	616,229	-	-	-
Transfers out	(649,502)	-	(2,046,167)	-
Insurance recoveries	-	-	-	-
Payments to escrow agents	(98,945,741)	(55,450,501)	(111,485,567)	-
Total other financing sources (uses)	<u>\$ 61,224</u>	<u>\$ 11,704,518</u>	<u>\$ 18,854,348</u>	<u>\$ 88,834,275</u>
Net change in fund balances	<u>\$ (15,017,057)</u>	<u>\$ 24,084,560</u>	<u>\$ 8,205,160</u>	<u>\$ 40,780,317</u>

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

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ (68,788,493)	\$ (67,378,669)	\$ (22,105,167)	\$ (22,105,167)	\$ (31,502,786)	\$ (11,977,857)
65,000,000	58,485,000	21,640,000	13,985,000	-	-
3,498,056	1,717,427	-	1,509,190	6,487,601	5,165,908
-	-	-	-	66,145,000	4,685,000
34,714	57,216	174,537	1,660,871	304,732	148,857
-	-	-	4,479,121	489,118	487,672
-	-	-	(4,479,121)	-	-
-	-	-	7,268,016	9,654,036	2,061,466
-	-	-	-	(72,703,808)	(9,860,181)
<u>\$ 68,532,770</u>	<u>\$ 60,259,643</u>	<u>\$ 21,814,537</u>	<u>\$ 24,423,077</u>	<u>\$ 10,376,679</u>	<u>\$ 2,688,722</u>
<u>\$ (255,723)</u>	<u>\$ (7,119,026)</u>	<u>\$ (290,630)</u>	<u>\$ 2,317,910</u>	<u>\$ (21,126,107)</u>	<u>\$ (9,289,135)</u>

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

EXHIBIT S-8

Fiscal Year	APPRAISED VALUE ¹			Total Estimated Taxable Value	Total Direct Rate ²
	Residential or Real Property	Personal Property	Less: Exemptions		
2005	6,958,121,200	1,537,889,415	635,789,863	7,860,220,752	1.837
2006	7,174,877,690	1,526,364,000	461,748,103	8,239,493,587	1.814
2007	7,670,724,880	1,651,921,440	491,026,284	8,831,620,036	1.644
2008	8,315,691,790	1,743,828,360	477,210,991	9,582,309,159	1.349
2009	8,668,807,690	1,780,763,340	463,681,874	9,985,889,156	1.391
2010	8,181,587,045	1,762,119,040	457,840,080	9,485,866,005	1.425
2011	7,809,445,097	1,694,159,892	457,911,177	9,045,693,812	1.465
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

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
2005	1.500	0.337	1.837	0.548	0.200
2006	1.500	0.314	1.814	0.548	0.225
2007	1.330	0.314	1.644	0.548	0.271
2008	1.000	0.349	1.349	0.548	0.242
2009	1.020	0.371	1.391	0.541	0.291
2010	1.020	0.405	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

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	0.720	0.204	0.082	0.254	2.780	0.005	2.360
0.670	0.742	0.214	0.081	0.254	2.836	0.005	2.097
0.670	0.729	0.228	0.080	0.254	2.836	0.005	1.628
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	0.276	2.750	0.010	1.791
0.670	0.797	0.243	0.125	0.276	2.750	0.010	1.983

