



# 2015 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending August 31, 2015

**IRVING**  
*Independent School District*

2621 W. Airport Freeway  
Irving, Texas 75062

IRVING

*Independent School District*

**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT**



**Irving, Texas**

**For the  
Fiscal Year Ended  
August 31, 2015**

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

**Prepared by  
Irving ISD Business Office**

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

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



**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED  
 AUGUST 31, 2015**

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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, 2015 at a meeting of the board of school trustees of such school district on the 19<sup>th</sup> day of January, 2016.

---

  
Board President  
Randy Randle

  
Board Secretary  
Larry Stipes

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





**GARY MICINSKI**  
Chief Financial Officer  
Business Services

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

January 11, 2016

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, 2015 is submitted herewith. The District's Business Office has prepared this CAFR, assuming full responsibility for the accuracy and completeness of the information contained therein, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

We believe the data is presented in a manner to fairly represent the financial position and results of operations of the District, and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included. The CAFR for the year ended August 31, 2015, is prepared in accordance with generally accepted accounting principles (GAAP) and is in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

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

Weaver and Tidwell, L.L.P. has issued an unmodified ("clean") opinion on the Irving Independent School District's financial statements for the year ended August 31, 2015. The independent auditor's report is located at the front of the Financial Section.

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

2621 W. Airport Freeway, Irving, Texas 75062-6020 | Tel. 972.600.5405 | Fax 972.215.5412 | [gmicinski@irvingisd.net](mailto:gmicinski@irvingisd.net)

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

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

### **Profile of the District**

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

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

The District provides a comprehensive curriculum of educational services appropriate for students enrolled in pre-kindergarten through Grade 12. Instructional offerings include a strong core curriculum in language arts, mathematics, science, social studies, performing arts, compensatory education, bilingual and limited English proficient education, gifted and talented education for grades 2-12, career and technological education, special education, athletics and Junior Reserve Officers' Training Corps (JROTC) programs. The District's special programs include a regional school for the deaf, early childhood schools for four year-olds who are limited English proficient and/or economically disadvantaged, an extensive elementary health/safety instruction, and an array of elective courses at the secondary level.

Peak enrollment for the 2014-2015 school year was 35,171, which was 366 less than the original projection of 35,537. For fiscal year 2015-2016, peak enrollment decreased .47% to 35,007.

The District's facilities include three early childhood schools (PK), twenty elementary schools (K-5), eight middle schools (6-8), three high schools (9-12), a high school academy (9-12), a career preparatory center (9-12), a reassignment center (9-12), a newcomer center, and 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 67 years (Britain Elementary and Bowie Middle Schools) to 5 years (Lady Bird Johnson Middle School).

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

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

## **Economic Condition and Outlook**

### ***Local Economy***

According to ZipRecruiter.com, Irving, Texas has been named a "Top City for Job Growth in 2014". Irving has a 5 percent job growth, and boasts strong financial service and telecommunications sectors in addition to its strong presence of corporate headquarters and Fortune 500 and 100 companies. Major corporations are drawn to Irving not only because of its accessibility to major transportation systems, availability of affordable land, high quality of life, large skilled work force and host of hotels and conference centers, but also because its commercial properties are designed to hold or increase in value over the long term. These key factors should assist continued business growth in the future.

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 31% of the operating expenditures, or about four months of expenditures. The Board adopted a financial policy to maintain the General Fund balance at a minimum of three months (25%). For the last nine years, the fund balance has consistently been between the 30% and 35% range.

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

The Department of Planning and Research begins the budget development planning cycle with the release of the projected student enrollment for the following fall in December. Staffing charts are updated, and campus staff is adjusted by the Human Resources department to accommodate the changes in student enrollment.

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

### ***Financial Policies***

The Comprehensive Annual Report for the year ended August 31, 2015 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, 2015 provided no conditions that would be considered a material weakness in relation to a Federal financial assistance program, and no material instances of non-compliance with applicable laws and regulations were noted. Information related to this single audit, including the schedule of expenditure of federal awards, findings and recommendations, and independent auditor's reports on internal controls and compliance with applicable laws and regulations, is included in this report.

### *Budgetary Controls*

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

### *Internal Controls*

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

### *Independent Audit*

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

## **Awards**

The Association of School Business Officials awarded the *Certificate of Excellence in Financial Reporting*, and the Government Finance Officers Association awarded the *Certificate of Achievement for Excellence in Financial Reporting*, to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2014. 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-seventh consecutive year that the district has prepared this report and won these prestigious awards.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2015 certificates.

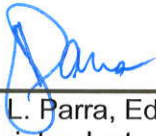
The District received a perfect rating (a score of 30) for the 2015 School's Financial Integrity Rating System of Texas (FIRST). For the previous twelve years, the District earned a Superior Achievement rating from the School's FIRST. The superior and perfect ratings confirm the District's excellence in managing and reporting taxpayer dollars.

### Acknowledgements

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

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

Sincerely,



---

Jose L. Parra, Ed.D.  
Superintendent



---

Gary Micinski  
Chief Financial Officer



# LIST OF PRINCIPAL OFFICIALS

## BOARD OF TRUSTEES

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Randy Randle, President	3 years	2016	Business Owner
Dr. Steven Jones, Vice President	5 years	2017	Producer
Larry Stipes, Secretary	4 years	2018	Contract Manager
Nell Anne Hunt, Member	2 years	2017	Realtor
Dinesh Mali, Member	1 year	2018	Professional Engineer
Lee Mosty, Member	3 years	2016	Retired Educator
Randy Necessary, Member	2 years	2016	Retired Business Owner

## ADMINISTRATIVE OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Jose L. Parra, Ed.D.	Superintendent	2 years
Gary Micinski, CPA	Chief Financial Officer	Hired August 2015
Adam Grinage, Ed.D.	Associate Superintendent of Academic Services	9 years
Scott Layne	Assistant Superintendent of School Support Services	24 years
Magda Hernandez	Assistant Superintendent of Human Resources	2 years
Tina Patel	Chief Legal Counsel	1 year

