

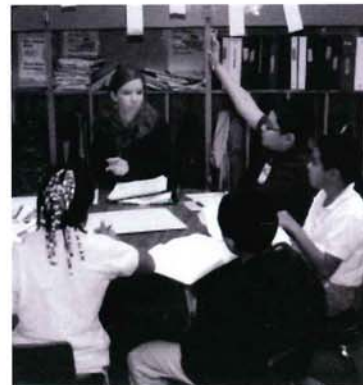


# IRVING

*Independent School District*

## IRVING INDEPENDENT SCHOOL DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended August 31, 2013





**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**



**Irving, Texas**

**For the  
Fiscal Year Ended  
August 31, 2013**

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

**Prepared by  
Irving ISD Business Office**

**Debbie Cabrera, CPA, MBA**  
*Associate Superintendent for Business Services*

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



**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED  
 AUGUST 31, 2013**

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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, 2013 at a meeting of the board of school trustees of such school district on the 21<sup>st</sup> day of January, 2014.

---



Board President  
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).





**DEBBIE CABRERA, CPA, MBA**  
Associate Superintendent  
Business Services

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

January 8, 2014

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, 2013 is submitted herewith. The District's Business Office has prepared this report, assuming full responsibility for the accuracy and completeness of the information contained therein, based upon a comprehensive framework of internal control that it has 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, 2013, 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 unqualified ("clean") opinion on the Irving Independent School District's financial statements for the year ended August 31, 2013. The independent auditor's report is located at the front of the Financial Section.

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

2621 W. Airport Freeway, Irving, Texas 75062-6020 | Tel. 972.600.5405 | Fax 972.215.5412 | [dcabrera@irvingisd.net](mailto:dcabrera@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 12<sup>th</sup> 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, "We engage learners to become critical thinkers, leaders and contributors in a diverse and competitive world."

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 for the handicapped, athletics and JROTC programs. The District's special programs include a regional school for the deaf, early childhood schools for four year-olds who are limited English proficient and/or economically disadvantaged, an extensive elementary health/safety instruction, and an array of elective courses at the secondary level.

Peak enrollment for the 2012-2013 school year was 35,114, which was 198 less than the original projection of 35,312. The projected enrollment for the 2013-2014 school year is 35,400, a 0.8% increase over the 2012-2013 peak enrollment.

The District's facilities include three early childhood schools (PK), twenty elementary schools (K-5), eight middle schools (6-8), three high schools (9-12), a high school academy (9-12), a career preparatory center (9-12), a reassignment center (9-12) and a learning center. All campuses are air-conditioned facilities complete with cafeterias, library/media centers and gymnasiums. In addition, the District owns and operates additional facilities, which include an administration building and an annex, a maintenance service center, a safety and security department, a food and nutrition center, a career development center, and an athletic stadium. The age of the District's campuses range from 65 years (Britain Elementary and Bowie Middle Schools) to 3 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, request are presented to the Board for consideration.

## **Economic Condition and Outlook**

### ***Local Economy***

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

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

### ***Long-term Financial Planning***

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

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

The Department of Planning and Research starts off the budget development planning cycle when they release the projected student enrollment for the following fall in early January. Staffing charts are updated, and new campus staff additions to accommodate student growth are estimated by the Human Resources department using this projection model. The Budget Office develops a forecast document that compares the prior year's actual expenditures to the

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

### ***Financial Policies***

The Comprehensive Annual Report for the year ended August 31, 2013 is prepared in accordance with GAAP and in conformance with standards of financial reporting established by GASB using guidelines recommended by the GFOA. All funds of the District are covered by this report. Presented funds are organized into three types dictated by the nature of the activities involved.

#### Governmental Funds:

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

#### Proprietary Funds:

- Internal Service Funds

#### Fiduciary Funds:

- Agency Funds

#### *Single Audit*

As a recipient of Federal financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to federal programs, and is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. As a part of the District's single audit, tests are made to determine the adequacy of internal controls, including that portion related to Federal financial assistance programs, as well as to determine the District's compliance with applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2013 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 (ASBO) awarded the Certificate of Excellence in Financial Reporting, and the Government Finance Officers Association (GFOA) 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, 2012. In order to be awarded these certificates, the District must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. This is the twenty-fifth 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 2013 certificates.

For the eleventh consecutive year, the District earned a Superior Achievement rating from the School's Financial Integrity Rating System of Texas, a system developed by the Texas Education Agency. The District received a perfect score of 70. The Superior Achievement Rating confirms its excellence in managing and reporting taxpayer dollars.

For three consecutive years (2010-2012), the District was awarded a five-star rating from the Texas State Comptroller's Financial Allocation Study for Texas (FAST) program for having the lowest relative spending compared to the highest level of student academic progress. The District is one of only 11 school districts in the State to receive a five-star rating for three consecutive years.

## Acknowledgements

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

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

Sincerely,



---

Jose L. Parra, Ed.D.  
Superintendent



---

Debbie Cabrera, CPA, MBA  
Associate Superintendent of Business  
Services





# LIST OF PRINCIPAL OFFICIALS

## BOARD OF TRUSTEES

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Steven Jones, President	3 years	2014	Producer
Larry Stipes, Vice President	2 years	2015	Contract Manager
Randy Randle, Secretary	1 year	2016	Business Owner
Valerie Jones, Member	7 years	2013	Civic Leader
Lee Mosty, Member	1 year	2016	Retired Educator
Gail Conder Wells, Member	3 years	2014	Retired CPA
Randy Necessary, Member	0 years	2014	Business Owner

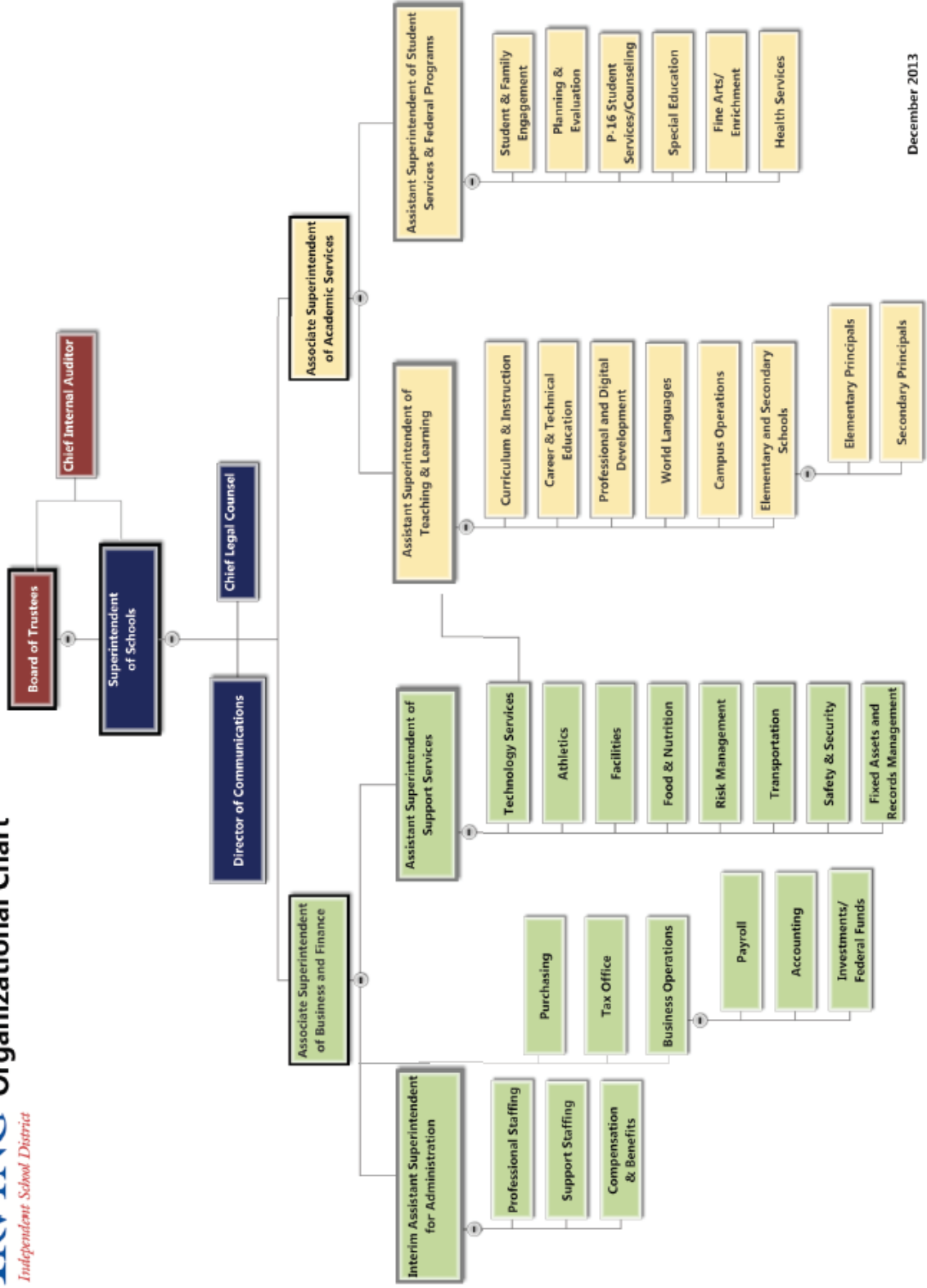
## ADMINISTRATIVE OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Jose L. Parra, Ed.D.	Superintendent	-
Debbie Cabrera, CPA, MBA	Associate Superintendent for Business Services	16 years
Scott Layne	Assistant Superintendent of School Support Services	22 years
Karry Chapman	Interim Assistant Superintendent of Administration	3 years
Rose Brenner	Assistant Superintendent of Teaching and Learning	1 year
Judy Rudebusch	Assistant Superintendent of Student Services and Federal Programs	12 years
Bertha Bailey Whatley	Chief Legal Counsel	1 year

## CONSULTANTS AND ADVISORS

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

**IRVING** Organizational Chart  
*Independent School District*



December 2013



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, 2012**

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, 2012*

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



A handwritten signature in black ink, appearing to read 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO  
President

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

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

Irving Independent School District

January 7, 2014

### ***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, 2013, 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 (on pages 16–25) and the schedule of revenues, expenditures and changes in fund balances – budget and actual for the General Fund and Food Service Fund (on pages 65–67) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, other supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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



Irving Independent School District

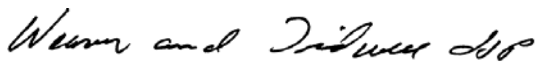
January 7, 2014

has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 7, 2014



**IRVING INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2013 (UNAUDITED)**

---

As management of the Irving Independent School District (the "District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2013. 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 \$296,480,660, or 84%, of all fiscal year 2013 revenues. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$55,771,131, or 16%, of total fiscal year 2013 revenues.
- The District had \$340,986,176 in expenses related to governmental activities, of which \$55,771,131 was offset by program-specific charges for services or grants and contributions. General revenues of \$296,480,660 were adequate to provide for the remaining costs of these programs, resulting in an \$11,265,615 increase in net position.
- Among major funds, the General Fund had \$258,736,275 in revenues, which primarily consisted of state aid and property taxes, and \$257,769,548 in expenditures. The General Fund's fund balance increased \$11,371,335, from \$85,467,444 as of August 31, 2012 to \$96,838,779 as of August 31, 2013.

**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 and liabilities with the difference between the two reported as 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 exceeded liabilities by \$78,686,893 as of August 31, 2013. This is an increase of \$11,265,615 over the prior year, indicating an overall positive position for the District.

A portion of the District's net position represents resources subject to external restrictions on how they may be used. As of August 31, 2013, the District's restricted net position for food service was \$8,548,803 and restricted net position for future debt service payments was \$9,270,928. 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, 2013, the District's unrestricted net position was \$27,784,480.

Net investment in capital assets was \$33,082,682. 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, 2013 and 2012.

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

	<u>2013</u>	<u>2012</u>	<u>Difference</u>
Current and other assets	\$ 184,404,755	\$ 201,914,853	\$ (17,510,098)
Capital assets (net)	525,796,877	514,350,758	11,446,119
Total assets	<u>710,201,632</u>	<u>716,265,611</u>	<u>(6,063,979)</u>
Current liabilities	46,909,070	39,359,000	7,550,070
Long-term liabilities	584,605,669	609,485,333	(24,879,664)
Total liabilities	<u>631,514,739</u>	<u>648,844,333</u>	<u>(17,329,594)</u>
Net investment in capital assets	33,082,682	30,022,606	3,060,076
Restricted	17,819,731	21,704,995	(3,885,264)
Unrestricted	27,784,480	15,693,677	12,090,803
Total net position	<u>\$ 78,686,893</u>	<u>\$ 67,421,278</u>	<u>\$ 11,265,615</u>

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

- Capital assets increased by \$11,446,119, or 2.2%, due to an increase in bond related construction activity. Seven major building projects were completed during the fiscal year.
- Current liabilities increased by \$7,550,070, or 19.2%, due to the increase in outstanding payables for the General and Food Service Funds.

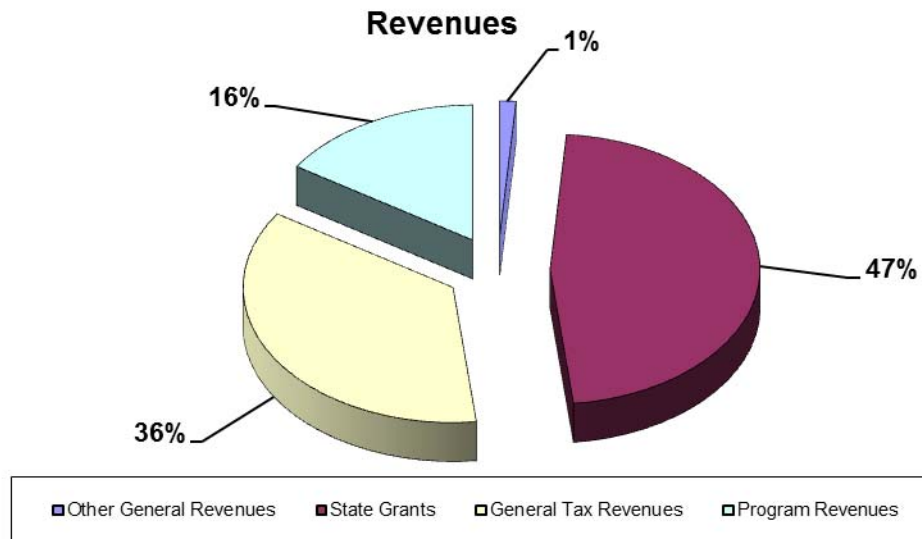
The District's total revenues for the fiscal year ended August 31, 2013 were \$352,251,791. The total cost of all programs and services was \$340,986,176. The following table presents a summary of the changes in net position for the fiscal years ended August 31, 2013 and 2012.

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

	<u>2013</u>	<u>2012</u>	<u>Difference</u>
Revenues:			
Program revenues:			
Charges for services	\$ 6,998,922	\$ 5,646,811	\$ 1,352,111
Operating grants and contributions	48,772,209	57,192,756	(8,420,547)
General revenues:			
Maintenance and operations taxes	89,907,666	89,463,642	444,024
Debt service taxes	36,708,071	36,363,206	344,865
State grants	165,468,694	157,790,019	7,678,675
Investment earnings	410,848	692,064	(281,216)
Miscellaneous	3,985,381	4,490,730	(505,349)
Total revenue	<u>352,251,791</u>	<u>351,639,228</u>	<u>612,563</u>
Expenses:			
Instruction, curriculum, and media services	201,273,035	200,509,333	763,702
Instructional and school leadership	22,999,303	22,854,561	144,742
Student support services, child nutrition and co-curricular activities	47,882,872	44,679,308	3,203,564
General administration	7,559,425	7,199,150	360,275
Plant maintenance, security, and data processing	28,410,666	28,811,058	(400,392)
Community services	1,839,893	1,195,296	644,597
Interest and fiscal charges	27,340,450	28,718,685	(1,378,235)
Other facility costs	2,559	3,974	(1,415)
Intergovernmental charges	577,137	606,078	(28,941)
Payments to TIF	3,100,836	1,742,264	1,358,572
Total expenses	<u>340,986,176</u>	<u>336,319,707</u>	<u>4,666,469</u>
Change in net position	11,265,615	15,319,521	(4,053,906)
Beginning net position	<u>67,421,278</u>	<u>52,101,757</u>	<u>15,319,521</u>
Ending net position	<u>\$ 78,686,893</u>	<u>\$ 67,421,278</u>	<u>\$ 11,265,615</u>

Net position of the District's governmental activities increased from \$67,421,278 to \$78,686,893, or \$11,265,615.

The District's reliance upon tax revenues is demonstrated by the graph below, which indicates that 36% of total revenues for governmental activities come from local taxes.



The District's total revenues this year were \$352,251,791, up \$612,563 from the prior year. This increase can be attributed to unexpended insurance proceeds from the 2012 hail storm damage.

The cost of all governmental activities this year was \$340,986,176. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through district taxes was \$115,350,122 because some of the costs were paid by those who directly benefited from the programs (\$6,998,922), by other governments and organizations that subsidized certain programs with grants and contributions (\$48,772,209), or by state aid (\$165,468,694), investment income (\$410,848), and other miscellaneous income (\$3,985,381).

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

	<u>Total Expenses</u>	<u>Net Expenses</u>
Instruction, curriculum, and media services	\$ 201,273,035	\$ 179,600,488
Instructional and school leadership	22,999,303	21,837,877
Student support services, child nutrition and co-curricular activities	47,882,872	22,458,554
General administration	7,559,425	7,374,363
Plant maintenance, security, and data processing	28,413,225	22,572,749
Community services	1,839,893	422,259
Interest and fiscal charges	27,340,450	27,340,450
Intergovernmental charges	577,137	566,206
Payments to TIF	3,100,836	3,042,099
<b>Total expenses</b>	<b>\$ 340,986,176</b>	<b>\$ 285,215,045</b>

## THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$146,817,849, which is a decrease of \$21,126,107 from the prior year.