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

EXHIBIT S-10

	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ¹	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ²
Taxpayer						
F6TAWs LLC	\$ 209,397,000	1	2.2%	\$ -		0.00%
Verizon	198,858,320	2	2.1%	231,791,190	1	3.00%
Texas Utilities	88,191,180	3	0.9%	76,394,270	3	0.97%
SP Millennium Center	79,500,000	4	0.9%	58,001,570	5	0.74%
Dr. Pepper Bottling Co.	68,755,110	5	0.7%	-		0.00%
San Mar Corporation	66,176,980	6	0.7%	-		0.00%
4150 North MacArthur	62,081,930	7	0.7%	-		0.00%
Kroger Limited	59,260,350	8	0.6%	-		0.00%
Frito Lay Inc.	57,964,990	9	0.6%	42,781,830	10	0.54%
LPC Northwest PH I LP	56,500,000	10	0.6%	-		0.00%
TIAA	-		0.0%	119,382,430	2	1.52%
Crescent Real Estate	-		0.0%	53,882,290	7	0.69%
Las Colinas USAA LTD	-		0.0%	58,245,780	4	0.74%
EOP 545 E. John Carpenter	-		0.0%	44,249,930	9	0.56%
Simon Property Group	-		0.0%	47,250,000	8	0.60%
TGS American Realty LP	-		0.0%	-		0.00%
MPA Las Colinas LTD PS	-		0.0%	54,960,000	6	0.70%
	<u>\$ 946,685,860</u>		<u>10.0%</u>	<u>\$ 786,939,290</u>		<u>10.0%</u>

Source: Dallas Central Appraisal District

Note:

¹ Total appraised taxable value for 2014 = \$9,307,845,260

² Total appraised taxable value for 2005 = \$7,860,220,752



**IRVING INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS¹
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year Ending	Taxes Levied for the Fiscal Year²	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2005	138,674,876	134,072,938	96.68%
2006	142,940,929	138,651,124	97.00%
2007	140,160,896	135,464,767	96.65%
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%

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%.

Collections other than Current Year	Total Collections to Date³	
Delinquent Taxes	Amount	Percentage of Total Collections to Tax Levy
2,228,831	136,301,769	98.29%
1,537,958	140,189,082	98.07%
2,469,351	137,934,118	98.41%
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%

**IRVING INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE¹
LAST TEN FISCAL YEARS (UNAUDITED)**

EXHIBIT S-12

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Contractual Obligations			
2005	444,002,433	-	444,002,433	9.51%	2,249
2006	446,066,092	-	446,066,092	9.39%	2,209
2007	457,137,621	-	457,137,621	9.76%	2,223
2008	526,670,907	-	526,670,907	11.00%	2,506
2009	577,803,295	-	577,803,295	10.48%	2,722
2010	619,719,179	-	619,719,179	11.17%	2,900
2011	624,900,837	-	624,900,837	11.37%	2,880
2012	621,492,018	-	621,492,017	10.92%	2,840
2013	600,739,284	-	600,739,284	10.17%	2,721
2014	595,590,237	-	595,590,237	9.73%	2,623

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
AS OF AUGUST 31, 2014 (UNAUDITED)**

EXHIBIT S-13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Direct and Overlapping Debt
City of Irving	\$ 377,340,000	48.65%	\$ 183,575,910
Irving Flood Control District Section I	6,832,316	100.00%	6,832,316
City of Grand Prairie	148,553,000	0.73%	1,084,437
City of Dallas	1,547,227,904	0.24%	3,713,347
Dallas County	111,350,000	5.76%	6,413,760
Dallas County Community College	490,162,051	5.76%	28,233,334
Dallas County Hospital	725,740,639	5.76%	41,802,661
Dallas County Flood Control	28,565,000	42.87%	12,245,816
Dallas County Schools	82,660,000	5.76%	4,761,216
Dallas County Utility and Reclamation	263,841,804	49.04%	129,388,021
Subtotal, overlapping bonded debt			418,050,817
Irving Independent School District direct debt	\$ 595,590,237	100.00%	\$ 595,590,237
Total direct and overlapping debt			\$ 1,013,641,054
Ratio of (net) general bonded debt to the estimated actual property value			6.40%