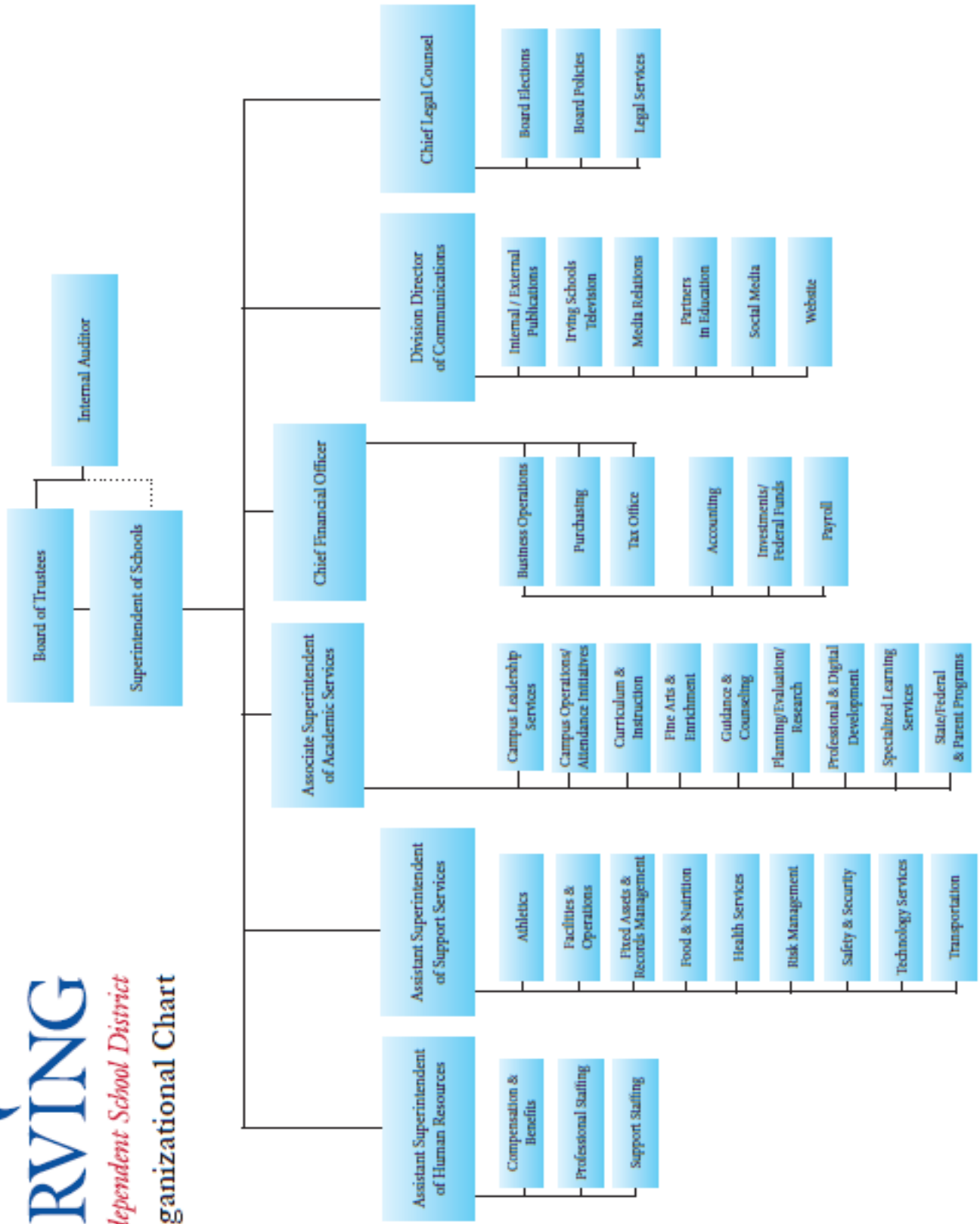
## CONSULTANTS AND ADVISORS

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

# IRVING

*Independent School District*

## Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Irving Independent School District**  
**Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2014**

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, 2014*

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 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
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, 2015, 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 6, 2016

### ***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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

As discussed in Note 18 to the financial statements, in 2015 the District adopted new accounting guidance, GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68". Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 14–23), the schedule of revenues, expenditures and changes in fund balances – budget and actual for the General Fund and Food Service Fund (on pages 64–65), and the Teacher Retirement System of Texas pension schedules (on pages 66–67) 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.

Irving Independent School District

January 6, 2016

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Weaver and Tidwell LLP*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 6, 2016





**IRVING INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED AUGUST 31, 2015 (UNAUDITED)**

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As management of the Irving Independent School District (the "District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2015. 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 \$329,334,296, or 84%, of all fiscal year 2015 revenues. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$63,215,689, or 16%, of total fiscal year 2015 revenues.
- The District had \$368,729,638 in expenses related to governmental activities, of which \$63,215,689 was offset by program-specific charges for services or grants and contributions. General revenues of \$329,334,296 were adequate to provide for the remaining costs of these programs, resulting in an \$23,820,347 increase in net position.
- Among major funds, the General Fund had \$293,702,112 in revenues, which primarily consisted of state aid and property taxes, and \$288,104,156 in expenditures. The General Fund's fund balance increased \$9,051,155, from \$98,518,503 as of August 31, 2014 to \$107,569,658 as of August 31, 2015.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

The statement of net position presents information on all of the District's assets, deferred inflows/outflows of resources, liabilities and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

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

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

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

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

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

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

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

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$47,747,034 as of August 31, 2015. This is an increase of \$23,820,347 over the prior year's adjusted net position (\$23,926,687), 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, 2015, the District's restricted net position for food service was \$5,434,057 and restricted net position for future debt service payments was \$10,505,814. 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, 2015, the District's unrestricted net position was a deficit of \$482,474. This decrease of \$25,914,187 is due to the implementation of GASB No. 68 – *Accounting and Financial Reporting for Pensions- an Amendment to GASB Statement No. 27*, which resulted in a \$53,944,079 reduction to beginning net position.

Net investment in capital assets was \$32,289,637. 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, 2015 and 2014.

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

	<u>2015</u>	<u>2014</u>	<u>Difference</u>
Current and other assets	\$ 164,334,541	\$ 169,642,792	\$ (5,308,251)
Capital assets (net)	511,355,007	520,512,087	(9,157,080)
Total assets	<u>675,689,548</u>	<u>690,154,879</u>	<u>(14,465,331)</u>
Deferred outflows	<u>32,913,205</u>	<u>13,909,659</u>	<u>19,003,546</u>
Current liabilities	42,769,128	50,961,588	(8,192,460)
Long-term liabilities	603,522,079	575,232,184	28,289,895
Total liabilities	<u>646,291,207</u>	<u>626,193,772</u>	<u>20,097,435</u>
Deferred inflows	<u>14,564,512</u>	<u>-</u>	<u>14,564,512</u>
Net investment in capital assets	32,289,637	34,787,416	(2,497,779)
Restricted	15,939,871	17,651,637	(1,711,766)
Unrestricted	<u>(482,474)</u>	<u>25,431,713</u>	<u>(25,914,187)</u>
Total net position, as restated	<u>\$ 47,747,034</u>	<u>\$ 77,870,766</u>	<u>\$ (30,123,732)</u>

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

- Current and other assets decreased by \$5.3 million, or 3.1%, due to an increase in construction expenditures. The bond investment pools decreased by \$9,359,027 during the 2015 fiscal year.
- Deferred outflows increased by \$19,003,546, or 137%, due to a change in the deferred charges on refunding of \$8,076,752 and the implementation of GASB No. 68, which resulted in recording a deferred outflow of resources of \$10,926,794.
- Deferred inflows of resources were also impacted by GASB No. 68, resulting in an increase of \$14,564,512.

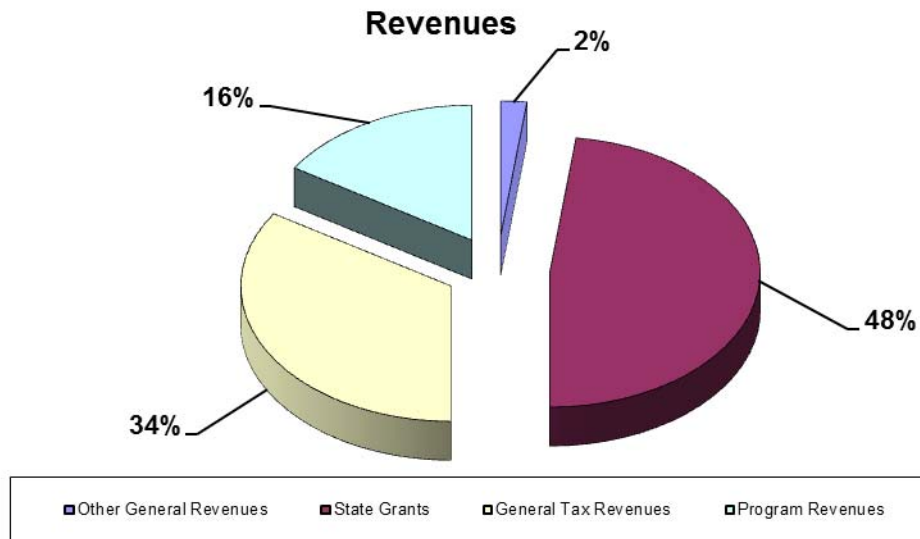
The District's total revenues for the fiscal year ended August 31, 2015 were \$392,549,985. The total cost of all programs and services was \$368,729,638. The following table presents a summary of the changes in net position for the fiscal years ended August 31, 2015 and 2014.

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

	<u>2015</u>	<u>2014</u>	<u>Difference</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,673,148	\$ 5,362,989	\$ 310,159
Operating grants and contributions	57,542,541	51,231,188	6,311,353
General revenues:			
Maintenance and operations taxes	96,135,459	91,269,145	4,866,314
Debt service taxes	36,447,373	37,578,332	(1,130,959)
State grants	187,211,926	184,171,041	3,040,885
Investment earnings	285,316	254,184	31,132
Miscellaneous	6,489,584	2,693,365	3,796,219
Extraordinary item	2,764,638	-	2,764,638
Total revenue	<u>392,549,985</u>	<u>372,560,244</u>	<u>19,989,741</u>
Expenses:			
Instruction, curriculum, and media services	226,432,736	224,186,434	2,246,302
Instructional and school leadership	24,979,259	25,039,185	(59,926)
Student support services, child nutrition and co-curricular activities	51,845,092	50,664,227	1,180,865
General administration	7,122,438	8,104,538	(982,100)
Plant maintenance, security, and data processing	29,352,608	29,355,990	(3,382)
Community services	1,724,124	1,818,555	(94,431)
Interest and fiscal charges	20,023,429	26,343,364	(6,319,935)
Other facility costs	71,682	10,703	60,979
Intergovernmental charges	712,717	650,936	61,781
Payments to TIF	6,465,553	2,182,197	4,283,356
Total expenses	<u>368,729,638</u>	<u>368,356,129</u>	<u>373,509</u>
Change in net position	23,820,347	4,204,115	19,616,232
Beginning net position, as restated	<u>23,926,687</u>	<u>73,666,651</u>	<u>(49,739,964)</u>
Ending net position	<u>\$ 47,747,034</u>	<u>\$ 77,870,766</u>	<u>\$ (30,123,732)</u>

Net position of the District's governmental activities increased from \$23,926,687 to \$47,747,034, or \$23,820,347.

