



# 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending August 31, 2016



2621 W. Airport Freeway  
Irving, Texas 75062



**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**



**Irving, Texas**

**For the  
Fiscal Year Ended  
August 31, 2016**

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

**Prepared by  
Irving ISD Business Office**

**Gary Micinski, CPA**  
*Chief Financial Officer*

**Kimberlyee Chappell, CPA, CIA**  
*Director of Business Operations*



**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED  
 AUGUST 31, 2016**

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## CERTIFICATE OF BOARD

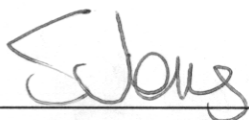
Irving Independent School District  
Name of School District

Dallas  
County

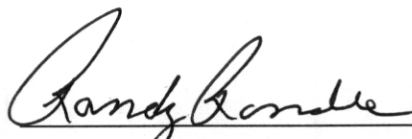
057-912  
Co-District Number

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, 2016 at a meeting of the board of school trustees of such school district on the 23<sup>rd</sup> day of January, 2017.

---



Board President  
Dr. Steven Jones



Board Secretary  
Randy Randle

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





**GARY MICINSKI**  
Chief Financial Officer  
Business Services

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

January 10, 2017

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, 2016 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, 2016, 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, 2016. 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 | [gmicinski@irvingisd.net](mailto:gmicinski@irvingisd.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 2015-2016 school year was 35,007, which was 164 less than the original projection of 35,171. For fiscal year 2016-2017, peak enrollment decreased .42% to 34,860.

The District's facilities include three early childhood schools (PK), twenty elementary schools (K-5), eight middle schools (6-8), three high schools (9-12), a high school academy (9-12), a career preparatory center (9-12), a reassignment center (9-12), a newcomer center, and an outdoor learning center. All campuses are air-conditioned facilities complete with cafeterias, library/media centers and gymnasiums. In addition, the District owns and operates additional facilities, which include an administration building and an annex, a facilities service center, a safety and security department, a food and nutrition center, a career development center, and an athletic stadium. The age of the District's campuses range from 68 years (Britain Elementary and Bowie Middle Schools) to 6 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***

Irving, Texas is a city of enormous opportunity because of its location between Dallas and Fort Worth. According to ZipRecruiter.com, Irving, Texas has been name a "Top City for Job Growth in 2014". Irving has a 5 percent job growth, and boasts strong financial service and telecommunications sectors in addition to its strong presence of corporate headquarters and Fortune 500 and 100 companies. 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 should assist continued business growth in the future.

Irving is home to six Fortune 500 companies' global headquarters: Celanese, Commercial Metals, ExxonMobil, Fluor Corporation, Kimberly Clark, and Pioneer Natural Resources. Corporate headquarters of many other prominent businesses such as Aviall, the Boy Scouts of America, NEC America, Nokia America, Michaels Stores, and Zale Corporation also reside in Irving. 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 30% 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 (25%). For the last nine years, the fund balance has consistently been between the 30% 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 December. Staffing charts are updated, and campus staff is adjusted by the Human Resources department to accommodate the changes in student enrollment. The Budget Office develops a forecast document that compares the prior year's actual expenditures to the current year budget and projects the financial position of the District for the next three years. The parameters for this forecast model are developed early in the budget cycle by the Finance Committee, which is made up of three members of the Board of Trustees, the Superintendent, and the Chief Financial Officer. 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, 2016 is prepared in accordance with GAAP and in conformance with standards of financial reporting established by GASB using guidelines recommended by the GFOA. This report covers all funds of the District. Presented funds are organized into three types dictated by the nature of the activities involved:

#### Governmental Funds:

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

#### Proprietary Funds:

- Internal Service Funds

#### 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, 2016 provided no conditions that would be considered a material weakness in relation to a Federal financial assistance program, and no material instances of non-compliance with applicable laws and regulations were noted. Information related to this single audit, including the schedule of expenditure of federal awards, findings and recommendations, and independent auditor's reports on internal controls and compliance with applicable laws and regulations, is included in this report.

### *Budgetary Controls*

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

### *Internal Controls*

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

### *Independent Audit*

State law and District policy require an annual audit by independent certified public accountants. Weaver and Tidwell, L.L.P. was selected to fulfill this requirement. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirement of the Single Audit Act of 1984, as amended in 1996, and 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, 2015. To be awarded these certificates, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. This is the twenty-seventh consecutive year that the district has prepared this report and won these prestigious awards.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2016 certificates.

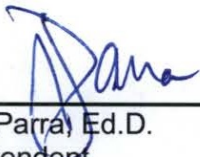
The District received a Superior rating for the 2016 School's Financial Integrity Rating System of Texas (FIRST). For the previous thirteen years, the District earned a Superior Achievement (or Perfect) rating from the School's FIRST. The superior and perfect ratings confirm the District's excellence in managing and reporting taxpayer dollars.

## Acknowledgements

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

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

Sincerely,



---

Jose L. Parra, Ed.D.  
Superintendent



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Gary Micinski, CPA  
Chief Financial Officer



# LIST OF PRINCIPAL OFFICIALS

## BOARD OF TRUSTEES

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Dr. Steven Jones, President	6 years	2017	Producer
Larry Stipes, Vice President	5 years	2018	Contract Manager
Randy Randle, Secretary	4 years	2019	Business Owner
Nell Anne Hunt, Member	3 years	2017	Realtor
Dinesh Mali, Member	2 years	2018	Professional Engineer
Randy Necessary, Member	3 years	2019	Business Owner
A.D. Jenkins, Member	1 year	2019	Software Engineer

## ADMINISTRATIVE OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Jose L. Parra, Ed.D.	Superintendent	3 years
Gary Micinski, CPA	Chief Financial Officer	2 years
Adam Grinage, Ed.D.	Associate Superintendent of Academic Services	10 years
Magda Hernandez	Associate Superintendent of Human Resources	3 years
Tina Patel	Chief Legal Counsel	2 years

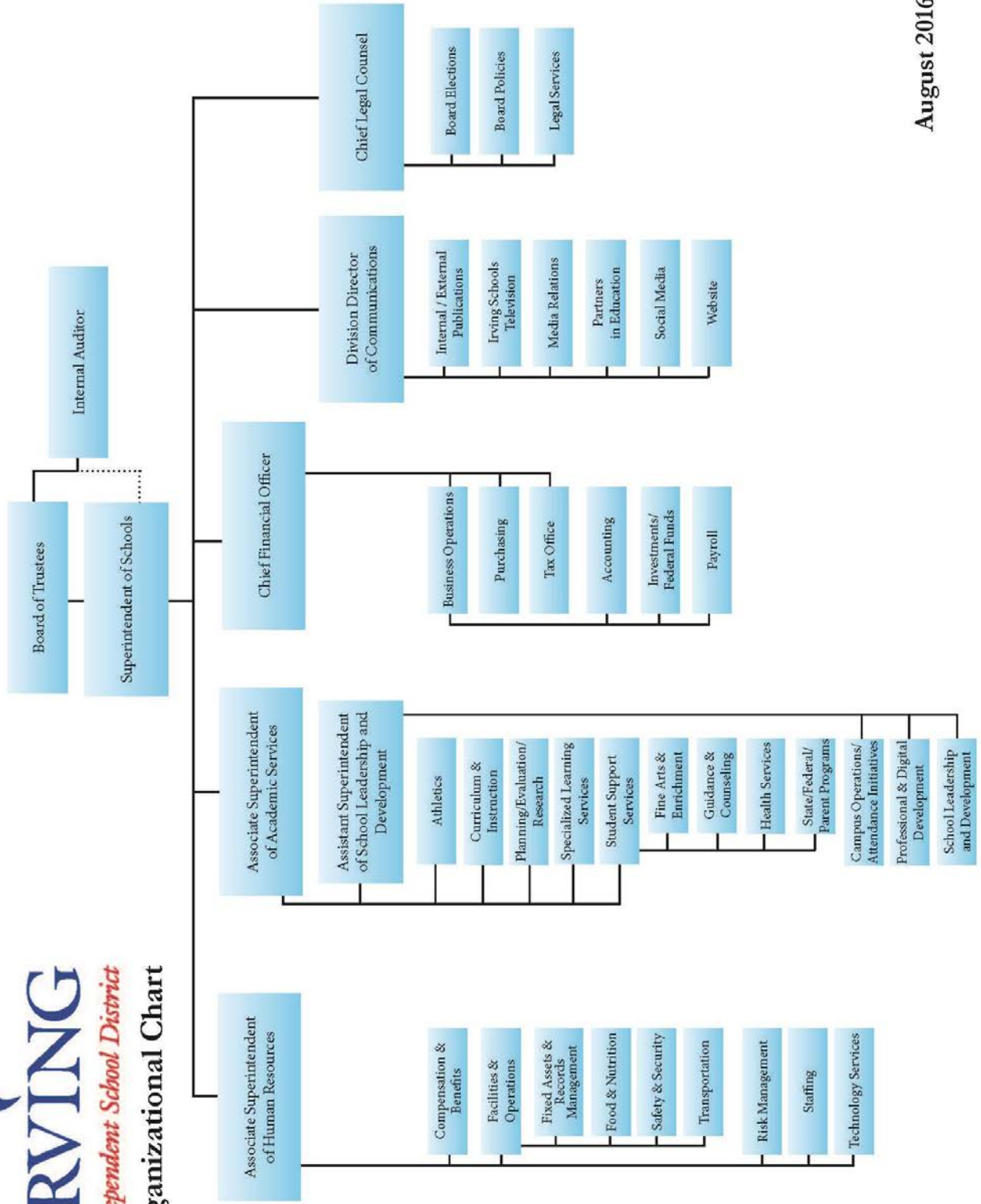
## CONSULTANTS AND ADVISORS

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

# IRVING

*Independent School District*

## Organizational Chart



August 2016



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, 2015**

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, 2015.**

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

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

Irving Independent School District  
January 10, 2017

Page 3

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 10, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Weaver and Tidwell LLP*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 10, 2017





**IRVING INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2016 (UNAUDITED)**

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As management of the Irving Independent School District (the "District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2016. 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 \$332,200,954, or 83%, of all fiscal year 2016 revenues. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$68,091,886, or 17%, of total fiscal year 2016 revenues.
- The District had \$386,101,700 in expenses related to governmental activities, of which \$68,091,886 was offset by program-specific charges for services or grants and contributions. General revenues of \$332,200,954 were adequate to provide for the remaining costs of these programs, resulting in a \$14,191,140 increase in net position.
- Among major funds, the General Fund had \$303,147,798 in revenues, which primarily consisted of state aid and property taxes, and \$307,995,593 in expenditures. The General Fund's fund balance decreased \$4,457,533, from \$107,569,658 as of August 31, 2015 to \$103,112,125 as of August 31, 2016.

**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 and deferred inflows of resources by \$61,938,174 as of August 31, 2016. This is an increase of \$14,191,140 over the prior year's net position (\$47,747,034), 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, 2016, the District's restricted net position for food service was \$6,190,761 and restricted net position for future debt service payments was \$4,202,628. 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, 2016, the District's unrestricted net position was \$19,157,439.

Net investment in capital assets was \$32,387,346. 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, 2016 and 2015.

**Table I**  
**Statement of Net Position**  
Governmental  
Activities

	<u>2016</u>	<u>2015</u>	<u>Difference</u>
Current and other assets	\$ 155,027,399	\$ 164,334,541	\$ (9,307,142)
Capital assets (net)	513,425,824	511,355,007	2,070,817
Total assets	<u>668,453,223</u>	<u>675,689,548</u>	<u>(7,236,325)</u>
Deferred outflows	<u>73,261,910</u>	<u>32,913,205</u>	<u>40,348,705</u>
Current liabilities	46,984,234	42,769,128	4,215,106
Long-term liabilities	<u>615,535,508</u>	<u>603,522,079</u>	<u>12,013,429</u>
Total liabilities	<u>662,519,742</u>	<u>646,291,207</u>	<u>16,228,535</u>
Deferred inflows	<u>17,257,217</u>	<u>14,564,512</u>	<u>2,692,705</u>
Net investment in capital assets	32,387,346	32,289,637	97,709
Restricted	10,393,389	15,939,871	(5,546,482)
Unrestricted	<u>19,157,439</u>	<u>(482,474)</u>	<u>19,639,913</u>
Total net position, as restated	<u>\$ 61,938,174</u>	<u>\$ 47,747,034</u>	<u>\$ 14,191,140</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 \$9.3 million, or 5.7%, due to an increase in construction expenditures. Agency securities decreased by \$10.3 million during the 2016 fiscal year.
- Deferred outflows increased by \$40.3 million, or 122.6%, due to a change in deferred outflow of resources for pensions of \$34.8 million and a change in the deferred charges on refunding of \$5.5 million.
- Deferred inflows of resources were also impacted by the recognition of the pension liability, resulting in an increase of \$2.7 million.

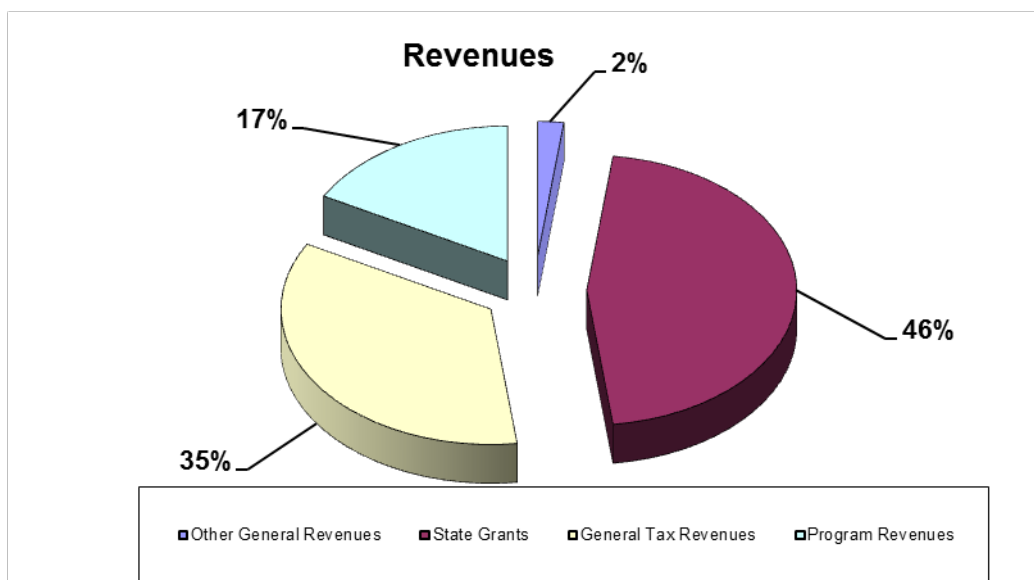
The District's total revenues for the fiscal year ended August 31, 2016 were \$400,292,840. The total cost of all programs and services was \$386,101,700. The following table presents a summary of the changes in net position for the fiscal years ended August 31, 2016 and 2015.

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

	<u>2016</u>	<u>2015</u>	<u>Difference</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,706,843	\$ 5,673,148	\$ 33,695
Operating grants and contributions	62,385,043	57,542,541	4,842,502
General revenues:			
Maintenance and operations taxes	100,440,711	96,135,459	4,305,252
Debt service taxes	38,749,543	36,447,373	2,302,170
State grants	184,411,595	187,211,926	(2,800,331)
Investment earnings	832,337	285,316	547,021
Miscellaneous	7,766,768	6,489,584	1,277,184
Extraordinary item	-	2,764,638	(2,764,638)
Total revenues	<u>400,292,840</u>	<u>392,549,985</u>	<u>7,742,855</u>
Expenses:			
Instruction, curriculum, and media services	231,924,607	226,432,736	5,491,871
Instructional and school leadership	26,495,001	24,979,259	1,515,742
Student support services, child nutrition and co-curricular activities	56,322,287	51,845,092	4,477,195
General administration	7,791,108	7,122,438	668,670
Plant maintenance, security, and data processing	31,518,512	29,352,608	2,165,904
Community services	2,323,519	1,724,124	599,395
Interest and fiscal charges	20,103,591	20,023,429	80,162
Other facility costs	92,834	71,682	21,152
Intergovernmental charges	584,358	712,717	(128,359)
Payments to TIF	8,945,883	6,465,553	2,480,330
Total expenses	<u>386,101,700</u>	<u>368,729,638</u>	<u>17,372,062</u>
Change in net position	14,191,140	23,820,347	(9,629,207)
Beginning net position, as restated	<u>47,747,034</u>	<u>23,926,687</u>	<u>23,820,347</u>
Ending net position	<u>\$ 61,938,174</u>	<u>\$ 47,747,034</u>	<u>\$ 14,191,140</u>

Net position of the District's governmental activities increased from \$47,747,034 to \$61,938,174, or \$14,191,140.

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



The District's total revenue this year was \$400,292,840, up \$7,742,855 from the prior year. The increase can be attributed to the 6% increase in property tax values which resulted in an increase in local revenue and Tax Increment Financing (TIF) collections received during the year due to the increase in property values located in that zone.

The cost of all governmental activities this year was \$386,101,700. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through district taxes was \$102,243,882 because some of the costs were paid by those who directly benefited from the programs (\$5,706,843), by other governments and organizations that subsidized certain programs with grants and contributions (\$62,385,043), or by state aid (\$184,411,595), investment income (\$832,337), and other miscellaneous income (\$7,766,768).

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):

	<b>Total Expenses</b>	<b>Net Expenses</b>
Instruction, curriculum, and media services	\$ 231,924,607	\$ 207,145,814
Instructional and school leadership	26,495,001	25,092,930
Student support services, child nutrition and co-curricular activities	56,322,287	28,159,590
General administration	7,791,108	7,518,088
Plant maintenance, security, and data processing	31,611,346	20,414,714
Community services	2,323,519	397,384
Interest and fiscal charges	20,103,591	20,103,591
Intergovernmental charges	584,358	562,742
Payments to TIF	8,945,883	8,614,961
<b>Total expenses</b>	<b>\$ 386,101,700</b>	<b>\$ 318,009,814</b>

## THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$123,682,584, which is an decrease of \$17,157,608 from the prior year.