Source: Taxable value data used to estimate applicable percentages provided by the Dallas Central Appraisal 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>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 786,022,075	\$ 823,949,359	\$ 883,162,004	\$ 958,230,916	\$ 998,588,916
Total net debt applicable to limit	<u>433,547,807</u>	<u>433,981,318</u>	<u>443,697,650</u>	<u>514,339,338</u>	<u>559,284,583</u>
Legal debt margin	<u>\$ 352,474,268</u>	<u>\$ 389,968,041</u>	<u>\$ 439,464,354</u>	<u>\$ 443,891,578</u>	<u>\$ 439,304,333</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>55.16%</u>	<u>52.67%</u>	<u>50.24%</u>	<u>53.68%</u>	<u>56.01%</u>

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

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

EXHIBIT S-14

Legal Debt Margin Calculation for Fiscal Year 2014:

Assessed value	<u>\$ 9,307,845,260</u>
Debt limit (10% of assessed value)	<u>\$ 930,784,526</u>
Debt applicable to limit	<u>(595,590,237)</u>
Legal debt margin	<u>\$ 335,194,289</u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 948,586,601	\$ 904,569,381	\$ 891,484,121	\$ 906,005,941	\$ 930,784,526
<u>605,099,127</u>	<u>624,900,837</u>	<u>621,492,018</u>	<u>600,739,284</u>	<u>595,590,237</u>
<u>\$ 343,487,474</u>	<u>\$ 279,668,544</u>	<u>\$ 269,992,103</u>	<u>\$ 305,266,657</u>	<u>\$ 335,194,289</u>
<u>63.79%</u>	<u>69.08%</u>	<u>69.71%</u>	<u>66.31%</u>	<u>63.99%</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	Population¹	Assessed Value	Total Bonded Debt Outstanding	Less Debt Service Funds	Net Bonded Debt Outstanding	Ratio of net Bonded Debt Assessed Value	Net Bonded Debt Per Capita
2005	197,400	7,860,220,752	444,002,433	10,454,626	433,547,807	5.52%	2,196
2006	201,927	8,239,493,587	446,066,092	12,084,774	433,981,318	5.27%	2,149
2007	205,600	8,831,620,036	457,137,621	13,439,971	443,697,650	5.02%	2,158
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

Notes:

¹ See Exhibit S-16 for population data.

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

EXHIBIT S-16

Period Ending	Population ¹	Personal Income (thousands of dollars)	Per Capita Personal Income (dollars)	Unemployment Rate
2005	197,400	4,669,497	23,655	5.30%
2006	201,927	4,748,717	23,517	4.50%
2007	205,600	4,685,007	22,787	4.30%
2008	210,150	4,788,688	22,787	5.10%
2009	212,250	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%

Sources:

¹ North Central Texas Council of Governments.

**IRVING INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO (UNAUDITED)**

EXHIBIT S-17

<u>Employer</u>	2014			2006		
	<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	5,700	1	2.25%	5,100	2	9.16%
Irving Independent School District	5,439	2	2.15%	4,022	3	7.22%
Verizon Communications, Inc.	3,260	3	1.29%	6,431	1	11.55%
Irving Mall	2,100	4	0.83%	2,100	7	3.77%
Aegis Communications	2,000	5	0.79%			
Allstate Insurance	2,000	6	0.79%	1,650	9	2.96%
YRC Worldwide	1,941	7	0.77%			
Nokia	1,700	8	0.67%	2,500	6	4.49%
NEC Corp of America	1,515	9	0.60%			
Microsoft Corporation	1,351	10	0.53%			
Sprint				3,114	4	5.59%
D/FW International Airport				2,500	5	4.49%
City of Irving				1,846	8	3.32%
Abbott Laboratories				1,500	10	2.69%
Total	27,006		10.67%	30,763		55.24%