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



The District's total revenue this year were \$392,549,985, up \$19,989,741 from the prior year. The increase can be attributed to the additional Tax Increment Financing (TIF) collections received during the year due to the increase in property values located in that zone, and the settlement received for the eminent domain lawsuit.

The cost of all governmental activities this year was \$368,729,638. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through district taxes was \$108,713,989 because some of the costs were paid by those who directly benefited from the programs (\$5,673,148), by other governments and organizations that subsidized certain programs with grants and contributions (\$57,542,541), or by state aid (\$187,211,926), investment income (\$285,316), and other miscellaneous or extraordinary income (\$9,254,222).

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

	<b>Total Expenses</b>	<b>Net Expenses</b>
Instruction, curriculum, and media services	\$ 226,432,736	\$ 200,156,113
Instructional and school leadership	24,979,259	24,029,401
Student support services, child nutrition and co-curricular activities	51,845,092	25,165,782
General administration	7,122,438	6,978,093
Plant maintenance, security, and data processing	29,424,290	21,829,902
Community services	1,724,124	300,168
Interest and fiscal charges	20,023,429	20,023,429
Intergovernmental charges	712,717	698,100
Payments to TIF	6,465,553	6,332,961
<b>Total expenses</b>	<b>\$ 368,729,638</b>	<b>\$ 305,513,949</b>

## THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$140,840,192, which is an increase of \$3,311,478 from the prior year.

The schedule below indicates the fund balance by fund type as of August 31, 2015 and August 31, 2014.

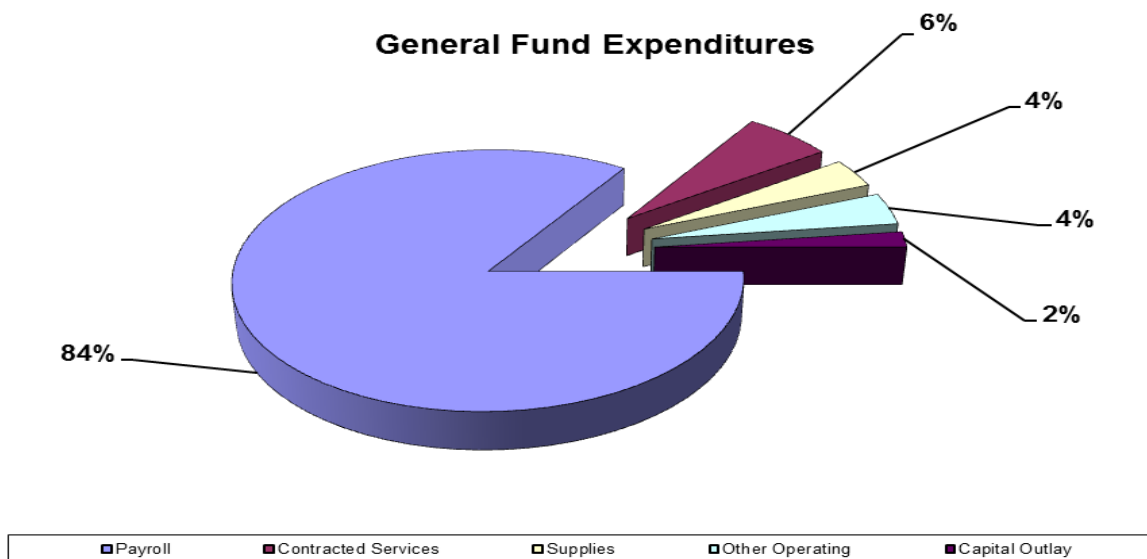
	<u>Fund Balance</u> <u>August 31, 2015</u>	<u>Fund Balance</u> <u>August 31, 2014</u>	<u>Change in</u> <u>Fund Balance</u>
General Fund	\$ 107,569,658	\$ 98,518,503	\$ 9,051,155
Food Service	5,434,057	5,840,117	(406,060)
Debt Service	14,470,943	15,495,011	(1,024,068)
Capital Projects	13,365,534	17,675,083	(4,309,549)
Total	<u>\$ 140,840,192</u>	<u>\$ 137,528,714</u>	<u>\$ 3,311,478</u>

### *General Fund*

The fund balance of the General Fund increased \$9,051,155 from the prior year. The District's original budget plan was to decrease fund balance \$995,914. The following factors contributed to the \$10,047,069 million difference:

- A net decrease of \$2,228,442 in payroll costs due to attrition and decreased student enrollment.
- An additional \$1,273,577 was received from the District's participation in the School Health and Related Services (SHARS) program, from the final settle-up from 2013 SHARS cost report.
- \$2,749,165 increase in intermediate revenue, due to an increase in Tax Increment Financing rebates received from the City of Irving.
- An increase in Other Financing Sources of \$3,350,000, for the eminent domain lawsuit settlement.

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 \$406,060 from the prior year. During the year, \$3,462,267 in construction related projects were funded by the Food Service Fund. These additional expenditures were offset by higher than anticipated local (vending) and federal (lunch and summer feeding programs) revenue.

*Debt Service Fund*

The Debt Service fund balance decreased \$1,024,068. The original budget for the Debt Service Fund anticipated a \$952,257 decrease in the fund balance. However, \$1,557,164 of Interest & Sinking tax collections were contributed to the TIF zone, which was \$99,239 more than originally planned for the fiscal year.

*Capital Projects Fund*

The Capital Projects fund balance decreased \$4,309,549 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 \$19,858,955. Revenues had budget amendment increases of \$6,503,527. Other Financing Sources had budget amendment increases of \$3,370,108. The major components of these changes are reflected on Exhibit G-1 and the key factors for the changes can be summarized as follows:

- \$17,082,195 supplemental appropriation to capital projects (Facilities) for the following projects: Athletic Turf Replacement, Fine Arts, Locker Room, Outdoor Learning Center, Roof Repairs and Administration Building Renovation.
- \$3,665,554 supplemental appropriation to offset the increase in property values located in the Tax Increment Financing (TIF) zone, which is submitted to the City of Irving.

These increases are possible because of additional revenues generated from:

- \$3,665,554 (local revenues) increase in TIF zone tax collections and a \$2,746,165 increase in revenue received from the City of Irving for the District's portion of the TIF collections: TIF tax collections are collected by the District, and remitted to the City of Irving. The city reimburses the District 75% of the revenue collected.
- \$3,350,000 (other sources) was received by the District from the eminent domain settlement with the Texas Department of Transportation.

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

Additional amendments to the budget can be summarized as follows:

- \$1,728,588 decrease in local tax revenue is due to the increase in tax collections contributed in property in the TIF Zone.
- \$1,350,000 increase in School Health and Related Services (SHARS) federal program revenues due to the final settlement of the 2013 reimbursements.
- \$850,000 decrease in contracted pupil transportation due to a change in the program for the District's homeless students.
- \$3,390,418 decrease in payroll costs due to staff attrition and the decrease in student enrollment.



## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of August 31, 2015, the District had invested \$511,355,007 in capital assets, net of accumulated depreciation of \$359,573,807, including land and improvements, facilities, and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net decrease in capitalized cost of (\$9,157,080) from last year. The decrease is due to reduction of spending on capital assets, offset by the current year's depreciation. The total depreciation expense for the year was \$23,245,112. The following schedule presents capital asset balances net of depreciation for the fiscal year ended August 31, 2015:

Land and Improvements	\$	28,520,545
Furniture and Equipment		16,985,672
Buildings and Improvements		456,445,895
Construction in Progress		9,402,895
Total	\$	<u>511,355,007</u>

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

### Debt

As of August 31, 2015, the District had \$555,783,299 in general obligation bonds payable, with \$20,191,698 due within one year. The District continues to have favorable general obligation bond ratings indicated by Aa2 and AA+ rating from Moody's Investors Service and Standard & Poor's Ratings Group, respectively.