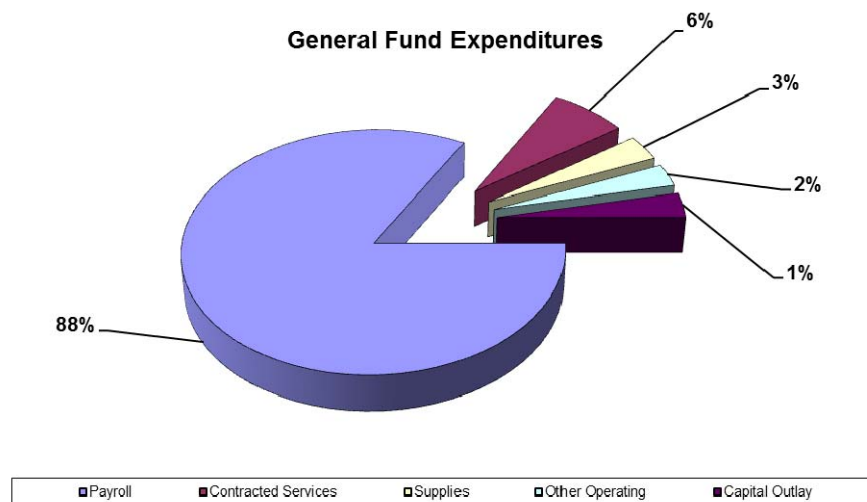
The schedule below indicates the fund balance by fund type as of August 31, 2013 and August 31, 2012.

	<b>Fund Balance August 31, 2013</b>	<b>Fund Balance August 31, 2012</b>	<b>Change in Fund Balance</b>
General Fund	\$ 96,838,779	\$ 85,467,444	\$ 11,371,335
Food Service	8,548,803	9,102,534	(553,731)
Debt Service	12,567,151	14,450,968	(1,883,817)
Capital Projects	28,863,116	58,853,887	(29,990,771)
Other Funds	-	69,123	(69,123)
<b>Total</b>	<b>\$ 146,817,849</b>	<b>\$ 167,943,956</b>	<b>\$ (21,126,107)</b>

### *General Fund*

The fund balance of the General Fund increased \$11,371,335 from the prior year. The District's original budget plan was to increase fund balance \$1,212,790, but actually resulted in \$10,158,545 more. A majority of this increase can be attributed to the following: payroll expenditures were \$2.7 million less than projected due to attrition; insurance proceeds for the hail storm damage exceeded actual expenditures by \$2.2 million; foundation entitlements exceeded original projections by \$2.0 million due to increased student enrollment growth and increased student attendance; and \$489,118 was transferred from the closed Health and Benefit Administration Internal Service Funds.

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





### *Food Service Fund*

The fund balance of the Food Service Fund decreased \$553,731 from the prior year. During the year, \$3.2 million in construction related projects were funded by the Food Service Fund. These additional expenditures were offset by additional funding received for the breakfast and lunch programs.

### *Debt Service Fund*

The Debt Service fund balance decreased \$1,883,817. During the year, a portion of the Series 2003 Refunding Bonds was called early in the amount of \$3.3 million, which resulted in an interest savings of \$1,771,250.

### *Capital Projects Fund*

The Capital Projects fund balance decreased \$29,990,771 from the prior year due to the use of funds spent during the year for the completion of construction projects. Although these and other capital expenditures reduce available fund balances as projects are completed, they create new assets for the District as reported in the statement of net position and as discussed in Note 5 in the financial statements.

## BUDGETARY HIGHLIGHTS

Over the course of the year, budget amendments are necessary to realign funds, which will increase and/or decrease various function levels and object series within the budget. All necessary budget amendments, which change the function level for appropriations and object series for revenues, are formally approved by the School Board and recorded in the board minutes each month. The difference between the original budget and the final amended budget were necessary amendments for changes in situations and estimates. Expenditures had budget amendments increasing the appropriation budget by \$9,707,194. Revenues had budget amendment increases of \$869,122. Other Financing Sources had budget amendment increases of \$10,085,745. The major components of these changes are reflected on Exhibit G-1 and the key factors for the changes can be summarized as follows:

- \$900,000 increase in local tax revenue, for better than anticipated tax collections.
- \$627,059 increase for Head Start reimbursement for full day Pre-K left out of the original budget in error.
- \$700,000 decrease in Tax Increment Finance Zone tax collections and subsequent 75% reimbursements from the City of Irving as a result of anticipated value reduction of properties located within the Zone from lawsuit settlements.
- \$246,694 increase in state revenue, for better than anticipated student growth and average daily attendance.
- \$880,000 decrease in revenue and expenditures for TRS On-Behalf payments due to state reduced contribution to Medicare Part D.

- \$349,812 increase in SHARS (School Health and Related Services) program revenues due to increase in reimbursements received for the year.
- \$346,473 increase in school leadership in operating an additional high school summer school campus and an increase in substitute costs for school leadership staff absences.
- \$468,921 increase to guidance, counseling, and evaluation services for additional testing/evaluation needs with new curriculum and additional diagnosticians for special education.
- \$568,846 increase in plant maintenance and operations for roofing consultant for second hail storm damage.
- \$9,769,143 increase in other financing sources for insurance proceeds received for hail damage to multiple roofs in the District with a corresponding increase of \$8,101,938 to the Facilities Acquisitions and Construction budget. Many of the projects were continuing from the prior year and for the previous year's hail damage and some of the projects continued on into the next fiscal year.
- A positive variance, from actual to final budget, of \$1,146,022 is noted for Local and Intermediate Revenue Sources, which resulted from increased Tax Increment Financing Zone collections and subsequent reimbursement from the City of Irving, due to lawsuit settlements in the District's favor.
- A positive variance, from actual to final budget, of \$1,612,158 is noted for State Program Revenues and is the result of increased foundation aid due to better than anticipated final student attendance and participation of students in the free and reduced lunch program.
- A positive variance, from actual to final budget, of \$2,062,497 is noted for Function 11 expenditures and is attributed to less payroll and associated benefits than anticipated and department and campus savings on supplies and material budgets.
- A positive variance, from actual to final budget, of \$629,548 is noted for Function 51 expenditures and is attributed to savings from utilities and other contracted repair services and supplies being less than budgeted.
- A positive variance, from actual to final budget, of \$1,187,845 is noted for Function 81 expenditures for roof repair projects, still in progress, from the hail damage claims that carried over to the next year.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of August 31, 2013, the District had invested \$525,796,877 in capital assets, net of accumulated depreciation of \$314,003,376, including land and improvements, facilities, and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase in capitalized cost of \$11,446,119 from last year. The

increase is primarily due to completing various construction projects and equipment acquisitions. The total depreciation expense for the year was \$22,577,492. The following schedule presents capital asset balances net of depreciation for the fiscal year ended August 31, 2013:

Land and Improvements	\$	30,415,475
Furniture and Equipment		24,203,620
Buildings and Improvements		450,843,950
Construction in Progress		<u>20,333,832</u>
Total	<u>\$</u>	<u>525,796,877</u>

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

#### Debt

As of August 31, 2013, the District had \$600,739,284 in general obligation bonds payable, with \$17,901,432 due within one year. The District continues to have favorable general obligation bond ratings indicated by Aaa and AA+ rating from Moody's Investors Service and Standard & Poor's Ratings Group, respectively.

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

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

The District's elected and appointed officials considered many factors when setting the 2013-2014 budget and 2013 tax rates. One of those factors was the economy. Going into the 2013 tax year the District experienced a 3.6% increase in property values. This is the second year of an increase in property values after three years of decreasing values.

With 62% of the District's tax base in commercial and business personal property, this was the second year that the District experienced a significant increase (6.0%) in its values. The residential property values for the 2013 fiscal year incurred a slight decline in values of 0.1%.

Public education funding increased by \$5.6 billion more than the prior biennium, due to Senate Bill 1 and House Bill 1025 from the 83<sup>rd</sup> Legislative Session. A total of \$3.4 billion is for the formula increases in the Foundation School Program and \$2.2 billion for student enrollment growth. Because Irving's target revenue is substantially below the state average, our state aid will not only restore all of the funding that was lost in 2011-2012, but it will give the District an additional \$5 million. State revenue in for 2013-2014 is projected to increase by \$14,463,799 over last year's Official Budget, with \$2.8 million of the increase attributed to increases in student ADA (Average Daily Attendance). The remaining increase of \$11.7 million comes from the SB1 and HB 1025 formula increases.

During the 2013-2014, the Debt Service Fund budget will be increased to provide for payment of the District's current outstanding debt, and to fund a potential refunding opportunity of existing outstanding debt. The District has no remaining authorized bonds from the 2007 election to use.

The maintenance and operating tax rate of \$1.04 is the same as last year. A total of 4 cents above \$1.00 is allowable at the local level, under provisions of HB 1. The District is now at its maximum maintenance and operating tax rate for the third year in a row and will remain at this rate until the Board of Trustees decide to call for a tax ratification election to access up to 13 additional pennies. The Board was able to adopt a balanced budget for the 2013-2014 year with the use of \$514,792 of fund balance for one-time projects.

The debt service tax rate remains the same as last year at \$.425, which was possible due to the increase in property values.

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

#### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2013**

**EXHIBIT A-1**

DATA CONTROL CODES		<u>GOVERNMENTAL ACTIVITIES</u>
	<b>ASSETS</b>	
1110	Cash & Cash Equivalents	\$ 134,880,460
1120	Investments	26,002,852
1220	Delinquent Taxes Receivable - Net of Estimated Uncollectible Taxes	4,619,514
1240	Due from Other Governments	7,557,064
1250	Accrued Interest	53,942
1290	Other Receivables	4,506,549
1310	Inventories	1,291,915
1410	Deferred Charges	5,020,242
1490	Other Assets	472,217
1510	Land	20,085,090
1515	Land Improvements	19,866,323
1520	Buildings and Improvements	658,081,250
1530	Furniture and Equipment	121,433,758
1580	Construction in Progress	20,333,832
1570	Accumulated Depreciation	<u>(314,003,376)</u>
1000	<b>TOTAL ASSETS</b>	<u>710,201,632</u>
	<b>LIABILITIES</b>	
2110	Accounts Payable and Claims Liabilities	14,051,486
2150	Payroll Deductions and Withholdings	2,531,023
2160	Accrued Wages Payable	6,281,058
2140	Interest Payable	4,684,511
2180	Due to Other Governments	7,880
2300	Unearned Revenue	612,793
	Due Within One Year:	
2121	Bonds Payable	17,901,432
2123	Claims Payable	838,887
	Noncurrent Liabilities:	
	Due in More than One Year:	
2800	Claims Payable	479,336
2510	Bonds Payable	<u>584,126,333</u>
2000	<b>TOTAL LIABILITIES</b>	<u>631,514,739</u>
	<b>NET POSITION</b>	
3800	Net Investment in Capital Assets	33,082,682
3840	Restricted for Federal and State Programs	8,548,803
3850	Restricted for Debt Service	9,270,928
3900	Unrestricted	<u>27,784,480</u>
3000	<b>TOTAL NET POSITION</b>	<u>\$ 78,686,893</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, 2013**

**EXHIBIT B-1**

		1	2	3	Net (Expense) Revenue and Changes in Net Position
		Program Revenues			Total
Data Control Codes	Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:					
11	Instruction	\$ 188,974,526	\$ 440,510	\$ 17,490,628	\$ (171,043,388)
12	Instructional Resources and Media Services	5,595,410	-	89,556	(5,505,854)
13	Curriculum Development and Instructional Staff Development	6,703,099	-	3,651,853	(3,051,246)
21	Instructional Leadership	5,311,012	-	841,782	(4,469,230)
23	School Leadership	17,688,291	-	319,644	(17,368,647)
31	Guidance, Counseling, and Evaluation Services	14,731,022	-	1,499,686	(13,231,336)
32	Social Work Services	452,558	-	8,572	(443,986)
33	Health Services	2,728,362	-	127,741	(2,600,621)
34	Student (Pupil) Transportation	4,600,440	-	635,555	(3,964,885)
35	Food Services	19,032,015	3,131,771	18,539,324	2,639,080
36	Co-Curricular/Extracurricular Activities	6,338,475	1,381,483	100,186	(4,856,806)
41	General Administration	7,559,425	-	185,062	(7,374,363)
51	Plant Maintenance and Operations	21,523,347	2,045,158	393,584	(19,084,605)
52	Security and Monitoring Services	2,998,649	-	56,520	(2,942,129)
53	Data Processing Services	3,888,670	-	113,335	(3,775,335)
61	Community Services	1,839,893	-	1,417,634	(422,259)
71	Debt Service - Interest and Fiscal Charges	27,340,450	-	-	(27,340,450)
81	Other Facility Costs	2,559	-	3,231,879	3,229,320
95	Payments to Juvenile Justice Alternative Education Program	56,430	-	1,069	(55,361)
97	Payments to TIF	3,100,836	-	58,737	(3,042,099)
99	Other Intergovernmental Charges	520,707	-	9,862	(510,845)
Total Governmental Activities		<u>\$ 340,986,176</u>	<u>\$ 6,998,922</u>	<u>\$ 48,772,209</u>	<u>\$ (285,215,045)</u>

Data Control Codes			
General Revenues:			
Taxes:			
MT	M & O Property Taxes		89,907,666
DT	Debt Service Property Taxes		36,708,071
SF	State Aid - Not Restricted to Specific Programs		165,468,694
IE	Investment Income		410,848
MI	Miscellaneous		<u>3,985,381</u>
TG	Total General Revenues		296,480,660
CN	Change in Net Position		11,265,615
NB	Net Position - Beginning		<u>67,421,278</u>
NE	Net Position - Ending		<u>\$ 78,686,893</u>

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



# **FUND FINANCIAL STATEMENTS**

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**IRVING INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2013**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	<b>ASSETS</b>		
	Current Assets:		
1110	Cash & Cash Equivalents	\$ 76,560,156	\$ 10,534,955
1120	Investments	23,002,852	-
	Receivables:		
1220	Property Taxes - Delinquent	4,896,459	-
1230	Allowance for Uncollectible Taxes	(1,665,233)	-
1240	Due from Other Governments	4,587,462	482,424
1250	Accrued Interest	48,377	-
1260	Due from Other Funds	1,710,165	-
1290	Other Receivables	4,323,383	260
1310	Inventories, at cost	827,185	113,409
1410	Deferred Expenditures	472,217	-
1000	<b>TOTAL ASSETS</b>	<b>\$ 114,763,023</b>	<b>\$ 11,131,048</b>
	<b>LIABILITIES</b>		
	Current Liabilities:		
2110	Accounts Payable	\$ 5,628,963	\$ 2,582,245
2150	Payroll Deductions and Withholdings	2,531,023	-
2160	Accrued Wages Payable	6,281,058	-
2170	Due to Other Funds	-	-
2180	Due to Other Governments	7,880	-
2300	Deferred Revenue	3,475,320	-
2000	<b>TOTAL LIABILITIES</b>	<b>17,924,244</b>	<b>2,582,245</b>
	<b>FUND BALANCES</b>		
	Nonspendable		
3410	Inventory	827,185	113,409
3430	Prepaid Items	472,217	-
	Restricted		
3450	Food Service	-	8,435,394
3470	Capital Acquisition and Contractual Obligation	-	-
3480	Retirement of Long-Term Debt	-	-
	Assigned		
3570	Capital Expenditures	1,755,967	-
3590	Campus Activity Funds	2,801,653	-
3590	Other	1,753,087	-
3600	Unassigned	89,228,670	-
3000	<b>TOTAL FUND BALANCE</b>	<b>96,838,779</b>	<b>8,548,803</b>
4000	<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 114,763,023</b>	<b>\$ 11,131,048</b>

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

<u>MAJOR</u>		<u>NONMAJOR</u>	<u>TOTALS</u>
<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER FUNDS</u>	<u>GOVERNMENTAL FUNDS</u>
\$ 8,889,379	\$ 34,382,242	\$ 368,699	\$ 130,735,431
3,000,000	-	-	26,002,852
1,778,525	-	-	6,674,984
(390,237)	-	-	(2,055,470)
677,508	-	1,809,670	7,557,064
5,565	-	-	53,942
-	-	-	1,710,165
160,133	-	-	4,483,776
-	-	-	940,594
-	-	-	472,217
<u>\$ 14,120,873</u>	<u>\$ 34,382,242</u>	<u>\$ 2,178,369</u>	<u>\$ 176,575,555</u>
\$ 750	\$ 5,519,126	\$ 264,189	\$ 13,995,273
-	-	-	2,531,023
-	-	-	6,281,058
164,684	-	1,545,481	1,710,165
-	-	-	7,880
1,388,288	-	368,699	5,232,307
<u>1,553,722</u>	<u>5,519,126</u>	<u>2,178,369</u>	<u>29,757,706</u>
-	-	-	940,594
-	-	-	472,217
-	-	-	8,435,394
-	28,863,116	-	28,863,116
12,567,151	-	-	12,567,151
-	-	-	1,755,967
-	-	-	2,801,653
-	-	-	1,753,087
-	-	-	89,228,670
<u>12,567,151</u>	<u>28,863,116</u>	<u>-</u>	<u>146,817,849</u>
<u>\$ 14,120,873</u>	<u>\$ 34,382,242</u>	<u>\$ 2,178,369</u>	<u>\$ 176,575,555</u>



**IRVING INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AUGUST 31, 2013**

**EXHIBIT C-1R**

Total Fund Balances - Governmental Funds \$ 146,817,849

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 \$839,800,253 and the accumulated depreciation is \$314,003,376. 525,796,877

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 4,619,514

Internal Service Funds are used by the district's management to charge the cost of health insurance, workers compensation, unemployment, and benefits administration to the funds. The assets and liabilities of the Internal Service Funds are included with governmental activities. 3,144,687

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	\$ (600,739,284)	
Premium/Discount on Bonds Payable	(11,276,077)	
Deferred Loss on Refunding Bonds	9,987,596	
Interest Payable	(4,684,511)	
Bond Issuance Costs	5,020,242	
	(601,692,034)	(601,692,034)