The schedule below indicates the fund balance by fund type as of August 31, 2016 and August 31, 2015.

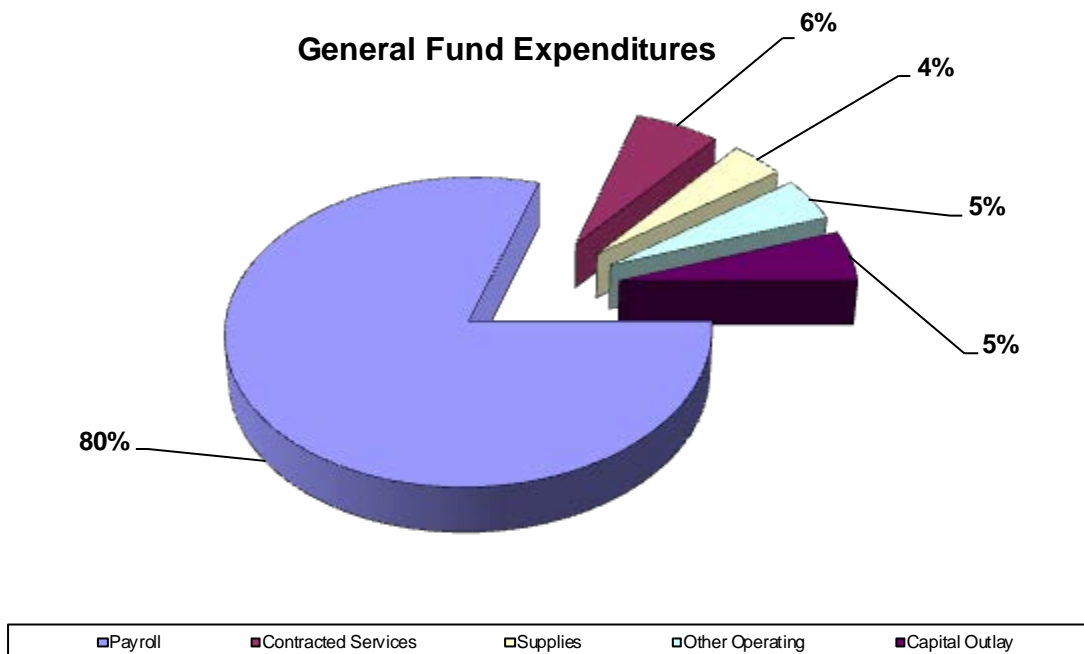
	<b>Fund Balance August 31, 2016</b>	<b>Fund Balance August 31, 2015</b>	<b>Change in Fund Balance</b>
General Fund	\$ 103,112,125	\$ 107,569,658	\$ (4,457,533)
Food Service	6,190,761	5,434,057	756,704
Debt Service	6,766,016	14,470,943	(7,704,927)
Capital Projects	7,613,682	13,365,534	(5,751,852)
<b>Total</b>	<b>\$ 123,682,584</b>	<b>\$ 140,840,192</b>	<b>\$ (17,157,608)</b>

### *General Fund*

The fund balance of the General Fund decreased \$4,457,533 from the prior year. The District's original budget plan was to increase fund balance \$1,656,836. The following factors contributed to the \$6,114,369 million difference:

- In addition to \$5,000,000 budgeted to Function 81 for 2016 capital projects, \$11,050,414 of the 2015 fund balance was assigned for planned construction projects. During the year, \$16.2 million was expended on the Athletic Turf, Fine Arts, Outdoor Learning Center, and other capital projects.
- \$800,800 increase in intermediate revenue, due to an increase in Tax Increment Financing rebates received from the City of Irving.
- Actual property tax collections were \$2.1 million less than originally budgeted. Tax refunds for the year totaled \$2,128,020.
- State funding exceeded budgeted projections by \$2,157,950. In November of 2015, Texas citizens approved a constitutional amendment increasing the amount of the residence homestead exemption from ad valorem taxation for public school purposes from \$15,000 to \$25,000, providing for a reduction of the limitation on the total amount of ad valorem taxes that may be imposed for those purposes on the homestead of an elderly or disabled person to reflect the increased exemption amount. The passing of this amendment resulted in less local property taxes since taxable values decreased at the taxable maintenance & operations and debt service rates. Because of the offsetting factors in part of the state funding formulas, state funding then increased when the local anticipated amount due to the lower local values decreases. Additionally, the District budgets revenue conservatively in an effort to limit any liability to TEA.
- An additional \$1,428,143 was received from the District's participation in the School Health and Related Services (SHARS) program, from the final settle-up from the 2014 SHARS cost report.

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



#### *Food Service Fund*

The fund balance of the Food Service Fund increased \$756,704 from the prior year. Compared to the prior fiscal year, revenue remained relatively consistent. However, construction costs decreased by \$1,555,013.

#### *Debt Service Fund*

The Debt Service fund balance decreased \$7,704,927. The original budget for the Debt Service Fund anticipated a \$7,017,404 decrease in the fund balance. However, \$2,505,107 of Interest & Sinking tax collections were contributed to the TIF zone, which was \$336,557 more than originally planned for the fiscal year. In addition, the Instructional Facilities Allotment for the year was \$345,643 less than originally budgeted, due to an increase in property values and decrease in average daily attendance (ADA).

#### *Capital Projects Fund*

The Capital Projects fund balance decreased \$5,751,852 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 \$28,961,880. Revenues had budget amendment increases of \$4,202,028. Other Financing Sources had budget amendment increases of \$364,551. The major components of these changes are reflected on Exhibit G-1 and the key factors for the changes can be summarized as follows:

- \$18,014,278 supplemental appropriation to capital projects (Facilities) for the following projects: Athletic Turf Replacement, Fine Arts, Locker Room, Outdoor Learning Center, Track Resurfacing and Administration Building Renovation.
- \$1,067,733 supplemental appropriation to offset the increase in property values located in the Tax Increment Financing (TIF) zone, which is submitted to the City of Irving.

These increases are possible because of additional revenues generated from:

- \$1,067,733 (local revenues) increase in TIF zone tax collections and a \$800,801 increase in revenue received from the City of Irving for the District's portion of the TIF collections: TIF tax collections are collected by the District, and remitted to the City of Irving. The city reimburses the District 75% of the revenue collected.

The remaining balance is a planned use of the District's assigned fund balance for onetime construction projects.

Additional amendments to the budget can be summarized as follows:

- \$3,556,100 increase in payroll costs for the increase in fiscal year 2017 work days for the 10 month employees earned prior to September 1, 2016.
- \$1,161,013 increase in School Health and Related Services (SHARS) federal program revenues due to the final settlement of the 2014 reimbursements.
- \$733,231 increase in federal revenue due to the reclassification of the Build America Bond Subsidy from the Capital Projects Fund. In addition, Other Sources – Transfers In was increased by \$364,551 to transfer the BABS subsidy fund balance from the Capital Projects Fund to the General Fund.
- \$520,826 increase in the reading materials mainly attributed to the district's reading initiative, Irving Reads.
- \$880,000 increase in contracted pupil transportation due to the uncertainty in Dallas County School's final settlement for the fiscal year.



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of August 31, 2016, the District had invested \$513,425,824 in capital assets, net of accumulated depreciation of \$381,172,246, including land and improvements, facilities, and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase in capitalized cost of \$2,070,817 from last year. The increase is due to land improvements and construction projects, which totaled \$17.7 million. The total depreciation expense for the year was \$22,056,532. The following schedule presents capital asset balances net of depreciation for the fiscal year ended August 31, 2016:

Land and Improvements	\$	30,823,471
Furniture and Equipment		18,389,857
Buildings and Improvements		444,623,556
Construction in Progress		19,588,940
Total	\$	<u>513,425,824</u>

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

### Debt

As of August 31, 2016, the District had \$497,792,686 in general obligation bonds payable, with \$18,130,000 due within one year. The District continues to have favorable general obligation bond ratings indicated by Aa2 and AA+ rating from Moody's Investors Service and Standard & Poor's Ratings Group, respectively.

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

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

The District's elected and appointed officials considered many factors when preparing the 2016-2017 budget and setting the 2016 tax rates. For the fifth year, property values increased. The certified tax roll reflected values of \$11,594,095,283, which is a 7.5% increase in value compared to last year.

On September 10, 2016, Irving ISD voters approved the Tax Ratification Election, which allowed the District to move 13 pennies from the Interest and Sinking (I&S) tax rate to the Maintenance and Operations (M&O) tax rate. The total tax rate remains unchanged, however the M&O tax rate increased to \$1.17, and the I&S tax rate decreased to \$.275. The net results of this "tax swap" are expected to generate an additional \$10.4 million of State Aid for the District.

As of August 31, 2016, the fund balance for the general fund totaled \$103,112,125. During the current fiscal year, the unassigned fund balance increased by \$2,707,024, to \$92,208,290. A total of \$10,903,835 of the fund balance has been designated as non-spendable or assigned and is therefore not available for any other public purpose. On-going construction projects increased the assigned fund balance by \$6,558,192. While many of these projects will be paid out of TIF proceeds, they could constitute a temporary use of the fund balance reserves while waiting for future years' TIF collections. The TIF will end in the 2018-2019 fiscal year.

Due to the prior year's increase in taxable values and resulting increase in local tax revenue, the District's local share increased by \$4,213,570. Under the state funding formulas, when property values increase, the state funding will decrease in the subsequent year, commonly referred to as the "one year lag". The basic allotment did not increase enough to overcome the increase in local share, so it is predicted that state funding will drop \$4,673,009.

#### 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, 2016**

**EXHIBIT A-1**

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES
	<b>ASSETS</b>	
1110	Cash and Cash Equivalents	\$ 130,443,513
1120	Investments	12,686,910
1220	Delinquent Taxes Receivable - Net of Estimated Uncollectible Taxes	3,912,641
1240	Due from Other Governments	2,296,446
1250	Accrued Interest	12,794
1290	Other Receivables	3,989,025
1310	Inventories	1,180,493
1490	Other Assets	505,577
1510	Land	20,085,090
1515	Land Improvements	23,248,025
1520	Buildings and Improvements	692,487,268
1530	Furniture and Equipment	139,188,747
1580	Construction in Progress	19,588,940
1570	Accumulated Depreciation	<u>(381,172,246)</u>
1000	<b>TOTAL ASSETS</b>	<u>668,453,223</u>
	<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701	Deferred charges on refunding	27,578,842
1705	Deferred outflows of resources - pension	45,683,068
1700	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>73,261,910</u>
	<b>LIABILITIES</b>	
2110	Accounts Payable and Claims Liabilities	9,345,187
2150	Payroll Deductions and Withholdings	2,101,711
2160	Accrued Wages Payable	10,898,049
2140	Interest Payable	3,510,220
2180	Due to Other Governments	2,043,182
2300	Unearned Revenue	314,588
	Due Within One Year:	
2121	Bonds Payable	18,130,000
2123	Claims Payable	641,297
	Noncurrent Liabilities:	
	Due in More than One Year:	
2800	Claims Payable	235,317
2510	Bonds Payable	530,078,686
2540	Net Pension Liability	<u>85,221,505</u>
2000	<b>TOTAL LIABILITIES</b>	<u>662,519,742</u>
	<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605	Deferred inflows of resources - pension	17,257,217
2600	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>17,257,217</u>
	<b>NET POSITION</b>	
3800	Net Investment in Capital Assets	32,387,346
3840	Restricted for Federal and State Programs	6,190,761
3850	Restricted for Debt Service	4,202,628
3900	Unrestricted	19,157,439
3000	<b>TOTAL NET POSITION</b>	<u>\$ 61,938,174</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, 2016**

**EXHIBIT B-1**

Data Control Codes	Functions/Programs	1 Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			2 Charges for Services	3 Operating Grants and Contributions	Total Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 217,338,877	\$ 242,247	\$ 20,299,239	\$ (196,797,391)
12	Instructional Resources and Media Services	6,368,683	-	323,498	(6,045,185)
13	Curriculum Development and Instructional Staff Development	8,217,047	-	3,913,809	(4,303,238)
21	Instructional Leadership	5,027,383	-	670,243	(4,357,140)
23	School Leadership	21,467,618	-	731,828	(20,735,790)
31	Guidance, Counseling, and Evaluation Services	17,071,237	-	1,836,669	(15,234,568)
32	Social Work Services	1,556,815	-	117,096	(1,439,719)
33	Health Services	3,294,065	-	271,458	(3,022,607)
34	Student (Pupil) Transportation	6,032,429	-	899,439	(5,132,990)
35	Food Services	21,381,006	3,136,952	19,825,896	1,581,842
36	Co-Curricular/Extracurricular Activities	6,986,735	1,861,280	213,907	(4,911,548)
41	General Administration	7,791,108	-	273,020	(7,518,088)
51	Plant Maintenance and Operations	23,796,087	466,364	831,252	(22,498,471)
52	Security and Monitoring Services	3,467,941	-	127,056	(3,340,885)
53	Data Processing Services	4,254,484	-	200,790	(4,053,694)
61	Community Services	2,323,519	-	1,926,135	(397,384)
71	Debt Service - Interest and Fiscal Charges	20,103,591	-	-	(20,103,591)
81	Other Facility Costs	92,834	-	9,571,170	9,478,336
95	Payments to Juvenile Justice Alternative Education Program	15,882	-	587	(15,295)
97	Payments to TIF	8,945,883	-	330,922	(8,614,961)
99	Other Intergovernmental Charges	568,476	-	21,029	(547,447)
	Total Governmental Activities	<u>\$ 386,101,700</u>	<u>\$ 5,706,843</u>	<u>\$ 62,385,043</u>	<u>\$ (318,009,814)</u>

Data Control Codes	General Revenues:	
	Taxes:	
MT	M & O Property Taxes	\$ 100,440,711
DT	Debt Service Property Taxes	38,749,543
SF	State Aid - Not Restricted to Specific Programs	184,411,595
IE	Investment Income	832,337
MI	Miscellaneous	7,766,768
TG	Total General Revenues	<u>332,200,954</u>
CN	Change in Net Position	14,191,140
NB	Net Position - Beginning	<u>47,747,034</u>
NE	Net Position - Ending	<u>\$ 61,938,174</u>

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



# **FUND FINANCIAL STATEMENTS**

**IRVING INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2016**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	<b>ASSETS</b>		
	Current Assets:		
1110	Cash and Cash Equivalents	\$ 105,428,704	\$ 6,018,537
1120	Investments	12,686,910	-
	Receivables:		
1220	Property Taxes - Delinquent	4,675,347	-
1230	Allowance for Uncollectible Taxes	(1,709,538)	-
1240	Due from Other Governments	-	811,504
1250	Accrued Interest	12,794	-
1260	Due from Other Funds	1,896,524	-
1290	Other Receivables	3,940,865	-
1310	Inventories, at cost	701,510	283,454
1410	Prepaid Items	505,577	-
1000	<b>TOTAL ASSETS</b>	<b>\$ 128,138,693</b>	<b>\$ 7,113,495</b>
	<b>LIABILITIES</b>		
	Current Liabilities:		
2110	Accounts Payable	\$ 7,392,797	\$ 922,734
2150	Payroll Deductions and Withholdings	2,101,711	-
2160	Accrued Wages Payable	10,898,049	-
2170	Due to Other Funds	62,628	-
2180	Due to Other Governments	1,590,237	-
2300	Unearned Revenue	15,337	-
2000	<b>TOTAL LIABILITIES</b>	<b>22,060,759</b>	<b>922,734</b>
	<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600	Unavailable Revenue	2,965,809	-
2600	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,965,809</b>	<b>-</b>
	<b>FUND BALANCES</b>		
	Nonspendable		
3410	Inventory	701,510	283,454
3430	Prepaid Items	505,577	-
	Restricted		
3450	Food Service	-	5,907,307
3470	Capital Acquisition and Contractual Obligation	-	-
3480	Retirement of Long-Term Debt	-	-
	Assigned		
3590	Campus Activity Funds	2,435,987	-
3590	TIF	134,600	-
3590	Construction Projects	6,558,192	-
3590	Other	567,969	-
3600	Unassigned	92,208,290	-
3000	<b>TOTAL FUND BALANCE</b>	<b>103,112,125</b>	<b>6,190,761</b>
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 128,138,693</b>	<b>\$ 7,113,495</b>

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

EXHIBIT C-1

MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 7,543,191	\$ 8,432,252	\$ 437,385	\$ 127,860,069
-	-	-	12,686,910
1,525,259	-	-	6,200,606
(578,427)	-	-	(2,287,965)
-	-	1,484,942	2,296,446
-	-	-	12,794
62,628	-	-	1,959,152
48,160	-	-	3,989,025
-	-	-	984,964
-	-	-	505,577
<u>\$ 8,600,811</u>	<u>\$ 8,432,252</u>	<u>\$ 1,922,327</u>	<u>\$ 154,207,578</u>
\$ -	\$ 818,570	\$ 161,570	\$ 9,295,671
-	-	-	2,101,711
-	-	-	10,898,049
435,079	-	1,461,445	1,959,152
452,884	-	61	2,043,182
-	-	299,251	314,588
<u>887,963</u>	<u>818,570</u>	<u>1,922,327</u>	<u>26,612,353</u>
946,832	-	-	3,912,641
<u>946,832</u>	<u>-</u>	<u>-</u>	<u>3,912,641</u>
-	-	-	984,964
-	-	-	505,577
-	-	-	5,907,307
-	7,613,682	-	7,613,682
6,766,016	-	-	6,766,016
-	-	-	2,435,987
-	-	-	134,600
-	-	-	6,558,192
-	-	-	567,969
-	-	-	92,208,290
<u>6,766,016</u>	<u>7,613,682</u>	<u>-</u>	<u>123,682,584</u>
<u>\$ 8,600,811</u>	<u>\$ 8,432,252</u>	<u>\$ 1,922,327</u>	<u>\$ 154,207,578</u>



**IRVING INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AUGUST 31, 2016**

**EXHIBIT C-1R**

Total Fund Balances - Governmental Funds \$ 123,682,584

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 \$894,598,070 and the accumulated depreciation is \$381,172,246. 513,425,824