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

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

The District's elected and appointed officials considered many factors when preparing the 2015-2016 budget and setting the 2015 tax rates. For the fourth year, property values increased. The certified tax roll reflected values of \$10,783,826,362, which is a 7.7% increase in value compared to last year.

With 63% of the District's tax base in commercial and business personal property, this was the fourth year that the District experienced a significant increase (8.1%) in its values. The residential property for the 2015 tax year incurred a 7.1% increase in value.

The Board approved a total tax rate of \$1.445 for the 2015 tax year. While the Maintenance and Operations tax rate remained the same, the Interest and Sinking tax rate increased 1 penny from \$.395 to \$.405. The increase in property values, along with the increase in the Interest and Sinking tax rate, will generate an additional \$7.1 million and \$3.7 million in revenue for the General and Debt Service funds respectively. However, for the amount deposited in the Debt

Service fund, \$2.2 million will be for TIF collections and will be transferred to the General Fund to be paid to the City of Irving.

As of August 31, 2015, the fund balance for the general fund totaled \$107,569,658. During the current fiscal year, the unassigned fund balance decreased by \$1,747,118, to \$89,501,266. A total of \$18,068,392 of the fund balance has been designated as non-spendable or assigned and is therefore not available for any other public purpose. On-going construction projects increased the assigned fund balance by \$11,050,414. While many of these projects will be paid out of TIF proceeds, they could constitute a temporary use of the fund balance reserves while waiting for future years' TIF collections. The TIF will end in the 2018-2019 fiscal year.

State Foundation and Available School Fund revenue for the 2015-2016 budget is estimated \$2,912,874 less than the previous year. The primary reasons for this revenue decrease are declining student enrollment, the increase in the district's local share from property value increases from the prior year, and the loss of the state's one-time contribution to offset the 1.5% increase in the TRS employer contribution under SB1458. The district will have less total state funds in the 2016-2017 fiscal year due to the current year's increase in property value since there is no increase in other state funding elements under HB1 for the second year of the biennium. A loss of \$5.9 in state revenue is projected for the 2016-2017 budget, assuming no changes in student enrollment.

#### 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, 2015**

**EXHIBIT A-1**

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES
	<b>ASSETS</b>	
1110	Cash and Cash Equivalents	\$ 130,258,338
1120	Investments	22,982,926
1220	Delinquent Taxes Receivable - Net of Estimated Uncollectible Taxes	3,277,693
1240	Due from Other Governments	2,616,557
1250	Accrued Interest	23,753
1290	Other Receivables	3,640,403
1310	Inventories	1,365,879
1490	Other Assets	168,992
1510	Land	20,085,090
1515	Land Improvements	19,943,000
1520	Buildings and Improvements	690,422,094
1530	Furniture and Equipment	131,075,735
1580	Construction in Progress	9,402,895
1570	Accumulated Depreciation	<u>(359,573,807)</u>
1000	<b>TOTAL ASSETS</b>	<u>675,689,548</u>
	<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701	Deferred charges on refunding	21,986,411
1705	Deferred outflows of resources - pension	10,926,794
1700	<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>32,913,205</u>
	<b>LIABILITIES</b>	
2110	Accounts Payable and Claims Liabilities	6,795,827
2150	Payroll Deductions and Withholdings	2,295,956
2160	Accrued Wages Payable	7,155,095
2140	Interest Payable	4,877,570
2180	Due to Other Governments	580,711
2300	Unearned Revenue	298,718
	Due Within One Year:	
2121	Bonds Payable	20,191,698
2123	Claims Payable	573,553
	Noncurrent Liabilities:	
	Due in More than One Year:	
2800	Claims Payable	314,429
2510	Bonds Payable	555,596,106
2540	Net Pension Liability	<u>47,611,544</u>
2000	<b>TOTAL LIABILITIES</b>	<u>646,291,207</u>
	<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605	Deferred inflows of resources - pension	14,564,512
2600	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>14,564,512</u>
	<b>NET POSITION</b>	
3800	Net Investment in Capital Assets	32,289,637
3840	Restricted for Federal and State Programs	5,434,057
3850	Restricted for Debt Service	10,505,814
3900	Unrestricted	<u>(482,474)</u>
3000	<b>TOTAL NET POSITION</b>	<u>\$ 47,747,034</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, 2015**

**EXHIBIT B-1**

Data Control Codes	Functions/Programs	1 Expenses	2 Charges for Services	3 Program Revenues		Net (Expense) Revenue and Changes in Net Position
				Operating Grants and Contributions	Total Governmental Activities	
	Governmental Activities:					
11	Instruction	\$ 211,808,998	\$ 360,438	\$ 21,719,753		\$ (189,728,807)
12	Instructional Resources and Media Services	5,488,376	-	94,432		(5,393,944)
13	Curriculum Development and Instructional Staff Development	9,135,362	-	4,102,000		(5,033,362)
21	Instructional Leadership	4,577,973	-	546,407		(4,031,566)
23	School Leadership	20,401,286	-	403,451		(19,997,835)
31	Guidance, Counseling, and Evaluation Services	15,721,776	-	1,271,040		(14,450,736)
32	Social Work Services	1,576,516	-	85,239		(1,491,277)
33	Health Services	3,001,895	-	161,638		(2,840,257)
34	Student (Pupil) Transportation	5,267,894	-	754,753		(4,513,141)
35	Food Services	19,738,827	3,110,102	19,368,208		2,739,483
36	Co-Curricular/Extracurricular Activities	6,538,184	1,814,044	114,286		(4,609,854)
41	General Administration	7,122,438	-	144,345		(6,978,093)
51	Plant Maintenance and Operations	22,191,155	388,564	442,083		(21,360,508)
52	Security and Monitoring Services	3,130,271	-	65,235		(3,065,036)
53	Data Processing Services	4,031,182	-	130,181		(3,901,001)
61	Community Services	1,724,124	-	1,423,956		(300,168)
71	Debt Service - Interest and Fiscal Charges	20,023,429	-	-		(20,023,429)
81	Other Facility Costs	71,682	-	6,568,325		6,496,643
95	Payments to Juvenile Justice Alternative Education Program	173,772	-	3,565		(170,207)
97	Payments to TIF	6,465,553	-	132,592		(6,332,961)
99	Other Intergovernmental Charges	538,945	-	11,052		(527,893)
	Total Governmental Activities	<u>\$ 368,729,638</u>	<u>\$ 5,673,148</u>	<u>\$ 57,542,541</u>		<u>\$ (305,513,949)</u>

Data Control Codes	General Revenues:	
	Taxes:	
MT	M & O Property Taxes	\$ 96,135,459
DT	Debt Service Property Taxes	36,447,373
SF	State Aid - Not Restricted to Specific Programs	187,211,926
IE	Investment Income	285,316
MI	Miscellaneous	6,489,584
TG	Total General Revenues	326,569,658
E1	Extraordinary Item- Eminent Domain Transaction	2,764,638
CN	Change in Net Position	23,820,347
NB	Net Position - Beginning	77,870,766
PA	Cumulative Adjustment from Change in Accounting Principle	(53,944,079)
NE	Net Position - Ending	<u>\$ 47,747,034</u>