Net Position - Governmental Activities \$ 78,686,893

*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, 2013**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	REVENUES		
5700	Local and Intermediate Sources	\$ 99,656,604	\$ 3,136,942
5800	State Program Revenues	155,271,530	116,578
5900	Federal Program Revenues	3,808,141	18,417,218
5020	TOTAL REVENUES	<u>258,736,275</u>	<u>21,670,738</u>
	EXPENDITURES		
	Current:		
0011	Instruction	157,517,628	-
0012	Instructional Resources and Media Services	4,727,817	-
0013	Curriculum Development and Instructional Staff Development	3,095,869	-
0021	Instructional Leadership	4,453,938	-
0023	School Leadership	16,793,797	-
0031	Guidance, Counseling, and Evaluation Services	12,850,730	-
0032	Social Work Services	452,578	-
0033	Health Services	2,519,268	-
0034	Student (Pupil) Transportation	4,013,744	-
0035	Food Services	291,838	17,857,465
0036	Co-Curricular/Extracurricular Activities	5,288,952	485,283
0041	General Administration	7,396,435	-
0051	Plant Maintenance and Operations	20,778,082	616,539
0052	Security and Monitoring Services	2,983,793	-
0053	Data Processing Services	3,578,546	-
0061	Community Services	430,467	-
	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	6,918,093	3,265,182
0095	Payments to Juvenile Justice Alternative Education Program	56,430	-
0097	Payments to TIF	3,100,836	-
0099	Intergovernmental Charges	520,707	-
6030	TOTAL EXPENDITURES	<u>257,769,548</u>	<u>22,224,469</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>966,727</u>	<u>(553,731)</u>
	OTHER FINANCING SOURCES		
7901	Issuance of Refunding Bonds	-	-
7912	Proceeds from Sale of Capital Assets	261,327	-
7915	Transfers in	489,245	-
7916	Premium on Issuance of Debt	-	-
7919	Insurance Recoveries	9,654,036	-
8911	Transfers out	-	-
8940	Payment to Refunded Bond Escrow Agent	-	-
7080	TOTAL OTHER FINANCING SOURCES	<u>10,404,608</u>	<u>-</u>
1200	Net Change in Fund Balances	11,371,335	(553,731)
0100	Fund Balance - September 1 (Beginning)	<u>85,467,444</u>	<u>9,102,534</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 96,838,779</u>	<u>\$ 8,548,803</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
\$ 36,744,653	\$ 121,990	\$ 316,395	\$139,976,584
10,197,164	-	2,202,934	167,788,206
-	752,305	19,735,573	42,713,237
<u>46,941,817</u>	<u>874,295</u>	<u>22,254,902</u>	<u>350,478,027</u>
-	10,237,425	14,574,089	182,329,142
-	578,184	1,000	5,307,001
-	-	3,593,212	6,689,081
-	20,877	757,413	5,232,228
-	9,052	1,530	16,804,379
-	9,495	1,257,125	14,117,350
-	-	-	452,578
-	-	80,020	2,599,288
-	-	559,525	4,573,269
-	35,951	-	18,185,254
-	88,748	-	5,862,983
-	26,764	44,955	7,468,154
-	115,454	-	21,510,075
-	26,583	-	3,010,376
-	688,165	45,549	4,312,260
-	-	1,409,480	1,839,947
19,379,223	-	-	19,379,223
28,839,306	-	-	28,839,306
535,898	-	-	535,898
-	19,071,773	-	29,255,048
-	-	-	56,430
-	-	-	3,100,836
-	-	-	520,707
<u>48,754,427</u>	<u>30,908,471</u>	<u>22,323,898</u>	<u>381,980,813</u>
<u>(1,812,610)</u>	<u>(30,034,176)</u>	<u>(68,996)</u>	<u>(31,502,786)</u>
66,145,000	-	-	66,145,000
-	43,405	-	304,732
-	-	-	489,245
6,487,601	-	-	6,487,601
-	-	-	9,654,036
-	-	(127)	(127)
<u>(72,703,808)</u>	<u>-</u>	<u>-</u>	<u>(72,703,808)</u>
<u>(71,207)</u>	<u>43,405</u>	<u>(127)</u>	<u>10,376,679</u>
(1,883,817)	(29,990,771)	(69,123)	(21,126,107)
<u>14,450,968</u>	<u>58,853,887</u>	<u>69,123</u>	<u>167,943,956</u>
<u>\$ 12,567,151</u>	<u>\$ 28,863,116</u>	<u>\$ -</u>	<u>\$ 146,817,849</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2013**

**EXHIBIT C-3**

Total Net Change in Fund Balances - Governmental Funds \$ (21,126,107)

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 (\$34,098,904) exceeded depreciation (\$22,576,887) in the current period. 11,522,017

The disposal of capital assets is not recognized in the governmental funds. (75,293)

Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues, net of bad debt, decreased by this amount this year. (306,725)

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. (233,460)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 19,379,223

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	\$ (66,145,000)	
Payment to Escrow Agent	72,703,808	
Discount/Premium on Bonds Issued	(6,487,601)	
Bond Issue Costs	535,897	
Amortization of Issue Costs	(653,865)	
Amortization of Refunding Loss	(944,904)	
Amortization of Bond Premium/Discount	<u>3,475,251</u>	2,483,586

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	\$ (1,491,138)	
Interest Accretion	(6,852,265)	
Accretion Retirement	<u>7,965,777</u>	<u>(377,626)</u>
Change in Net Position - Governmental Activities		<u>\$11,265,615</u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2013**

**EXHIBIT D-1**

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	ASSETS	
	Current Assets:	
1110	Cash and Temporary Investments	\$ 4,145,029
1290	Other Receivables	22,773
1310	Inventories, at cost	351,321
1000	TOTAL ASSETS	<u>4,519,123</u>
	LIABILITIES	
	Current Liabilities:	
2110	Accounts Payable	56,213
2800	Claims Due Within One Year	838,887
	Total Current Liabilities	<u>895,100</u>
	Noncurrent Liabilities:	
	Claims Due in More than One Year	479,336
	Total Long-Term Liabilities	<u>479,336</u>
2000	TOTAL LIABILITIES	<u>1,374,436</u>
	NET POSITION	
3900	Unrestricted Net Position	3,144,687
3000	TOTAL NET POSITION	<u>\$ 3,144,687</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, 2013**

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DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	OPERATING REVENUES	
5700	Charges for Services	\$ 2,555,378
5020	Total Operating Revenues	<u>2,555,378</u>
	OPERATING EXPENSES	
6100	Payroll Costs	355,846
6200	Professional/Contracted Services	116,792
6300	Supplies and Materials	262,820
6400	Claims, Administration, and Other Expenses	1,566,679
6490	Depreciation	605
6030	Total Operating Expenses	<u>2,302,742</u>
	OPERATING INCOME	252,636
	NONOPERATING REVENUES	
7955	Interest Income	3,022
8911	Transfers Out	<u>(489,118)</u>
	CHANGE IN NET POSITION	(233,460)
0100	Total Net Position - September 1 (Beginning)	<u>3,378,147</u>
3000	Total Net Position - August 31 (Ending)	<u><u>\$ 3,144,687</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, 2013**

**EXHIBIT D-3**

	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:	
Cash Received for Premiums and Services	\$ 2,555,378
Cash Paid to Employees	(323,537)
Cash Paid for Claims and Administration, and Other Costs	(1,762,822)
Net Cash Provided by Operating Activities	<u>469,019</u>
Cash Flows from Noncapital Financing Activities:	
Transfers from Other Funds	(489,118)
Net Cash Used by Noncapital Financing Activities	<u>(489,118)</u>
Cash Flows from Investing Activities:	
Interest Received	3,022
Net Cash Provided by Investing Activities	<u>3,022</u>
Net Decrease in Cash and Cash Equivalents	(17,077)
Cash and Cash Equivalents at Beginning of the Year	4,162,106
Cash and Cash Equivalents at End of the Year	<u>\$ 4,145,029</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	<u>\$ 252,636</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	605
Change in Current Assets and Liabilities:	
Decrease in Other Receivables	65,129
Decrease in Inventories	49,009
Increase in Accounts Payable and Claims Liability	3,514
Increase in Long-term Claims Reserve	98,126
	<u>216,383</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 469,019</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, 2013**

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**EXHIBIT E-1**

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and Temporary Investments	<u>\$ 805,596</u>
TOTAL ASSETS	<u><u>\$ 805,596</u></u>
LIABILITIES	
Accounts Payable	\$ 446,421
Due to Student Groups	<u>359,175</u>
TOTAL LIABILITIES	<u><u>\$ 805,596</u></u>

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

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### A. REPORTING ENTITY

The Board of Trustees, a seven-member group, has financial accountability for all activities related to public elementary and secondary education within the jurisdiction of the District. Since members of the board are elected by the public, they have the authority to make decisions and to appoint administrators and managers.

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

The District receives funding from local, state and federal government sources and is required to comply with the requirements of these funding source 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 of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from these statements. An exception to this general rule would be amounts that are reasonably equivalent in value to the interfund services provided. The *governmental activities* are supported by tax revenues and intergovernmental revenues. The District has no *business-type activities* that rely, to a significant extent, on fees and charges for support.

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

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

The District reports the following Major Funds:

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

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

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

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

The District reports the following Proprietary Funds:

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other



**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

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

funds for services. Operating expenses for internal service funds include the cost of providing the services, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**Agency Funds** - These custodial funds are used to account for activities of student groups and other organizational activities requiring clearing accounts 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 is the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount. In accordance with the Financial Accountability System

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

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**C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS, cont'd.**

Resource Guide (FASRG), the District has adopted and installed an accounting system that exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FASRG. Mandatory codes are utilized in the form provided in that section.

**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, 2013 that were subsequently provided for in the 2013-2014 budget totaled \$1,796,285 for the General Fund, \$226,317 for the Food Service Fund, \$614,769 for the Capital Projects Fund, and \$16,608 for the Nonmajor Funds.

**F. DEPOSITS AND INVESTMENTS**

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

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

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

**H. INVENTORIES**

The consumption method is used to account for inventories of food products, technology, school supplies and athletic equipment. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed. The Food Service (Special Revenue Fund) commodity inventories received through the U.S. Department of Agriculture are recorded as inventory on the date received and recognized as revenue. In the governmental funds, inventories are reported as nonspendable fund balance.

**I. DEFERRED EXPENDITURES**

Deferred expenditures of \$472,217 in the General Fund and Food Service Fund are prepaid items, 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.

Deferred charges on the government-wide financial statements include bond issuance costs of \$5,020,242, net of accumulated amortization of \$653,865. These bond issuance costs will be amortized using the straight-line method over the life of the bonds.

**J. CAPITAL ASSETS**

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

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

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

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

**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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred losses on refundings are amortized over the shorter of the life of the old debt or the life of the new debt.

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

**L. FUND EQUITY**

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

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**L. FUND EQUITY, cont'd.**

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

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Board Policy CE (Local) has authorized the Superintendent or Associate Superintendent of Business to assign fund balance. As of August 31, 2013, 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) Capital Expenditures – assigned to identify unexpended insurance proceeds received for hail damage storm, and 3) Other Assigned Fund Balance – assigned to outstanding encumbrances as of the fiscal year end.

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

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

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 and liabilities with constraints placed on their use by law.

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

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**M. VACATION AND SICK LEAVE**

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

**N. DATA CONTROL CODES**

Data control codes refer to the account code structure prescribed by the Texas Education Agency, 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 \$500,000 per occurrence and purchases excess coverage to statutory limits from Midwest Employer's Casualty Company. Claims administration is currently provided by the third party administrator Tristar Inc., and the Texas Association of School Boards maintains claims processing for liabilities between September 1, 1986 and July 31, 1992.

The total liabilities for the Workers' Compensation self-insurance fund of \$1,336,365 include incurred but not reported claims in the amount of \$1,318,223 (of which \$838,887 is expected to be paid within one year,) and accounts payable of \$18,142. The claims liability reported in the fund at August 31, 2013 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. Lewis & Ellis, Inc. through its actuarial review of the Workers' Compensation self-insurance program, projected an estimated discounted liability of \$1,318,223 as of August 31, 2013 for the ultimate loss reserve of the fund. The fund had net position at August 31, 2013 of \$1,650,386.

Changes in the workers' compensation claims liability amounts in fiscal year 2013 and 2012 are presented below:

	<b>Beginning of Fiscal-Year Liability</b>	<b>Current-Year Claims &amp; Changes in Estimates</b>	<b>Claim Payments</b>	<b>Balance at Fiscal Year-End</b>
2012 Workers' Compensation	\$ 1,570,615	\$ 623,300	\$ 973,818	\$ 1,220,097
2013 Workers' Compensation	\$ 1,220,097	\$ 1,202,340	\$ 1,104,214	\$ 1,318,223

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**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 \$18,472 for claims reported and not paid, and net position as of August 31, 2013 were \$636,916.

**Q. HEALTH CARE AND BENEFITS ADMINISTRATION**

During the 2011-2012 school year, the District transitioned to Teacher's Retirement System of Texas (TRS) medical plan. The Health and Benefit Administration Internal Service Funds remained active to fund run-off health claims and associated expenses. During 2012-2013, both funds were closed and the remaining balances were transferred to the General Operating Fund.

**R. 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 maintains a set-aside loss fund for damages under a particular deductible or for where no other protection exists. Insurance and coverage policies are purchased for the following exposure with the deductible/retention also indicated. There are no settlements in excess of the insurance coverage in any of the three prior fiscal years.

<u>Insurance/Coverage</u>	<u>Deductible/Retention</u>	<u>Policy Limit(s)</u>
Property	\$100,000	\$882,979,500 blanket RC
	\$250,000 Wind/Hail	\$10,000,000 Flood, Earthquake
Direct Physical Loss/RC/EE	\$100,000	\$10,000,000
EDP Equip/EE/Data & Media	\$10,000	\$4,293,427
Wind Turbines	\$5,000	\$25,000 BI/EE
Other Equipment Breakdown	\$2,500	\$100,000
Crime	\$5,000	\$500,000
Valuable Papers	\$100,000	\$500,000
Liability (E & O)	\$10,000	\$2,000,000/2,000,000 Agg.
Liability (General)	\$10,000	\$2,000,000
Employee Benefits	\$10,000	\$100,000
Liability (Fleet)	\$5,000	\$500,000 CSL
Comprehensive	\$1,000	
Catastrophic PD	\$10,000	
Workers' Compensation	\$550,000	Statutory
Excess		

**R. RISK MANAGEMENT, cont'd.**

During fiscal 2005, the District executed an Interlocal agreement with the TASB Risk Management Fund (the "Fund"). In addition to coverage protection the Fund also provides its members with valuable loss control assistance to include inspections, webinars/seminars, and an annual two-day conference each spring. The District is expected to adhere to standard and best practices in the timely reporting of any claims or potential claims, in the implementation of prudent loss control measures, and address any deficiencies noted in a timely manner. Any subrogation cannot be waived without prior approval of the Fund. The District expects timely payment of any claims and the protection of tort immunity to be exercised as appropriate. The Fund is to provide legal counsel when appropriate to defend a lawsuit against the District, and that the legal counsel arrangement is agreed to either work independently or collaboratively with the District's legal counsel in defense of legal actions. This Fund agreement can renew every year unless a 30-day notice is given to not renew by any party for any reason. If any breach of the agreement occurs, immediate termination of the agreement can go into effect as well.

**NOTE 2. DEPOSITS AND INVESTMENTS**

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

At August 31, 2013, the carrying amount of the District's cash, not including fiduciary funds, was \$25,527. The bank balance was \$538,456. During 2012-2013, the District's combined deposits were fully insured by federal depository insurance or collateralized with securities pledged to the District and held in the District's name by the District's agent. In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Name of bank: Comerica, Texas – Irving.
2. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$34,874,659 and occurred on November 30, 2012.
3. Largest combined collected cash account balance required to be collateralized amounted to \$36,009,162 and occurred on November 5, 2012.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.



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

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

The investments held at period-end are as follows:

	<u>Fair Value</u>	<u>WAM</u>
Cash and Imprest Funds	\$ 25,527	1 Day
Certificates of Deposit	20,011,992	163 Days
U.S. Agencies	5,990,860	1071 Days
Investments in Texpool	7,121,974	56 Days
Investments in TexStar	8,627,421	49 Days
Investments in Texas Class	63,990,316	57 Days
Investments in Lone Star	5,944,357	40 Days
Investments in LOGIC	49,976,461	57 Days
Total	<u>\$ 161,688,908</u>	<u>107 Days</u>

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

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

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

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

Texas CLASS (Texas Cooperative Liquid Assets Security System) was organized in March 1996 under a trust agreement executed by and among Texas local governmental entities in accordance with the Public Funds Investment Act, and the Texas Government Code and remains in full compliance with Chapter 2256. The fund is administered by Cutwater Investor Services Corp. and is rated AAAM by Standard & Poor's Rating Services. Furthermore, Cutwater Investor Services Corp. provides specialized investment opportunities and a broad range of services to state and local governments, academic institutions, and other public and private-sector investors.

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

Interest rate risk occurs whenever rising interest rates will cause a fixed income security to lose fair value. The District manages its exposure to interest rate fluctuations and interest rate risk through its investment policy, through diversity of issuer and maturity and by limiting final maturity of its investments between two and five years, with most purchases less than two years. The District's investment policy states under the diversity section that, "The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer." Therefore, it manages interest rate risk by laddering the portfolio so that agency positions are not concentrated in one time frame or in one issuer, thereby reducing the overall volatility of the portfolio.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and the District's investment policy limits the District's investments to high quality rated instruments that have been evaluated by agencies such as Standard and Poor's or Moody's Investor Service. The District controls and monitors credit risk by purchasing only quality rated instruments or investing in local government investment pools that have been evaluated by Standard and Poor's, Fitch, or Moody's Investors Service and complies with the Public Funds Investment Act. The Public Funds Investment Act limits investments in commercial paper to A1P1 ratings issued by at least two of the nationally

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

recognized statistical rating organizations (NRSROs) and this is reflected in the investment policy of the District. The school district currently has no commercial paper. The local government investment pools that the District uses are also rated by the NRSROs. Lone Star and LOGIC are rated AAA by Standard & Poor's. Texas CLASS, TexPool, and TexSTAR are rated AAAM by Standard & Poor's.

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

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

Concentration of credit risk is the risk associated with holding investments that are not in pools and in excess of 5% of the total portfolio. As of August 31, 2013 the District held \$6,000,000 of securities with a zero par amount, which is 3.67% of the total portfolio, and \$20,011,992 of certificates of deposit, which is 12.25% of the portfolio. All agency securities held by the District are rated AA+ by Standard and Poor's or Aaa and by Moody's Investors Service. The District controls this risk by laddering the portfolio, limiting the final maturity of each investment between two and five years through its investment policy with most purchases under two years, and by diversifying between agency types when possible.

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

**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, 2012, upon which the levy for the 2012-2013 fiscal year was based, was \$9,095,092,708. The roll was subsequently decreased to a year-end assessed value of \$9,060,059,409. 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, 2013, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$.425 per \$100 valuation, respectively, for a total of \$1.465 per \$100 valuation.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 3. PROPERTY TAXES, cont'd.**

Current tax collections for the year ended August 31, 2013 were 99.98% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of August 31, 2013, property taxes receivable, net of estimated uncollectible taxes, totaled \$3,231,226 and \$1,388,288 for the General and Debt Service Funds, respectively.