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. 3,912,641

Internal Service Funds are used by the district's management to charge the cost of health insurance, workers compensation, unemployment, and benefits administration to the funds. The assets and liabilities of the Internal Service Funds are included with governmental activities. 1,852,843

The deferred loss on refundings is not a current period transaction and therefore is not reported in the funds. The deferred loss on refundings is included in the deferred outflows of resources with governmental activities. 27,578,842

Included in the items related to debt is the recognition of the District's proportionate share of the TRS net pension liability (\$85,221,505) and a deferred inflow of resources (\$17,257,217), and a deferred outflow of resources (\$45,683,068). The result is a decrease in net position. (56,795,654)

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	\$ (497,792,686)	
	Premium/Discount on Bonds Payable	(50,416,000)	
	Interest Payable	(3,510,220)	
		(551,718,906)	
Net Position - Governmental Activities			\$ 61,938,174

*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, 2016**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	REVENUES		
5700	Local and Intermediate Sources	\$ 120,173,919	\$ 3,150,051
5800	State Program Revenues	176,305,368	140,759
5900	Federal Program Revenues	<u>6,668,511</u>	<u>19,662,942</u>
5020	TOTAL REVENUES	<u>303,147,798</u>	<u>22,953,752</u>
	EXPENDITURES		
	Current:		
0011	Instruction	180,584,550	-
0012	Instructional Resources and Media Services	5,182,446	-
0013	Curriculum Development and Instructional Staff Development	4,211,781	-
0021	Instructional Leadership	4,242,178	-
0023	School Leadership	19,783,704	-
0031	Guidance, Counseling, and Evaluation Services	14,582,048	-
0032	Social Work Services	1,435,286	-
0033	Health Services	2,881,278	-
0034	Student (Pupil) Transportation	5,301,947	-
0035	Food Services	600,030	21,170,960
0036	Co-Curricular/Extracurricular Activities	5,782,616	457,786
0041	General Administration	7,380,628	-
0051	Plant Maintenance and Operations	22,471,432	568,302
0052	Security and Monitoring Services	3,434,715	-
0053	Data Processing Services	3,977,808	-
0061	Community Services	358,198	-
	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	16,254,707	-
0095	Payments to Juvenile Justice Alternative Education Program	15,882	-
0097	Payments to TIF	8,945,883	-
0099	Intergovernmental Charges	<u>568,476</u>	<u>-</u>
6030	TOTAL EXPENDITURES	<u>307,995,593</u>	<u>22,197,048</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,847,795)</u>	<u>756,704</u>
	OTHER FINANCING SOURCES		
7901	Issuance of Refunding Bonds	-	-
7912	Proceeds from Sale of Capital Assets	25,711	-
7915	Transfers in	364,551	-
7916	Premium on Issuance of Debt	-	-
8911	Transfers out	-	-
8940	Payment to Refunded Bond Escrow Agent	<u>-</u>	<u>-</u>
7080	TOTAL OTHER FINANCING SOURCES	<u>390,262</u>	<u>-</u>
1200	Net Change in Fund Balances	(4,457,533)	756,704
0100	Fund Balance - September 1 (Beginning)	<u>107,569,658</u>	<u>5,434,057</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 103,112,125</u>	<u>\$ 6,190,761</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
\$ 38,831,336	\$ 58,264	\$ 416,641	\$162,630,211
8,106,227	-	1,459,553	186,011,907
-	-	20,342,053	46,673,506
46,937,563	58,264	22,218,247	395,315,624
-	3,198,290	13,619,149	197,401,989
-	211,995	131,790	5,526,231
-	-	3,758,009	7,969,790
-	260,748	513,320	5,016,246
-	-	-	19,783,704
-	-	1,297,259	15,879,307
-	-	64,003	1,499,289
-	70,439	164,876	3,116,593
-	-	703,311	6,005,258
-	-	-	21,770,990
-	21,230	-	6,261,632
-	-	-	7,380,628
-	566,149	-	23,605,883
-	-	-	3,434,715
-	824,388	53,645	4,855,841
-	-	1,912,885	2,271,083
28,884,818	-	-	28,884,818
25,751,096	-	-	25,751,096
1,895,655	-	-	1,895,655
-	292,326	-	16,547,033
-	-	-	15,882
-	-	-	8,945,883
-	-	-	568,476
56,531,569	5,445,565	22,218,247	414,388,022
(9,594,006)	(5,387,301)	-	(19,072,398)
218,640,000	-	-	218,640,000
-	-	-	25,711
-	-	-	364,551
54,633,023	-	-	54,633,023
-	(364,551)	-	(364,551)
(271,383,944)	-	-	(271,383,944)
1,889,079	(364,551)	-	1,914,790
(7,704,927)	(5,751,852)	-	(17,157,608)
14,470,943	13,365,534	-	140,840,192
\$ 6,766,016	\$ 7,613,682	\$ -	\$ 123,682,584

**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, 2016**

**EXHIBIT C-3**

Total Net Change in Fund Balances - Governmental Funds \$ (17,157,608)

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 capital outlay (\$24,143,208) exceeded depreciation (\$22,056,532) in the current period. 2,086,676

The disposal of capital assets is not recognized in the governmental funds. (15,859)

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, increased by this amount this year. 634,948

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. (349,524)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 28,884,818

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 Issued	\$ (218,640,000)	
Payment to Escrow Agent	271,383,944	
Premium on Current Interest Bonds	(35,854,680)	
Premium on Capital Appreciation Bonds	(18,778,343)	
Amortization of Refunding Loss	(4,914,752)	
Amortization of Bond Premiums	<u>5,443,184</u>	(1,360,647)

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of an increase in deferred outflows (\$34,756,274); increase in deferred inflows (\$2,692,705); and increase in net pension liability (\$37,609,961). (5,546,392)

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	\$ 1,367,350	
Interest Accretion	(2,280,924)	
Accretion Retirement	<u>7,928,302</u>	<u>7,014,728</u>

Change in Net Position - Governmental Activities \$ 14,191,140

*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, 2016**

**EXHIBIT D-1**

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	<b>ASSETS</b>	
	Current Assets:	
1110	Cash and Temporary Investments	\$ 2,583,444
1310	Inventories, at Cost	<u>195,529</u>
1000	<b>TOTAL ASSETS</b>	<u>2,778,973</u>
	<b>LIABILITIES</b>	
	Current Liabilities:	
2110	Accounts Payable	49,516
2800	Claims Due Within One Year	<u>641,297</u>
	Total Current Liabilities	<u>690,813</u>
	Noncurrent Liabilities:	
	Due to Other Funds	
	Claims Due in More than One Year	<u>235,317</u>
	Total Long-Term Liabilities	<u>235,317</u>
2000	<b>TOTAL LIABILITIES</b>	<u>926,130</u>
	<b>NET POSITION</b>	
3900	Unrestricted Net Position	<u>1,852,843</u>
3000	<b>TOTAL NET POSITION</b>	<u>\$ 1,852,843</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, 2016**

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DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	OPERATING REVENUES	
5700	Charges for Services	\$ 1,376,271
5020	Total Operating Revenues	<u>1,376,271</u>
	OPERATING EXPENSES	
6100	Payroll Costs	166,312
6200	Professional/Contracted Services	130,121
6300	Supplies and Materials	363,794
6400	Claims, Administration, and Other Expenses	<u>1,070,884</u>
6030	Total Operating Expenses	<u>1,731,111</u>
	OPERATING LOSS	(354,840)
	NONOPERATING REVENUES	
7955	Interest Income	<u>5,316</u>
	CHANGE IN NET POSITION	(349,524)
0100	Total Net Position - September 1 (Beginning)	<u>2,202,367</u>
3000	Total Net Position - August 31 (Ending)	<u><u>\$ 1,852,843</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, 2016**

**EXHIBIT D-3**

	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:	
Cash Received for Premiums and Services	\$ 1,355,173
Cash Paid to Employees	(166,312)
Cash Paid for Claims and Administration, and Other Costs	(1,490,361)
Net Cash Used In Operating Activities	<u>\$ (301,500)</u>
Cash Flows from Investing Activities:	
Interest Received	\$ 5,316
Net Cash Provided by Investing Activities	<u>5,316</u>
Net Decrease in Cash and Cash Equivalents	(296,184)
Cash and Cash Equivalents at Beginning of the Year	2,879,628
Cash and Cash Equivalents at End of the Year	<u>\$ 2,583,444</u>
Reconciliation of Operating Loss to Net Cash Used In Operating Activities	
Operating Loss	<u>\$ (354,840)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities	
Change in Current Assets and Liabilities:	
Decrease in Inventories	93,721
Decrease in Accounts Payable and Claims Liability	(29,013)
Decrease in Long-term Claims Reserve	(11,368)
	<u>53,340</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u><u>\$ (301,500)</u></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, 2016**

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**EXHIBIT E-1**

	<u>AGENCY FUNDS</u>
<b>ASSETS</b>	
Cash and Temporary Investments	\$ 767,918
<b>TOTAL ASSETS</b>	<u>\$ 767,918</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 313,083
Due to Student Groups	454,835
<b>TOTAL LIABILITIES</b>	<u>\$ 767,918</u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2016**

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**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.

**B. GOVERNMENT-WIDE AND FUND ACCOUNTING STATEMENTS – CONTINUED**

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 and district-wide print shop. 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 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.

**B. GOVERNMENT-WIDE AND FUND ACCOUNTING STATEMENTS – CONTINUED**

**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 Account Codes 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, 2016**

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**D. BUDGETARY DATA**

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

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

**E. ENCUMBRANCE ACCOUNTING**

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board 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, 2016 that were subsequently provided for in the 2016-2017 budget totaled \$567,969 for the General Fund, \$5,973 for the Food Service Fund, \$85 for the Nonmajor Funds, and \$2,000 for the Proprietary 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** – Investments for the District, except for certain investment pools and certificates of deposit, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value; i.e. fair value.

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

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



**IRVING INDEPENDENT SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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**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 \$505,577 in the General Fund are purchases which benefit the next school year. The consumption method is used to account for these items paid in advance. In the governmental funds, they are reported as nonspendable fund balance.

**J. CAPITAL ASSETS**

Capital assets, which include land, buildings, furniture and equipment, and construction in progress, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined as land, land improvements, buildings, building improvements with an initial cost of any amount, and vehicles, furniture and equipment with an initial individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets 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>
Building and Improvements	40
Land Improvements	20
Portable Buildings	20
Food Service/Vocational/Athletic Equipment	15
Furniture, Fixtures and Equipment	10
Library Books/Musical Instruments	10
Vehicles	10
Technology/Maintenance Equipment	5
Software	3

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2016**

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**K. LONG TERM DEBT**

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

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

**L. FUND EQUITY**

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

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

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

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

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Board Policy CE (Local) has authorized the Superintendent or Chief Financial Officer to assign fund balance. As of August 31, 2016, the District has assigned fund balance in the General Fund for the following purposes: 1) Campus Activity Funds – assigned to distinguish portion of fund balance allocated to activity funds, 2) TIF – assigned to identify the unexpended proceeds from the revenue generated from Tax Increment Financing (TIF) rebates, 3) Construction projects – assigned to planned capital projects not completed during the fiscal year, and 4) Other Assigned Fund Balance – assigned to outstanding encumbrances as of the fiscal year end.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**L. FUND EQUITY – CONTINUED**

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.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2016**

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**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.

**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 \$877,010 include incurred but not reported claims in the amount of \$876,614 (of which \$641,297 is expected to be paid within one year) and accounts payable of \$396. The claims liability reported in the fund at August 31, 2016, 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 \$876,614 as of August 31, 2016, for the ultimate loss reserve of the fund. The fund had net position at August 31, 2016, of \$1,021,308.

Changes in the workers' compensation claims liability amounts in fiscal year 2016 and 2015 are presented below:

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims &amp; Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2015 Workers' Compensation	\$ 1,064,782	\$ 712,592	\$ 889,392	\$ 887,982
2016 Workers' Compensation	\$ 887,982	\$ 730,453	\$ 741,821	\$ 876,614

**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 \$14,428 for claims reported and not paid, and net position as of August 31, 2016, was \$383,088.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**Q. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The risk is minimized by the purchase of excess workers' compensation insurance, property and liability coverage, and a set-aside loss fund for damages under a particular deductible or for where no other protection exists. During fiscal year 2016, there were no significant reductions in insurance coverage for any category of risk. In addition, there are no settlements in excess of the insurance coverage in any of the three prior fiscal years.

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

<u>Insurance/Coverage</u>	<u>Deductible/ Retention</u>	<u>Per Occurrence Limit</u>
Property	\$100,000 \$250,000 Wind/Hail	\$957,450,548 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)	None	\$2,000,000
Employee Benefits	None	\$100,000
Cyber Liability - TASB	None	\$100,000/\$10,000 to notify
Cyber Liability - Endurance	\$75,000	\$1,000,000
Liability (Fleet)	\$5,000	\$500,000 CSL
Comprehensive ACV	\$1,000	ACV
Collision ACV	\$1,000	ACV
Catastrophic PD	\$10,000	\$2,621,948
Workers' Compensation Excess	\$600,000	Statutory

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2016**

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**R. PENSIONS**

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

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

**NOTE 2. DEPOSITS AND INVESTMENTS**

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2016**

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**NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED**

At August 31, 2016, the carrying amount of the District's cash, not including fiduciary funds, was \$19,400. The bank balance was \$159,852. During 2015-2016, the District's combined deposits were fully insured by federal depository insurance or collateralized with securities pledged to the District and held in the District's name by the District's agent.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Name of bank: Comerica Bank - Irving, Texas.
2. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$16,296,307.
3. Largest combined collected cash account balance required to be collateralized amounted to \$11,810,875 and occurred on December 18, 2015.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

**Investments** - The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. State law and District policy limits credit risk by allowing investing in: (1) obligations, including letters of credit, of the U.S. or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) other obligations guaranteed by the U.S. or the State of Texas or their agencies and instrumentalities, (4) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent, (5) guaranteed or secured certificates of deposit issued by state or national banks domiciled in Texas, and (6) fully collateralized repurchase agreements.

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

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2016**

**NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED**

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

	August 31, 2016	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
Cash and Imprest Funds	\$ 19,400	\$ -	\$ -	\$ -	0.01%		
Investments Measured at Amortized Cost:							
Investment Pools:							
TexPool	8,830,553	-	-	-	6.14%	42	AAAm
Lone Star	5,966,321	-	-	-	4.15%	23	AAA
Investments Measured at Net Asset Value (NAV)							
Investment Pools:							
TexSTAR	8,459,128	-	-	-	5.88%	38	AAAm
Texas CLASS	77,456,910	-	-	-	53.83%	47	AAAm
LOGIC	30,479,119	-	-	-	21.18%	42	AAAm
Investment Pools Total	131,192,031	-	-	-			
Investments Subject to Fair Value Agency Securities	12,686,910	-	12,686,910	-	8.82%	1100	
Total Value	\$ 143,898,341	\$ -	\$ 12,686,910	\$ -			
Portfolio Weighted Average Maturity						137	

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

These local government investment pools operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The Texas Local Government Investment Pool (TexPool), Local Government Investment Cooperative (LOGIC), Texas Short Term Asset Reserve Program (TexSTAR) and Lone Star Investment Pool are organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. LOGIC and TexSTAR are co-administered by JP Morgan Chase & Co. and First Southwest Asset Management under an agreement with their Boards of Directors.



**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2016**

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**NOTE 2. DEPOSITS AND INVESTMENTS – CONTINUED**

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

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

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

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

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

Furthermore, Public Trust Advisors, LLC provides specialized investment opportunities and a broad range of services to state and local governments, academic institutions, and other public and private-sector investors.

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

Interest rate risk occurs whenever rising interest rates will cause a fixed income security to lose fair value. The District manages its exposure to interest rate fluctuations and interest rate risk through its investment policy, through diversity of issuer and maturity and by limiting final maturity of its investments for a maximum of five years, with most purchases between 1.5 and 3.5 years. The District's investment policy states under the diversity section that, "The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or

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

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.

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

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

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

Concentration of credit risk is the risk associated with holding investments that are not in pools and in excess of 5% of the total portfolio. As of August 31, 2016, the District held \$12,686,910 of securities with a zero par amount, which is 8.82% of the total portfolio. All agency securities held by the District are rated AA+ by Standard and Poor’s and Aaa by Moody’s Investors Service. The District controls this risk by laddering the portfolio, limiting the final maturity of each investment of a maximum of five years through its investment policy with most purchases between 1.5 and 3.5 years, and by diversifying between agency types when possible.

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 3. PROPERTY TAXES**

Property taxes are considered available when they become due and receivable within the current accounting period or within 60 days thereafter. The District levies taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by the lien date, February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2015, upon which the levy for the 2015-2016 fiscal year was based, was \$10,563,683,328. The roll was subsequently decreased to a year-end assessed value of \$10,428,027,790. Taxes not paid by June 30 are subject to both penalty and interest charges plus 20% delinquent collection fees for attorney costs.

The tax rates assessed for the year ended August 31, 2016, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$.405 per \$100 valuation, respectively, for a total of \$1.445 per \$100 valuation.

Current tax collections for the year ended August 31, 2016, were 98.85% 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.

**NOTE 3. PROPERTY TAXES – CONTINUED**

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, 2016, property taxes receivable, net of estimated uncollectible taxes, totaled \$2,965,809 and \$946,832 for the General and Debt Service Funds, respectively.

The District elected to participate in a tax increment reinvestment zone with the City of Irving in August 1999. By terms of the participation agreement with the City, the District will contribute 100% of ad valorem taxes collected on the increased assessed valuation of real property in the tax increment reinvestment zone in excess of the tax increment base value established for the zone on January 1, 1998.

In return, the City will reimburse the District 75% of the taxes collected for the zone to pay for district projects identified in the project plan to be constructed in the zone for educational facilities and maintenance for operating such facilities. The 25% retained by the City will be used to pay for infrastructure in the zone to promote economic development in the zone, specifically that portion of the tax increment reinvestment zone that encompasses the boundaries of the District.