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



# **FUND FINANCIAL STATEMENTS**

**IRVING INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2015**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	<b>ASSETS</b>		
	Current Assets:		
1110	Cash and Cash Equivalents	\$ 92,702,891	\$ 6,484,782
1120	Investments	22,982,926	-
	Receivables:		
1220	Property Taxes - Delinquent	4,275,114	-
1230	Allowance for Uncollectible Taxes	(1,909,862)	-
1240	Due from Other Governments	-	611,793
1250	Accrued Interest	23,753	-
1260	Due from Other Funds	1,890,382	-
1290	Other Receivables	3,640,403	-
1310	Inventories, at cost	807,882	268,747
1410	Prepaid Items	168,992	-
1000	<b>TOTAL ASSETS</b>	<b>\$ 124,582,481</b>	<b>\$ 7,365,322</b>
	<b>LIABILITIES</b>		
	Current Liabilities:		
2110	Accounts Payable	\$ 4,530,627	\$ 1,931,265
2150	Payroll Deductions and Withholdings	2,295,956	-
2160	Accrued Wages Payable	7,155,095	-
2170	Due to Other Funds	66,337	-
2180	Due to Other Governments	492,265	-
2300	Unearned Revenue	107,291	-
2000	<b>TOTAL LIABILITIES</b>	<b>14,647,571</b>	<b>1,931,265</b>
	<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600	Unavailable Revenue	2,365,252	-
2600	<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,365,252</b>	<b>-</b>
	<b>FUND BALANCES</b>		
	Nonspendable		
3410	Inventory	807,882	268,747
3430	Prepaid Items	168,992	-
	Restricted		
3450	Food Service	-	5,165,310
3470	Capital Acquisition and Contractual Obligation	-	-
3480	Retirement of Long-Term Debt	-	-
	Assigned		
3590	Campus Activity Funds	2,595,661	-
3590	TIF	2,283,842	-
3590	Construction Projects	11,050,414	-
3590	Other	1,161,601	-
3600	Unassigned	89,501,266	-
3000	<b>TOTAL FUND BALANCE</b>	<b>107,569,658</b>	<b>5,434,057</b>
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 124,582,481</b>	<b>\$ 7,365,322</b>

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
\$ 14,495,537	\$ 13,476,732	\$ 218,768	\$ 127,378,710
-	-	-	22,982,926
1,519,801	-	-	5,794,915
(607,360)	-	-	(2,517,222)
-	-	2,004,764	2,616,557
-	-	-	23,753
66,337	-	-	1,956,719
-	-	-	3,640,403
-	-	-	1,076,629
-	-	-	168,992
<u>\$ 15,474,315</u>	<u>\$ 13,476,732</u>	<u>\$ 2,223,532</u>	<u>\$ 163,122,382</u>
\$ 2,485	\$ 111,198	\$ 141,723	\$ 6,717,298
-	-	-	2,295,956
-	-	-	7,155,095
-	-	1,890,382	1,956,719
88,446	-	-	580,711
-	-	191,427	298,718
<u>90,931</u>	<u>111,198</u>	<u>2,223,532</u>	<u>19,004,497</u>
912,441	-	-	3,277,693
<u>912,441</u>	<u>-</u>	<u>-</u>	<u>3,277,693</u>
-	-	-	1,076,629
-	-	-	168,992
-	-	-	5,165,310
-	13,365,534	-	13,365,534
14,470,943	-	-	14,470,943
-	-	-	2,595,661
-	-	-	2,283,842
-	-	-	11,050,414
-	-	-	1,161,601
-	-	-	89,501,266
<u>14,470,943</u>	<u>13,365,534</u>	<u>-</u>	<u>140,840,192</u>
<u>\$ 15,474,315</u>	<u>\$ 13,476,732</u>	<u>\$ 2,223,532</u>	<u>\$ 163,122,382</u>



**IRVING INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AUGUST 31, 2015**

**EXHIBIT C-1R**

Total Fund Balances - Governmental Funds \$ 140,840,192

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 \$870,928,814 and the accumulated depreciation is \$359,573,807. 511,355,007

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 3,277,693

Internal Service Funds are used by the district's management to charge the cost of health insurance, workers compensation, unemployment, and benefits administration to the funds. The assets and liabilities of the Internal Service Funds are included with governmental activities. 2,202,367

The deferred loss on refundings is not a current period transaction and therefore is not reported in the funds. The deferred loss on refundings is included in the deferred outflows of resources with governmental activities. 21,986,411

Included in the items related to debt is the recognition of the District's proportionate share of the TRS net pension liability (\$47,611,544) and a deferred inflow of resources (\$14,564,512), and a deferred outflow of resources (\$10,926,794). The result is a decrease in net position. (51,249,262)

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	\$ (555,783,299)	
Premium/Discount on Bonds Payable	(20,004,505)	
Interest Payable	(4,877,570)	
		(580,665,374)

Net Position - Governmental Activities \$ 47,747,034

*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  
AUGUST 31, 2015**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	REVENUES		
5700	Local and Intermediate Sources	\$ 111,758,252	\$ 3,112,454
5800	State Program Revenues	177,008,374	119,678
5900	Federal Program Revenues	4,935,486	19,241,145
5020	TOTAL REVENUES	<u>293,702,112</u>	<u>22,473,277</u>
	EXPENDITURES		
	Current:		
0011	Instruction	177,391,782	-
0012	Instructional Resources and Media Services	4,604,704	-
0013	Curriculum Development and Instructional Staff Development	5,187,380	-
0021	Instructional Leadership	4,051,194	-
0023	School Leadership	19,643,303	-
0031	Guidance, Counseling, and Evaluation Services	14,215,516	-
0032	Social Work Services	1,537,760	-
0033	Health Services	2,787,156	-
0034	Student (Pupil) Transportation	4,579,893	-
0035	Food Services	359,992	21,081,990
0036	Co-Curricular/Extracurricular Activities	5,572,816	504,468
0041	General Administration	7,038,599	-
0051	Plant Maintenance and Operations	21,557,138	585,223
0052	Security and Monitoring Services	3,181,074	-
0053	Data Processing Services	3,846,819	-
0061	Community Services	359,325	-
	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	5,011,435	707,656
0095	Payments to Juvenile Justice Alternative Education Program	173,772	-
0097	Payments to TIF	6,465,553	-
0099	Intergovernmental Charges	538,945	-
6030	TOTAL EXPENDITURES	<u>288,104,156</u>	<u>22,879,337</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,597,956</u>	<u>(406,060)</u>
	OTHER FINANCING SOURCES		
7901	Issuance of Refunding Bonds	-	-
7912	Proceeds from Sale of Capital Assets	668,453	-
7916	Premium on Issuance of Debt	-	-
7919	Insurance Recoveries	20,108	-
8940	Payment to Refunded Bond Escrow Agent	-	-
7080	TOTAL OTHER FINANCING SOURCES	<u>688,561</u>	<u>-</u>
7918	Extraordinary Item- Eminent Domain Transaction	<u>2,764,638</u>	<u>-</u>
1200	Net Change in Fund Balances	9,051,155	(406,060)
0100	Fund Balance - September 1 (Beginning)	98,518,503	5,840,117
3000	Fund Balance - August 31 (Ending)	<u>\$ 107,569,658</u>	<u>\$ 5,434,057</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
\$ 36,478,013	\$ 20,001	\$ 519,512	\$151,888,232
10,203,552	-	5,767,381	193,098,985
-	729,102	19,520,964	44,426,697
46,681,565	749,103	25,807,857	389,413,914
-	3,179,852	18,081,891	198,653,525
-	383,971	-	4,988,675
-	-	3,995,618	9,182,998
-	69,439	463,328	4,583,961
-	14,237	616	19,658,156
-	-	979,514	15,195,030
-	-	53,703	1,591,463
-	-	104,479	2,891,635
-	-	660,830	5,240,723
-	-	-	21,441,982
-	247,604	-	6,324,888
-	-	-	7,038,599
-	24,400	-	22,166,761
-	10,976	-	3,192,050
-	167,835	51,291	4,065,945
-	-	1,416,587	1,775,912
22,133,623	-	-	22,133,623
24,989,938	-	-	24,989,938
1,147,082	-	-	1,147,082
-	960,338	-	6,679,429
-	-	-	173,772
-	-	-	6,465,553
-	-	-	538,945
48,270,643	5,058,652	25,807,857	390,120,645
(1,589,078)	(4,309,549)	-	(706,731)
60,010,000	-	-	60,010,000
-	-	-	668,453
8,319,033	-	-	8,319,033
-	-	-	20,108
(67,764,023)	-	-	(67,764,023)
565,010	-	-	1,253,571
-	-	-	2,764,638
(1,024,068)	(4,309,549)	-	3,311,478
15,495,011	17,675,083	-	137,528,714
\$ 14,470,943	\$ 13,365,534	\$ -	\$ 140,840,192

**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, 2015**

**EXHIBIT C-3**

Total Net Change in Fund Balances - Governmental Funds \$ 3,311,478

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$23,245,112) exceeded capital outlay (\$14,128,220) in the current period. (9,116,892)

The disposal of capital assets is not recognized in the governmental funds. (40,188)

Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered "available" revenues and are deferred inflows in the governmental funds. Unavailable revenue, net of bad debt, decreased by this amount this year. (244,783)

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. (466,289)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 22,133,623

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	\$	(60,010,000)	
Payment to Escrow Agent		67,764,023	
Discount/Premium on Bonds Issued		(8,319,033)	
Amortization of Refunding Loss/Gain		326,931	
Amortization of Bond Premium/Discount		<u>2,878,393</u>	2,640,314

The implementation of GASB 68 requires that certain expenditures be de-expended and recorded as deferred resource inflows. Contributions made after the measurement date caused the change in the ending net position to increase in the amount of \$8,159,098. Contributions before the measurement date also caused an increase in the change in net position of \$7,095,662. The net share of the District's amount of deferred inflows and outflows of resources decreased the change in net position by \$12,559,945. 2,694,817

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	\$	(196,981)	
Interest Accretion		(6,219,714)	
Accretion Retirement		<u>9,324,962</u>	<u>2,908,267</u>

Change in Net Position - Governmental Activities \$ 23,820,347

*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, 2015**

**EXHIBIT D-1**

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	ASSETS	
	Current Assets:	
1110	Cash and Temporary Investments	\$ 2,879,628
1310	Inventories, at cost	289,250
1000	TOTAL ASSETS	<u>3,168,878</u>
	LIABILITIES	
	Current Liabilities:	
2110	Accounts Payable	78,529
2800	Claims Due Within One Year	573,553
	Total Current Liabilities	<u>652,082</u>
	Noncurrent Liabilities:	
	Due to Other Funds	
	Claims Due in More than One Year	314,429
	Total Long-Term Liabilities	<u>314,429</u>
2000	TOTAL LIABILITIES	<u>966,511</u>
	NET POSITION	
3900	Unrestricted Net Position	2,202,367
3000	TOTAL NET POSITION	<u>\$ 2,202,367</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, 2015**

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DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	OPERATING REVENUES	
5700	Charges for Services	\$ 1,406,593
5020	Total Operating Revenues	<u>1,406,593</u>
	OPERATING EXPENSES	
6100	Payroll Costs	349,022
6200	Professional/Contracted Services	107,843
6300	Supplies and Materials	274,875
6400	Claims, Administration, and Other Expenses	1,142,278
6030	Total Operating Expenses	<u>1,874,018</u>
	OPERATING INCOME	(467,425)
	NONOPERATING REVENUES	
7955	Interest Income	<u>1,136</u>
	CHANGE IN NET POSITION	(466,289)
0100	Total Net Position - September 1 (Beginning)	<u>2,668,656</u>
3000	Total Net Position - August 31 (Ending)	<u><u>\$ 2,202,367</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, 2015**

**EXHIBIT D-3**

	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:	
Cash Received for Premiums and Services	\$ 1,395,116
Cash Paid to Employees	(349,022)
Cash Paid for Claims and Administration, and Other Costs	(1,692,568)
Net Cash Used In Operating Activities	<u>\$ (646,474)</u>
Cash Flows from Investing Activities:	
Interest Received	\$ 1,136
Net Cash Provided by Investing Activities	<u>1,136</u>
Net Decrease in Cash and Cash Equivalents	(645,338)
Cash and Cash Equivalents at Beginning of the Year	3,524,966
Cash and Cash Equivalents at End of the Year	<u>\$ 2,879,628</u>
Reconciliation of Operating Income to Net Cash Used In Operating Activities	
Operating Loss	<u>\$ (467,425)</u>
Adjustments to Reconcile Operating Income to Net Cash Used In Operating Activities	
Change in Current Assets and Liabilities:	
Decrease in Inventories	19,598
Decrease in Accounts Payable and Claims Liability	(21,847)
Decrease in Long-term Claims Reserve	(176,800)
	<u>(179,049)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u><b>\$ (646,474)</b></u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AUGUST 31, 2015**

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**EXHIBIT E-1**

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and Temporary Investments	<u>\$ 706,736</u>
TOTAL ASSETS	<u><u>\$ 706,736</u></u>
LIABILITIES	
Accounts Payable	\$ 266,147
Due to Student Groups	<u>440,589</u>
TOTAL LIABILITIES	<u><u>\$ 706,736</u></u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2015**

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

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

**A. REPORTING ENTITY**

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

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

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

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

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

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

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

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

The District reports the following Major Funds:

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

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

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

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

The District reports the following Proprietary Funds:

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

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

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

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

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

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount. In accordance with the Financial Accountability System Resource Guide (FASRG), the District has adopted and installed an accounting system that exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FASRG. Mandatory codes are utilized in the form provided in that section.

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
AUGUST 31, 2015**

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**D. BUDGETARY DATA**

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

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

**E. ENCUMBRANCE ACCOUNTING**

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriations related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at August 31 and encumbrances outstanding at that time are either canceled or provided for in the subsequent year's budget. Outstanding encumbrances at August 31, 2015 that were subsequently provided for in the 2015-2016 budget totaled \$1,161,601 for the General Fund, \$248,670 for the Food Service Fund, \$677,987 for the Capital Projects Fund, and \$529,878 for the Nonmajor Funds.

**F. DEPOSITS AND INVESTMENTS**

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

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

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

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



**IRVING INDEPENDENT SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 AUGUST 31, 2015**

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**H. INVENTORIES**

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

**I. PREPAID ITEMS**

Prepaid items of \$168,992 in the General Fund are purchases which benefit the next school year. The consumption method is used to account for these items paid in advance. In the governmental funds, they are reported as nonspendable fund balance.

**J. CAPITAL ASSETS**

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

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**K. LONG TERM DEBT**

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

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

**L. FUND EQUITY**

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

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

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

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

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Board Policy CE (Local) has authorized the Superintendent or Chief Financial Officer to assign fund balance. As of August 31, 2015, the District has assigned fund balance in the General Fund for the following purposes: 1) Campus Activity Funds – assigned to distinguish portion of fund balance allocated to activity funds, 2) TIF – assigned to identify the unexpended proceeds from the revenue generated from Tax Increment Financing (TIF) rebates, 3) Construction projects – assigned to planned capital projects not completed during the fiscal year, and 4) Other Assigned Fund Balance – assigned to outstanding encumbrances as of the fiscal year end.

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**L. FUND EQUITY – CONTINUED**

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

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

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

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

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

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

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

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

**M. VACATION AND SICK LEAVE**

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**N. DATA CONTROL CODES**

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

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

On September 1, 1992, the District established its self-funded Workers' Compensation program. The District currently maintains a self-insured retention of \$600,000 per occurrence and purchases excess coverage to statutory limits from Safety National Casualty Company. Claims administration is currently provided by the third party administrator TRISTAR Risk Management Inc.

The total liabilities for the Workers' Compensation self-insurance fund of \$892,239 include incurred but not reported claims in the amount of \$887,982 (of which \$573,553 is expected to be paid within one year,) and accounts payable of \$4,257. The claims liability reported in the fund at August 31, 2015 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 \$887,982 as of August 31, 2015 for the ultimate loss reserve of the fund. The fund had net position at August 31, 2015 of \$1,351,913.

Changes in the workers' compensation claims liability amounts in fiscal year 2015 and 2014 are presented below:

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims &amp; Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2014 Workers' Compensation	\$ 1,318,223	\$ 844,852	\$ 1,098,293	\$ 1,064,782
2015 Workers' Compensation	\$ 1,064,782	\$ 712,592	\$ 889,392	\$ 887,982

**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 \$13,328 for claims reported and not paid, and net position as of August 31, 2015 were \$496,485.

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

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The risk is minimized by the purchase of excess workers' compensation insurance, property and liability coverage, and a set-aside loss fund for damages under a particular deductible or for where no other protection exists. Insurance and coverage policies are purchased for the following exposure with the deductible/retention also indicated.

There have been no significant reductions in insurance coverage from coverage in the prior year for any category of risk.