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

A total of \$3,100,836 in tax levy was collected for the zone in the current fiscal year because the assessed valuation of real property in the reinvestment zone was greater than the tax increment base value as provided for in the participation agreement. Under current state funding laws, as well as a "hold harmless" provision in the participation agreement, the District will remain revenue neutral with respect to the total revenue from local ad valorem taxes and state sources. The District can expect to receive funds for each year it contributes to the tax increment reinvestment zone.

**NOTE 4. DUE FROM OTHER GOVERNMENTS**

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

Balances at August 31, 2013 consisted of the following Due from Other Governments:

<b>Fund:</b>		
General Operating Fund	\$	4,587,462
Food Service Fund		482,424
Debt Service Fund		677,508
Nonmajor Special Revenue Funds		1,809,670
Total	\$	<u>7,557,064</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity, as reported in governmental activities, for the year ended August 31, 2013 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	21,534,963	18,364,161	-	(19,565,292)	20,333,832
Total Capital Assets not depreciated	41,620,053	18,364,161	-	(19,565,292)	40,418,922
Capital Assets depreciated:					
Land Improvements	19,411,743	454,580	-	-	19,866,323
Buildings and Improvements	636,527,356	2,248,602	(260,000)	19,565,292	658,081,250
Furniture and Equipment	110,105,333	13,031,561	(1,703,136)	-	121,433,758
Total Capital Assets depreciated	766,044,432	15,734,743	(1,963,136)	19,565,292	799,381,331
<b>Total Capital Assets</b>	<u>807,664,485</u>	<u>34,098,904</u>	<u>(1,963,136)</u>	<u>-</u>	<u>839,800,253</u>
Less Accumulated Depreciation for:					
Land Improvements	8,562,336	973,602	-	-	9,535,938
Buildings and Improvements	194,737,986	12,759,314	(260,000)	-	207,237,300
Furniture and Equipment	90,013,405	8,844,576	(1,627,843)	-	97,230,138
Total Accumulated Depreciation	293,313,727	22,577,492	(1,887,843)	-	314,003,376
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 514,350,758</u>	<u>\$ 11,521,412</u>	<u>\$ (75,293)</u>	<u>\$ -</u>	<u>\$ 525,796,877</u>

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

Governmental Activities:	
Instruction	\$ 17,207,207
Instructional Resources & Media Services	961,050
Curriculum Development & Instructional Staff Development	13,977
Instructional Leadership	99,637
School Leadership	887,220
Guidance, Counseling & Evaluation Services	613,674
Health Services	129,075
Student Transportation	27,171
Food Services	1,106,658
Co-Curricular/Extracurricular Activities	621,676
General Administration	136,291
Plant Maintenance & Operations	467,660
Security & Monitoring Services	14,953
Data Processing Services	290,638
Internal Service Funds	605
Total Depreciation Expense, Governmental Activities	<u>\$ 22,577,492</u>

**NOTE 6. PENSION PLAN**

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

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

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

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

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

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if as a result of a the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 6. RETIREMENT PLAN, cont'd.**

Contribution rates and contributions for fiscal years 2013-2011 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the District is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceed statutory minimum.

Contribution Rates and Contribution Amounts					
Year	Member		State		Statutory Minimum Amount
	Rate	Amount	Rate	Amount	
2013	6.40%	\$12,659,122	6.40%	\$10,196,814	\$2,765,446
2012	6.40%	\$12,539,074	6.00%	\$11,791,433	\$2,535,117
2011	6.40%	\$13,315,174	6.64%	\$11,879,712	\$3,058,269

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

**NOTE 7. RETIREE HEALTH PLAN**

Plan Description. The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at [www.trs.state.tx.us](http://www.trs.state.tx.us), by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701-2698, 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 2013-2011.

Contribution Rates						
Year	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2013	0.65%	\$1,285,694	0.50%	\$988,994	0.55%	\$1,087,898
2012	0.65%	\$1,273,489	1.00%	\$1,959,231	0.55%	\$1,077,583
2011	0.65%	\$1,352,310	1.00%	\$2,080,496	0.55%	\$1,144,281

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

**NOTE 7. RETIREE HEALTH PLAN, cont'd.**

Contributions Made. Contributions made by the State, the District and its employees, and the District's covered payroll for the fiscal years 2013, 2012, and 2011 are as follows:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Covered payroll	\$ 197,798,881	\$ 195,923,073	\$ 208,049,596
Contributions made by the State	9,672,330	10,800,225	11,303,830
Retirement plan rate	6.400%	6.000%	6.644%
Retiree health care rate	0.50%	1.00%	1.00%
Medicare Part D	524,484	509,914	553,480
ERRP	-	482,214	-
District required and actual			
Contributions to TRS & TRS-Care	3,853,344	3,612,701	4,202,550
Employee contributions to TRS & TRS-Care	13,944,816	13,812,563	14,667,485

**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 09/01/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 08/31/13</u>	<u>Current Portion</u>
Claims Payable	\$ 1,220,097	\$ 1,202,340	\$ 1,104,214	\$ 1,318,223	\$ 838,887

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 Outstanding at 09/01/2012	Issued	(Retired / Refunding)	Interest Accretion	Accreted Interest Retirements	Bonds Outstanding at 08/31/2013
1997A Refunding	2018	4.85%-5.42%	33,140,000	31,870,317	-	(2,765,000)	1,550,855	(3,425,000)	27,231,172
2002 School Building	2016	2.09%-6.03%	130,853,959	23,874,159	-	(3,789,221)	1,078,015	(2,805,777)	18,357,176
2003 School Building	2013	2.00%-5.00%	51,882,264	4,721,947	-	(4,040,001)	28,054	(710,000)	-
2004A School Building	2033	Variable	20,000,000	15,300,000	-	-	-	-	15,300,000
2004B School Building	2033	Variable	20,000,000	15,300,000	-	-	-	-	15,300,000
2005 Refunding	2016	3.00%-5.25%	92,425,000	85,675,000	-	(70,850,000)	-	-	14,825,000
2006 Refunding	2033	3.95%-5.46%	66,472,786	85,587,893	-	(260,000)	4,070,902	-	89,398,795
2007 Refunding	2031	3.65%-4.40%	109,045,000	111,007,702	-	(210,000)	124,439	(1,025,000)	109,897,141
2007A School Building	2033	3.87%-5.00%	20,000,000	15,145,000	-	(435,000)	-	-	14,710,000
2008 School Building	2038	2.00%-5.00%	87,020,000	76,270,000	-	(500,000)	-	-	75,770,000
2009 School Building	2033	3.00%-5.25%	66,106,018	62,630,000	-	(1,830,000)	-	-	60,800,000
2010A School Building	2030	3.63%-5.00%	18,485,000	18,485,000	-	(1,105,000)	-	-	17,380,000
2010B Build America Bonds	2040	5.56%-5.66%	40,000,000	40,000,000	-	-	-	-	40,000,000
2011 Qualified School Construction Bond	2026	0%	21,640,000	21,640,000	-	-	-	-	21,640,000
2012 School Building	2025	2.00%-5.00%	13,985,000	13,985,000	-	-	-	-	13,985,000
2013 Refunding	2023	2.00%-4.00%	66,145,000	-	66,145,000	-	-	-	66,145,000
Total Bonded Indebtedness				<u>621,492,018</u>	<u>66,145,000</u>	<u>(85,784,222)</u>	<u>6,852,265</u>	<u>(7,965,777)</u>	600,739,284
Less Current Portion									17,901,432
Long term portion as of August 31, 2013									582,837,852
Premium/Discounts/Loss on Refunding				<u>3,630,036</u>	<u>188,792</u>	<u>(2,530,347)</u>	<u>-</u>	<u>-</u>	1,288,481
Total Long Term Bonds Payable									<u>584,126,333</u>



**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

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

Debt service principal requirements to maturity (below) exclude accumulated accretion of \$66,286,906, which is included in the interest column:

<u>Year Ended August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2014	\$ 17,901,432	\$ 28,643,283	\$ 46,544,715
2015	20,813,623	26,320,960	47,134,583
2016	21,071,698	26,092,998	47,164,696
2017	21,660,625	25,578,789	47,239,414
2018	21,885,000	25,254,888	47,139,888
2019-2023	140,645,000	95,160,258	235,805,258
2024-2028	101,090,000	126,827,174	227,917,174
2029-2033	139,490,000	28,075,795	167,565,795
2034-2038	39,995,000	8,226,412	48,221,412
2039-2041	9,900,000	568,364	10,468,364
Totals	<u>\$ 534,452,378</u>	<u>\$ 390,748,921</u>	<u>\$ 925,201,299</u>

There are a number of limitations and restrictions contained in the various general obligation bond indentures. The District is in compliance with all limitations and restrictions at August 31, 2013.

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

On January 15, 2013, the District issued "Irving Independent School District Unlimited Tax Refunding Bonds, Series 2013," totaling \$66,145,000 to refund a portion of the outstanding bonds. These bonds incur an average cost over the life of the bonds at a rate of 2.00-4.00% and mature annually with semi-annual interest payments. The proceeds were used to purchase U.S. Government securities and these securities were placed in an irrevocable escrow account until the refunded bonds are redeemed. The District, in effect, increased its aggregate debt service payments by \$8,531,210 through 2023 and resulted in an economic gain (difference between present values of the old and new debt service payment) of \$872,937. The bonds will fully mature in 2023.

In 2013, the District paid off the Unlimited Tax School Building and Refunding Bonds, Series 2003. The bonds were scheduled to mature in fiscal year 2031, but the outstanding principal balance was paid in 2013. This resulted in an interest savings of \$1,771,250.

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, 2013 is \$66,405,000.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

**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, 2013 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	\$ 164,684	\$ -	To reclassify deficit pooled cash.
Other Nonmajor Funds	1,545,481	-	To reclassify deficit pooled cash.
Debt Service Fund:			
General Fund	-	164,684	To reclassify deficit pooled cash.
Other Nonmajor Funds:			
General Fund	-	1,545,481	To reclassify deficit pooled cash.
	<u>\$ 1,710,165</u>	<u>\$ 1,710,165</u>	

The detail transfer schedule for the year ended August 31, 2013 includes the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Internal Service Funds	\$ 489,118	Close out of Health Insurance and Benefits Funds
General Fund	Nonmajor Funds	127	Close out of Local Special Revenue Fund
		<u>\$ 489,245</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, 2013 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The District is obligated at August 31, 2013 for eight major construction projects. These projects cover construction and renovations at the Administration Annex and seven elementary campuses. In addition, numerous campuses were damaged by a hail storm during the 2011 and 2012 school years. Repairs to these campuses were consolidated into two projects. In total, the District was obligated for \$1,076,203 relating to these projects as of August 31, 2013.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

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

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

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>
Property Taxes	\$91,551,353	\$ -	\$36,449,472	\$ -	\$ -	\$128,000,825
Food Sales	-	2,561,158	-	-	-	2,561,158
Food Service-Vending	-	570,613	-	-	-	570,613
Investment Income	250,598	5,171	36,582	115,475	-	407,826
Tuition	325,098	-	-	-	-	325,098
Gifts and Bequests	320,169	-	-	-	-	320,169
Penalties, Interest & Other Tax-Related Income	988,665	-	258,599	-	-	1,247,264
Co-curricular Student Activities	1,313,557	-	-	-	-	1,313,557
Other	4,907,164	-	-	6,515	316,395	5,230,074
<b>Total</b>	<b>\$99,656,604</b>	<b>\$ 3,136,942</b>	<b>\$36,744,653</b>	<b>\$ 121,990</b>	<b>\$ 316,395</b>	<b>\$139,976,584</b>

**NOTE 13. DEFERRED REVENUE**

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>
Net Tax Revenue	\$ 3,231,226	\$ 1,388,288	\$ -	\$ 4,619,514
Laptop Computer Fees	221,461	-	-	221,461
Other	22,633	-	349,580	372,213
AP/IB Program	-	-	19,119	19,119
Regional State Deaf	-	-	-	-
<b>Total Deferred Revenue</b>	<b>\$ 3,475,320</b>	<b>\$ 1,388,288</b>	<b>\$ 368,699</b>	<b>\$ 5,232,307</b>

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

**NOTE 14. SHARED SERVICES ARRANGEMENT**

The District is the fiscal agent for the Shared Services Arrangement (SSA) which provides deaf education to member districts whose students are enrolled in Regional Day School for the Deaf (RDSPD). In addition to the District, other member districts include Duncanville ISD and Grand Prairie ISD.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2013**

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**NOTE 14. SHARED SERVICES ARRANGEMENT, cont'd.**

The District, acting as the fiscal agent, manages the shared arrangement's financial matters, including the budgeting, accounting, auditing, and reporting. According to guidance provided in the TEA's Financial Accountability System Resource Guide (FASRG) 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, 2013 are summarized below:

	2013
Duncanville ISD	\$ 159,835
Grand Prairie ISD	228,230
	<u>\$ 388,065</u>

**NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which reclassify certain items that were previously reported as assets and liabilities, as deferred outflows or inflows of resources, and will recognize these items as outflows or inflows of resources. This statement applies to all state and local governmental entities. This Statement will become effective for the District in fiscal year 2014.

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, which will be effective for periods beginning after June 15, 2013. The objective of this statement is to improve financial reporting of state and local governmental pension plans with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement applies to all state and local governmental entities and amends Statements 25 and 50.

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

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

**NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS, cont'd.**

The GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which will be effective for periods beginning after June 15, 2013, or fiscal year 2014. The objective of this Statement is to require a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is *more likely than not* that the guarantor will be required to make a payment to the obligation holders under the agreement.

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

**NOTE 16. INSTRUCTIONAL MATERIALS ALLOTMENT**

In May 2011, Senate Rule 6 repealed the technology allotment used by Texas schools and created an instructional materials allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA, instructional materials purchases must be made through TEA's online registration system. Instructional materials purchased from the IMA totaling \$1,011,994 are recorded as revenues and expenditures in the state special revenue fund.

**NOTE 17. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended August 31, 2013, expenditures exceeded appropriations in the General Fund for the Pupil Transportation function (\$15,692) and Payments to TIF (Tax increment financing) function (\$170,836). The excess expenditures in Pupil Transportation were offset by less than anticipated expenditures in the other student support services functions. The excess expenditures in Payment to TIF were offset by TIF tax revenue. Expenditures exceeded appropriations in the Food Service Fund for the Extra-Curricular Activities function (\$17,924) and Maintenance and Operations function (\$1,410). These expenditures were offset by less than anticipated expenditures in the Food Services function.



**REQUIRED SUPPLEMENTARY  
INFORMATION**

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**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2013**

**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	\$ 97,384,564	\$ 98,510,582	\$ 99,656,604	\$ 1,146,022
5800	State Program Revenues	154,292,678	153,659,372	155,271,530	1,612,158
5900	Federal Program Revenues	3,437,000	3,813,410	3,808,141	(5,269)
5020	Total Revenues	255,114,242	255,983,364	258,736,275	2,752,911
	<b>EXPENDITURES</b>				
	Current:				
0010	Instruction and Instructional-Related Services:				
0011	Instruction	160,066,186	159,580,125	157,517,628	2,062,497
0012	Instructional Resources and Media Services	4,739,390	4,819,077	4,727,817	91,260
0013	Curriculum Development & Instructional Staff Development	2,862,801	3,494,114	3,095,869	398,245
	Total Instruction and Instructional-Related Services:	167,668,377	167,893,316	165,341,314	2,552,002
0020	Instructional and School Leadership:				
0021	Instructional Leadership	5,357,744	4,699,929	4,453,938	245,991
0023	School Leadership	16,809,775	17,296,749	16,793,797	502,952
	Total Instructional and School Leadership:	22,167,519	21,996,678	21,247,735	748,943
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	12,398,985	13,025,948	12,850,730	175,218
0032	Social Work Services	441,037	453,448	452,578	870
0033	Health Services	2,609,746	2,647,862	2,519,268	128,594
0034	Student (Pupil) Transportation	3,744,758	3,998,052	4,013,744	(15,692)
0035	Food Services	355,571	294,706	291,838	2,868
0036	Co-Curricular/Extracurricular Activities	5,278,801	5,485,340	5,288,952	196,388
	Total Support Services - Student (Pupil):	24,828,898	25,905,356	25,417,110	488,246
0040	Administrative Support Services:				
0041	General Administration	7,719,280	7,786,670	7,396,435	390,235
	Total Administrative Support Services:	7,719,280	7,786,670	7,396,435	390,235
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	20,934,114	21,407,630	20,778,082	629,548
0052	Security and Monitoring Services	3,198,363	3,161,585	2,983,793	177,792
0053	Data Processing Services	3,810,636	3,727,797	3,578,546	149,251
	Total Support Services - Nonstudent Based:	27,943,113	28,297,012	27,340,421	956,591
0060	Ancillary Services:				
0061	Community Services	449,558	502,969	430,467	72,502
	Total Ancillary Services:	449,558	502,969	430,467	72,502
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	4,000	8,105,938	6,918,093	1,187,845
	Total Capital Outlay:	4,000	8,105,938	6,918,093	1,187,845
0090	Intergovernmental Charges:				
0095	Payments to JJAEP	100,000	100,000	56,430	43,570
0097	Payments to TIF	2,930,000	2,930,000	3,100,836	(170,836)
0099	Intergovernmental Charges	520,707	520,707	520,707	-
	Total Intergovernmental Charges:	3,550,707	3,550,707	3,677,973	(127,266)
6030	Total Expenditures	254,331,452	264,038,646	257,769,548	6,269,098
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	782,790	(8,055,282)	966,727	9,022,009
	<b>OTHER FINANCING SOURCES (USES)</b>				
7912	Proceeds from Sale of Fixed Assets	30,000	257,469	261,327	3,858
7915	Transfers In	400,000	489,133	489,245	112
7919	Insurance Recoveries	-	9,769,143	9,654,036	(115,107)
8911	Transfers Out	-	-	-	-
	Total Other Financing Sources (Uses)	430,000	10,515,745	10,404,608	(111,137)
1200	Net Change in Fund Balances	1,212,790	2,460,463	11,371,335	8,910,872
0100	Fund Balance - September 1 (Beginning)	85,467,444	85,467,444	85,467,444	-
3000	Fund Balance - August 31 (Ending)	\$ 86,680,234	\$ 87,927,907	\$ 96,838,779	\$ 8,910,872

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, 2013**

**EXHIBIT G-2**

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
	<b>REVENUES</b>				
5700	Local and Intermediate Sources	\$ 3,078,500	\$ 3,155,316	\$ 3,136,942	\$ (18,374)
5800	State Program Revenues	112,830	116,578	116,578	-
5900	Federal Program Revenues	15,380,000	18,541,158	18,417,218	(123,940)
5020	Total Revenues	<u>18,571,330</u>	<u>21,813,052</u>	<u>21,670,738</u>	<u>(142,314)</u>
	<b>EXPENDITURES</b>				
	Current:				
0030	Support Services - Student (Pupil):				
0035	Food Services	17,898,839	18,376,261	17,857,465	518,796
0036	Co-Curricular/Extracurricular Activities	426,116	467,359	485,283	(17,924)
	Total Support Services - Student (Pupil):	<u>18,324,955</u>	<u>18,843,620</u>	<u>18,342,748</u>	<u>500,872</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	656,451	615,129	616,539	(1,410)
	Total Support Services - Nonstudent Based:	<u>656,451</u>	<u>615,129</u>	<u>616,539</u>	<u>(1,410)</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	4,431,386	3,265,182	1,166,204
	Total Capital Outlay:	<u>-</u>	<u>4,431,386</u>	<u>3,265,182</u>	<u>1,166,204</u>
6030	Total Expenditures	<u>18,981,406</u>	<u>23,890,135</u>	<u>22,224,469</u>	<u>1,665,666</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(410,076)</u>	<u>(2,077,083)</u>	<u>(553,731)</u>	<u>1,523,352</u>
1200	Net Change in Fund Balances	(410,076)	(2,077,083)	(553,731)	1,523,352
0100	Fund Balance - September 1 (Beginning)	9,102,534	9,102,534	9,102,534	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 8,692,458</u>	<u>\$ 7,025,451</u>	<u>\$ 8,548,803</u>	<u>\$ 1,523,352</u>

See Notes to Required Supplementary Information.