A total of \$8,945,883 in tax levy was collected for the zone in the current fiscal year because the assessed valuation of real property in the reinvestment zone was greater than the tax increment base value as provided for in the participation agreement. Under current state funding laws, as well as a “hold harmless” provision in the participation agreement, the District will remain revenue neutral with respect to the total revenue from local ad valorem taxes and state sources. The District can expect to receive funds for each year it contributes to the tax increment reinvestment zone.

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**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, 2016 consisted of the following Due from Other Governments:

<u>Fund:</u>	<u>State Entitlements</u>	<u>Federal Grants</u>
Food Service Fund	\$ -	\$ 811,504
Nonmajor Special Revenue Funds	3,494	1,481,448
Total	<u>\$ 3,494</u>	<u>\$ 2,292,952</u>

**NOTE 5. CAPITAL ASSETS**

Capital asset activity, as reported in governmental activities, for the year ended August 31, 2016, 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	9,402,895	17,815,490	-	(7,629,445)	19,588,940
Total Capital Assets not depreciated	29,487,985	17,815,490	-	(7,629,445)	39,674,030
Capital Assets depreciated:					
Land Improvements	19,943,000	370,879	-	2,934,146	23,248,025
Buildings and Improvements	690,422,094	172,086	(54,000)	1,947,088	692,487,268
Furniture and Equipment	131,075,735	5,784,753	(419,952)	2,748,211	139,188,747
Total Capital Assets depreciated	841,440,829	6,327,718	(473,952)	7,629,445	854,924,040
<b>Total Capital Assets</b>	<u>870,928,814</u>	<u>24,143,208</u>	<u>(473,952)</u>	<u>-</u>	<u>894,598,070</u>
Less Accumulated Depreciation for:					
Land Improvements	11,507,545	1,002,099	-	-	12,509,644
Buildings and Improvements	233,976,199	13,941,513	(54,000)	-	247,863,712
Furniture and Equipment	114,090,063	7,112,920	(404,093)	-	120,798,890
Total Accumulated Depreciation	359,573,807	22,056,532	(458,093)	-	381,172,246
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 511,355,007</u>	<u>\$ 2,086,676</u>	<u>\$ (15,859)</u>	<u>\$ -</u>	<u>\$ 513,425,824</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 5. CAPITAL ASSETS – CONTINUED**

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

Governmental Activities:		
Instruction	\$	16,437,427
Instructional Resources & Media Services		902,916
Curriculum Development & Instructional Staff Development		15,475
Instructional Leadership		107,495
School Leadership		962,748
Guidance, Counseling & Evaluation Services		663,171
Health Services		139,737
Student Transportation		27,171
Food Services		1,221,174
Co-Curricular/Extracurricular Activities		678,159
General Administration		174,151
Plant Maintenance & Operations		527,273
Security & Monitoring Services		19,580
Data Processing Services		180,055
Total Depreciation Expense, Governmental Activities	\$	<u>22,056,532</u>

The District has active construction projects. These projects include land improvements, a new Outdoor Learning Center, and renovations to existing facilities. An additional \$6,786,908 has been budgeted for these projects, but purchase orders were not encumbered as of year-end. The total construction commitment as of August 31, 2016, is \$4,173,486 for projects under the General and Capital Projects funds.

**NOTE 6. EMPLOYEES' RETIREMENT PLAN**

**Plan Description**

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

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

**NOTE 6. EMPLOYEES' RETIREMENT PLAN – CONTINUED**

**Pension Plan Fiduciary Net Position**

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

**Benefits Provided**

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

**Contributions**

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 6. EMPLOYEES' RETIREMENT PLAN – CONTINUED**

**Contribution Rates**

	2014	2015	2016
Member	6.4%	6.7%	7.2%
Non-Employer Contributing Entity (State)	6.8%	6.8%	6.8%
Employers/District	6.8%	6.8%	6.8%

The Contribution amounts for the District's fiscal year 2016 are:

2015 Employer Contributions	\$ 7,138,727
2015 Member Contributions	\$ 13,121,632
2015 NECE On-behalf Contributions	\$ 10,259,539

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

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

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

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 6. EMPLOYEES' RETIREMENT PLAN – CONTINUED**

**Actuarial Assumptions**

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term Expected Investment Rate of Return	8.00%
Inflation	2.50%
Salary Increases Includes Inflation	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit Changes During the Year	None
Ad Hoc Post-employment Benefit Changes	None

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

**NOTE 6. EMPLOYEES' RETIREMENT PLAN – CONTINUED**

**Discount Rate**

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



**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 6. EMPLOYEES' RETIREMENT PLAN – CONTINUED**

**Discount Rate – Continued**

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2015, are summarized below:

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 6. EMPLOYEES' RETIREMENT PLAN – CONTINUED**

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability:	\$133,526,050	\$85,221,505	\$44,986,833

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

At August 31, 2016, the District reported a liability of \$85,221,505 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 85,221,505
State's proportionate share that is associated with the District	122,441,157
Total	<u>\$ 207,662,662</u>

The net pension liability was measured as of August 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2014 through August 31, 2015.

At August 31, 2015, the District's proportion of the collective net pension liability was 0.2410883%, which was an increase of .0628439% from its proportion measured as of August 31, 2014.

**Changes Since the Prior Actuarial Valuation** – The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

**Economic Assumptions**

- The inflation assumption was decreased from 3.00% to 2.50%.
- The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
- In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
- The payroll growth assumption was lowered from 3.50% to 2.50%.

**NOTE 6. EMPLOYEES' RETIREMENT PLAN – CONTINUED**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to Pensions – Continued**

Mortality Assumptions

- The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

Other Demographic Assumptions

- Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
- There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
- Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
- Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
- For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

Actuarial Methods and Policies

- The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 6. EMPLOYEES' RETIREMENT PLAN – CONTINUED**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued**

For the year ended August 31, 2016, the District recognized pension expense of \$17,445,894 and revenue of \$17,445,894 for support provided by the State.

At August 31, 2016, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: (The amounts shown below will be the cumulative layers from the current and prior years combined.)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 612,380	\$ 3,275,139
Changes in actuarial assumptions	2,573,845	3,040,330
Difference between projected and actual investment earnings	20,988,159	10,914,024
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	14,365,910	27,724
Contributions paid to TRS subsequent to the measurement date	<u>7,142,774</u>	<u>-</u>
Total	<u>\$ 45,683,068</u>	<u>\$ 17,257,217</u>

\$7,142,774 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2017. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

	<u>Pension Expense (Income)</u>
Year ended August 31:	
2017	\$ 3,612,710
2018	3,612,710
2019	3,612,710
2020	7,250,718
2021	1,965,499
Thereafter	<u>1,228,730</u>
Total	<u>\$ 21,283,077</u>

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

Plan Description. The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at [www.trs.texas.gov](http://www.trs.texas.gov), by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701-2698, or by calling (800)-223-8778.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table below for fiscal years 2016-2014.

Year	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
<b>2016</b>	0.65%	\$1,428,990	1.00%	\$2,198,426	0.55%	\$1,209,146
<b>2015</b>	0.65%	\$1,421,561	1.00%	\$2,187,008	0.55%	\$1,202,865
<b>2014</b>	0.65%	\$1,366,724	1.00%	\$2,102,650	0.55%	\$1,156,467

Contributions Made. Contributions made by the State, the District and its employees, and the District's covered payroll for the fiscal years 2016, 2015, and 2014 are as follows:

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Covered payroll	\$ 219,842,627	\$ 218,700,802	\$ 210,264,992
Contributions made by the State	13,142,791	12,237,003	11,777,067
Retirement plan rate	6.80%	6.80%	6.80%
Retiree health care rate	1.00%	1.00%	1.00%
Medicare Part D	845,795	884,629	559,371
District required and actual			
Contributions to TRS & TRS-Care	4,615,328	4,639,605	4,381,768
Employee contributions to TRS & TRS-Care	17,257,665	16,074,522	14,823,692

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**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 09/01/15</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 08/31/16</u>	<u>Current Portion</u>
Claims Payable	\$ 887,982	\$ 730,453	\$ 741,821	\$ 876,614	\$ 641,297

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

Description	Final Maturity	Interest Rate Payable	Amounts Original Issue	Bonds				Bonds	
				Outstanding at 09/01/2015	Additions	Refunded/ Retired	Interest Accretion	Outstanding at 08/31/2016	Due Within One Year
1997A Refunding	2018	4.85% - 5.42%	\$ 33,140,000	6,585,000	\$ -	(2,315,000)	-	\$ 4,270,000	\$ 2,195,000
2002 School Building	2016	2.09% - 6.03%	130,853,959	3,151,698	-	(3,151,698)	-	-	-
2004-A School Building	2033	Variable	20,000,000	15,300,000	-	(5,210,000)	-	10,090,000	-
2004-B School Building	2033	Variable	20,000,000	15,300,000	-	(5,205,000)	-	10,095,000	-
2006 Refunding	2033	3.95% - 5.46%	66,472,786	41,176,111	-	(41,176,111)	-	-	-
2007 Refunding	2031	3.65% - 4.40%	109,045,000	104,665,000	-	(104,665,000)	-	-	-
2007-A School Building	2033	3.87% - 5.00%	20,000,000	2,775,000	-	(1,690,000)	-	1,085,000	530,000
2008 School Building	2038	3.25% - 5.00%	87,020,000	33,350,000	-	(29,525,000)	-	3,825,000	1,195,000
2009 School Building	2033	3.00% - 5.25%	64,995,000	56,915,000	-	(45,055,000)	-	11,860,000	2,145,000
2010A School Building	2030	3.625% - 5.00%	18,485,000	15,555,000	-	(1,120,000)	-	14,435,000	1,245,000
2010B Build America Bonds	2040	5.561% - 5.661%	40,000,000	40,000,000	-	-	-	40,000,000	-
2011 Qualified School Construction Bond	2026	None	21,640,000	19,840,000	-	(1,800,000)	-	18,040,000	1,800,000
2012 School Building	2025	2.00% - 5.00%	13,985,000	11,015,000	-	(935,000)	-	10,080,000	965,000
2013 Refunding	2023	2.00% - 4.00%	66,145,000	65,440,000	-	(360,000)	-	65,080,000	5,815,000
2014 Refunding	2027	4.00%	4,685,000	4,685,000	-	-	-	4,685,000	-
2015 Refunding	2033	2.00% - 5.00%	60,010,000	58,660,000	-	(4,350,000)	-	54,310,000	640,000
2015A Refunding	2031	4.00% - 5.00%	139,295,000	-	139,295,000	-	-	139,295,000	1,100,000
2016 Refunding	2038	2.00% - 5.00%	79,345,000	-	79,345,000	(680,000)	-	78,665,000	500,000
Total Bonded Indebtedness				\$ 494,412,809	\$ 218,640,000	\$ (247,237,809)	\$ -	\$ 465,815,000	\$ 18,130,000
Accreted Interest and CAB premium				61,370,490	18,778,343	(50,452,071)	2,280,924	31,977,686	-
Premium/Discounts on Bonds				20,004,505	35,854,680	(5,443,185)	(5,443,185)	44,972,815	-
Total Long Term Bonds Payable				\$ 575,787,804	\$ 273,273,023	\$ (303,133,065)	\$ (3,162,261)	\$ 542,765,501	\$ 18,130,000

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

<u>Year Ended August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2017	\$ 18,130,000	\$ 28,543,294	\$ 46,673,294
2018	17,540,000	29,032,331	46,572,331
2019	20,765,000	25,817,219	46,582,219
2020	29,345,000	17,255,106	46,600,106
2021	29,845,000	16,480,769	46,325,769
2022-2026	161,210,000	66,924,217	228,134,217
2027-2031	107,400,000	32,653,365	140,053,365
2032-2036	56,910,000	11,281,978	68,191,978
2037-2040	24,670,000	2,436,350	27,106,350
Totals	\$ 465,815,000	\$ 230,424,629	\$ 696,239,629

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 as of August 31, 2016.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 9. DEBT ISSUANCES AND DEFEASED DEBT**

On October 14, 2015, the District issued "Irving Independent School District Unlimited Tax Refunding Bonds, Series 2015A," totaling \$139,295,000 to refund a portion of the outstanding bonds. These bonds incur costs over the life of the bonds at rates between 4.00% - 5.00% and mature annually with semi-annual interest payments. The proceeds were used to purchase U.S. Government securities and these securities were placed in an irrevocable escrow account until the refunded bonds are redeemed.

This Series 2015A refunding resulted in a decrease in the District's debt service payments of \$44,774,808, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$33,266,932. As a result of these transactions, \$139,297,694 of Unlimited Tax School Building and Refunding Bonds, Series 2006 and 2007, were refunded and are considered legally defeased, and are no longer included in the District's basic financial statements.

On March 1, 2016, the District issued "Irving Independent School District Unlimited Tax Refunding Bonds, Series 2016," totaling \$79,345,000 to refund a portion of the outstanding bonds. These bonds incur costs over the life of the bonds at rates between 2.00% - 5.00% and mature annually with semi-annual interest payments. The proceeds were used to purchase U.S. Government securities and these securities were placed in an irrevocable escrow account until the refunded bonds are redeemed.

This Series 2016 refunding resulted in a decrease in the District's debt service payments of \$17,316,875, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$11,814,711. As a result of these transactions, \$83,565,000 of Unlimited Tax School Building Bonds, Series 2004A, 2004B, 2007A, 2008, and 2009 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, 2016, is \$83,565,000.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2016**

**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, 2016, 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	\$ 435,079	\$ 62,628	To reclassify deficit pooled cash
Other Nonmajor Funds	1,461,445	-	To reclassify deficit pooled cash
Debt Service Fund:			
General Fund	62,628	435,079	To reclassify deficit pooled cash
Other Nonmajor Funds:			
General Fund	-	1,461,445	To reclassify deficit pooled cash
	<u>\$ 1,959,152</u>	<u>\$ 1,959,152</u>	

The detail transfer schedule for the year ended August 31, 2016, includes the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Project Funds	\$ 364,551	To transfer the BABs subsidy fund balance to cover capital projects now funded by the General Fund
		<u>\$ 364,551</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, 2016, 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, 2016**

**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	\$ 98,782,069	\$ -	\$ 38,467,987	\$ -	\$ -	\$ 137,250,056
Food Sales	-	2,629,303	-	-	-	2,629,303
Food Service-Vending	-	507,649	-	-	-	507,649
TIF Proceeds	6,709,413	-	-	-	-	6,709,413
Investment Income	673,865	13,099	81,793	58,264	-	827,021
Rental of Facilities	452,603	-	-	-	-	452,603
Tuition	200,709	-	-	-	-	200,709
Gifts and Bequests	421,551	-	-	-	-	421,551
Penalties, Interest & Other Tax-Related Income	1,023,694	-	281,556	-	-	1,305,250
Co-curricular Student Activities	1,631,219	-	-	-	-	1,631,219
Athletics	230,061	-	-	-	-	230,061
Other	10,048,735	-	-	-	416,641	10,465,376
<b>Total</b>	<b>\$ 120,173,919</b>	<b>\$ 3,150,051</b>	<b>\$ 38,831,336</b>	<b>\$ 58,264</b>	<b>\$ 416,641</b>	<b>\$ 162,630,211</b>

**NOTE 13. UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES**

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>
Deferred Inflows of Resources:				
Net Tax Revenue	\$ 2,965,809	\$ 946,832	\$ -	\$ 3,912,641
<b>Total Deferred Inflows of Resources</b>	<b>\$ 2,965,809</b>	<b>\$ 946,832</b>	<b>\$ -</b>	<b>\$ 3,912,641</b>
Unearned Revenue:				
Laptop Computer Fees	\$ 507	\$ -	\$ -	\$ 507
Career and Technology Incentives	-	-	14,658	14,658
Parking Fees	7,682	-	-	7,682
LEP Summer School	-	-	16,935	16,935
STEM	-	-	25,000	25,000
Tax Office	7,148	-	-	7,148
Advanced Placement Incentives	-	-	23,564	23,564
Regional Day School for the Deaf	-	-	219,094	219,094
<b>Total Unearned Revenue</b>	<b>\$ 15,337</b>	<b>\$ -</b>	<b>\$ 299,251</b>	<b>\$ 314,588</b>

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, 2016**

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**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, 2016, are summarized below:

	<u>2016</u>
Duncanville ISD	\$ 161,269
Grand Prairie ISD	<u>321,293</u>
	<u>\$ 482,562</u>

**NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This standard becomes effective for the District in fiscal year 2017.

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

The GASB issued Statement No. 77, Tax Abatement Disclosures. This standard becomes effective for the District in fiscal year 2017.

The GASB issued Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans. This standard becomes effective for the District in fiscal year 2017.

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

The GASB issued Statement No. 82, Pensions Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73. This standard becomes effective for the District in fiscal year 2017.

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, 2016**

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**NOTE 16. INSTRUCTIONAL MATERIALS ALLOTMENT**

In May 2011, Senate Rule 6 repealed the technology allotment used by Texas schools and created an instructional materials allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA, instructional materials purchases must be made through TEA's online registration system. Instructional materials totaling \$557,897 were purchased with the IMA and were recorded in a state special revenue fund as both revenue and expenditure.