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

<u>Insurance/Coverage</u>	<u>Deductible/ Retention</u>	<u>Per Occurrence Limit</u>
Property	\$100,000 \$250,000 Wind/Hail	\$932,127,291 blanket RC
Flood/Earthquake/Extra Exp.	\$100,000	\$10,000,000
EDP Equip/EE/Data & Media	\$10,000	\$4,293,427
Wind Turbines, Geothermal Systems	\$10,000	\$5,721,764
BI/EE	\$10,000	\$25,000
Other Equipment Breakdown	\$10,000	\$100,000,000
Crime	\$10,000	\$500,000
Valuable Papers	\$100,000	\$500,000
Liability (E & O)	\$10,000	\$2,000,000 PO/2,000,000 Agg.
Liability (General)	\$10,000	\$2,000,000
Employee Benefits	\$10,000	\$100,000
Liability (Fleet)	\$5,000	\$500,000 CSL
Comprehensive ACV	\$1,000	
Collision ACV	\$1,000	
Catastrophic PD	\$10,000	\$2,371,647
Workers' Compensation Excess	\$600,000	Statutory

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**R. PENSIONS**

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

**NOTE 2. DEPOSITS AND INVESTMENTS**

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, 2015, the carrying amount of the District's cash, not including fiduciary funds, was \$21,608. The bank balance was \$105,940. During 2014-2015, 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 \$20,003,721.
3. Largest combined collected cash account balance required to be collateralized amounted to \$14,558,782 and occurred on December 18, 2014.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

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

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

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

	<u>Fair Value</u>	<u>WAM</u>
Cash and Imprest Funds	\$ 21,608	1 Day
U.S. Agencies	22,982,926	1158 Days
Investments in TexPool	7,109,392	41 Days
Investments in TexSTAR	8,435,423	47 Days
Investments in Texas Class	77,876,593	54 Days
Investments in Lone Star	5,950,703	27 Days
Investments in LOGIC	31,571,355	38 Days
Total	<u>\$ 153,948,000</u>	<u>214 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.

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

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

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

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

Interest rate risk occurs whenever rising interest rates will cause a fixed income security to lose fair value. The District manages its exposure to interest rate fluctuations and interest rate risk through its investment policy, through diversity of issuer and maturity and by limiting final maturity of its investments for a maximum of five years, with most purchases between 1.5 and 3.5 years. The District's investment policy states under the diversity section that, "The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer." Therefore, it manages interest rate risk by laddering the portfolio so that agency positions are not concentrated in one time frame or in one issuer, thereby reducing the overall volatility of the portfolio.

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

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

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



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

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, 2015 the District held \$23,000,000 of securities with a zero par amount, which is 14.78% of the total portfolio. All agency securities held by the District are rated AA+ by Standard and Poor's or Aaa and by Moody's Investors Service. The District controls this risk by laddering the portfolio, limiting the final maturity of each investment of a maximum of five years through its investment policy with most purchases between 1.5 and 3.5 years, and by diversifying between agency types when possible.

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

**NOTE 3. PROPERTY TAXES**

Property taxes are considered available when they become due and receivable within the current accounting period or within 60 days thereafter. The District levies taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by the lien date, February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2014, upon which the levy for the 2014-2015 fiscal year was based, was \$10,011,037,928. The roll was subsequently decreased to a year-end assessed value of \$9,875,806,062. 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, 2015, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$.395 per \$100 valuation, respectively, for a total of \$1.435 per \$100 valuation.

Current tax collections for the year ended August 31, 2015 were 97.32% 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, 2015, property taxes receivable, net of estimated uncollectible taxes, totaled \$2,365,252 and \$912,441 for the General and Debt Service Funds, respectively.

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

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

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 \$6,465,553 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, 2015 consisted of the following Due from Other Governments:

<u>Fund:</u>	<u>State Entitlements</u>	<u>Federal Grants</u>
Food Service Fund	\$ -	\$ 611,793
Nonmajor Special Revenue Funds	27,342	1,977,422
Total	<u>\$ 27,342</u>	<u>\$ 2,589,215</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 5. CAPITAL ASSETS**

Capital asset activity, as reported in governmental activities, for the year ended August 31, 2015 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	19,799,942	7,552,832	-	(17,949,879)	9,402,895
Total Capital Assets not depreciated	39,885,032	7,552,832	-	(17,949,879)	29,487,985
Capital Assets depreciated:					
Land Improvements	19,912,450	30,550	-	-	19,943,000
Buildings and Improvements	670,845,250	1,626,965	-	17,949,879	690,422,094
Furniture and Equipment	126,750,417	4,917,873	(592,555)	-	131,075,735
Total Capital Assets depreciated	817,508,117	6,575,388	(592,555)	17,949,879	841,440,829
<b>Total Capital Assets</b>	<b>857,393,149</b>	<b>14,128,220</b>	<b>(592,555)</b>	<b>-</b>	<b>870,928,814</b>
Less Accumulated Depreciation for:					
Land Improvements	10,520,453	987,092	-	-	11,507,545
Buildings and Improvements	220,442,483	13,533,716	-	-	233,976,199
Furniture and Equipment	105,918,126	8,724,304	(552,367)	-	114,090,063
Total Accumulated Depreciation	336,881,062	23,245,112	(552,367)	-	359,573,807
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 520,512,087</b>	<b>\$ (9,116,892)</b>	<b>\$ (40,188)</b>	<b>\$ -</b>	<b>\$ 511,355,007</b>

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

Governmental Activities:	
Instruction	\$ 17,888,174
Instructional Resources & Media Services	926,074
Curriculum Development & Instructional Staff Development	15,475
Instructional Leadership	105,922
School Leadership	939,252
Guidance, Counseling & Evaluation Services	649,412
Health Services	136,744
Student Transportation	27,171
Food Services	1,113,658
Co-Curricular/Extracurricular Activities	663,917
General Administration	145,372
Plant Maintenance & Operations	464,366
Security & Monitoring Services	15,241
Data Processing Services	154,334
Total Depreciation Expense, Governmental Activities	<u>\$ 23,245,112</u>

The District has active construction projects. These projects include land improvements, construction of a new outdoor learning center, and renovations of existing facilities. An additional \$16,959,271 has been budgeted for these projects from the General Fund, but purchase orders were not encumbered as of year end. The total construction commitment as of August 31, 2015 is \$52,371.

**NOTE 6. EMPLOYEES' RETIREMENT PLAN**

**Plan Description**

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

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

**Pension Plan Fiduciary Net Position**

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

**Benefits Provided**

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

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

**Contributions**

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

	<b><u>Contribution Rates</u></b>	
	<b><u>2014</u></b>	<b><u>2015</u></b>
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2014 Employer Contributions	\$ 4,518,989	
2014 Member Contributions	\$ 12,336,438	
2014 NECE On-behalf Contributions	\$ 9,977,657	

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

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

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

**Contributions – Continued**

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

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**Actuarial Assumptions**

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age
Normal	
Level Percentage of Payroll, Open	
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

*\*Includes Inflation of 3%*

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees were decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

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

**Discount Rate**

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

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
<b>Global Equity</b>			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
<b>Stable Value</b>			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
<b>Risk Parity</b>			
Risk Parity	5%	8.9%	0.4%
Alpha			1.0%
<b>Total</b>	<u>100%</u>		<u>8.7%</u>

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

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

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability:	\$85,078,943	\$47,611,544	\$19,592,908

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

At August 31, 2014, the District reported a liability of \$47,611,544 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 47,611,544
State's proportionate share that is associated with District	105,347,641
Total	<u>\$ 152,959,185</u>

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 thru August 31, 2014.

At August 31, 2014 the District's proportion of the collective net pension liability was 0.1782444 %. Since this is the first year of implementation, the District does not have the proportion measured as of August, 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated that the change in proportion was immaterial and, therefore, disregarded this year.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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



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

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2013. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2014, the District recognized pension expense of \$9,739,193 and revenue of \$9,739,193 for support provided by the State.

At August 31, 2014, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 736,328	\$ -
Changes in actuarial assumptions	3,094,803	-
Difference between projected and actual investment earnings	-	(14,552,032)
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	(12,480)
Contributions paid to TRS subsequent to the measurement date	<u>7,095,663</u>	<u>-</u>
Total	<u>\$ 10,926,794</u>	<u>\$(14,564,512)</u>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

	<u>Pension Expense (Income)</u>
Year ended August 31:	
2016	\$ (2,993,803)
2017	(2,993,803)
2018	(2,993,803)
2019	(2,993,803)
2020	644,205
Thereafter	<u>597,626</u>
Total	<u>\$ (10,733,381)</u>

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

Plan Description. The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at [www.trs.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 2015-2013.