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

The Official Budget was prepared for adoption prior to August 20, 2012 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 unless the intent is to cross fund or function, or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level for expenditures and object code level for revenues.

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

Should any change in the approved budget be required, budget amendment requests are presented to the Board of Trustees for consideration. Amendments are made before the fact and, once approved, are reflected in the official minutes. During the year the budget was properly amended in accordance with the above procedures. The Board of Trustees approved the final amendment on August 26, 2013.



# **OTHER SUPPLEMENTARY INFORMATION**

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**COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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# **NONMAJOR GOVERNMENTAL FUNDS**

**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2013**

**EXHIBIT H-1**

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	LOCAL SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
	ASSETS				
1110	Cash & Temporary Investment Receivables:	\$ -	\$ 368,699	\$ -	\$ 368,699
1240	Due from Other Governments	<u>1,721,793</u>	<u>87,877</u>	<u>-</u>	<u>1,809,670</u>
1000	TOTAL ASSETS	<u>\$ 1,721,793</u>	<u>\$ 456,576</u>	<u>\$ -</u>	<u>\$ 2,178,369</u>
	LIABILITIES				
2110	Accounts Payable	\$ 251,372	\$ 12,817	\$ -	\$ 264,189
2170	Due to Other Funds	1,470,421	75,060	-	1,545,481
2300	Deferred Revenue	<u>-</u>	<u>368,699</u>	<u>-</u>	<u>368,699</u>
2000	TOTAL LIABILITIES	<u>1,721,793</u>	<u>456,576</u>	<u>-</u>	<u>2,178,369</u>
	FUND BALANCE				
	Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,721,793</u>	<u>\$ 456,576</u>	<u>\$ -</u>	<u>\$ 2,178,369</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2013**

**EXHIBIT H-2**

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	LOCAL SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
	<b>REVENUES</b>				
5700	Local and Intermediate Sources	\$ -	\$ 316,395	\$ -	\$ 316,395
5800	State Program Revenues	-	2,202,934	-	2,202,934
5900	Federal Program Revenues	19,735,573	-	-	19,735,573
5020	Total Revenues	<u>19,735,573</u>	<u>2,519,329</u>	<u>-</u>	<u>22,254,902</u>
	<b>EXPENDITURES</b>				
	Current:				
0010	Instruction and Instructional-Related Services:				
0011	Instruction	12,151,545	2,422,544	-	14,574,089
0012	Instructional Resources and Media Services	-	1,000	-	1,000
0013	Curriculum Development & Instructional Staff Development	3,588,834	4,378	-	3,593,212
	Total Instruction and Instructional-Related Services:	<u>15,740,379</u>	<u>2,427,922</u>	<u>-</u>	<u>18,168,301</u>
0020	Instructional and School Leadership:				
0021	Instructional Leadership	647,174	110,239	-	757,413
0023	School Leadership	1,530	-	-	1,530
	Total Instructional and School Leadership:	<u>648,704</u>	<u>110,239</u>	<u>-</u>	<u>758,943</u>
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	1,215,143	41,982	-	1,257,125
0033	Health Services	80,020	-	-	80,020
0034	Student (Pupil) Transportation	559,525	-	-	559,525
	Total Support Services - Student (Pupil):	<u>1,854,688</u>	<u>41,982</u>	<u>-</u>	<u>1,896,670</u>
0040	Administrative Support Services:				
0041	General Administration	44,955	-	-	44,955
	Total Administrative Support Services:	<u>44,955</u>	<u>-</u>	<u>-</u>	<u>44,955</u>
0050	Support Services - Nonstudent Based:				
0053	Data Processing Services	45,549	-	-	45,549
	Total Support Services - Nonstudent Based:	<u>45,549</u>	<u>-</u>	<u>-</u>	<u>45,549</u>
0060	Ancillary Services:				
0061	Community Services	1,401,298	8,182	-	1,409,480
	Total Ancillary Services:	<u>1,401,298</u>	<u>8,182</u>	<u>-</u>	<u>1,409,480</u>
6030	Total Expenditures	<u>19,735,573</u>	<u>2,588,325</u>	<u>-</u>	<u>22,323,898</u>
1100	Deficiency of Revenues Under Expenditures	<u>-</u>	<u>(68,996)</u>	<u>-</u>	<u>(68,996)</u>
	<b>OTHER FINANCING SOURCES</b>				
8911	Transfers out	<u>-</u>	<u>-</u>	<u>(127)</u>	<u>(127)</u>
1200	Net Change in Fund Balances	-	(68,996)	(127)	(69,123)
0100	Fund Balance - September 1 (Beginning)	-	68,996	127	69,123
	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



# **INTERNAL SERVICE FUNDS**

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**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
AUGUST 31, 2013**

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DATA CONTROL CODES		<u>HEALTH</u>	<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT</u>
	<b>ASSETS</b>			
	Current Assets:			
1110	Cash and Temporary Investments	\$ -	\$ 2,986,751	\$ 655,388
1290	Other Receivables	-	-	-
1310	Inventories, at cost	-	-	-
		<hr/>	<hr/>	<hr/>
1000	Total Assets	-	2,986,751	655,388
		<hr/>	<hr/>	<hr/>
	<b>LIABILITIES</b>			
	Current Liabilities:			
2110	Accounts Payable	\$ -	\$ 18,142	\$ 18,472
	Total Current Liabilities	-	18,142	18,472
		<hr/>	<hr/>	<hr/>
	Noncurrent Liabilities:			
2800	Claims due within one year	-	838,887	-
	Claims due in more than one year	-	479,336	-
	Total Long-Term Liabilities	-	1,318,223	-
		<hr/>	<hr/>	<hr/>
2000	Total Liabilities	-	1,336,365	18,472
		<hr/>	<hr/>	<hr/>
	<b>NET POSITION</b>			
3900	Unrestricted Net Position	-	1,650,386	636,916
		<hr/>	<hr/>	<hr/>
3000	TOTAL NET POSITION	<u>\$ -</u>	<u>\$ 1,650,386</u>	<u>\$ 636,916</u>



BENEFITS ADMINISTRATION	SCIENCE KIT REFURBISHMENT	IRVING.NET	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ -	\$ 383,260	\$ 19,549	\$ 100,081	\$ 4,145,029
-	22,483	-	290	22,773
-	347,753	-	3,568	351,321
-	753,496	19,549	103,939	4,519,123
\$ -	\$ 5,745	\$ -	\$ 13,854	56,213
-	5,745	-	13,854	56,213
-	-	-	-	838,887
-	-	-	-	479,336
-	-	-	-	1,318,223
-	5,745	-	13,854	1,374,436
-	747,751	19,549	90,085	3,144,687
\$ -	\$ 747,751	\$ 19,549	\$ 90,085	\$ 3,144,687

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2013**

DATA CONTROL CODES	WORKERS'			
	HEALTH	COMPENSATION	UNEMPLOYMENT	
<b>OPERATING REVENUES</b>				
5700	Charges for Services	\$ 21,033	\$ 1,516,988	\$ 391,202
5020	Total Operating Revenues	21,033	1,516,988	391,202
<b>OPERATING EXPENSES</b>				
6100	Payroll Costs	-	118,581	32,309
6200	Professional/Contracted Services	-	28,526	-
6300	Supplies and Materials	-	8,944	-
6400	Claims, Administration, and Other Expenses	-	1,378,655	112,742
6490	Depreciation	-	-	-
6030	Total Operating Expenses	-	1,534,706	145,051
	Operating Income (Loss)	21,033	(17,718)	246,151
<b>NONOPERATING REVENUES</b>				
7955	Interest Income	-	3,022	-
8911	Transfers Out	(460,259)	-	-
<b>CHANGE IN NET POSITION</b>				
0100	Total Net Position - September 1 (Beg.)	(439,226)	(14,696)	246,151
		439,226	1,665,082	390,765
3000	Total Net Position - August 31 (Ending)	\$ -	\$ 1,650,386	\$ 636,916

BENEFITS ADMINISTRATION	SCIENCE KIT REFURBISHMENT	IRVING.NET	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ -	\$ 389,881	\$ 19,145	\$ 217,129	\$ 2,555,378
-	389,881	19,145	217,129	2,555,378
-	186,543	18,413	-	355,846
-	66	540	87,660	116,792
-	211,886	80	41,910	262,820
-	70,748	4,534	-	1,566,679
-	-	-	605	605
-	469,243	23,567	130,175	2,302,742
-	(79,362)	(4,422)	86,954	252,636
-	-	-	-	3,022
(28,859)	-	-	-	(489,118)
(28,859)	(79,362)	(4,422)	86,954	(233,460)
28,859	827,113	23,971	3,131	3,378,147
\$ -	\$ 747,751	\$ 19,549	\$ 90,085	\$ 3,144,687

**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2013**

	HEALTH	WORKERS COMPENSATION	UNEMPLOYMENT
Cash Flows from Operating Activities:			
Cash Received for Premiums and Services	\$ 21,033	\$ 1,516,988	\$ 391,202
Cash Paid to Employees	-	(118,581)	-
Cash Paid for Claims, Administration, & Other Costs	-	(1,306,301)	(156,556)
Net Cash Provided by (Used in) Operating Activities	<u>21,033</u>	<u>92,106</u>	<u>234,646</u>
Cash Flows from Noncapital Financing Activities:			
Transfers from Other Funds	(460,259)	-	-
Net Cash Provided by Noncapital Financing Activities	<u>(460,259)</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:			
Interest Received	-	3,022	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>3,022</u>	<u>-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	(439,226)	95,128	234,646
Cash and Cash Equivalents at Beginning of the Year	439,226	2,891,623	420,742
Cash and Cash Equivalents at End of the Year	<u>\$ -</u>	<u>\$ 2,986,751</u>	<u>\$ 655,388</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	<u>\$ 21,033</u>	<u>\$ (17,718)</u>	<u>\$ 246,151</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Depreciation	-	-	-
Change in Current Assets and Liabilities:			
Decrease (Increase) in Other Receivables	-	-	-
Decrease in Inventories	-	-	-
Increase (Decrease) in Accounts Payable	-	11,698	(11,505)
Increase in Long-term Claims Reserve	-	98,126	-
Total Adjustments	<u>-</u>	<u>109,824</u>	<u>(11,505)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 21,033</u>	<u>\$ 92,106</u>	<u>\$ 234,646</u>

**EXHIBIT H-5**

<u>BENEFITS ADMINISTRATION</u>	<u>SCIENCE KIT REFURBISHMENT</u>	<u>IRVING.NET</u>	<u>PRINT SHOP</u>	<u>TOTALS INTERNAL SERVICE FUNDS</u>
\$ -	\$ 389,881	\$ 19,145	\$ 217,129	\$ 2,555,378
-	(186,543)	(18,413)	-	(323,537)
<u>(1,086)</u>	<u>(162,905)</u>	<u>(5,154)</u>	<u>(130,820)</u>	<u>(1,762,822)</u>
<u>(1,086)</u>	<u>40,433</u>	<u>(4,422)</u>	<u>86,309</u>	<u>469,019</u>
<u>(28,859)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(489,118)</u>
<u>(28,859)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(489,118)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,022</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,022</u>
<u>(29,945)</u>	<u>40,433</u>	<u>(4,422)</u>	<u>86,309</u>	<u>(17,077)</u>
<u>29,945</u>	<u>342,827</u>	<u>23,971</u>	<u>13,772</u>	<u>4,162,106</u>
<u>\$ -</u>	<u>\$ 383,260</u>	<u>\$ 19,549</u>	<u>\$ 100,081</u>	<u>\$ 4,145,029</u>
<u>\$ -</u>	<u>\$ (79,362)</u>	<u>\$ (4,422)</u>	<u>\$ 86,954</u>	<u>\$ 252,636</u>
-	-	-	605	605
-	65,420	-	(291)	65,129
-	48,630	-	379	49,009
(1,086)	5,745	-	(1,338)	3,514
-	-	-	-	98,126
<u>(1,086)</u>	<u>119,795</u>	<u>-</u>	<u>(645)</u>	<u>216,383</u>
<u>\$ (1,086)</u>	<u>\$ 40,433</u>	<u>\$ (4,422)</u>	<u>\$ 86,309</u>	<u>\$ 469,019</u>



# **FIDUCIARY FUNDS**

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**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 AUGUST 31, 2013**

**EXHIBIT H-6**

	STUDENT ACTIVITY FUNDS	FLEXIBLE BENEFITS	TOTALS AGENCY FUNDS
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 390,663	\$ 414,933	\$ 805,596
<b>TOTAL ASSETS</b>	<b>\$ 390,663</b>	<b>\$ 414,933</b>	<b>\$ 805,596</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 31,488	\$ 414,933	\$ 446,421
Due to Student Groups	359,175	-	359,175
<b>TOTAL LIABILITIES</b>	<b>\$ 390,663</b>	<b>\$ 414,933</b>	<b>\$ 805,596</b>

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2013**

**EXHIBIT H-7**

	<u>BALANCE</u> 9/1/2012	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> 8/31/2013
<b>STUDENT ACTIVITIES:</b>				
Assets:				
Cash & Temporary Investments	\$ 379,491	\$ 1,082,790	\$ 1,071,618	\$ 390,663
Total Assets	<u>\$ 379,491</u>	<u>\$ 1,082,790</u>	<u>\$ 1,071,618</u>	<u>\$ 390,663</u>
Liabilities:				
Accounts Payable	\$ 10,699	\$ 1,141,486	\$ 1,120,697	\$ 31,488
Due to Student Groups	368,792	1,137,262	1,146,879	359,175
Total Liabilities	<u>\$ 379,491</u>	<u>\$ 2,278,748</u>	<u>\$ 2,267,576</u>	<u>\$ 390,663</u>
<b>FLEXIBLE BENEFITS:</b>				
Assets:				
Cash & Temporary Investments	\$ 453,214	\$ 1,694,806	\$ 1,733,087	\$ 414,933
Total Assets	<u>\$ 453,214</u>	<u>\$ 1,694,806</u>	<u>\$ 1,733,087</u>	<u>\$ 414,933</u>
Liabilities:				
Accounts Payable	\$ 453,214	\$ 3,411,996	\$ 3,450,277	\$ 414,933
Total Liabilities	<u>\$ 453,214</u>	<u>\$ 3,411,996</u>	<u>\$ 3,450,277</u>	<u>\$ 414,933</u>
<b>TOTAL AGENCY FUNDS:</b>				
Assets:				
Cash & Temporary Investments	\$ 832,705	\$ 2,777,596	\$ 2,804,705	\$ 805,596
Total Assets	<u>\$ 832,705</u>	<u>\$ 2,777,596</u>	<u>\$ 2,804,705</u>	<u>\$ 805,596</u>
Liabilities:				
Accounts Payable	\$ 463,913	\$ 4,553,482	\$ 4,570,974	\$ 446,421
Due to Student Groups	368,792	1,137,262	1,146,879	359,175
Total Liabilities	<u>\$ 832,705</u>	<u>\$ 5,690,744</u>	<u>\$ 5,717,853</u>	<u>\$ 805,596</u>

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

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**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED AUGUST 31, 2013**

Last Ten Years Tax Roll					3
Fiscal Year Ending August 31	Operations	Maintenance Debt	Total	Interest & Sinking	Assessed/ Appraised Value for School Tax
2004 & Prior Years	Various	Various	Various	Various	Various
2005	1.5000	--	1.5000	0.3370	\$ 7,860,220,752
2006	1.5000	--	1.5000	0.3140	8,239,493,587
2007	1.3300	--	1.3300	0.3140	8,831,620,036
2008	1.0000	--	1.0000	0.3485	9,582,309,159
2009	1.0200	--	1.0200	0.3710	9,985,889,156
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 *
1000 Totals					

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

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

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

Column 20 - Current Year's Tax Levy:

This amount is calculated by multiplying the total tax rate times per \$100 of Assessed/Appraised value, then deducting the levy lost due to the over 65 tax freeze exemption and proration of taxes of \$3,121,253

\* Source: 2013 School District Report of Property Value  
(Includes all Supplements and Litigated Accounts).