**NOTE 17. SUBSEQUENT EVENT**

On August 22, 2016, the Board of Trustees approved issuance of the "Irving Independent School District Unlimited Tax Refunding Bonds, Series 2016A", in the aggregated principal amount of \$20,105,000. Proceeds of this issuance were used to refund \$10,090,000 of Series 2004A Variable Rate Unlimited Tax School Building Bonds and \$10,095,000 of Series 2004B Variable Rate Unlimited Tax School Building Bonds.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2016**

**EXHIBIT G-1**

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
	<b>REVENUES</b>				
5700	Local and Intermediate Sources	\$ 118,692,847	\$ 121,000,132	\$ 120,173,919	\$ (826,213)
5800	State Program Revenues	173,978,855	173,979,354	176,305,368	2,326,014
5900	Federal Program Revenues	4,179,000	6,073,244	6,668,511	595,267
5020	Total Revenues	<u>296,850,702</u>	<u>301,052,730</u>	<u>303,147,798</u>	<u>2,095,068</u>
	<b>EXPENDITURES</b>				
	Current:				
0010	Instruction and Instructional-Related Services:				
0011	Instruction	176,573,226	182,511,690	180,584,550	1,927,140
0012	Instructional Resources and Media Services	4,634,078	5,425,325	5,182,446	242,879
0013	Curriculum Development and Instructional Staff Development	4,797,418	4,843,551	4,211,781	631,770
	Total Instruction and Instructional-Related Services:	<u>186,004,722</u>	<u>192,780,566</u>	<u>189,978,777</u>	<u>2,801,789</u>
0020	Instructional and School Leadership:				
0021	Instructional Leadership	4,689,769	4,707,983	4,242,178	465,805
0023	School Leadership	19,877,780	20,131,095	19,783,704	347,391
	Total Instructional and School Leadership:	<u>24,567,549</u>	<u>24,839,078</u>	<u>24,025,882</u>	<u>813,196</u>
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	14,856,794	15,002,456	14,582,048	420,408
0032	Social Work Services	1,603,797	1,619,893	1,435,286	184,607
0033	Health Services	2,959,092	3,008,841	2,881,278	127,563
0034	Student (Pupil) Transportation	5,019,475	5,899,475	5,301,947	597,528
0035	Food Services	599,375	595,475	600,030	(4,555)
0036	Co-Curricular/Extracurricular Activities	5,579,585	6,600,948	5,782,616	818,332
	Total Support Services - Student (Pupil):	<u>30,618,118</u>	<u>32,727,088</u>	<u>30,583,205</u>	<u>2,143,883</u>
0040	Administrative Support Services:				
0041	General Administration	8,126,239	8,120,316	7,380,628	739,688
	Total Administrative Support Services:	<u>8,126,239</u>	<u>8,120,316</u>	<u>7,380,628</u>	<u>739,688</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	23,817,397	24,355,619	22,471,432	1,884,187
0052	Security and Monitoring Services	3,536,863	3,535,484	3,434,715	100,769
0053	Data Processing Services	4,511,195	4,616,758	3,977,808	638,950
	Total Support Services - Nonstudent Based:	<u>31,865,455</u>	<u>32,507,861</u>	<u>29,883,955</u>	<u>2,623,906</u>
0060	Ancillary Services:				
0061	Community Services	425,157	512,200	358,198	154,002
	Total Ancillary Services:	<u>425,157</u>	<u>512,200</u>	<u>358,198</u>	<u>154,002</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	5,000,000	23,014,278	16,254,707	6,759,571
	Total Capital Outlay:	<u>5,000,000</u>	<u>23,014,278</u>	<u>16,254,707</u>	<u>6,759,571</u>
0090	Intergovernmental Charges:				
0095	Payments to JJAEP	190,000	190,000	15,882	174,118
0097	Payments to TIF	7,878,150	8,945,883	8,945,883	-
0099	Intergovernmental Charges	568,476	568,476	568,476	-
	Total Intergovernmental Charges:	<u>8,636,626</u>	<u>9,704,359</u>	<u>9,530,241</u>	<u>174,118</u>
6030	Total Expenditures	<u>295,243,866</u>	<u>324,205,746</u>	<u>307,995,593</u>	<u>16,210,153</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,606,836</u>	<u>(23,153,016)</u>	<u>(4,847,795)</u>	<u>18,305,221</u>
	<b>OTHER FINANCING SOURCES (USES)</b>				
7912	Proceeds from Sale of Fixed Assets	50,000	50,000	25,711	(24,289)
7915	Transfers In	-	364,551	364,551	-
	Total Other Financing Sources (Uses)	<u>50,000</u>	<u>414,551</u>	<u>390,262</u>	<u>(24,289)</u>
1200	Net Change in Fund Balances	1,656,836	(22,738,465)	(4,457,533)	18,280,932
0100	Fund Balance - September 1 (Beginning)	107,569,658	107,569,658	107,569,658	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 109,226,494</u>	<u>\$ 84,831,193</u>	<u>\$ 103,112,125</u>	<u>\$ 18,280,932</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, 2016**

**EXHIBIT G-2**

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
	<b>REVENUES</b>				
5700	Local and Intermediate Sources	\$ 2,764,000	\$ 2,764,000	\$ 3,150,051	\$ 386,051
5800	State Program Revenues	120,000	120,000	140,759	20,759
5900	Federal Program Revenues	18,915,064	18,915,064	19,662,942	747,878
5020	Total Revenues	<u>21,799,064</u>	<u>21,799,064</u>	<u>22,953,752</u>	<u>1,154,688</u>
	<b>EXPENDITURES</b>				
	Current:				
0030	Support Services - Student (Pupil):				
0035	Food Services	20,497,089	22,563,668	21,170,960	1,392,708
0036	Co-Curricular/Extracurricular Activities	652,965	634,465	457,786	176,679
	Total Support Services - Student (Pupil):	<u>21,150,054</u>	<u>23,198,133</u>	<u>21,628,746</u>	<u>1,569,387</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	649,010	649,010	568,302	80,708
	Total Support Services - Nonstudent Based:	<u>649,010</u>	<u>649,010</u>	<u>568,302</u>	<u>80,708</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	105,315	-	105,315
	Total Capital Outlay:	<u>-</u>	<u>105,315</u>	<u>-</u>	<u>105,315</u>
6030	Total Expenditures	<u>21,799,064</u>	<u>23,952,458</u>	<u>22,197,048</u>	<u>1,755,410</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,153,394)</u>	<u>756,704</u>	<u>2,910,098</u>
1200	Net Change in Fund Balances	-	(2,153,394)	756,704	2,910,098
0100	Fund Balance - September 1 (Beginning)	5,434,057	5,434,057	5,434,057	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 5,434,057</u>	<u>\$ 3,280,663</u>	<u>\$ 6,190,761</u>	<u>\$ 2,910,098</u>

See Notes to Required Supplementary Information.

**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY OF A COST-  
SHARING MULTIPLE-EMPLOYER PENSION PLAN - TRS  
FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015**

**EXHIBIT G-3**

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

Note: GASB 68,81,2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2015 - the period from September 1, 2014 - August 31, 2015.

Note: Ten years of data is not available.

*See Notes to Required Supplementary Information.*



**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS- TRS  
FOR THE YEARS ENDED AUGUST 31, 2016 AND 2015**

**EXHIBIT G-4**

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

Note: GASB 68, Paragraph 81.2.b. requires that the data in this schedule be presented as the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2014 - August 31, 2015.

Note: Ten years of data is not available.

**IRVING INDEPENDENT SCHOOL DISTRICT  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 AUGUST 31, 2016**

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**NOTE 1. BUDGETARY LEGAL COMPLIANCE**

**A. Budgetary Information**

The Official Budget was prepared for adoption prior to August 20, 2015 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 22, 2016.

**B. Excess of Expenditures Over Appropriations**

For the year ended August 30, 2016, expenditures exceeded appropriations in the functions (the legal level of budgetary control) of the following funds:

<u>Fund</u>	<u>Function</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	Food Service	\$ 595,475	\$ 600,030	\$ (4,555)

This function's expenditures exceeded appropriations due to the payroll costs during 2015-2016.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
AUGUST 31, 2016**

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**NOTE 2. PENSION LIABILITY**

**TRS – Actuarial Assumptions for Contribution Rate**

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

Valuation Date	August 31, 2015
Actuarial Cost Method	Ultimate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	33 years
Asset Valuation Method	5 Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.50%
Salary Increases	3.50% to 9.50% including Inflation
Investment Rate of Return	8.00%
Ad Hoc Post-employment Benefit Changes	None
Benefit Changes During the Year	None



# **OTHER SUPPLEMENTARY INFORMATION**



**COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**





**NONMAJOR  
GOVERNMENTAL FUNDS**

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2016**

**EXHIBIT H-1**

<u>DATA CONTROL CODES</u>		<u>FEDERAL SPECIAL REVENUE</u>	<u>STATE SPECIAL REVENUE</u>	<u>TOTALS NONMAJOR GOVERNMENTAL FUNDS</u>
	<b>ASSETS</b>			
1110	Cash and Temporary Investment	\$ 17,000	\$ 420,385	\$ 437,385
	Receivables:			
1240	Due from Other Governments	1,481,448	3,494	1,484,942
1000	<b>TOTAL ASSETS</b>	<u>\$ 1,498,448</u>	<u>\$ 423,879</u>	<u>\$ 1,922,327</u>
	<b>LIABILITIES</b>			
2110	Accounts Payable	\$ 20,006	\$ 141,564	\$ 161,570
2170	Due to Other Funds	1,461,445	-	1,461,445
2180	Due to Other Governments	61	-	61
2300	Unearned Revenue	16,936	282,315	299,251
2000	<b>TOTAL LIABILITIES</b>	<u>1,498,448</u>	<u>423,879</u>	<u>1,922,327</u>
3000	<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>
4000	<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,498,448</u>	<u>\$ 423,879</u>	<u>\$ 1,922,327</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2016**

**EXHIBIT H-2**

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
	<b>REVENUES</b>			
5700	Local and Intermediate Sources	\$ -	\$ 416,641	\$ 416,641
5800	State Program Revenues	-	1,459,553	1,459,553
5900	Federal Program Revenues	20,342,053	-	20,342,053
5020	Total Revenues	<u>20,342,053</u>	<u>1,876,194</u>	<u>22,218,247</u>
	<b>EXPENDITURES</b>			
	Current:			
0010	Instruction and Instructional-Related Services:			
0011	Instruction	12,054,186	1,564,963	13,619,149
0012	Instructional Resources and Media Services	-	131,790	131,790
0013	Curriculum Development and Instructional Staff Development	3,746,496	11,513	3,758,009
	Total Instruction and Instructional-Related Services:	<u>15,800,682</u>	<u>1,708,266</u>	<u>17,508,948</u>
0020	Instructional and School Leadership:			
0021	Instructional Leadership	376,503	136,817	513,320
	Total Instructional and School Leadership:	<u>376,503</u>	<u>136,817</u>	<u>513,320</u>
0030	Support Services - Student (Pupil):			
0031	Guidance, Counseling, and Evaluation Services	1,266,148	31,111	1,297,259
0032	Social Work Services	64,003	-	64,003
0033	Health Services	164,876	-	164,876
0034	Student (Pupil) Transportation	703,311	-	703,311
	Total Support Services - Student (Pupil):	<u>2,198,338</u>	<u>31,111</u>	<u>2,229,449</u>
0050	Support Services - Nonstudent Based:			
0053	Data Processing Services	53,645	-	53,645
	Total Support Services - Nonstudent Based:	<u>53,645</u>	<u>-</u>	<u>53,645</u>
0060	Ancillary Services:			
0061	Community Services	1,912,885	-	1,912,885
	Total Ancillary Services:	<u>1,912,885</u>	<u>-</u>	<u>1,912,885</u>
6030	Total Expenditures	<u>20,342,053</u>	<u>1,876,194</u>	<u>22,218,247</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**

**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
AUGUST 31, 2016**

<u>DATA CONTROL CODES</u>		<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT</u>
	<b>ASSETS</b>		
	Current Assets:		
1110	Cash and Temporary Investments	\$ 1,898,318	\$ 397,516
1310	Inventories, at Cost	-	-
	Total Current Assets	<u>1,898,318</u>	<u>397,516</u>
1000	Total Assets	<u>1,898,318</u>	<u>397,516</u>
	<b>LIABILITIES</b>		
	Current Liabilities:		
2110	Accounts Payable	396	14,428
2800	Claims Due Within One Year	<u>641,297</u>	-
	Total Current Liabilities	<u>641,693</u>	<u>14,428</u>
	Noncurrent Liabilities:		
	Claims Due In More Than One Year	<u>235,317</u>	-
	Total Long-Term Liabilities	<u>235,317</u>	-
2000	Total Liabilities	<u>877,010</u>	<u>14,428</u>
	<b>NET POSITION</b>		
3900	Unrestricted Net Position	<u>1,021,308</u>	<u>383,088</u>
3000	<b>TOTAL NET POSITION</b>	<u><u>\$ 1,021,308</u></u>	<u><u>\$ 383,088</u></u>

<u>SCIENCE KIT REFURBISHMENT</u>	<u>PRINT SHOP</u>	<u>TOTALS INTERNAL SERVICE FUNDS</u>
\$ 208,869	\$ 78,741	\$ 2,583,444
185,208	10,321	195,529
<u>394,077</u>	<u>89,062</u>	<u>2,778,973</u>
394,077	89,062	2,778,973
22,027	12,665	49,516
-	-	641,297
<u>22,027</u>	<u>12,665</u>	<u>690,813</u>
-	-	235,317
-	-	235,317
<u>22,027</u>	<u>12,665</u>	<u>926,130</u>
372,050	76,397	1,852,843
<u>\$ 372,050</u>	<u>\$ 76,397</u>	<u>\$ 1,852,843</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, 2016**

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<u>DATA CONTROL CODES</u>		<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT</u>
	OPERATING REVENUES		
5700	Charges for Services	\$ 818,129	\$ 10,265
5020	Total Operating Revenues	<u>818,129</u>	<u>10,265</u>
	OPERATING EXPENSES		
6100	Payroll Costs	130,268	36,044
6200	Professional/Contracted Services	22,072	-
6300	Supplies and Materials	19,001	2
6400	Claims, Administration, and Other Expenses	<u>982,709</u>	<u>87,616</u>
6030	Total Operating Expenses	<u>1,154,050</u>	<u>123,662</u>
	Operating Income (Loss)	(335,921)	(113,397)
	NONOPERATING REVENUES		
7955	Interest Income	<u>5,316</u>	<u>-</u>
	CHANGE IN NET POSITION	(330,605)	(113,397)
0100	Total Net Position - September 1 (Beg.)	<u>1,351,913</u>	<u>496,485</u>
3000	Total Net Position - August 31 (Ending)	<u>\$ 1,021,308</u>	<u>\$ 383,088</u>



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SCIENCE KIT REFURBISHMENT	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 434,880	\$ 112,997	\$ 1,376,271
<u>434,880</u>	<u>112,997</u>	<u>1,376,271</u>
-	-	166,312
585	107,464	130,121
322,093	22,698	363,794
559	-	1,070,884
<u>323,237</u>	<u>130,162</u>	<u>1,731,111</u>
111,643	(17,165)	(354,840)
-	-	5,316
111,643	(17,165)	(349,524)
260,407	93,562	2,202,367
<u>\$ 372,050</u>	<u>\$ 76,397</u>	<u>\$ 1,852,843</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2016**

	<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT</u>
Cash Flows from Operating Activities:		
Cash Received for Premiums and Services	\$ 818,129	\$ 10,265
Cash Paid to Employees	(130,268)	(36,044)
Cash Paid for Claims, Administration, and Other Costs	<u>(1,039,011)</u>	<u>(86,518)</u>
Net Cash Provided by (Used in) Operating Activities	<u>(351,150)</u>	<u>(112,297)</u>
Cash Flows from Investing Activities:		
Interest Received	<u>5,316</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>5,316</u>	<u>-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(345,834)	(112,297)
Cash and Cash Equivalents at Beginning of the Year	<u>2,244,152</u>	<u>509,813</u>
Cash and Cash Equivalents at End of the Year	<u>\$ 1,898,318</u>	<u>\$ 397,516</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating Income (Loss)	<u>\$ (335,921)</u>	<u>\$ (113,397)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Decrease (Increase) in Inventories	-	-
Increase (Decrease) in Accounts Payable	(3,861)	1,100
Decrease in Long-term Claims Reserve	<u>(11,368)</u>	<u>-</u>
Total Adjustments	<u>(15,229)</u>	<u>1,100</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (351,150)</u>	<u>\$ (112,297)</u>

<u>SCIENCE KIT REFURBISHMENT</u>	<u>PRINT SHOP</u>	<u>TOTALS INTERNAL SERVICE FUNDS</u>
\$ 434,880	\$ 91,899	\$ 1,355,173
-	-	(166,312)
<u>(228,346)</u>	<u>(136,486)</u>	<u>(1,490,361)</u>
<u>206,534</u>	<u>(44,587)</u>	<u>(301,500)</u>
-	-	5,316
-	-	5,316
206,534	(44,587)	(296,184)
<u>2,335</u>	<u>123,328</u>	<u>2,879,628</u>
<u>\$ 208,869</u>	<u>\$ 78,741</u>	<u>\$ 2,583,444</u>
<u>\$ 111,643</u>	<u>\$ (17,165)</u>	<u>\$ (354,840)</u>
100,045	(6,324)	93,721
(5,154)	(21,098)	(29,013)
-	-	<u>(11,368)</u>
<u>94,891</u>	<u>(27,422)</u>	<u>53,340</u>
<u>\$ 206,534</u>	<u>\$ (44,587)</u>	<u>\$ (301,500)</u>



# **FIDUCIARY FUNDS**



**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 AUGUST 31, 2016**

**EXHIBIT H-6**

	STUDENT ACTIVITY FUNDS	FLEXIBLE BENEFITS	TOTALS AGENCY FUNDS
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 467,171	\$ 300,747	\$ 767,918
<b>TOTAL ASSETS</b>	<u>\$ 467,171</u>	<u>\$ 300,747</u>	<u>\$ 767,918</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 12,336	\$ 300,747	\$ 313,083
Due to Student Groups	454,835	-	454,835
<b>TOTAL LIABILITIES</b>	<u>\$ 467,171</u>	<u>\$ 300,747</u>	<u>\$ 767,918</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2016**

**EXHIBIT H-7**

	<u>BALANCE</u> 9/1/2015	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> 8/31/2016
<b>STUDENT ACTIVITIES:</b>				
Assets:				
Cash and Temporary Investments	\$ 458,214	\$ 1,339,584	\$ 1,330,627	\$ 467,171
Total Assets	<u>\$ 458,214</u>	<u>\$ 1,339,584</u>	<u>\$ 1,330,627</u>	<u>\$ 467,171</u>
Liabilities:				
Accounts Payable	\$ 17,625	\$ 1,525,676	\$ 1,530,965	\$ 12,336
Due to Student Groups	440,589	1,390,146	1,375,900	454,835
Total Liabilities	<u>\$ 458,214</u>	<u>\$ 2,915,822</u>	<u>\$ 2,906,865</u>	<u>\$ 467,171</u>
<b>FLEXIBLE BENEFITS:</b>				
Assets:				
Cash and Temporary Investments	\$ 248,522	\$ 1,180,197	\$ 1,127,972	\$ 300,747
Total Assets	<u>\$ 248,522</u>	<u>\$ 1,180,197</u>	<u>\$ 1,127,972</u>	<u>\$ 300,747</u>
Liabilities:				
Accounts Payable	\$ 248,522	\$ 2,308,476	\$ 2,256,251	\$ 300,747
Total Liabilities	<u>\$ 248,522</u>	<u>\$ 2,308,476</u>	<u>\$ 2,256,251</u>	<u>\$ 300,747</u>
<b>TOTAL AGENCY FUNDS:</b>				
Assets:				
Cash and Temporary Investments	\$ 706,736	\$ 2,519,781	\$ 2,458,599	\$ 767,918
Total Assets	<u>\$ 706,736</u>	<u>\$ 2,519,781</u>	<u>\$ 2,458,599</u>	<u>\$ 767,918</u>
Liabilities:				
Accounts Payable	\$ 266,147	\$ 3,834,152	\$ 3,787,216	\$ 313,083
Due to Student Groups	440,589	1,390,146	1,375,900	454,835
Total Liabilities	<u>\$ 706,736</u>	<u>\$ 5,224,298</u>	<u>\$ 5,163,116</u>	<u>\$ 767,918</u>



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

**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED AUGUST 31, 2016**

Last Ten Years Tax Roll Fiscal Year Ending August 31	Operations	Maintenance Debt	Total	Interest & Sinking	3 Assessed/ Appraised Value for School Tax
2007 & Prior Years	Various	Various	Various	Various	Various
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
2015	1.0400	--	1.0400	0.3950	9,875,806,062
2016	1.0400	--	1.0400	0.4050	10,428,027,790 *
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 \$2,938,579.