Source: North Central Texas Council of Governments

Note: 2004 and 2005 data not available for 10-year comparison



**IRVING INDEPENDENT SCHOOL DISTRICT
 FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS (UNAUDITED)**

	Full-time-Equivalent Employees			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Teachers	2,093.6	2,155.4	2,213.0	2,270.2
Professional Support				
Associate School Psychologist	3.4	3.7	3.7	6.2
Counselor	75.0	80.7	79.9	81.0
Educational Diagnostician	27.5	27.5	27.0	28.9
Librarian	34.2	32.2	32.0	32.0
Occupational Therapist	4.8	5.3	4.8	4.9
Physical Therapist	0.0	2.0	2.0	2.0
School Nurse	33.8	33.9	33.4	35.5
Speech Therapist/Speech- Language Pathologist	25.0	23.1	25.5	20.4
Teacher Facilitator	40.4	39.3	3.0	3.0
Campus Professional Personnel	2.0	1.1	14.0	9.0
Non-Campus Professional Personnel	33.0	53.2	59.9	67.8
Total Professional Support	<u>279.1</u>	<u>302.0</u>	<u>285.2</u>	<u>290.7</u>
Campus Administration				
Assistant Principal	76.8	75.6	75.0	76.0
Instructional Officer	10.0	9.0	11.0	13.0
Principal	36.0	36.0	35.7	35.7
Teacher Supervisor	29.6	31.8	3.0	4.0
Athletic Director	2.0	2.0	1.0	1.0
Total Campus Administration	<u>154.4</u>	<u>154.4</u>	<u>125.7</u>	<u>129.7</u>
Central Administration				
Assistant/Assoc/Deputy Superintendent	3.0	3.0	4.0	4.0
Superintendent	1.0	1.0	1.0	1.0
Instructional Program Director or Exec Director	3.2	2.2	28.0	28.5
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>10.2</u>	<u>9.2</u>	<u>36.0</u>	<u>36.5</u>
Educational Aides				
Educational Aides	422.0	437.4	430.9	420.8
Interpreter	4.0	1.8	2.0	1.9
Total Educational Aides	<u>426.0</u>	<u>439.2</u>	<u>432.9</u>	<u>422.7</u>
Auxiliary Staff	<u>816.7</u>	<u>803.0</u>	<u>816.9</u>	<u>840.4</u>
Total All Full-Time Equivalent Employees	<u><u>3,780.0</u></u>	<u><u>3,863.2</u></u>	<u><u>3,909.7</u></u>	<u><u>3,990.2</u></u>

Source: District records from the Fall PEIMS submission

Full-time-Equivalent Employees						
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	
2,329.6	2,428.4	2,421.0	2,280.8	2,304.0	2,351.3	
6.9	8.2	8.8	8.8	9.0	10.6	
79.0	78.0	79.0	79.5	79.5	85.0	
26.5	35.5	33.5	29.5	32.5	31.4	
28.0	30.0	29.0	27.0	27.0	32.0	
4.8	5.0	6.0	6.0	5.5	5.6	
2.0	2.0	2.0	2.0	2.0	2.0	
35.0	36.0	36.0	35.0	36.0	35.9	
24.8	29.3	28.0	26.6	30.3	34.9	
4.0	6.0	7.0	5.0	37.9	40.7	
3.5	12.3	56.8	37.0	51.0	83.8	
73.0	81.0	81.0	76.0	80.0	78.9	
<u>287.5</u>	<u>323.3</u>	<u>367.1</u>	<u>332.4</u>	<u>390.7</u>	<u>440.8</u>	
80.0	83.0	81.0	69.0	69.0	65.0	
12.4	13.0	0.0	0.0	0.0	0.0	
36.0	37.0	38.0	38.0	38.0	36.9	
2.0	1.0	38.0	32.0	30.0	33.0	
1.0	1.0	1.0	1.0	1.0	1.0	
<u>131.4</u>	<u>135.0</u>	<u>158.0</u>	<u>140.0</u>	<u>138.0</u>	<u>135.9</u>	
4.0	4.0	4.0	6.0	7.0	5.7	
1.0	1.0	1.0	1.0	1.0	0.6	
29.0	35.0	13.0	13.0	13.0	12.0	
1.0	1.0	1.0	1.0	1.0	1.0	
1.0	1.0	1.0	1.0	1.0	1.0	
1.0	1.0	1.0	1.0	2.0	1.7	
<u>37.0</u>	<u>43.0</u>	<u>21.0</u>	<u>23.0</u>	<u>25.0</u>	<u>22.0</u>	
425.8	448.4	431.8	381.0	387.5	403.5	
4.0	0.0	4.0	0.0	4.0	8.3	
<u>429.8</u>	<u>448.4</u>	<u>435.8</u>	<u>381.0</u>	<u>391.5</u>	<u>411.8</u>	
900.4	923.9	999.3	707.0	707.0	721.3	
<u>4,115.7</u>	<u>4,302.0</u>	<u>4,402.2</u>	<u>3,864.2</u>	<u>3,956.2</u>	<u>4,083.1</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
2005	31,879	179,111,618	5,618	0.30 %	2,007.0	15.9	65.7%
2006	32,620	183,767,694	5,634	0.27 %	2,008.0	16.2	68.7%
2007	32,951	199,587,657	6,057	7.52 %	2,009.0	16.4	72.0%
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	7,342	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%