10 Beginning Balance 9/1/2012	20 Current Year's Total Levy	30 Maintenance Total Collections	30a Debt Service Total Collections	40 Fiscal Year's Adjustment	50 Ending Balance 8/31/2013
\$ 1,144,932	\$ -	\$ 9,519	\$ 1,752	\$ (292,801)	\$ 840,860
379,467	-	5,567	1,251	(210,792)	161,857
423,244	-	18,650	3,904	(237,415)	163,275
396,232	-	17,631	4,163	(153,599)	220,839
393,225	-	18,156	6,327	(137,525)	231,217
570,486	-	41,778	15,196	(113,614)	399,898
945,219	-	101,477	40,292	(34,531)	768,919
1,119,174	-	139,419	56,974	(120,123)	802,658
1,768,083	-	368,721	150,679	(194,070)	1,054,613
-	129,608,617	90,567,145	37,010,624	-	2,030,848
<u>\$ 7,140,062</u>	<u>\$ 129,608,617</u>	<u>\$ 91,288,063</u>	<u>\$ 37,291,162</u>	<u>\$ (1,494,470)</u>	<u>\$ 6,674,984</u>
\$ 3,100,836					

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 8/31/13:

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS  
OF INDIRECT COST FOR 2012-2013  
GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2013**

**EXHIBIT J-2**

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

Account Number	1 (702) School Board	2 (703) Tax Collection	3 (701) Supt's Office	4 (750) Indirect Cost	5 (720) Direct Cost	6 (other) Miscellaneous	7 Total
6100	\$ -	\$ 244,957	\$ 889,657	\$ 4,769,034	\$ 111,926	\$ -	\$ 6,015,574
6211	365,483	-	-	-	8,034	-	373,517
6212	-	-	-	90,000	-	-	90,000
6213	-	520,707	-	-	-	-	520,707
621X	-	-	-	-	-	431	431
6230	-	-	-	50,525	-	-	50,525
6240	-	-	-	-	485,915	-	485,915
6250	-	-	-	-	260,245	-	260,245
6260	-	1,160	7,714	38,242	-	-	47,116
6290	2,600	14,544	75,051	481,925	-	-	574,120
6320	264	-	133	8,150	-	-	8,547
63XX	2,088	20,196	18,177	352,823	15,701	-	408,985
6410	19,465	6,096	17,838	86,013	2,726	-	132,138
6420	42,061	367	-	93,691	-	-	136,119
6430	43,048	-	-	-	-	-	43,048
6490	24,397	2,254	29,513	248,604	-	-	304,768
6600	-	-	-	-	-	141,543	141,543
<b>Total</b>	<b>\$ 499,406</b>	<b>\$ 810,281</b>	<b>\$1,038,083</b>	<b>\$ 6,219,007</b>	<b>\$ 884,547</b>	<b>\$ 141,974</b>	<b>\$ 9,593,298</b>

Total Expenditures for General and Special Revenue Funds (Schedule C-2)	(8)	\$302,317,915
LESS: Deductions of Unallowable Costs		
FISCAL YEAR		
Total Capital Outlay (6600)		\$ 13,389,368
Plant Maintenance (Function 51, 6100-6400)		20,961,748
Food (Function 35, 6341 and 6499)		8,869,703
Column 4 (above) - Total Indirect Cost		<u>6,219,007</u>
Subtotal:		49,439,826
Net Allowed Direct Cost		<u>\$252,878,089</u>
CUMULATIVE		
Total Cost of Buildings before Depreciation (1520)		\$658,081,249
Historical Cost of Buildings over 50 years old		38,102,538
Amount of Federal Money in Building Cost (Net of Above)		3,390,487
Total Cost of Furniture & Equipment before Depreciation (1530)		121,427,708
Historical Cost of Furniture & Equipment over 16 years old		1,112,782
Amount of Federal Money in Furniture & Equipment (Net of Above)		6,043,359

Note: \$1,894,463 in Function 53 expenditures are included in this report on administrative costs.  
\$520,707 in Function 99 expenditures directly related to appraisal district costs are included in this report.



**IRVING INDEPENDENT SCHOOL DISTRICT** **EXHIBIT J-3**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – DEBT SERVICE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2013**

Data Control Codes	Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
<b>REVENUES</b>				
5700 Local and Intermediate Sources	\$ 36,229,310	36,479,310	\$ 36,744,653	\$ 265,343
5800 State Program Revenues	10,628,124	10,360,056	10,197,164	(162,892)
5020 Total Revenues	<u>46,857,434</u>	<u>46,839,366</u>	<u>46,941,817</u>	<u>102,451</u>
<b>EXPENDITURES</b>				
0070 Debt Service:				
0071 Principal	17,225,428	19,379,223	19,379,223	-
0072 Interest and Charges on Long-Term Debt	29,557,006	28,876,245	28,839,306	36,939
0073 Bond Issue Costs and Fees	75,000	595,001	535,898	59,103
Total Debt Services	<u>46,857,434</u>	<u>48,850,469</u>	<u>48,754,427</u>	<u>96,042</u>
6030 Total Expenditures	<u>46,857,434</u>	<u>48,850,469</u>	<u>48,754,427</u>	<u>96,042</u>
1100 Excess (Deficiency) of Revenues Over (under) Expenditures	<u>-</u>	<u>(2,011,103)</u>	<u>(1,812,610)</u>	<u>198,493</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
7901 Issuance of Refunding Debt	-	66,145,000	66,145,000	-
7916 Premium on Issuance of Debt	-	6,487,601	6,487,601	-
8940 Payment to Refunded Bond Escrow Agent	-	(72,703,808)	(72,703,808)	-
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(71,207)</u>	<u>(71,207)</u>	<u>-</u>
1200 Net Change in Fund Balances	-	(2,082,310)	(1,883,817)	198,493
0100 Fund Balance - September 1 (Beginning)	14,450,968	14,450,968	14,450,968	-
3000 Fund Balance - August 31 (Ending)	<u>\$ 14,450,968</u>	<u>\$ 12,368,658</u>	<u>\$ 12,567,151</u>	<u>\$ 198,493</u>



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

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends Information</b> These schedules contain trend information intended to help the reader understand how the district's financial position has changed over time.	90
<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.	104
<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.	112
<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.	117
<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.	120

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

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	<b>Fiscal Year</b>			
	<u><b>2004</b></u>	<u><b>2005</b></u>	<u><b>2006</b></u>	<u><b>2007</b></u>
Governmental activities				
Net investment in capital assets	\$ 53,188,552	\$ 20,925,351	\$ 15,482,850	\$ 17,326,732
Restricted				
Food Service	2,486,215	3,379,086	4,910,165	5,829,135
Debt Service	5,854,438	(320,233)	3,546,649	483,099
Unrestricted	(41,061,425)	(4,516,715)	6,134,559	22,854,621
Total primary government net position	<u>\$ 20,467,780</u>	<u>\$ 19,467,489</u>	<u>\$ 30,074,223</u>	<u>\$ 46,493,587</u>

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

EXHIBIT S-1

<b>Fiscal Year</b>					
<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
\$ 12,678,217	\$ 235,946	\$ 3,431,449	\$ 4,933,936	\$ 30,022,606	\$ 33,082,682
6,482,598	7,121,811	7,398,104	6,710,687	9,102,534	8,548,803
3,866,540	6,948,487	3,899,725	4,549,566	12,602,461	9,270,928
31,999,108	44,389,864	36,876,813	35,907,568	15,693,677	27,784,480
<b><u>\$ 55,026,463</u></b>	<b><u>\$ 58,696,108</u></b>	<b><u>\$ 51,606,091</u></b>	<b><u>\$ 52,101,757</u></b>	<b><u>\$ 67,421,278</u></b>	<b><u>\$ 78,686,893</u></b>

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

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>				
Governmental activities				
Instruction	\$ 140,482,414	\$ 146,901,790	\$ 151,485,746	\$ 156,793,863
Instructional resources and media services	4,086,837	4,226,810	4,305,056	4,427,356
Curriculum and staff development services	2,796,047	3,045,050	3,113,527	3,295,719
Instructional leadership	4,520,665	4,290,512	4,285,657	4,932,500
School leadership	14,133,219	14,355,641	15,372,131	16,069,867
Guidance, counseling, & evaluation services	9,428,195	9,556,167	9,622,840	10,134,028
Social work services	338,892	334,891	386,673	391,517
Health services	1,847,329	1,891,844	1,911,962	2,070,801
Student transportation	2,082,926	2,407,130	2,818,312	3,141,164
Food Service	10,992,177	11,327,917	11,868,793	12,864,427
Extracurricular activities	3,601,010	3,640,268	3,819,855	4,291,034
General administration	6,271,739	6,253,171	6,533,431	6,831,531
Plant maintenance and operations	16,583,792	17,454,062	19,046,590	18,259,089
Security and monitoring services	1,486,013	1,486,523	1,557,058	1,671,357
Data processing services	2,564,905	3,627,658	3,050,837	3,978,718
Community services	1,031,252	801,428	738,404	858,752
Interest on long-term debt	24,143,929	21,928,409	20,163,981	21,739,963
Facilities acquisition/construction	3,458	-	-	-
Intergovernmental charges	112,540	98,414	162,003	121,135
Payments to TIF	-	-	-	-
Other Intergovernmental Charges	-	-	-	-
Total primary government program expenses	<u>246,507,339</u>	<u>253,627,685</u>	<u>260,242,856</u>	<u>271,872,821</u>
Prior Period Adjustment	-	-	948,669	-
As restated	<u>\$ 246,507,339</u>	<u>\$ 253,627,685</u>	<u>\$ 261,191,525</u>	<u>\$ 271,872,821</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
Instruction	\$ 1,658,110	\$ 1,703,997	\$ 1,703,590	\$ 1,428,425
Instructional leadership	370,890	-	-	344,144
Guidance, counseling, & evaluation services	-	-	-	177,332
Food service	2,854,792	3,025,401	3,063,206	2,985,422
Extracurricular activities	1,428,587	1,303,344	1,333,011	1,487,930
Plant maintenance and operations	168,366	192,941	178,949	163,346
Operating grants and contributions	25,974,739	30,492,545	33,430,779	32,270,600
Capital Grants and Contributions	-	-	-	-
Total primary government program revenues	<u>\$ 32,455,484</u>	<u>\$ 36,718,228</u>	<u>\$ 39,709,535</u>	<u>\$ 38,857,199</u>
<b>Net (Expense)/Revenue</b>				
Total primary government expenses	<u>\$ (214,051,855)</u>	<u>\$ (216,909,457)</u>	<u>\$ (221,481,990)</u>	<u>\$ (233,015,622)</u>

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

Fiscal Year					
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 168,804,073	\$ 180,232,180	\$ 202,902,605	\$ 202,027,719	\$ 190,308,817	\$ 188,974,526
4,710,352	4,975,486	5,268,387	5,395,741	5,448,807	5,595,410
3,923,766	3,558,753	5,052,148	5,230,001	4,751,709	6,703,099
5,225,582	5,155,792	5,767,304	5,302,420	5,624,822	5,311,012
17,269,721	18,327,617	19,227,696	19,274,337	17,229,739	17,688,291
11,014,134	13,188,546	14,526,771	14,456,133	13,715,505	14,731,022
451,833	454,045	421,492	452,483	422,845	452,558
2,352,144	2,546,835	2,668,537	2,677,435	2,652,074	2,728,362
3,294,523	3,498,826	3,894,410	4,462,792	4,086,234	4,600,440
13,916,614	15,973,273	16,353,277	17,047,841	17,531,841	19,032,015
4,905,015	4,968,072	5,244,068	6,243,463	6,270,809	6,338,475
7,024,356	7,214,596	7,239,959	7,248,095	7,199,150	7,559,425
18,582,655	20,296,508	22,197,037	21,587,242	22,012,072	21,523,347
2,221,348	2,615,072	2,835,972	2,849,399	2,905,808	2,998,649
3,704,739	3,574,010	3,369,105	3,549,859	3,893,178	3,888,670
1,088,711	1,177,345	1,336,533	1,246,312	1,195,296	1,839,893
22,865,771	24,205,191	27,919,340	28,495,578	28,718,685	27,340,450
-	3,469	3,450	-	3,974	2,559
166,095	176,431	91,036	64,752	86,526	56,430
498,713	2,347,460	1,414,723	1,010,907	1,742,264	3,100,836
-	505,598	535,803	531,534	519,552	520,707
<u>292,020,145</u>	<u>314,995,105</u>	<u>348,269,653</u>	<u>349,154,043</u>	<u>336,319,707</u>	<u>340,986,176</u>
<u>\$ 292,020,145</u>	<u>\$ 314,995,105</u>	<u>\$ 348,269,653</u>	<u>\$ 349,154,043</u>	<u>\$ 336,319,707</u>	<u>\$ 340,986,176</u>
\$ 827,006	\$ 675,741	\$ 592,479	\$ 543,735	\$ 516,091	\$ 440,510
-	-	-	-	-	-
-	-	-	-	-	-
2,996,746	3,048,365	2,751,056	2,508,940	2,971,813	3,131,771
1,262,648	1,380,358	1,422,835	1,413,786	1,427,241	1,381,483
132,445	149,044	212,710	177,518	731,666	2,045,158
38,828,216	45,849,732	72,112,849	74,113,382	57,192,756	48,772,209
-	75,000	-	-	-	-
<u>\$ 44,047,061</u>	<u>\$ 51,178,240</u>	<u>\$ 77,091,929</u>	<u>\$ 78,757,361</u>	<u>\$ 62,839,567</u>	<u>\$ 55,771,131</u>
<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>	<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>	<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>

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

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Net (Expense)/Revenue</b>				
Total primary government expenses	<u>\$ (216,909,457)</u>	<u>\$ (221,481,990)</u>	<u>\$ (233,015,622)</u>	<u>\$ (247,973,084)</u>
<b>General Revenues</b>				
Governmental activities				
Taxes				
Property taxes levied for general purposes	\$ 110,325,929	\$ 114,765,808	\$ 118,995,866	\$ 114,148,984
Property taxes levied for debt service	23,214,927	25,730,326	24,870,366	26,892,668
State Aid Formula Grants	67,793,701	72,033,002	80,428,670	99,077,027
Investment earnings	1,847,751	3,358,191	5,407,773	7,551,678
Miscellaneous	1,109,905	970,508	1,177,260	1,764,629
Total primary government	<u>204,292,213</u>	<u>216,857,835</u>	<u>230,879,935</u>	<u>249,434,986</u>
<b>Change in Net Position</b>				
Total primary government	<u>\$ (12,617,244)</u>	<u>\$ (4,624,155)</u>	<u>\$ (2,135,687)</u>	<u>\$ 1,461,902</u>

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



Fiscal Year					
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>\$ (263,816,865)</u>	<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>	<u>\$ (273,480,140)</u>	<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>
\$ 91,437,264	\$ 97,024,305	\$ 93,248,521	\$ 90,847,221	\$ 89,463,642	\$ 89,907,666
32,112,354	34,961,198	37,025,527	37,126,703	36,363,206	36,708,071
123,663,032	127,466,060	129,868,903	139,197,880	157,790,019	165,468,694
7,590,752	4,993,990	1,870,376	871,377	692,064	410,848
1,702,558	3,040,957	2,074,380	2,849,167	4,490,730	3,985,381
<u>256,505,960</u>	<u>267,486,510</u>	<u>264,087,707</u>	<u>270,892,348</u>	<u>288,799,661</u>	<u>296,480,660</u>
<u>\$ (7,310,905)</u>	<u>\$ (3,691,214)</u>	<u>\$ (6,308,975)</u>	<u>\$ (2,587,792)</u>	<u>\$ 15,319,521</u>	<u>\$ 11,265,615</u>

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

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund				
Reserved and designated	\$ 7,829,443	\$ 7,783,690	\$ 6,658,936	\$ 5,178,967
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unreserved	25,229,172	30,251,545	46,797,121	62,600,749
Total general fund	<u>\$ 33,058,615</u>	<u>\$ 38,035,235</u>	<u>\$ 53,456,057</u>	<u>\$ 67,779,716</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ 2,486,215	\$ 3,379,086	\$ 5,170,285	\$ 6,977,423
Debt service fund	9,540,108	10,454,626	12,084,774	13,439,971
Capital projects fund	70,965,056	41,325,555	19,109,623	32,858,019
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	<u>\$ 82,991,379</u>	<u>\$ 55,159,267</u>	<u>\$ 36,364,682</u>	<u>\$ 53,275,413</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 4,950,861	\$ 5,498,527	\$ 8,703,587	\$ -	\$ -	\$ -
-	-	-	1,058,731	772,985	1,286,199
-	-	-	7,744,340	3,374,022	6,310,707
-	-	-	70,614,294	81,320,437	89,241,873
70,672,111	75,006,001	68,382,436	-	-	-
<u>\$ 75,622,972</u>	<u>\$ 80,504,528</u>	<u>\$ 77,086,023</u>	<u>\$ 79,417,365</u>	<u>\$ 85,467,444</u>	<u>\$ 96,838,779</u>
\$ 7,264,922	\$ 4,922,770	\$ 7,424,091	\$ -	\$ -	\$ -
12,331,569	18,518,712	14,620,052	-	-	-
104,020,753	115,773,018	112,060,012	-	-	-
-	-	-	193,802	262,320	113,409
-	-	-	86,014,879	82,214,192	49,865,661
-	-	-	-	-	-
<u>\$ 123,617,244</u>	<u>\$ 139,214,500</u>	<u>\$ 134,104,155</u>	<u>\$ 86,208,681</u>	<u>\$ 82,476,512</u>	<u>\$ 49,979,070</u>