\* Source: 2016 School District Report of Property Value  
(Includes all Supplements and Litigated Accounts).

10 Beginning Balance 9/1/2015	20 Current Year's Total Levy	30 Maintenance Total Collections	30a Debt Service Total Collections	40 Fiscal Year's Adjustment	50 Ending Balance 8/31/2016
\$ 1,028,616	\$ -	\$ 42,481	\$ 8,078	\$ (70,330)	\$ 907,727
162,938	-	10,291	3,586	(7,874)	141,187
223,752	-	18,664	6,789	(13,501)	184,798
328,990	-	31,748	12,606	(30,699)	253,937
411,005	-	34,537	14,114	(71,688)	290,666
534,070	-	18,502	7,561	(143,536)	364,471
630,116	-	51,259	20,947	(39,998)	517,912
933,990	-	111,711	45,652	46,164	822,791
1,541,438	-	(331,784)	(126,014)	(962,918)	1,036,318
-	147,746,423	105,126,807	40,938,817	-	1,680,799
<u>\$ 5,794,915</u>	<u>\$ 147,746,423</u>	<u>\$ 105,114,216</u>	<u>\$ 40,932,136</u>	<u>\$ (1,294,380)</u>	<u>\$ 6,200,606</u>

\$ 8,945,883

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 8/31/16:

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, 2016**

Data Control Codes		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
<b>REVENUES</b>					
5700	Local and Intermediate Sources	\$ 39,613,466	\$ 39,402,053	\$ 38,831,336	\$ (570,717)
5800	State Program Revenues	8,451,870	8,451,870	8,106,227	(345,643)
5020	Total Revenues	<u>48,065,336</u>	<u>47,853,923</u>	<u>46,937,563</u>	<u>(916,360)</u>
<b>EXPENDITURES</b>					
0070	Debt Service:				
0071	Principal	28,191,698	32,937,912	28,884,818	4,053,094
0072	Interest and Charges on Long-Term Debt	26,432,232	21,700,160	25,751,096	(4,050,936)
0073	Bond Issue Costs and Fees	458,810	2,346,868	1,895,655	451,213
	Total Debt Services	<u>55,082,740</u>	<u>56,984,940</u>	<u>56,531,569</u>	<u>453,371</u>
6030	Total Expenditures	<u>55,082,740</u>	<u>56,984,940</u>	<u>56,531,569</u>	<u>453,371</u>
1100	Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(7,017,404)</u>	<u>(9,131,017)</u>	<u>(9,594,006)</u>	<u>(462,989)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7901	Issuance of Refunding Debt	-	218,640,000	218,640,000	-
7916	Premium on Issuance of Debt	-	54,633,023	54,633,023	-
8940	Payment to Refunded Bond Escrow Agent	-	(271,383,944)	(271,383,944)	-
	Total Other Financing Sources and (Uses)	<u>-</u>	<u>1,889,079</u>	<u>1,889,079</u>	<u>-</u>
1200	Net Change in Fund Balances	(7,017,404)	(7,241,938)	(7,704,927)	(462,989)
0100	Fund Balance - September 1 (Beginning)	14,470,943	14,470,943	14,470,943	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 7,453,539</u>	<u>\$ 7,229,005</u>	<u>\$ 6,766,016</u>	<u>\$ (462,989)</u>

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

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

<b>Contents</b>	<b>Exhibits</b>
<b>Financial Trends Information</b> These schedules contain trend information intended to help the reader understand how the district's financial position has changed over time.	S1 – S7
<b>Revenue Capacity Information</b> These schedules contain information intended to help the reader assess the district's most significant revenue source, state tax collections.	S8 – S12
<b>Debt Capacity information</b> These schedules contain information intended to assist users in understanding and assessing the district's current levels of outstanding debt and the ability to issue additional debt.	S13 – S15
<b>Demographic and Economic information</b> These schedules provide demographic and economic indicators intended to help the reader understand the socioeconomic environment within which the district's financial activities take place.	S16 – S18
<b>Operating Information</b> These schedules provide contextual information about the district's operations and resources intended to assist readers in using financial statement information to understand and assess the district's economic condition.	S19 – S20

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 17,326,732	\$ 12,678,217	\$ 235,946	\$ 3,431,449
Restricted				
Food Service	5,829,135	6,482,598	7,121,811	7,398,104
Debt Service	483,099	3,866,540	6,948,487	3,899,725
Unrestricted	22,854,621	31,999,108	44,389,864	36,876,813
Total primary government net position	<u>\$ 46,493,587</u>	<u>\$ 55,026,463</u>	<u>\$ 58,696,108</u>	<u>\$ 51,606,091</u>

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

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Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 4,933,936	\$ 30,022,606	\$ 33,082,682	\$ 34,787,416	\$ 32,289,637	\$ 32,387,346
6,710,687	9,102,534	8,548,803	5,840,117	5,434,057	6,190,761
4,549,566	12,602,461	9,270,928	11,811,520	10,505,814	4,202,628
35,907,568	15,693,677	27,784,480	25,431,713	(482,474)	19,157,439
<u>\$ 52,101,757</u>	<u>\$ 67,421,278</u>	<u>\$ 78,686,893</u>	<u>\$ 77,870,766</u>	<u>\$ 47,747,034</u>	<u>\$ 61,938,174</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Expenses</b>				
Governmental activities				
Instruction	\$ 156,793,863	\$ 168,804,073	\$ 180,232,180	\$ 202,902,605
Instructional resources and media services	4,427,356	4,710,352	4,975,486	5,268,387
Curriculum and staff development services	3,295,719	3,923,766	3,558,753	5,052,148
Instructional leadership	4,932,500	5,225,582	5,155,792	5,767,304
School leadership	16,069,867	17,269,721	18,327,617	19,227,696
Guidance, counseling, & evaluation services	10,134,028	11,014,134	13,188,546	14,526,771
Social work services	391,517	451,833	454,045	421,492
Health services	2,070,801	2,352,144	2,546,835	2,668,537
Student transportation	3,141,164	3,294,523	3,498,826	3,894,410
Food Service	12,864,427	13,916,614	15,973,273	16,353,277
Extracurricular activities	4,291,034	4,905,015	4,968,072	5,244,068
General administration	6,831,531	7,024,356	7,214,596	7,239,959
Plant maintenance and operations	18,259,089	18,582,655	20,296,508	22,197,037
Security and monitoring services	1,671,357	2,221,348	2,615,072	2,835,972
Data processing services	3,978,718	3,704,739	3,574,010	3,369,105
Community services	858,752	1,088,711	1,177,345	1,336,533
Interest on long-term debt	21,739,963	22,865,771	24,205,191	27,919,340
Facilities acquisition/construction	-	-	3,469	3,450
Intergovernmental charges	121,135	166,095	176,431	91,036
Payments to TIF	-	498,713	2,347,460	1,414,723
Other Intergovernmental Charges	-	-	505,598	535,803
Total primary government program expenses	<u>271,872,821</u>	<u>292,020,145</u>	<u>314,995,105</u>	<u>348,269,653</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
Instruction	\$ 1,428,425	\$ 827,006	\$ 675,741	\$ 592,479
Instructional leadership	344,144	-	-	-
Guidance, counseling, & evaluation services	177,332	-	-	-
Food service	2,985,422	2,996,746	3,048,365	2,751,056
Extracurricular activities	1,487,930	1,262,648	1,380,358	1,422,835
Plant maintenance and operations	163,346	132,445	149,044	212,710
Operating grants and contributions	32,270,600	38,828,216	45,849,732	72,112,849
Capital Grants and Contributions	-	-	75,000	-
Total primary government program revenues	<u>\$ 38,857,199</u>	<u>\$ 44,047,061</u>	<u>\$ 51,178,240</u>	<u>\$ 77,091,929</u>
<b>Net (Expense)/Revenue</b>				
Total primary government net (expenses) revenues	<u>\$ (233,015,622)</u>	<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>	<u>\$ (271,177,724)</u>

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



Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 202,027,719	\$ 190,308,817	\$ 188,974,526	209,800,052	211,808,998	217,338,877
5,395,741	5,448,807	5,595,410	5,915,181	5,488,376	6,368,683
5,230,001	4,751,709	6,703,099	8,471,201	9,135,362	8,217,047
5,302,420	5,624,822	5,311,012	5,112,718	4,577,973	5,027,383
19,274,337	17,229,739	17,688,291	19,926,467	20,401,286	21,467,618
14,456,133	13,715,505	14,731,022	15,040,908	15,721,776	17,071,237
452,483	422,845	452,558	584,649	1,576,516	1,556,815
2,677,435	2,652,074	2,728,362	2,814,171	3,001,895	3,294,065
4,462,792	4,086,234	4,600,440	6,354,947	5,267,894	6,032,429
17,047,841	17,531,841	19,032,015	19,309,738	19,738,827	21,381,006
6,243,463	6,270,809	6,338,475	6,559,814	6,538,184	6,986,735
7,248,095	7,199,150	7,559,425	8,104,538	7,122,438	7,791,108
21,587,242	22,012,072	21,523,347	21,912,291	22,191,155	23,796,087
2,849,399	2,905,808	2,998,649	3,182,215	3,130,271	3,467,941
3,549,859	3,893,178	3,888,670	4,261,484	4,031,182	4,254,484
1,246,312	1,195,296	1,839,893	1,818,555	1,724,124	2,323,519
28,495,578	28,718,685	27,340,450	26,343,364	20,023,429	20,103,591
-	3,974	2,559	10,703	71,682	92,834
64,752	86,526	56,430	116,850	173,772	15,882
1,010,907	1,742,264	3,100,836	2,182,197	6,465,553	8,945,883
531,534	519,552	520,707	534,086	538,945	568,476
<u>349,154,043</u>	<u>336,319,707</u>	<u>340,986,176</u>	<u>368,356,129</u>	<u>368,729,638</u>	<u>386,101,700</u>
\$ 543,735	\$ 516,091	\$ 440,510	425,016	360,438	242,247
-	-	-	-	-	-
-	-	-	-	-	-
2,508,940	2,971,813	3,131,771	3,284,981	3,110,102	3,136,952
1,413,786	1,427,241	1,381,483	1,421,847	1,814,044	1,861,280
177,518	731,666	2,045,158	231,145	388,564	466,364
74,113,382	57,192,756	48,772,209	51,231,188	57,542,541	62,385,043
-	-	-	-	-	-
<u>\$ 78,757,361</u>	<u>\$ 62,839,567</u>	<u>\$ 55,771,131</u>	<u>\$ 56,594,177</u>	<u>\$ 63,215,689</u>	<u>\$ 68,091,886</u>
<u>\$ (270,396,682)</u>	<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>	<u>\$ (311,761,952)</u>	<u>\$ (305,513,949)</u>	<u>\$ (318,009,814)</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Net (Expense)/Revenue</b>				
Total primary government expenses	<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>	<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>
<b>General Revenues</b>				
Governmental activities				
Taxes				
Property taxes levied for general purposes	\$ 114,148,984	\$ 91,437,264	\$ 97,024,305	\$ 93,248,521
Property taxes levied for debt service	26,892,668	32,112,354	34,961,198	37,025,527
State Aid Formula Grants	99,077,027	123,663,032	127,466,060	129,868,903
Investment earnings	7,551,678	7,590,752	4,993,990	1,870,376
Miscellaneous	<u>1,764,629</u>	<u>1,702,558</u>	<u>3,040,957</u>	<u>2,074,380</u>
Total primary government	<u>249,434,986</u>	<u>256,505,960</u>	<u>267,486,510</u>	<u>264,087,707</u>
<b>Change in Net Position</b>				
Total primary government	<u>\$ 1,461,902</u>	<u>\$ (7,310,905)</u>	<u>\$ (3,691,214)</u>	<u>\$ (6,308,975)</u>

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

Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>\$ (273,480,140)</u>	<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>	<u>\$ (311,761,952)</u>	<u>\$ (305,513,949)</u>	<u>\$ (318,009,814)</u>
\$ 90,847,221	\$ 89,463,642	\$ 89,907,666	91,269,145	96,135,459	100,440,711
37,126,703	36,363,206	36,708,071	37,578,332	36,447,373	38,749,543
139,197,880	157,790,019	165,468,694	184,171,041	187,211,926	184,411,595
871,377	692,064	410,848	254,184	285,316	832,337
<u>2,849,167</u>	<u>4,490,730</u>	<u>3,985,381</u>	<u>2,693,365</u>	<u>9,254,222</u>	<u>7,766,768</u>
<u>270,892,348</u>	<u>288,799,661</u>	<u>296,480,660</u>	<u>315,966,067</u>	<u>329,334,296</u>	<u>332,200,954</u>
<u>\$ (2,587,792)</u>	<u>\$ 15,319,521</u>	<u>\$ 11,265,615</u>	<u>\$ 4,204,115</u>	<u>\$ 23,820,347</u>	<u>\$ 14,191,140</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Reserved and designated	\$ 5,178,967	\$ 4,950,861	\$ 5,498,527	\$ 8,703,587
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unreserved	62,600,749	70,672,111	75,006,001	68,382,436
Total general fund	<u>\$ 67,779,716</u>	<u>\$ 75,622,972</u>	<u>\$ 80,504,528</u>	<u>\$ 77,086,023</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ 6,977,423	\$ 7,264,922	\$ 4,922,770	\$ 7,424,091
Debt service fund	13,439,971	12,331,569	18,518,712	14,620,052
Capital projects fund	32,858,019	104,020,753	115,773,018	112,060,012
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Total all other governmental funds	<u>\$ 53,275,413</u>	<u>\$123,617,244</u>	<u>\$ 139,214,500</u>	<u>\$ 134,104,155</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,058,731	772,985	1,286,199	1,351,036	976,874	1,207,087
7,744,340	3,374,022	6,310,707	5,919,083	17,091,518	9,696,748
70,614,294	81,320,437	89,241,873	91,248,384	89,501,266	92,208,290
-	-	-	-	-	-
<u>\$ 79,417,365</u>	<u>\$ 85,467,444</u>	<u>\$ 96,838,779</u>	<u>\$ 98,518,503</u>	<u>\$ 107,569,658</u>	<u>\$ 103,112,125</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
193,802	262,320	113,409	183,405	268,747	283,454
86,014,879	82,214,192	49,865,661	38,826,806	33,001,787	20,287,005
<u>\$ 86,208,681</u>	<u>\$ 82,476,512</u>	<u>\$ 49,979,070</u>	<u>\$ 39,010,211</u>	<u>\$ 33,270,534</u>	<u>\$ 20,570,459</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Federal sources:				
Federal grants	\$ 15,366,903	\$ 19,536,650	\$ 21,859,060	\$ 47,734,756
Food service	11,305,672	11,756,508	13,802,030	15,454,652
Capital projects	-	-	-	-
Total federal sources	<u>26,672,575</u>	<u>31,293,158</u>	<u>35,661,090</u>	<u>63,189,408</u>
State sources:				
State grants and other	97,207,159	123,615,224	130,353,672	130,813,857
Food service	105,045	111,329	111,223	112,830
Debt service	7,863,269	6,635,812	4,551,934	5,903,142
Total state sources	<u>105,175,473</u>	<u>130,362,365</u>	<u>135,016,829</u>	<u>136,829,829</u>
Local sources:				
Local & intermediate sources	124,237,728	102,058,885	106,888,411	99,594,423
Food service	3,210,101	3,162,463	3,096,672	2,760,323
Debt service	27,994,311	32,834,524	35,331,200	37,001,854
Capital projects	1,109,368	2,338,211	1,994,383	868,130
Total local sources	<u>156,551,508</u>	<u>140,394,083</u>	<u>147,310,666</u>	<u>140,224,730</u>
Total revenues	<u>\$ 288,399,556</u>	<u>\$ 302,049,606</u>	<u>\$ 317,988,585</u>	<u>\$ 340,243,967</u>