Source: District records

**IRVING INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

EXHIBIT S-20

<u>School</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Elementary										
Buildings	23	24	24	24	24	24	24	24	24	24
Square feet	1,959,860	1,848,530	2,003,550	2,003,550	2,048,484	2,023,104	2,024,334	2,024,334	2,025,940	2,025,940
Maximum Capacity	19,950	18,600	18,600	18,600	20,000	20,000	20,000	20,000	20,000	20,000
Enrollment	16,709	19,909	17,005	17,005	17,313	17,431	17,751	18,120	18,178	18,406
Middle										
Buildings	7	7	7	7	7	7	8	8	8	8
Square feet	1,149,983	1,149,983	1,149,983	1,149,983	1,149,983	1,156,734	1,326,868	1,326,868	1,328,012	1,328,012
Maximum Capacity	7,000	6,125	6,125	6,125	7,000	7,000	8,000	8,000	8,000	8,000
Enrollment	7,111	7,102	7,000	7,000	7,043	7,083	7,222	7,310	7,397	7,355
High										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	1,276,660	1,256,785	1,276,660	1,276,660	1,401,249	1,546,281	1,546,281	1,546,281	1,546,218	1,546,218
Maximum Capacity	9,400	14,700	14,700	14,700	9,400	9,800	9,800	9,800	9,800	9,800
Enrollment	8,267	8,564	7,982	7,982	8,867	9,240	9,269	9,359	9,490	9,632
Administrative										
Buildings	10	7	10	9	9	9	9	9	9	9
Square feet	163,750	269,980	224,283	221,839	235,775	251,192	247,992	247,992	247,992	247,992
Transportation										
Buses (quantity) ¹	48	42	47	54	57	57	63.5	0	0	0
Athletics										
Football fields (quantity)	14	11	11	11	11	14	15	15	15	15
Soccer fields (quantity)	9	11	11	11	11	10	11	11	11	11
Running tracks (quantity)	9	11	11	11	11	9	11	11	11	11
Baseball/softball (quantity)	6	6	6	6	6	6	6	6	6	6
Playgrounds (quantity)	23	38	38	25	23	23	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

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

Board of Trustees
Irving Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2014, 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 7, 2014.

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.

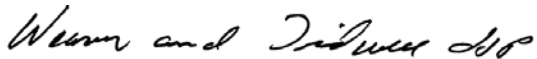
Irving Independent School District
January 7, 2014

Page 2

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 7, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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 *OMB Circular A-133 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, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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, 2014.