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

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Federal sources:				
Federal grants	\$ 14,241,524	\$ 17,290,408	\$ 18,513,271	\$ 15,366,903
Food service	8,062,369	8,833,357	9,837,963	11,305,672
Capital projects	-	-	-	-
Total federal sources	<u>\$ 22,303,893</u>	<u>\$ 26,123,765</u>	<u>\$ 28,351,234</u>	<u>\$ 26,672,575</u>
State sources:				
State grants and other	\$ 65,901,252	\$ 69,877,065	\$ 77,597,077	\$ 97,207,159
Food service	105,897	101,329	104,521	105,045
Debt service	5,931,418	6,777,084	8,426,457	7,863,269
Total state sources	<u>\$ 71,938,567</u>	<u>\$ 76,755,478</u>	<u>\$ 86,128,055</u>	<u>\$ 105,175,473</u>
Local sources:				
Local & intermediate sources	\$ 115,104,227	\$ 119,114,539	\$ 125,880,509	\$ 124,237,728
Food service	2,868,595	3,088,575	3,223,491	3,210,101
Debt service	23,294,950	25,915,188	25,414,527	27,994,311
Capital projects	839,266	1,251,009	1,200,876	1,109,368
Total local sources	<u>\$ 142,107,038</u>	<u>\$ 149,369,311</u>	<u>\$ 155,719,403</u>	<u>\$ 156,551,508</u>
Total revenues	<u>\$ 236,349,498</u>	<u>\$ 252,248,554</u>	<u>\$ 270,198,692</u>	<u>\$ 288,399,556</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 19,536,650	\$ 21,859,060	\$ 47,734,756	\$ 49,796,037	\$ 29,463,107	\$ 23,543,714
11,756,508	13,802,030	15,454,652	15,802,248	18,062,634	18,417,218
-	-	-	753,747	786,518	752,305
<u>\$ 31,293,158</u>	<u>\$ 35,661,090</u>	<u>\$ 63,189,408</u>	<u>\$ 66,352,032</u>	<u>\$ 48,312,259</u>	<u>\$ 42,713,237</u>
\$ 123,615,224	\$ 130,353,672	\$ 130,813,857	\$ 137,449,208	\$ 153,759,838	\$ 157,474,464
111,329	111,223	112,830	110,412	113,286	116,578
6,635,812	4,551,934	5,903,142	7,755,173	10,610,150	10,197,164
<u>\$ 130,362,365</u>	<u>\$ 135,016,829</u>	<u>\$ 136,829,829</u>	<u>\$ 145,314,793</u>	<u>\$ 164,483,274</u>	<u>\$ 167,788,206</u>
\$ 102,058,885	\$ 106,888,411	\$ 99,594,423	\$ 97,155,289	\$ 96,477,576	\$ 99,972,999
3,162,463	3,096,672	2,760,323	2,515,749	2,977,172	3,136,942
32,834,524	35,331,200	37,001,854	37,324,470	36,405,272	36,744,653
2,338,211	1,994,383	868,130	1,093,328	648,793	121,990
<u>\$ 140,394,083</u>	<u>\$ 147,310,666</u>	<u>\$ 140,224,730</u>	<u>\$ 138,088,836</u>	<u>\$ 136,508,813</u>	<u>\$ 139,976,584</u>
<u>\$ 302,049,606</u>	<u>\$ 317,988,585</u>	<u>\$ 340,243,967</u>	<u>\$ 349,755,661</u>	<u>\$ 349,304,346</u>	<u>\$ 350,478,027</u>

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

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenditures</b>				
Governmental activities				
11 Instruction	\$ 133,489,497	\$ 137,871,663	\$ 140,965,033	\$ 148,395,516
12 Instructional resources & media services	4,262,714	4,438,065	4,196,788	4,229,238
13 Curriculum & staff development services	2,768,619	3,041,593	3,108,679	3,307,335
Total function 10	<u>140,520,830</u>	<u>145,351,321</u>	<u>148,270,500</u>	<u>155,932,089</u>
21 Instructional leadership	4,181,626	3,927,769	4,044,615	4,448,576
23 School leadership	13,445,689	13,934,237	14,771,684	15,638,048
Total function 20	<u>17,627,315</u>	<u>17,862,006</u>	<u>18,816,299</u>	<u>20,086,624</u>
31 Guidance, counseling, & evaluation services	8,976,635	9,197,470	9,218,760	9,805,805
32 Social work services	337,185	338,207	388,421	399,004
33 Health services	1,789,906	1,853,302	1,803,601	1,982,160
34 Student transportation	2,055,755	2,379,959	2,791,141	3,113,993
35 Food service	10,336,431	10,970,668	11,576,056	12,734,631
36 Extracurricular activities	3,293,191	3,390,310	3,508,333	3,960,786
Total function 30	<u>26,789,103</u>	<u>28,129,916</u>	<u>29,286,312</u>	<u>31,996,379</u>
41 General administration	5,880,996	5,816,669	5,900,645	6,196,903
Total function 40	<u>5,880,996</u>	<u>5,816,669</u>	<u>5,900,645</u>	<u>6,196,903</u>
51 Plant maintenance and operations	16,461,637	17,238,257	18,943,773	18,297,271
52 Security and monitoring services	1,501,233	1,483,529	1,563,207	1,707,830
53 Data processing services	2,473,285	4,516,994	3,827,566	3,362,101
Total function 50	<u>20,436,155</u>	<u>23,238,780</u>	<u>24,334,546</u>	<u>23,367,202</u>
61 Community services	1,008,516	800,270	735,436	849,700
Total function 60	<u>1,008,516</u>	<u>800,270</u>	<u>735,436</u>	<u>849,700</u>
71 Debt service <sup>2</sup>				
Principal on long-term debt	12,100,437	13,444,789	13,460,943	16,464,750
Interest on long-term debt <sup>2</sup>	17,212,417	18,386,035	18,698,016	18,054,594
Bond issuance costs and fees	-	-	810,321.00	919,403
Total function 70	<u>29,312,854</u>	<u>31,830,824</u>	<u>32,969,280</u>	<u>35,438,747</u>
81 Facilities acquisition/construction	34,406,064	21,088,401	24,801,952	2,030,735
Total function 80	<u>34,406,064</u>	<u>21,088,401</u>	<u>24,801,952</u>	<u>2,030,735</u>
95 Payments to JJAEP	112,540	98,414	162,003	121,135
97 Payments to TIF	-	-	-	-
99 Intergovernmental Charges	-	-	-	-
Total function 90	<u>112,540</u>	<u>98,414</u>	<u>162,003</u>	<u>121,135</u>
Total expenditures	<u>276,094,373</u>	<u>274,216,601</u>	<u>285,276,973</u>	<u>276,019,514</u>
Prior Period Adjustment	-	948,669	-	-
As restated	<u>\$ 276,094,373</u>	<u>\$ 275,165,270</u>	<u>\$ 285,276,973</u>	<u>\$ 276,019,514</u>
Debt service as a percentage of noncapital expenditures	12.1%	12.5%	12.7%	12.9%

**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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 162,448,414	\$ 173,574,607	\$ 189,864,948	\$ 191,968,597	\$ 177,857,532	\$ 182,329,142
4,697,079	5,677,661	5,024,943	5,436,238	5,245,765	5,307,001
3,911,629	3,531,491	5,021,634	5,217,049	4,739,378	6,689,081
<u>171,057,122</u>	<u>182,783,759</u>	<u>199,911,525</u>	<u>202,621,884</u>	<u>187,842,675</u>	<u>194,325,224</u>
5,171,093	5,045,162	5,816,865	5,206,067	5,539,881	5,232,228
16,627,903	17,462,729	18,574,959	18,701,894	16,381,301	16,804,379
<u>21,798,996</u>	<u>22,507,891</u>	<u>24,391,824</u>	<u>23,907,961</u>	<u>21,921,182</u>	<u>22,036,607</u>
10,584,700	12,615,102	13,941,149	13,956,223	13,123,326	14,117,350
452,623	446,818	421,492	454,168	423,082	452,578
2,253,193	2,421,931	2,541,463	2,575,673	2,530,773	2,599,288
3,267,352	3,471,655	4,649,537	4,486,050	4,059,063	4,573,269
13,469,056	15,589,155	17,820,690	16,983,540	16,798,404	18,185,254
4,618,842	4,632,454	4,786,651	5,912,532	5,807,666	5,862,983
<u>34,645,766</u>	<u>39,177,115</u>	<u>44,160,982</u>	<u>44,368,186</u>	<u>42,742,314</u>	<u>45,790,722</u>
7,077,655	6,867,346	7,097,909	7,175,333	7,167,319	7,468,154
7,077,655	6,867,346	7,097,909	7,175,333	7,167,319	7,468,154
18,594,964	20,084,490	22,285,279	21,522,498	21,955,636	21,510,075
2,243,275	2,587,258	2,864,230	2,852,070	3,131,576	3,010,376
2,944,091	4,868,180	4,370,952	4,186,950	3,751,686	4,312,260
<u>23,782,330</u>	<u>27,539,928</u>	<u>29,520,461</u>	<u>28,561,518</u>	<u>28,838,898</u>	<u>28,832,711</u>
1,089,717	1,166,059	1,350,371	1,249,055	1,195,778	1,839,947
<u>1,089,717</u>	<u>1,166,059</u>	<u>1,350,371</u>	<u>1,249,055</u>	<u>1,195,778</u>	<u>1,839,947</u>
15,542,222	16,784,392	17,471,407	14,720,670	17,123,540	19,379,223
24,943,371	22,114,075	26,328,594	31,130,392	29,033,988	28,839,306
813,384	837,801	663,861	233,964	180,785	535,898
<u>41,298,977</u>	<u>39,736,268</u>	<u>44,463,862</u>	<u>46,085,026</u>	<u>46,338,313</u>	<u>48,754,427</u>
11,283,423	43,234,688	56,093,964	61,558,174	33,014,692	29,255,048
<u>11,283,423</u>	<u>43,234,688</u>	<u>56,093,964</u>	<u>61,558,174</u>	<u>33,014,692</u>	<u>29,255,048</u>
166,095	176,431	91,036	64,752	86,526	56,430
498,713.00	2,347,460	1,414,723	1,010,907	1,742,264	3,100,836
-	505,598.00	535,803	531,534	519,552	520,707
<u>664,808</u>	<u>3,029,489</u>	<u>2,041,562</u>	<u>1,607,193</u>	<u>2,348,342</u>	<u>3,677,973</u>
312,698,794	366,042,543	409,032,460	417,134,330	371,409,513	381,980,813
-	-	-	-	-	-
<u>\$ 312,698,794</u>	<u>\$ 366,042,543</u>	<u>\$ 409,032,460</u>	<u>\$ 417,134,330</u>	<u>\$ 371,409,513</u>	<u>\$ 381,980,813</u>
13.7%	12.3%	12.8%	13.3%	13.6%	14.0%

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

	Fiscal Year			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Excess of revenues over (under) expenditures</b>	\$ (21,968,047)	\$ (15,078,281)	\$ 12,380,042	\$ (10,649,188)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of bonds	40,000,000	92,425,000	10,000,000	20,000,000
Premium or (discount) on bonds issued	187,400	6,573,811	(83,842)	3,335,506
Proceeds from sale of refunding bonds	-	-	56,292,787	109,045,000
Sale of real or personal property	6,319	41,427	946,074	5,576
Transfers in	381,751	616,229	-	-
Transfers out	(381,751)	(649,502)	-	(2,046,167)
Insurance recoveries	-	-	-	-
Payments to escrow agents	-	(98,945,741)	(55,450,501)	(111,485,567)
<b>Total other financing sources (uses)</b>	<u>\$ 40,193,719</u>	<u>\$ 61,224</u>	<u>\$ 11,704,518</u>	<u>\$ 18,854,348</u>
<b>Net change in fund balances</b>	<u>\$ 18,225,672</u>	<u>\$ (15,017,057)</u>	<u>\$ 24,084,560</u>	<u>\$ 8,205,160</u>

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



Fiscal Year					
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ (48,053,958)	\$ (68,788,493)	\$ (67,378,669)	\$ (22,105,167)	\$ (22,105,167)	\$ (31,502,786)
87,020,000	65,000,000	58,485,000	21,640,000	13,985,000	-
1,700,239	3,498,056	1,717,427	-	1,509,190	6,487,601
-	-	-	-	-	66,145,000
114,036	34,714	57,216	174,537	1,660,871	304,732
-	-	-	-	4,479,121	489,118
-	-	-	-	(4,479,121)	-
-	-	-	-	7,268,016	9,654,036
-	-	-	-	-	(72,703,808)
<u>\$ 88,834,275</u>	<u>\$ 68,532,770</u>	<u>\$ 60,259,643</u>	<u>\$ 21,814,537</u>	<u>\$ 24,423,077</u>	<u>\$ 10,376,679</u>
<u>\$ 40,780,317</u>	<u>\$ (255,723)</u>	<u>\$ (7,119,026)</u>	<u>\$ (290,630)</u>	<u>\$ 2,317,910</u>	<u>\$ (21,126,107)</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		
2004	6,976,135,611	1,530,328,860	952,266,457	7,554,198,014	1.815
2005	6,958,121,200	1,537,889,415	635,789,863	7,860,220,752	1.837
2006	7,174,877,690	1,526,364,000	461,748,103	8,239,493,587	1.814
2007	7,670,724,880	1,651,921,440	491,026,284	8,831,620,036	1.644
2008	8,315,691,790	1,743,828,360	477,210,991	9,582,309,159	1.349
2009	8,668,807,690	1,780,763,340	463,681,874	9,985,889,156	1.391
2010	8,181,587,045	1,762,119,040	457,840,080	9,485,866,005	1.425
2011	7,809,445,097	1,694,159,892	457,911,177	9,045,693,812	1.465
2012	7,658,082,224	1,704,481,030	447,722,042	8,914,841,212	1.465
2013	7,770,689,855	1,727,551,530	438,181,976	9,060,059,409	1.465

**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
2004	1.500	0.315	1.815	0.533	0.200
2005	1.500	0.337	1.837	0.548	0.200
2006	1.500	0.314	1.814	0.548	0.225
2007	1.330	0.314	1.644	0.548	0.271
2008	1.000	0.349	1.349	0.548	0.242
2009	1.020	0.371	1.391	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

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

**Note:**

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

Overlapping Rates <sup>1</sup>

<b>City of Grand Prairie</b>	<b>City of Dallas</b>	<b>Dallas County</b>	<b>Dallas County Community College</b>	<b>Dallas County Hospital</b>	<b>Dallas County Flood Control</b>	<b>Dallas County Utility and Reclamation</b>
0.670	0.670	0.204	0.080	0.254	2.080	2.322
0.670	0.720	0.204	0.082	0.254	2.780	2.360
0.670	0.742	0.214	0.081	0.254	2.836	2.097
0.670	0.729	0.228	0.080	0.254	2.836	1.628
0.670	0.748	0.228	0.089	0.254	2.836	1.626
0.670	0.748	0.228	0.095	0.254	2.836	1.763
0.670	0.797	0.228	0.099	0.274	2.836	2.050
0.670	0.797	0.243	0.100	0.271	2.900	2.122
0.670	0.797	0.243	0.119	0.271	3.050	1.840
0.670	0.797	0.243	0.125	0.276	2.750	1.791

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

**EXHIBIT S-10**

<u>Taxpayer</u>	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>1</sup>	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>2</sup>
F6TAWS LLC	\$ 209,651,470	1	2.3%	\$ -		0.0%
Verizon	193,285,510	2	2.1%	254,863,580	1	3.4%
San Mar Corporation	91,006,620	3	1.0%	-		0.0%
Texas Utilities	82,389,940	4	0.9%	65,787,880	4	0.9%
Dr Pepper Bottling Co	75,195,060	5	0.8%	-		0.0%
SP Millennium	71,000,000	6	0.8%	64,274,790	5	0.9%
4150 North MacArthur	67,299,200	7	0.7%	-		0.0%
Owens Corning	47,546,020	8	0.5%	-		0.0%
Frito Lay Inc.	47,300,850	9	0.5%	-		0.0%
Rosemont Summit	46,963,000	10	0.5%	-		0.0%
TIAA	-		0.0%	128,661,240	2	1.7%
Crescent Real Estate	-		0.0%	77,268,970	3	1.0%
Las Colinas USAA LTD	-		0.0%	60,987,110	6	0.8%
EOP 545 E. John Carpenter	-		0.0%	56,294,290	7	0.7%
Simon Property Group	-		0.0%	52,175,750	8	0.7%
TGS American Realty LP	-		0.0%	48,489,730	9	0.6%
MPA Las Colinas LTD PS	-		0.0%	48,000,000	10	0.6%
	<u>\$ 931,637,670</u>		<u>10.1%</u>	<u>\$ 856,803,340</u>		<u>11.3%</u>

**Source:** Dallas Central Appraisal District

**Note:**

<sup>1</sup> Total appraised taxable value for 2013 = \$9,060,059,409

<sup>2</sup> Total appraised taxable value for 2004 = \$7,626,582,560



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

<b>Fiscal Year Ending</b>	<b>Taxes Levied for the Fiscal Year <sup>2</sup></b>	<b>Collected within the Fiscal Year of the Levy</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>
2004	133,004,134	129,067,147	97.04%
2005	138,674,876	134,072,938	96.68%
2006	142,940,929	138,651,124	97.00%
2007	140,160,896	135,464,767	96.65%
2008	124,619,570	120,877,498	97.00%
2009	134,156,998	131,036,207	97.67%
2010	131,200,729	127,266,070	97.00%
2011	128,508,240	124,473,002	96.86%
2012	126,932,410	125,164,250	98.61%
2013	129,608,617	128,579,225	99.21%

**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%.



<b>Collections other than Current Year</b>	<b>Total Collections to Date<sup>3</sup></b>	
<b>Delinquent Taxes</b>	<b>Amount</b>	<b>Percentage of Total Collections to Tax Levy</b>
1,902,788	130,969,935	98.47%
2,228,831	136,301,769	98.29%
1,537,958	140,189,082	98.07%
2,469,351	137,934,118	98.41%
1,952,621	122,830,119	98.56%
687,293	131,723,500	98.19%
883,375	128,149,445	97.67%
1,928,590	126,401,592	98.36%
1,186,096	126,350,346	99.54%
1,001,456	129,580,681	99.98%

**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			
2004	456,726,320	-	456,726,320	9.91%	2,321
2005	444,002,433	-	444,002,433	9.51%	2,249
2006	446,066,092	-	446,066,092	9.39%	2,209
2007	457,137,621	-	457,137,621	9.76%	2,223
2008	526,670,907	-	526,670,907	11.00%	2,506
2009	577,803,295	-	577,803,295	10.48%	2,722
2010	619,719,179	-	619,719,179	11.17%	2,900
2011	624,900,837	-	624,900,837	11.37%	2,880
2012	621,492,018	-	621,492,017	10.92%	2,840
2013	600,739,284	-	600,739,284	10.17%	2,721

**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  
AS OF AUGUST 31, 2013 (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	\$ 375,400,000	71.25%	\$ 267,472,500
Irving Flood Control District Section I	7,108,916	100.00%	7,108,916
City of Grand Prairie	144,634,000	0.77%	1,113,682
City of Dallas	1,691,184,734	0.24%	4,058,843
Dallas County	136,430,000	6.91%	9,427,313
Dallas County Community College	526,628,002	6.91%	36,389,995
Dallas County Hospital	694,851,627	6.91%	48,014,247
Dallas County Flood Control	29,325,000	97.70%	28,650,525
Dallas County Utility and Reclamation	272,233,443	90.63%	246,725,169
Subtotal, overlapping bonded debt			648,961,191
<b>Irving Independent School District direct debt</b>	<b>\$ 600,739,284</b>	<b>100.00%</b>	<b>\$ 600,739,284</b>
<b>Total direct and overlapping debt</b>			<b>\$ 1,249,700,475</b>
<b>Ratio of (net) general bonded debt to the estimated actual property value</b>			<b>6.63%</b>