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

**Note:**

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

Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 49,796,037	\$ 29,463,107	\$ 23,543,714	\$ 22,794,674	\$ 24,456,450	\$ 27,010,564
15,802,248	18,062,634	18,417,218	18,888,553	19,241,145	19,662,942
753,747	786,518	752,305	729,889	729,102	-
<u>66,352,032</u>	<u>48,312,259</u>	<u>42,713,237</u>	<u>42,413,116</u>	<u>44,426,697</u>	<u>46,673,506</u>
137,449,208	153,759,838	157,474,464	178,517,736	182,775,755	177,764,921
110,412	113,286	116,578	119,653	119,678	140,759
7,755,173	10,610,150	10,197,164	12,008,997	10,203,552	8,106,227
<u>145,314,793</u>	<u>164,483,274</u>	<u>167,788,206</u>	<u>190,646,386</u>	<u>193,098,985</u>	<u>186,011,907</u>
97,155,289	96,477,576	99,972,999	100,004,325	112,277,764	120,590,560
2,515,749	2,977,172	3,136,942	3,286,672	3,112,454	3,150,051
37,324,470	36,405,272	36,744,653	37,613,336	36,478,013	38,831,336
1,093,328	648,793	121,990	36,458	20,001	58,264
<u>138,088,836</u>	<u>136,508,813</u>	<u>139,976,584</u>	<u>140,940,791</u>	<u>151,888,232</u>	<u>162,630,211</u>
<u>\$ 349,755,661</u>	<u>\$ 349,304,346</u>	<u>\$ 350,478,027</u>	<u>\$ 374,000,293</u>	<u>\$ 389,413,914</u>	<u>\$ 395,315,624</u>

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Expenditures</b>				
Governmental activities				
11 Instruction	\$ 148,395,516	\$ 162,448,414	\$ 173,574,607	\$ 189,864,948
12 Instructional resources & media services	4,229,238	4,697,079	5,677,661	5,024,943
13 Curriculum & staff development services	3,307,335	3,911,629	3,531,491	5,021,634
Total function 10	<u>155,932,089</u>	<u>171,057,122</u>	<u>182,783,759</u>	<u>199,911,525</u>
21 Instructional leadership	4,448,576	5,171,093	5,045,162	5,816,865
23 School leadership	15,638,048	16,627,903	17,462,729	18,574,959
Total function 20	<u>20,086,624</u>	<u>21,798,996</u>	<u>22,507,891</u>	<u>24,391,824</u>
31 Guidance, counseling, & evaluation services	9,805,805	10,584,700	12,615,102	13,941,149
32 Social work services	399,004	452,623	446,818	421,492
33 Health services	1,982,160	2,253,193	2,421,931	2,541,463
34 Student transportation	3,113,993	3,267,352	3,471,655	4,649,537
35 Food service	12,734,631	13,469,056	15,589,155	17,820,690
36 Extracurricular activities	3,960,786	4,618,842	4,632,454	4,786,651
Total function 30	<u>31,996,379</u>	<u>34,645,766</u>	<u>39,177,115</u>	<u>44,160,982</u>
41 General administration	6,196,903	7,077,655	6,867,346	7,097,909
Total function 40	<u>6,196,903</u>	<u>7,077,655</u>	<u>6,867,346</u>	<u>7,097,909</u>
51 Plant maintenance and operations	18,297,271	18,594,964	20,084,490	22,285,279
52 Security and monitoring services	1,707,830	2,243,275	2,587,258	2,864,230
53 Data processing services	3,362,101	2,944,091	4,868,180	4,370,952
Total function 50	<u>23,367,202</u>	<u>23,782,330</u>	<u>27,539,928</u>	<u>29,520,461</u>
61 Community services	849,700	1,089,717	1,166,059	1,350,371
Total function 60	<u>849,700</u>	<u>1,089,717</u>	<u>1,166,059</u>	<u>1,350,371</u>
71 Debt service <sup>2</sup>				
Principal on long-term debt	16,464,750	15,542,222	16,784,392	17,471,407
Interest on long-term debt <sup>2</sup>	18,054,594	24,943,371	22,114,075	26,328,594
Bond issuance costs and fees	919,403	813,384	837,801	663,861
Total function 70	<u>35,438,747</u>	<u>41,298,977</u>	<u>39,736,268</u>	<u>44,463,862</u>
81 Facilities acquisition/construction	2,030,735	11,283,423	43,234,688	56,093,964
Total function 80	<u>2,030,735</u>	<u>11,283,423</u>	<u>43,234,688</u>	<u>56,093,964</u>
95 Payments to JJAEP	121,135	166,095	176,431	91,036
97 Payments to TIF	-	498,713.00	2,347,460	1,414,723
99 Intergovernmental Charges	-	-	505,598.00	535,803
Total function 90	<u>121,135</u>	<u>664,808</u>	<u>3,029,489</u>	<u>2,041,562</u>
Total expenditures	<u>276,019,514</u>	<u>312,698,794</u>	<u>366,042,543</u>	<u>409,032,460</u>
As restated	<u>\$ 276,019,514</u>	<u>\$ 312,698,794</u>	<u>\$ 366,042,543</u>	<u>\$ 409,032,460</u>
Debt service as a percentage of noncapital expenditures	12.9%	13.7%	12.3%	12.8%

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

**Notes:**

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

<sup>2</sup> Bond issuance costs and fees were not split until 2006.



Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 191,968,597	\$ 177,857,532	\$ 182,329,142	\$ 195,714,227	\$ 198,653,525	\$ 197,401,989
5,436,238	5,245,765	5,307,001	5,300,771	4,988,675	5,526,231
5,217,049	4,739,378	6,689,081	8,456,104	9,182,998	7,969,790
<u>202,621,884</u>	<u>187,842,675</u>	<u>194,325,224</u>	<u>209,471,102</u>	<u>212,825,198</u>	<u>210,898,010</u>
5,206,067	5,539,881	5,232,228	5,026,844	4,583,961	5,016,246
18,701,894	16,381,301	16,804,379	19,002,786	19,658,156	19,783,704
<u>23,907,961</u>	<u>21,921,182</u>	<u>22,036,607</u>	<u>24,029,630</u>	<u>24,242,117</u>	<u>24,799,950</u>
13,956,223	13,123,326	14,117,350	14,402,200	15,195,030	15,879,307
454,168	423,082	452,578	584,539	1,591,463	1,499,289
2,575,673	2,530,773	2,599,288	2,679,805	2,891,635	3,116,593
4,486,050	4,059,063	4,573,269	6,327,776	5,240,723	6,005,258
16,983,540	16,798,404	18,185,254	18,468,763	21,441,982	21,770,990
5,912,532	5,807,666	5,862,983	5,959,930	6,324,888	6,261,632
<u>44,368,186</u>	<u>42,742,314</u>	<u>45,790,722</u>	<u>48,423,013</u>	<u>52,685,721</u>	<u>54,533,069</u>
7,175,333	7,167,319	7,468,154	7,996,682	7,038,599	7,380,628
7,175,333	7,167,319	7,468,154	7,996,682	7,038,599	7,380,628
21,522,498	21,955,636	21,510,075	21,707,212	22,166,761	23,605,883
2,852,070	3,131,576	3,010,376	3,647,381	3,192,050	3,434,715
4,186,950	3,751,686	4,312,260	4,533,127	4,065,945	4,855,841
<u>28,561,518</u>	<u>28,838,898</u>	<u>28,832,711</u>	<u>29,887,720</u>	<u>29,424,756</u>	<u>31,896,439</u>
1,249,055	1,195,778	1,839,947	1,810,100	1,775,912	2,271,083
<u>1,249,055</u>	<u>1,195,778</u>	<u>1,839,947</u>	<u>1,810,100</u>	<u>1,775,912</u>	<u>2,271,083</u>
14,720,670	17,123,540	19,379,223	17,901,432	22,133,623	28,884,818
31,130,392	29,033,988	28,839,306	28,633,014	24,989,938	25,751,096
233,964	180,785	535,898	150,754	1,147,082	1,895,655
<u>46,085,026</u>	<u>46,338,313</u>	<u>48,754,427</u>	<u>46,685,200</u>	<u>48,270,643</u>	<u>56,531,569</u>
61,558,174	33,014,692	29,255,048	14,841,570	6,679,429	16,547,033
<u>61,558,174</u>	<u>33,014,692</u>	<u>29,255,048</u>	<u>14,841,570</u>	<u>6,679,429</u>	<u>16,547,033</u>
64,752	86,526	56,430	116,850	173,772	15,882
1,010,907	1,742,264	3,100,836	2,182,197	6,465,553	8,945,883
531,534	519,552	520,707	534,086	538,945	568,476
<u>1,607,193</u>	<u>2,348,342</u>	<u>3,677,973</u>	<u>2,833,133</u>	<u>7,178,270</u>	<u>9,530,241</u>
417,134,330	371,409,513	381,980,813	385,978,151	390,120,645	414,388,022
<u>\$ 417,134,330</u>	<u>\$ 371,409,513</u>	<u>\$ 381,980,813</u>	<u>\$ 385,978,151</u>	<u>\$ 390,120,645</u>	<u>\$ 414,388,022</u>
13.3%	13.6%	13.9%	12.7%	12.5%	14.0%

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Excess of revenues over (under) expenditures</b>	\$ (10,649,188)	\$ (48,053,958)	\$ (68,788,493)	\$ (67,378,669)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of bonds	20,000,000	87,020,000	65,000,000	58,485,000
Premium or (discount) on bonds issued	3,335,506	1,700,239	3,498,056	1,717,427
Proceeds from sale of refunding bonds	109,045,000	-	-	-
Sale of real or personal property	5,576	114,036	34,714	57,216
Extraordinary Other Uses	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(2,046,167)	-	-	-
Insurance recoveries	-	-	-	-
Payments to escrow agents	(111,485,567)	-	-	-
<b>Total other financing sources (uses)</b>	<u>\$ 18,854,348</u>	<u>\$ 88,834,275</u>	<u>\$ 68,532,770</u>	<u>\$ 60,259,643</u>
<b>Net change in fund balances</b>	<u>\$ 8,205,160</u>	<u>\$ 40,780,317</u>	<u>\$ (255,723)</u>	<u>\$ (7,119,026)</u>

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

Fiscal Year					
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ (22,105,167)	\$ (22,105,167)	\$ (31,502,786)	\$ (11,977,857)	\$ (706,731)	\$ (19,072,398)
21,640,000	13,985,000	-	-	-	-
-	1,509,190	6,487,601	5,165,908	8,319,033	54,633,023
-	-	66,145,000	4,685,000	60,010,000	218,640,000
174,537	1,660,871	304,732	148,857	668,453	25,711
-	-	-	-	2,764,638	-
-	4,479,121	489,118	487,672	-	364,551
-	(4,479,121)	-	-	-	(364,551)
-	7,268,016	9,654,036	2,061,466	20,108	-
-	-	(72,703,808)	(9,860,181)	(67,764,023)	(271,383,944)
<u>\$ 21,814,537</u>	<u>\$ 24,423,077</u>	<u>\$ 10,376,679</u>	<u>\$ 2,688,722</u>	<u>\$ 4,018,209</u>	<u>\$ 1,914,790</u>
<u>\$ (290,630)</u>	<u>\$ 2,317,910</u>	<u>\$ (21,126,107)</u>	<u>\$ (9,289,135)</u>	<u>\$ 3,311,478</u>	<u>\$ (17,157,608)</u>

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

**EXHIBIT S-8**

Fiscal Year	APPRAISED VALUE <sup>1</sup>			Total Estimated Taxable Value	Total Direct Rate <sup>2</sup>
	Residential or Real Property	Personal Property	Less: Exemptions		
2007	7,670,724,880	1,651,921,440	491,026,284	8,831,620,036	1.814
2008	8,315,691,790	1,743,828,360	477,210,991	9,582,309,159	1.644
2009	8,668,807,690	1,780,763,340	463,681,874	9,985,889,156	1.349
2010	8,181,587,045	1,762,119,040	457,840,080	9,485,866,005	1.391
2011	7,809,445,097	1,694,159,892	457,911,177	9,045,693,812	1.425
2012	7,658,082,224	1,704,481,030	447,722,042	8,914,841,212	1.465
2013	7,770,689,855	1,727,551,530	438,181,976	9,060,059,409	1.465
2014	7,968,927,106	1,815,107,590	476,189,436	9,307,845,260	1.465
2015	8,540,194,076	1,851,556,660	515,944,674	9,875,806,062	1.435
2016	9,196,806,320	1,970,652,639	739,431,169	10,428,027,790	1.445

**Source:** Dallas Central Appraisal District

**Notes:**

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

<sup>2</sup> Per \$100 of assessed value.



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

Fiscal Year	Irving Independent School District Direct Rates			Overlapping Rates <sup>1</sup>	
	Maintenance and Operations	Debt Service	Total	City of Irving	Irving Flood Control District Section I
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
2015	1.040	0.395	1.435	0.594	0.520
2016	1.170	0.275	1.445	0.594	0.052

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

**Note:**

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

Overlapping Rates <sup>1</sup>

City of Grand Prairie	City of Dallas	Dallas County	Dallas County Community College	Dallas County Hospital	Dallas County Flood Control	Dallas County Schools	Dallas County Utility and Reclamation
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	0.271	2.750	0.010	1.791
0.670	0.797	0.243	0.125	0.276	2.750	0.010	1.983
0.670	0.797	0.243	0.124	0.286	2.650	0.010	1.590
0.670	0.797	0.243	0.124	0.286	2.250	0.009	1.590

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

**EXHIBIT S-10**

<b>Taxpayer</b>	<b>2016</b>			<b>2007</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value <sup>1</sup></b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value <sup>2</sup></b>
Verizon	\$ 206,274,150	1	2.0%	\$ 237,115,690	1	2.7%
F6TWS LLC	200,000,000	2	1.9%			0.0%
AG PCPI Urban Towers	125,019,680	3	1.2%			0.0%
Las Colinas Irving	104,439,100	4	1.0%			0.0%
Bre Las Colinas LLC	95,439,410	5	0.9%			0.0%
Texas Utilities	90,629,790	6	0.9%	91,178,330	4	1.0%
Lake Carolyn Reit LLC	86,260,000	7	0.8%			0.0%
PPF Amlı	77,131,570	8	0.7%			0.0%
San Mar Corporation	72,200,630	9	0.7%			0.0%
Frito Law Inc.	68,101,410	10	0.7%	47,225,630	9	0.5%
SP	-		0.0%	142,250,000	2	1.6%
TIAA	-		0.0%	140,214,740	3	1.6%
Artlake Chateau Inc.	-		0.0%	56,068,100	5	0.6%
Las Conlinas USAA LTD PS	-		0.0%	52,795,780	6	0.6%
MPA Las Colinas LTD PS	-		0.0%	52,000,000	7	0.6%
Simon Property Group	-		0.0%	49,000,000	8	0.6%
Dr. Pepper Bottling Co.	-		0.0%	42,382,340	10	0.5%
	<b>\$ 1,125,495,740</b>		<b>10.8%</b>	<b>\$ 910,230,610</b>		<b>10.3%</b>

**Source:** Dallas Central Appraisal District

**Note:**

<sup>1</sup> Total appraised taxable value for 2016 = \$10,428,027,790

<sup>2</sup> Total appraised taxable value for 2007 = \$8,831,620,036





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

Fiscal Year Ending	Taxes Levied for the Fiscal Year <sup>2</sup>	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
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%
2015	139,082,613	136,448,528	98.11%
2016	147,746,423	146,065,624	98.86%

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

**Notes:**

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

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

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

<u>Collections other than Current Year</u>	<u>Total Collections to Date<sup>3</sup></u>	
<u>Delinquent Taxes</u>	<u>Amount</u>	<u>Percentage of Total Collections to Tax Levy</u>
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%
(1,092,647)	135,355,881	97.32%
(19,273)	146,046,351	98.85%

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

**EXHIBIT S-12**

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
	General Obligation Bonds	Contractual Obligations			
2007	457,137,621	-	446,066,092	9.39%	2,223
2008	526,670,907	-	457,137,621	9.76%	2,506
2009	577,803,295	-	526,670,907	11.00%	2,722
2010	619,719,179	-	577,803,295	10.48%	2,900
2011	624,900,837	-	619,719,179	11.17%	2,880
2012	621,492,018	-	624,900,837	11.37%	2,840
2013	600,739,284	-	621,492,017	10.92%	2,721
2014	595,590,237	-	595,590,237	9.73%	2,623
2015	575,787,804	-	575,787,804	9.40%	2,519
2016	548,208,686	-	548,208,686	8.89%	2,373

**Source:** Dallas Central Appraisal District

**Notes:**

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

<sup>2</sup> See Schedule S-16 for personal income and population data.