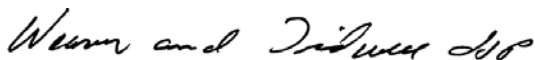
Report on Internal Control over Compliance

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 OMB Circular A-133, 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P

Dallas, Texas
January 7, 2014

**IRVING INDEPENDENT SCHOOL DISTRICT
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2014**

EXHIBIT K-1

<u>Pass-Through Grantor Program Title</u>	<u>Pass-Through Federal Grantor/ Grantor's Number</u>	<u>Federal CFDA Number</u>	<u>Direct Expenditures</u>	<u>Indirect Charges</u>	<u>Total Expenditures</u>
Passed Through State Department of Education:					
McKinney-Vento Homeless Education Region X	14-045	84.196A	\$ 77,386	\$ 1,589	\$ 78,975
Title I Part A Improving Basic Programs	14610101057912	84.010A	8,511,551	173,204	8,684,755
Title I Part A Improving Basic Programs	15610101057912	84.010A	90,155	1,945	92,100
Title I Part C Migrant Region X	14615001057912	84.011A	50,759	1,056	51,815
Adult Ed English Literacy & Civics Awareness	144100087110485	84.002A	110,609	2,118	112,727
IDEA-B Formula *	146600010579126600	84.027A	5,957,451	122,076	6,079,527
IDEA-B Formula *	156600010579126600	84.027A	33,529	723	34,252
IDEA-B Preschool *	146610010579126610	84.173A	93,638	1,923	95,561
IDEA-B Discretionary Deaf *	14600020579126673	84.027A	66,231	-	66,231
IDEA-B Discretionary Deaf *	15600020579126673	84.027A	35	-	35
IDEA-B Formula Deaf *	146600010579126601	84.027A	10,457	215	10,672
IDEA-B Preschool Deaf *	146610010579126611	84.173A	2,843	58	2,901
IDEA-C Early Childhood Intervention, Deaf	143911010579123911	84.181A	245	-	245
Carl D Perkins Basic Grant for Career & Technology	14420006057912	84.048A	164,712	3,365	168,077
Carl D Perkins Basic Grant for Career & Technology	15420006057912	84.048A	260,984	5,629	266,613
Title II Part A Teacher & Principal Training & Recruiting	14694501057912	84.367A	671,129	13,813	684,942
Title II Part A Teacher & Principal Training & Recruiting	15694501057912	84.367A	56,322	1,215	57,537
Title III Part A Limited English Proficiency	14671001057912	84.365A	1,475,474	30,456	1,505,930
Title III Part A Limited English Proficiency	15671001057912	84.365A	6,904	149	7,053
21st Century Community Learning Centers	136950147110035	84.287C	1,044,421	4,513	1,048,934
Summer School Limited English Proficiency	639551302	84.369A	55,654	-	55,654
TOTAL DEPARTMENT OF EDUCATION			18,740,489	364,047	19,104,536
Passed through Texas Department of Health and Human Services:					
Medicaid	00057912	93.778	98,671	-	98,671
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			98,671	-	98,671
Passed through State Department of Education:					
USDA Donated Commodities	00057912	10.555	1,271,097	-	1,271,097
National School Lunch	00057912	10.555	12,356,976	-	12,356,976
School Breakfast Program	00057912	10.553	4,932,710	-	4,932,710
Summer Feeding Program	00057912	10.559	327,770	-	327,770
TOTAL DEPARTMENT OF AGRICULTURE			18,888,553	-	18,888,553
Reserve Officer Training Corps	00057912	12.000	253,471	-	253,471
TOTAL DEPARTMENT OF DEFENSE			253,471	-	253,471
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 37,981,184	\$ 364,047	\$ 38,345,231

* Special Education Cluster

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2014**

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

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

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

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

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

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extends 30 days beyond the federal project period ending date, in accordance with the provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.
4. Funds were received by the District for school health and related services (SHARS) reimbursements (\$3,337,996) and a Build America Bond interest subsidy (\$729,889). However, such reimbursements are not included in the Schedule of Expenditures of Federal Awards.

**IRVING INDEPENDENT SCHOOL DISTRICT
SUMMARY OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2014**

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FINDING AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

NONE