**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>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 755,419,801	\$ 786,022,075	\$ 823,949,359	\$ 883,162,004	\$ 958,230,916
Total net debt applicable to limit	<u>447,186,212</u>	<u>433,547,807</u>	<u>433,981,318</u>	<u>443,697,650</u>	<u>514,339,338</u>
Legal debt margin	<u>\$ 308,233,589</u>	<u>\$ 352,474,268</u>	<u>\$ 389,968,041</u>	<u>\$ 439,464,354</u>	<u>\$ 443,891,578</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>59.20%</u>	<u>55.16%</u>	<u>52.67%</u>	<u>50.24%</u>	<u>53.68%</u>

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

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

**EXHIBIT S-14**

**Legal Debt Margin Calculation for Fiscal Year 2013:**

Assessed value	<u>\$ 9,060,059,409</u>
Debt limit (10% of assessed value)	\$ 906,005,941
Debt applicable to limit	<u>(600,739,284)</u>
Legal debt margin	<u>\$ 305,266,657</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 998,588,916	\$ 948,586,601	\$ 904,569,381	\$ 891,484,121	\$ 906,005,941
559,284,583	605,099,127	624,900,837	621,492,018	600,739,284
<u>\$ 439,304,333</u>	<u>\$ 343,487,474</u>	<u>\$ 279,668,544</u>	<u>\$ 269,992,103</u>	<u>\$ 305,266,657</u>
<u>56.01%</u>	<u>63.79%</u>	<u>69.08%</u>	<u>69.71%</u>	<u>66.31%</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</b>	<b>Total Bonded Debt Outstanding</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>
2004	196,774	7,554,198,014	456,726,320	9,540,108	447,186,212	5.92%	2,273
2005	197,400	7,860,220,752	444,002,433	10,454,626	433,547,807	5.52%	2,196
2006	201,927	8,239,493,587	446,066,092	12,084,774	433,981,318	5.27%	2,149
2007	205,600	8,831,620,036	457,137,621	13,439,971	443,697,650	5.02%	2,158
2008	210,150	9,582,309,159	526,670,907	12,331,569	514,339,338	5.37%	2,447
2009	212,250	9,985,889,156	577,803,295	15,976,491	561,826,804	5.63%	2,647
2010	213,700	9,485,866,005	619,719,179	14,620,052	605,099,127	6.38%	2,832
2011	216,970	9,045,693,812	624,900,837	13,614,669	611,286,168	6.76%	2,817
2012	218,850	8,914,841,212	621,492,017	14,450,968	607,041,049	6.81%	2,774
2013	220,750	9,060,059,409	600,739,282	12,567,151	588,172,131	6.49%	2,664

**Notes:**

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

**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 (thousands of dollars)</b>	<b>Per Capita Personal Income (dollars)</b>	<b>Unemployment Rate</b>
2004	196,774	4,608,250	23,419	5.80%
2005	197,400	4,669,497	23,655	5.30%
2006	201,927	4,748,717	23,517	4.50%
2007	205,600	4,685,007	22,787	4.30%
2008	210,150	4,788,688	22,787	5.10%
2009	212,250	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%

**Sources:**

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

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

**EXHIBIT S-17**

<u>Employer</u>	<u>2013</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Citigroup	5,700	1	2.25%	5,100	2	9.16%
Irving Independent School District	5,148	2	2.04%	4,022	3	7.22%
Verizon Communications Inc	3,260	3	1.29%	6,431	1	11.55%
Irving Mall	2,100	4	0.83%	2,100	7	3.77%
Nokia	1,700	5	0.67%	2,500	6	4.49%
Allstate Insurance	1,650	6	0.65%	1,650	9	2.96%
NEC Corp of America	1,515	7	0.60%			
Microsoft Corporation	1,351	8	0.53%			
Neiman Marcus Direct	1,339	9	0.53%			
HMS	1,299	10	0.51%			
Sprint				3,114	4	5.59%
D/FW International Airport				2,500	5	4.49%
City of Irving				1,846	8	3.32%
Abbott Laboratories				1,500	10	2.69%
<b>Total</b>	<u>25,062</u>		<u>9.90%</u>	<u>30,763</u>		<u>55.24%</u>

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

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





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

	<b>Full-time-Equivalent Employees</b>			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Teachers</b>	2,092.9	2,093.6	2,155.4	2,213.0
<b>Professional Support</b>				
Associate School Psychologist	3.7	3.4	3.7	3.7
Counselor	78.3	75.0	80.7	79.9
Educational Diagnostician	27.0	27.5	27.5	27.0
Librarian	35.4	34.2	32.2	32.0
Occupational Therapist	5.3	4.8	5.3	4.8
Physical Therapist	1.0	0.0	2.0	2.0
School Nurse	34.0	33.8	33.9	33.4
Speech Therapist/Speech- Language Pathologist	22.1	25.0	23.1	25.5
Teacher Facilitator	42.1	40.4	39.3	3.0
Campus Professional Personnel	2.0	2.0	1.1	14.0
Non-Campus Professional Personnel	27.1	33.0	53.2	59.9
<b>Total Professional Support</b>	<u>278.0</u>	<u>279.1</u>	<u>302.0</u>	<u>285.2</u>
<b>Campus Administration</b>				
Assistant Principal	75.0	76.8	75.6	75.0
Instructional Officer	12.0	10.0	9.0	11.0
Principal	33.0	36.0	36.0	35.7
Teacher Supervisor	31.2	29.6	31.8	3.0
Athletic Director	2.0	2.0	2.0	1.0
<b>Total Campus Administration</b>	<u>153.2</u>	<u>154.4</u>	<u>154.4</u>	<u>125.7</u>
<b>Central Administration</b>				
Assistant/Assoc/Deputy Superintendent	3.0	3.0	3.0	4.0
Superintendent	1.0	1.0	1.0	1.0
Instructional Program Director or Exec Director	3.7	3.2	2.2	28.0
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>10.7</u>	<u>10.2</u>	<u>9.2</u>	<u>36.0</u>
<b>Educational Aides</b>				
Educational Aides	411.7	422.0	437.4	430.9
Interpreter	1.0	4.0	1.8	2.0
<b>Total Educational Aides</b>	<u>412.7</u>	<u>426.0</u>	<u>439.2</u>	<u>432.9</u>
<b>Auxiliary Staff</b>	<u>793.6</u>	<u>816.7</u>	<u>803.0</u>	<u>816.9</u>
<b>Total All Full-Time Equivalent Employees</b>	<u><u>3,741.1</u></u>	<u><u>3,780.0</u></u>	<u><u>3,863.2</u></u>	<u><u>3,909.7</u></u>

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

<b>Full-time-Equivalent Employees</b>						
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	
2,270.2	2,329.6	2,428.4	2,421.0	2,280.8	2,304.0	
6.2	6.9	8.2	8.8	8.8	9.0	
81.0	79.0	78.0	79.0	79.5	79.5	
28.9	26.5	35.5	33.5	29.5	32.5	
32.0	28.0	30.0	29.0	27.0	27.0	
4.9	4.8	5.0	6.0	6.0	5.5	
2.0	2.0	2.0	2.0	2.0	2.0	
35.5	35.0	36.0	36.0	35.0	36.0	
20.4	24.8	29.3	28.0	26.6	30.3	
3.0	4.0	6.0	7.0	5.0	37.9	
9.0	3.5	12.3	56.8	37.0	51.0	
67.8	73.0	81.0	81.0	76.0	80.0	
<u>290.7</u>	<u>287.5</u>	<u>323.3</u>	<u>367.1</u>	<u>332.4</u>	<u>390.7</u>	
76.0	80.0	83.0	81.0	69.0	69.0	
13.0	12.4	13.0	0.0	0.0	0.0	
35.7	36.0	37.0	38.0	38.0	38.0	
4.0	2.0	1.0	38.0	32.0	30.0	
1.0	1.0	1.0	1.0	1.0	1.0	
<u>129.7</u>	<u>131.4</u>	<u>135.0</u>	<u>158.0</u>	<u>140.0</u>	<u>138.0</u>	
4.0	4.0	4.0	4.0	6.0	7.0	
1.0	1.0	1.0	1.0	1.0	1.0	
28.5	29.0	35.0	13.0	13.0	13.0	
1.0	1.0	1.0	1.0	1.0	1.0	
1.0	1.0	1.0	1.0	1.0	1.0	
1.0	1.0	1.0	1.0	1.0	2.0	
<u>36.5</u>	<u>37.0</u>	<u>43.0</u>	<u>21.0</u>	<u>23.0</u>	<u>25.0</u>	
420.8	425.8	448.4	431.8	381.0	387.5	
1.9	4.0	0.0	4.0	0.0	4.0	
<u>422.7</u>	<u>429.8</u>	<u>448.4</u>	<u>435.8</u>	<u>381.0</u>	<u>391.5</u>	
840.4	900.4	923.9	999.3	707.0	707.0	
<u>3,990.2</u>	<u>4,115.7</u>	<u>4,302.0</u>	<u>4,402.2</u>	<u>3,864.2</u>	<u>3,956.2</u>	

**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>
2004	31,215	174,851,490	5,602	(3.86)%	2,006.0	15.6	61.3%
2005	31,879	179,111,618	5,618	0.30 %	2,007.0	15.9	65.7%
2006	32,620	183,767,694	5,634	0.27 %	2,008.0	16.2	68.7%
2007	32,951	199,587,657	6,057	7.52 %	2,009.0	16.4	72.0%
2008	33,189	212,397,290	6,400	5.65 %	2,010.0	16.5	72.5%
2009	33,223	226,761,389	6,825	6.65 %	2,011.0	16.5	74.1%
2010	33,798	229,344,297	6,786	(0.58)%	2,012.0	16.8	78.1%
2011	34,289	229,927,733	6,706	(1.18)%	2,013.0	17.0	80.5%
2012	34,851	243,870,930	6,998	4.35 %	2,280.8	15.3	81.5%
2013	35,114	257,769,548	7,342	4.92 %	2,304.0	15.2	81.3%

**Source:** District records

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

**EXHIBIT S-20**

<u>School</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Elementary</b>										
Buildings	23	23	24	24	24	24	24	24	24	24
Square feet	1,854,979	1,959,860	1,848,530	2,003,550	2,003,550	2,048,484	2,023,104	2,024,334	2,024,334	2,025,940
Maximum Capacity	19,100	19,950	18,600	18,600	18,600	20,000	20,000	20,000	20,000	20,000
Enrollment	16,356	16,709	19,909	17,005	17,005	17,313	17,431	17,751	18,120	18,178
<b>Middle</b>										
Buildings	7	7	7	7	7	7	7	8	8	8
Square feet	1,149,983	1,149,983	1,149,983	1,149,983	1,149,983	1,149,983	1,156,734	1,326,868	1,326,868	1,328,012
Maximum Capacity	7,000	7,000	6,125	6,125	6,125	7,000	7,000	8,000	8,000	8,000
Enrollment	7,065	7,111	7,102	7,000	7,000	7,043	7,083	7,222	7,310	7,397
<b>High</b>										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	1,284,650	1,276,660	1,256,785	1,276,660	1,276,660	1,401,249	1,546,281	1,546,281	1,546,281	1,546,218
Maximum Capacity	9,400	9,400	14,700	14,700	14,700	9,400	9,800	9,800	9,800	9,800
Enrollment	7,948	8,267	8,564	7,982	7,982	8,867	9,240	9,269	9,359	9,490
<b>Administrative</b>										
Buildings	10	10	7	10	9	9	9	9	9	9
Square feet	163,750	163,750	269,980	224,283	221,839	235,775	251,192	247,992	247,992	247,992
<b>Transportation</b>										
Buses (quantity) <sup>1</sup>	48	48	42	47	54	57	57	63.5	0	0
<b>Athletics</b>										
Football fields (quantity)	14	14	11	11	11	11	14	15	15	15
Soccer fields (quantity)	9	9	11	11	11	11	10	11	11	11
Running tracks (quantity)	9	9	11	11	11	11	9	11	11	11
Baseball/softball (quantity)	6	6	6	6	6	6	6	6	6	6
Playgrounds (quantity)	23	23	38	38	25	23	23	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**

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

Board of Trustees  
Irving Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Irving Independent School District (the District), as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 7, 2014.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

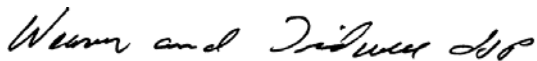
Irving Independent School District  
January 7, 2014

Page 2

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

### **Purpose of this Report**

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



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 7, 2014



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

Board of Trustees  
Irving Independent School District

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

We have audited Irving Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2013.

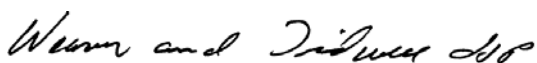
## Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



WEAVER AND TIDWELL, L.L.P

Dallas, Texas  
January 7, 2014

**IRVING INDEPENDENT SCHOOL DISTRICT  
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED AUGUST 31, 2013**

**EXHIBIT K-1**

<b>Pass-Through Grantor Program Title</b>	<b>Pass-Through Federal Grantor/ Grantor's Number</b>	<b>Federal CFDA Number</b>	<b>Direct Expenditures</b>	<b>Indirect Charges</b>	<b>Total Expenditures</b>
Passed Through State Department of Education:					
Mckinney-Vento Homeless Education Region X	13-046	84.196A	78,752	1,529	\$ 80,281
Title I Part A Improving Basic Programs	13610101057912	84.010A	9,041,815	174,746	9,216,561
Title I Part A Improving Basic Programs	14610101057912	84.010A	79,299	1,620	80,919
Title I -School Improvement Program	13610104057912041	84.010A	15,000	-	15,000
Title I -School Improvement Program	13610104057912042	84.010A	8,008	-	8,008
Title I -School Improvement Program	13610104057912043	84.010A	3,000	-	3,000
Title I -School Improvement Program	13610104057912044	84.010A	-	-	-
Title I -School Improvement Program	13610104057912045	84.010A	7,442	-	7,442
Title I -School Improvement Program	13610104057912048	84.010A	7,557	-	7,557
Title I -School Improvement Program	13610104057912101	84.010A	14,009	-	14,009
Title I -School Improvement Program	13610104057912103	84.010A	15,000	-	15,000
Title I -School Improvement Program	13610104057912112	84.010A	1,716	-	1,716
Title I -School Improvement Program	13610104057912119	84.010A	7,103	-	7,103
Title I -School Improvement Program	13610104057912122	84.010A	14,638	-	14,638
Title I Part C Migrant Region X	13615001057912	84.011A	70,569	1,385	71,954
Adult Ed English Literacy & Civics Awareness	134100087110485	84.002A	140,588	2,709	143,297
IDEA-B Formula	136600010579126600	84.027A	5,911,031	113,226	6,024,257
IDEA-B Formula	146600010579126600	84.027A	38,713	847	39,560
IDEA-B Discretionary Deaf	13600020579126673	84.027A	27,963	-	27,963
IDEA-B Discretionary Deaf	14600020579126673	84.027A	45	-	45
IDEA-B Formula Deaf	136600010579126601	84.027A	9,349	179	9,528
IDEA-B Formula Deaf	146600010579126601	84.027A	268	5	273
IDEA-B Preschool	136610010579126610	84.173A	95,531	1,820	97,351
Preschool Least Restrictive Environment Region 10	14661227110015	84.173A	18,510	-	18,510
IDEA-B Preschool Deaf	146610010579126611	84.173A	4,834	93	4,927
IDEA-C Early Childhood Intervention, Deaf	133911010579123911	84.181A	976	-	976
Carl D Perkins Basic Grant for Career & Technology	13420006057912	84.048A	102,824	1,675	104,499
Carl D Perkins Basic Grant for Career & Technology	14420006057912	84.048A	224,516	126	224,642
Title II Part A Teacher & Principal Training & Recruiting	13694501057912	84.367A	823,714	15,855	839,569
Title II Part A Teacher & Principal Training & Recruiting	14694501057912	84.367A	50,642	1,035	51,677
Title III Part A Limited English Proficiency	13671001057912	84.365A	1,372,275	26,515	1,398,790
Title III Part A Limited English Proficiency	14671001057912	84.365A	6,163	126	6,289
21st Century Community Learning Centers Cycle 6 Year 1	126950147110035	84.287C	1,372,042	26,439	1,398,481
21st Century Community Learning Centers Cycle 6 Year 2	136950147110035	84.287C	41,469	847	42,316
Summer School Limited English Proficiency	69551202	84.369A	50,192	-	50,192
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>19,655,553</b>	<b>370,777</b>	<b>20,026,330</b>
Passed through Texas Department of Health and Human Services:					
Medicaid	00057912	93.778	80,020	-	80,020
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>80,020</b>	<b>-</b>	<b>80,020</b>
Passed through State Department of Education:					
USDA Donated Commodities*	00057912	10.555	1,169,063	-	1,169,063
National School Lunch*	00057912	10.555	12,458,987	-	12,458,987
School Breakfast Program*	00057912	10.553	4,789,168	-	4,789,168
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>18,417,218</b>	<b>-</b>	<b>18,417,218</b>
Reserve Officer Training Corps	00057912	12.000	294,926	-	294,926
<b>TOTAL DEPARTMENT OF DEFENSE</b>			<b>294,926</b>	<b>-</b>	<b>294,926</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 38,447,717</b>	<b>\$ 370,777</b>	<b>\$ 38,818,494</b>

\* Child Nutrition Cluster

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2013**

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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 deferred revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extends 30 days beyond the federal project period ending date, in accordance with the provisions in Section H, Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.
4. Funds were received by the District for school health and related services (SHARS) reimbursements (\$3,142,438) and a Build America Bond interest subsidy (\$752,305). 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, 2013**

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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     No

c. Noncompliance material to financial statements noted                     Yes     No

Major Programs

d. Internal control over major programs:

• Material weakness(es) identified?                     Yes     No

• Significant deficiency(ies) identified?             Yes     None Reported

e. An unqualified opinion was issued on compliance for major programs.

f. Any audit findings disclosed that were required to be reported under Section 510(a) or OMB Circular A-133.                     Yes     No

g. Identification of major programs:

10.555, 10.553                    Child Nutrition Cluster

h. The dollar threshold used to distinguish between Type A and Type B programs.                    \$1,164,555

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, 2013**

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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**