**IRVING INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AUGUST 31, 2016 (UNAUDITED)**

**EXHIBIT S-13**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable <sup>1</sup></b>	<b>Estimated Share of Direct and Overlapping Debt</b>
City of Irving	\$ 375,975,000	47.98%	\$ 180,392,805
Irving Flood Control District Section I	6,165,000	100.00%	6,165,000
City of Grand Prairie	175,810,000	0.65%	1,142,765
City of Dallas	1,700,336,063	0.23%	3,910,773
Dallas County	227,980,000	5.70%	12,994,860
Dallas County Community College	294,050,000	5.46%	16,055,130
Dallas County Hospital	717,737,414	5.70%	40,911,033
Dallas County Flood Control	26,905,010	30.92%	8,319,029
Dallas County Schools	65,800,000	5.70%	3,750,600
Dallas County Utility and Reclamation	246,055,000	46.40%	114,169,520
Subtotal, overlapping bonded debt			<u>387,811,515</u>
<b>Irving Independent School District direct debt</b>	<b>\$ 548,208,686</b>	<b>100.00%</b>	<b>\$ 548,208,686</b>
<b>Total direct and overlapping debt</b>			<u><u>\$ 936,020,201</u></u>
<b>Ratio of (net) general bonded debt to the estimated actual property value</b>			<u><u>5.26%</u></u>

**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.

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

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

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	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 883,162,004	\$ 958,230,916	\$ 998,588,916	\$ 948,586,601
Total net debt applicable to limit	<u>443,697,650</u>	<u>514,339,338</u>	<u>559,284,583</u>	<u>605,099,127</u>
Legal debt margin	<u>\$ 439,464,354</u>	<u>\$ 443,891,578</u>	<u>\$ 439,304,333</u>	<u>\$ 343,487,474</u>
 Total net debt applicable to the limit as a percentage of debt limit	 <u>50.24%</u>	 <u>53.68%</u>	 <u>56.01%</u>	 <u>63.79%</u>

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

**Legal Debt Margin Calculation for Fiscal Year 2016:**

Assessed value	<u>\$10,428,027,790</u>
Debt limit (10% of assessed value)	<u>\$ 1,042,802,779</u>
Debt applicable to limit	<u>(548,208,686)</u>
Legal debt margin	<u>\$ 494,594,093</u>

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 904,569,381	\$ 891,484,121	\$ 906,005,941	\$ 930,784,526	\$ 987,580,606	\$ 1,042,802,779
<u>624,900,837</u>	<u>621,492,018</u>	<u>600,739,284</u>	<u>595,590,237</u>	<u>575,827,393</u>	<u>548,208,686</u>
<u>\$ 279,668,544</u>	<u>\$ 269,992,103</u>	<u>\$ 305,266,657</u>	<u>\$ 335,194,289</u>	<u>\$ 411,753,213</u>	<u>\$ 494,594,093</u>
<u>69.08%</u>	<u>69.71%</u>	<u>66.31%</u>	<u>63.99%</u>	<u>58.31%</u>	<u>52.57%</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND PER CAPITA  
LAST TEN FISCAL YEARS (UNAUDITED)**

**EXHIBIT S-15**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Assessed Value<sup>2</sup></b>	<b>Total Bonded Debt Outstanding<sup>3</sup></b>	<b>Less Debt Service Funds</b>	<b>Net Bonded Debt Outstanding</b>	<b>Ratio of net Bonded Debt Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
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
2015	228,610	9,875,806,062	575,827,393	14,519,439	561,307,954	5.68%	2,455
2016	231,040	10,428,027,790	548,208,686	6,766,016	541,442,670	5.19%	2,344

**Source:**

<sup>1</sup> See Exhibit S-16 for population data.

<sup>2</sup> See Exhibit S-8 for assessed value.

<sup>3</sup> Fiscal year 2016 total bonded debt outstanding at year end amount includes bonds premium.



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

**EXHIBIT S-16**

<b>Period Ending</b>	<b>Population <sup>1</sup></b>	<b>Personal Income <sup>2</sup> (thousands of dollars)</b>	<b>Per Capita Personal Income <sup>2</sup> (dollars)</b>	<b>Unemployment Rate <sup>3</sup></b>
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%
2015	228,610	6,096,800	26,669	3.60%
2016	231,040	6,166,771	26,691	3.52%

**Sources:**

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

<sup>2</sup> City of Irving CAFR, 'Demographic and Economic Statistics.'

<sup>3</sup> Texas Labor Market Information

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

**EXHIBIT S-17**

<u>Employer</u>	<u>2016</u> <sup>1</sup>			<u>2007</u> <sup>2</sup>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Verizon Communications	6,500	1	2.25%	3,260	4	5.86%
Neiman Marcus	5,189	2	1.80%	3,856	2	6.93%
Citicorp Credit Services	3,260	3	1.13%	8,800	1	15.81%
Aegis Communications	2,100	4	0.73%			
Allstate Insurance Company	2,000	5	0.69%			
YRC Worldwide Inc.	1,941	6	0.67%			
DFW Int'l Airport	1,700	7	0.59%			
Federal Aviation Administration	1,500	8	0.52%			
7-Eleven	1,500	9	0.52%			
Baylor Medical	1,388	10	0.48%			
Sprint Nextel				3,850	3	6.92%
Nokia				2,500	5	4.49%
Irving Mall				2,100	6	3.77%
Central Freight Lines				2,000	7	3.59%
Microsoft Corp.				2,000	8	3.59%
Sprint				2,000	9	3.59%
Nexstar Broadcasting Group Inc.				1,889	10	3.39%
<b>Total</b>	<b>27,078</b>		<b>9.38%</b>	<b>32,255</b>		<b>57.94%</b>

**Source(s):**

<sup>1</sup> City of Irving 2015 CAFR

<sup>2</sup> Irving ISD 2007 CAFR



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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Teachers</b>	2,213.0	2,270.2	2,329.6	2,428.4
<b>Professional Support</b>				
Associate School Psychologist	3.7	6.2	6.9	8.2
Counselor	79.9	81.0	79.0	78.0
Educational Diagnostician	27.0	28.9	26.5	35.5
Librarian	32.0	32.0	28.0	30.0
Occupational Therapist	4.8	4.9	4.8	5.0
Physical Therapist	2.0	2.0	2.0	2.0
School Nurse	33.4	35.5	35.0	36.0
Speech Therapist/Speech- Language Pathologist	25.5	20.4	24.8	29.3
Teacher Facilitator	3.0	3.0	4.0	6.0
Campus Professional Personnel	14.0	9.0	3.5	12.3
Non-Campus Professional Personnel	59.9	67.8	73.0	81.0
<b>Total Professional Support</b>	<u>285.2</u>	<u>290.7</u>	<u>287.5</u>	<u>323.3</u>
<b>Campus Administration</b>				
Assistant Principal	75.0	76.0	80.0	83.0
Instructional Officer	11.0	13.0	12.4	13.0
Principal	35.7	35.7	36.0	37.0
Teacher Supervisor	3.0	4.0	2.0	1.0
Athletic Director	1.0	1.0	1.0	1.0
<b>Total Campus Administration</b>	<u>125.7</u>	<u>129.7</u>	<u>131.4</u>	<u>135.0</u>
<b>Central Administration</b>				
Assistant/Assoc/Deputy Superintendent	4.0	4.0	4.0	4.0
Superintendent	1.0	1.0	1.0	1.0
Instructional Program Director or Exec Director	28.0	28.5	29.0	35.0
Business Manager	1.0	1.0	1.0	1.0
Tax Assessor &/or Collector	1.0	1.0	1.0	1.0
Director of Personnel/HR	1.0	1.0	1.0	1.0
<b>Total Central Administration</b>	<u>36.0</u>	<u>36.5</u>	<u>37.0</u>	<u>43.0</u>
<b>Educational Aides</b>				
Educational Aides	430.9	420.8	425.8	448.4
Interpreter	2.0	1.9	4.0	0.0
<b>Total Educational Aides</b>	<u>432.9</u>	<u>422.7</u>	<u>429.8</u>	<u>448.4</u>
<b>Auxiliary Staff</b>	<u>816.9</u>	<u>840.4</u>	<u>900.4</u>	<u>923.9</u>
<b>Total All Full-Time Equivalent Employees</b>	<u><u>3,909.7</u></u>	<u><u>3,990.2</u></u>	<u><u>4,115.7</u></u>	<u><u>4,302.0</u></u>

Source: District records from the Fall PEIMS submission

<b>Full-time-Equivalent Employees</b>						
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	
2,421.0	2,280.8	2,304.0	2,351.3	2,351.7	2,284.0	
8.8	8.8	9.0	10.6	9.2	9.6	
79.0	79.5	79.5	85.0	87.4	88.3	
33.5	29.5	32.5	31.4	36.4	39.9	
29.0	27.0	27.0	32.0	32.9	29.0	
6.0	6.0	5.5	5.6	5.6	5.5	
2.0	2.0	2.0	2.0	3.0	3.0	
36.0	35.0	36.0	35.9	38.0	38.0	
28.0	26.6	30.3	34.9	35.1	38.4	
7.0	5.0	37.9	40.7	78.4	76.8	
56.8	37.0	51.0	83.8	75.1	75.0	
81.0	76.0	80.0	78.9	92.0	93.4	
<u>367.1</u>	<u>332.4</u>	<u>390.7</u>	<u>440.8</u>	<u>493.1</u>	<u>496.9</u>	
81.0	69.0	69.0	65.0	71.9	70.2	
0.0	0.0	0.0	0.0	0.0	0.0	
38.0	38.0	38.0	36.9	37.0	37.0	
38.0	32.0	30.0	33.0	36.9	37.7	
1.0	1.0	1.0	1.0	1.0	1.0	
<u>158.0</u>	<u>140.0</u>	<u>138.0</u>	<u>135.9</u>	<u>146.8</u>	<u>145.9</u>	
4.0	6.0	7.0	5.7	4.0	4.0	
1.0	1.0	1.0	0.6	1.0	1.0	
13.0	13.0	13.0	12.0	12.9	13.0	
1.0	1.0	1.0	1.0	1.0	1.0	
1.0	1.0	1.0	1.0	3.0	3.0	
1.0	1.0	2.0	1.7	2.0	2.0	
<u>21.0</u>	<u>23.0</u>	<u>25.0</u>	<u>22.0</u>	<u>23.9</u>	<u>24.0</u>	
431.8	381.0	387.5	403.5	426.1	437.4	
4.0	0.0	4.0	8.3	9.5	8.5	
<u>435.8</u>	<u>381.0</u>	<u>391.5</u>	<u>411.8</u>	<u>435.6</u>	<u>445.9</u>	
<u>999.3</u>	<u>707.0</u>	<u>707.0</u>	<u>721.3</u>	<u>732.0</u>	<u>709.9</u>	
<u>4,402.2</u>	<u>3,864.2</u>	<u>3,956.2</u>	<u>4,083.1</u>	<u>4,183.1</u>	<u>4,106.6</u>	

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

**EXHIBIT S-19**

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Students Receiving Free or Reduced-Price Meals</b>
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	7,341	4.92 %	2,304.0	15.2	81.3%
2014	35,403	276,784,658	7,818	6.49 %	2,351.3	15.1	80.5%
2015	35,191	288,104,156	8,187	4.72 %	2,351.7	15.0	76.9%
2016	34,929	307,995,593	8,818	7.71 %	2,284.0	15.3	77.2%

**Source:** District records

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

**EXHIBIT S-20**

<b>School</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Elementary</b>										
Buildings	24	24	24	24	24	24	24	24	24	24
Square feet	2,003,550	2,003,550	2,048,484	2,023,104	2,024,334	2,024,334	2,025,940	2,025,940	2,027,517	2,027,517
Maximum Capacity	18,600	18,600	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Enrollment	17,005	17,005	17,313	17,431	17,751	18,120	18,178	18,406	17,912	17,912
<b>Middle</b>										
Buildings	7	7	7	7	8	8	8	8	8	8
Square feet	1,149,983	1,149,983	1,149,983	1,156,734	1,326,868	1,326,868	1,328,012	1,328,012	1,328,012	1,328,012
Maximum Capacity	6,125	6,125	7,000	7,000	8,000	8,000	8,000	8,000	8,000	8,000
Enrollment	7,000	7,000	7,043	7,083	7,222	7,310	7,397	7,355	7,454	7,454
<b>High</b>										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	1,276,660	1,276,660	1,401,249	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281
Maximum Capacity	14,700	14,700	9,400	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Enrollment	7,982	7,982	8,867	9,240	9,269	9,359	9,490	9,632	9,778	9,778
<b>Administrative</b>										
Buildings	10	9	9	9	9	9	9	9	9	9
Square feet	224,283	221,839	235,775	251,192	247,992	247,992	247,992	247,992	247,992	255,064
<b>Transportation</b>										
Buses (quantity) <sup>1</sup>	47	54	57	57	64	0	0	0	0	0
<b>Athletics</b>										
Football fields (quantity)	11	11	11	14	15	15	15	15	15	15
Soccer fields (quantity)	11	11	11	10	11	11	11	11	11	11
Running tracks (quantity)	11	11	11	9	11	11	11	11	11	11
Baseball/softball (quantity)	6	6	6	6	6	6	6	6	6	6
Playgrounds (quantity)	38	25	23	23	24	24	24	24	24	24

Source: District records

**Note:**

<sup>1</sup> Buses were titled under Dallas County Schools. Buses were sold to Dallas County Schools in 2012.





# **SINGLE AUDIT REPORTS**





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

Board of Trustees  
Irving Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2016, 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 10, 2017.

**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 10, 2017

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

### **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 LLP*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 10, 2017



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Trustees  
Irving Independent School District

### **Report on Compliance for Each Major Federal Program**

We have audited Irving Independent School District's (the District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2016.

## Report on Internal Control over Compliance

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

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

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

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

*Weaver and Tidwell LLP*

WEAVER AND TIDWELL, L.L.P

Dallas, Texas  
January 10, 2017

**IRVING INDEPENDENT SCHOOL DISTRICT  
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2016**

**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>
<b><u>U.S. Department of Education</u></b>					
<b>Passed Through State Department of Education:</b>					
McKinney-Vento Homeless Education Region X	16-059	84.196A	\$ 77,094	\$ 2,994	\$ 80,088
McKinney-Vento Homeless Education Region X	17-059	84.196A	3,405	132	3,537
Total Program 84.196A			<u>80,499</u>	<u>3,126</u>	<u>83,625</u>
Title I Part A Improving Basic Programs	16610101057912	84.010A	9,606,676	373,123	9,979,799
Title I Part A Improving Basic Programs	17610101057912	84.010A	64,070	2,488	66,558
Title I 1003(A) Priority & Focus School Grant	16610112057912000	84.010A	199,870	4,130	204,000
Total Program 84.010A			<u>9,870,616</u>	<u>379,741</u>	<u>10,250,357</u>
Adult Ed English Literacy & Civics Awareness	IISD-AEL1-2015	84.002A	25,639	996	26,635
Adult Ed English Literacy & Civics Awareness	IISD-AEL1-2016	84.002A	407,338	15,821	423,159
Adult Ed English Literacy & Civics Awareness	IISD-AEL1-2017	84.002A	27,244	1,058	28,302
Total Program 84.002A			<u>460,221</u>	<u>17,875</u>	<u>478,096</u>
<b>Special Education Cluster (IDEA):</b>					
IDEA-B Formula	166600010579126600	84.027A	6,653,562	257,979	6,911,541
IDEA-B Formula	176600010579126600	84.027A	6,580	256	6,836
IDEA-B Preschool	166610010579126610	84.173A	90,044	3,497	93,541
IDEA-B Discretionary Deaf	16600020579126673	84.027A	76,764	-	76,764
IDEA-B Discretionary Deaf	17600020579126673	84.027A	617	-	617
IDEA-B Formula Deaf	166600010579126601	84.027A	26,949	1,047	27,996
IDEA-B Preschool Deaf	166610010579126611	84.173A	5,252	204	5,456
Total Special Education Cluster (IDEA)			<u>6,859,768</u>	<u>262,983</u>	<u>7,122,751</u>
IDEA-C Early Childhood Intervention, Deaf	163911010579123911	84.181A	943	-	943
Carl D Perkins Basic Grant for Career & Technology	16420006057912	84.048A	422,074	15,800	437,874
Title II Part A Teacher & Principal Training & Recruiting	16694501057912	84.367A	799,947	31,070	831,017
Title II Part A Teacher & Principal Training & Recruiting	17694501057912	84.367A	73,405	2,851	76,256
Total Program 84.367A			<u>873,352</u>	<u>33,921</u>	<u>907,273</u>
Title III Part A Limited English Proficiency	16671001057912	84.365A	1,422,939	7,529	1,430,468
Title III Part A Limited English Proficiency	17671001057912	84.365A	87,268	1,745	89,013
Title III, Immigrant	16671003057950	84.365	64,197	-	64,197
Total Program 84.365A			<u>1,574,404</u>	<u>9,274</u>	<u>1,583,678</u>
LEP Summer School-Limited Proficiency	69551502	84.369A	25,361	-	25,361
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>20,167,238</u>	<u>722,720</u>	<u>20,889,958</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>					
<b>Passed Through the U.S. Department of Housing and Urban Development/Office of Community Planning</b>					
Community Development Block Grant	86-0162-0-1-45	14.218	9,939	-	9,939
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>9,939</u>	<u>-</u>	<u>9,939</u>
<b><u>U.S. TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>					
<b>Passed through Texas Department of Health and Human Services:</b>					
Medicaid	00057912	93.778	164,876	-	164,876
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>164,876</u>	<u>-</u>	<u>164,876</u>

Continued

**IRVING INDEPENDENT SCHOOL DISTRICT  
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2016**

**EXHIBIT K-1**

Pass-Through Grantor Program Title	Pass-Through Federal Grantor/ Grantor's Number	Federal CFDA Number	Direct Expenditures	Indirect Charges	Total Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
Child Nutrition Cluster:					
<b>Passed through State Department of Education:</b>					
USDA Donated Commodities	00057912	10.555	1,430,534	-	1,430,534
National School Lunch	00057912	10.555	12,791,247	-	12,791,247
School Breakfast Program	00057912	10.553	4,895,492	-	4,895,492
Summer Feeding Program	00057912	10.559	411,584	-	411,584
Total Child Nutrition Cluster			<u>19,528,857</u>	<u>-</u>	<u>19,528,857</u>
Child & Adult Care Program	00057912	10.558	134,085	-	134,085
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>19,662,942</u>	<u>-</u>	<u>19,662,942</u>
<b>U.S. DEPARTMENT OF DEFENSE</b>					
Reserve Officer Training Corps	00057912	12.000	281,371	-	281,371
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>			<u>281,371</u>	<u>-</u>	<u>281,371</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 40,286,366</u>	<u>\$ 722,720</u>	<u>\$ 41,009,086</u>

*Concluded*

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this statement.



**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2016**

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

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

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Funds are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in the General Fund and Special Revenue Funds, components of the Governmental Funds. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (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 performance 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 Performance of Federal Funds, Part 3, U.S. Office of Management and Budget (OMB) Compliance Supplement.
4. Funds were received by the District for school health and related services (SHARS) reimbursements (\$4,931,190) and a Build America Bond interest subsidy (\$733,230). 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, 2016**

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

Financial Statements

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

Major Programs

- d. Internal control over major programs:
- Material weakness(es) identified?  Yes  No
  - Significant deficiency(ies) identified?  Yes  None Reported
- e. An unmodified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that were required to be reported in accordance with the Uniform Guidance  Yes  No
- g. Identification of major programs:
- 84.010A                      Title I, Part A
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$1,230,273
- i. Auditee qualified as a low-risk auditee.  Yes  No

**IRVING INDEPENDENT SCHOOL DISTRICT  
SUMMARY OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2016**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**NONE**

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

**NONE**

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

**NONE**