Year	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2015	0.65%	\$1,421,561	1.00%	\$2,187,008	0.55%	\$1,202,865
2014	0.65%	\$1,366,724	1.00%	\$2,102,650	0.55%	\$1,156,467
2013	0.65%	\$1,285,694	0.50%	\$988,994	0.55%	\$1,087,898

Contributions Made. Contributions made by the State, the District and its employees, and the District's covered payroll for the fiscal years 2015, 2014, and 2013 are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Covered payroll	\$ 218,700,802	\$ 210,264,992	\$ 197,798,881
Contributions made by the State	12,237,003	11,777,067	9,672,330
Retirement plan rate	6.800%	6.800%	6.400%
Retiree health care rate	1.00%	1.00%	0.50%
Medicare Part D	884,629	559,371	524,484
ERRP	-	-	-
District required and actual			
Contributions to TRS & TRS-Care	4,639,605	4,381,768	3,853,344
Employee contributions to TRS & TRS-Care	16,074,522	14,823,692	13,944,816

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8. LONG-TERM LIABILITIES**

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

	<b>Beginning 09/01/14</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 08/31/15</b>	<b>Current Portion</b>
Claims Payable	\$ 1,064,782	\$ 712,592	\$ 889,392	\$ 887,982	\$ 573,553

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

Description	Final Maturity	Interest Rate Payable	Amounts Original Issue	Bonds			Interest Accretion	Accreted Interest Retirements	Bonds Outstanding at 08/31/2015
				Outstanding at 09/01/2014	Issued	(Retired / Refunding)			
1997A Refunding	2018	4.85%-5.42%	\$ 33,140,000	\$ 22,345,417	\$ -	\$ (2,445,000)	\$ 1,041,331	\$ (3,745,000)	\$ 17,196,748
2002 School Building	2016	2.09%-6.03%	130,853,959	12,553,850	-	(3,353,623)	484,772	(3,241,377)	6,443,622
2004-A School Building	2033	Variable	20,000,000	15,300,000	-	-	-	-	15,300,000
2004-B School Building	2033	Variable	20,000,000	15,300,000	-	-	-	-	15,300,000
2005 Refunding	2016	3.00%-5.25%	92,425,000	10,140,000	-	(10,140,000)	-	-	-
2006 Refunding	2033	3.95%-5.46%	66,472,786	84,244,314	-	(2,999,202)	3,843,280	(2,338,276)	82,750,116
2007 Refunding	2031	3.65%-4.40%	109,045,000	107,330,000	-	(2,665,000)	-	-	104,665,000
2007-A School Building	2033	3.87%-5.00%	20,000,000	14,250,000	-	(11,475,000)	-	-	2,775,000
2008 School Building	2038	3.25%-5.00%	87,020,000	74,980,000	-	(41,630,000)	-	-	33,350,000
2009 School Building	2033	3.00%-5.25%	64,995,000	58,895,000	-	(1,980,000)	-	-	56,915,000
2010A School Building	2030	3.625%-5.00%	18,485,000	16,600,000	-	(1,045,000)	-	-	15,555,000
2010B Build America Bonds	2040	5.561% - 5.661	40,000,000	40,000,000	-	-	-	-	40,000,000
2011 Qualified School Construction Bond	2026	None	21,640,000	21,640,000	-	(1,800,000)	-	-	19,840,000
2012 School Building	2025	2.00%-5.00%	13,985,000	11,925,000	-	(910,000)	-	-	11,015,000
2013 Refunding	2023	2.00%-4.00%	66,145,000	65,795,000	-	(355,000)	-	-	65,440,000
2014 Refunding	2027	4.00%	4,685,000	9,727,481	-	-	246,925	-	9,974,406
2015 Refunding		4.00%	60,010,000	-	60,010,000	(1,350,000)	603,407	-	59,263,407
Total Bonded Indebtedness				<u>\$ 581,026,062</u>	<u>\$ 60,010,000</u>	<u>\$ (82,147,825)</u>	<u>\$ 6,219,715</u>	<u>\$ (9,324,653)</u>	<u>555,783,299</u>
Less Current Portion									20,191,698
Long term portion as of August 31, 2015									535,591,601
Premium/Discounts				14,563,865	8,319,033	(2,878,393)	-	-	20,004,505
Total Long Term Bonds Payable									<u>\$ 555,596,106</u>

Debt service principal requirements to maturity (below) exclude accumulated accretion of \$61,370,489, which is included in the interest column:

<b>Year Ended August 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirements</b>
2016	\$ 20,191,698	\$ 26,432,228	\$ 46,623,926
2017	21,862,366	24,818,999	46,681,365
2018	22,115,923	24,465,051	46,580,974
2019	26,837,767	19,753,867	46,591,634
2020-2024	134,092,244	97,735,909	231,828,153
2025-2029	116,527,814	104,442,675	220,970,489
2030-2034	110,080,000	21,315,503	131,395,503
2035-2039	37,615,000	6,197,990	43,812,990
2040	5,090,000	144,072	5,234,072
Totals	<u>\$ 494,412,812</u>	<u>\$ 325,306,294</u>	<u>\$ 819,719,106</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, 2015.

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 9. DEBT ISSUANCES AND DEFEASED DEBT**

On December 10, 2014, the District issued "Irving Independent School District Unlimited Tax Refunding Bonds, Series 2015," totaling \$60,010,000 to refund a portion of the outstanding bonds. These bonds incur an average cost over the life of the bonds at a rate of 4.00% and mature annually with semi-annual interest payments. The proceeds were used to purchase U.S. Government securities and these securities were placed in an irrevocable escrow account until the refunded bonds are redeemed.

This refunding resulted in a decrease in the District's debt service payments of \$9,725,139, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$7,065,002. As a result of this transaction, \$60,010,000 of Unlimited Tax School Building and Refunding Bonds, Series 2005, 2006, 2007 and 2008 were refunded and are considered legally defeased, and are no longer included in the District's basic financial statements.

In prior years, the District issued refunding bonds for the purpose of restructuring outstanding debt service requirements or decreasing the total debt service payments. These refunding issues defeased selected general obligation and maintenance bonds. The total principal outstanding of the defeased debt as of August 31, 2015 is \$56,720,310.

**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, 2015 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	\$ -	\$ 66,337	To reclassify deficit pooled cash
Other Nonmajor Funds	1,890,382	-	To reclassify deficit pooled cash
Debt Service Fund:			
General Fund	66,337	-	To reclassify deficit pooled cash
Other Nonmajor Funds:			
General Fund	-	1,890,382	To reclassify deficit pooled cash
	<u>\$ 1,956,719</u>	<u>\$ 1,956,719</u>	

There were no transfers made for the year ended August 31, 2015 that required disclosure.

**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.

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 11. LITIGATION, COMMITMENTS, AND CONTINGENCIES – CONTINUED**

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, 2015 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.

**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	\$ 95,344,030	\$ -	\$36,196,691	\$ -	\$ -	\$131,540,721
Food Sales	-	2,594,459	-	-	-	2,594,459
Food Service-Vending	-	515,643	-	-	-	515,643
TIF Proceeds	4,849,165	-	-	-	-	4,849,165
Investment Income	231,187	2,352	30,640	20,001	-	284,180
Rental of Facilities	376,429	-	-	-	-	376,429
Tuition	333,870	-	-	-	-	333,870
Gifts and Bequests	255,645	-	-	-	-	255,645
Penalties, Interest & Other Tax-Related Income	1,036,212	-	250,682	-	-	1,286,894
Co-curricular						
Student Activities	1,572,061	-	-	-	-	1,572,061
Athletics	243,568	-	-	-	-	243,568
Other	7,516,085	-	-	-	519,512	8,035,597
<b>Total</b>	<b><u>\$ 111,758,252</u></b>	<b><u>\$ 3,112,454</u></b>	<b><u>\$36,478,013</u></b>	<b><u>\$ 20,001</u></b>	<b><u>\$ 519,512</u></b>	<b><u>\$151,888,232</u></b>

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 13. UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES**

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Nonmajor Other Funds</u>	<u>Total</u>
Deferred Inflows of Resources:				
Net Tax Revenue	\$ 2,365,252	\$ 912,441	\$ -	\$ 3,277,693
Total Deferred Inflows of Resources	<u>\$ 2,365,252</u>	<u>\$ 912,441</u>	<u>\$ -</u>	<u>\$ 3,277,693</u>
Unearned Revenue:				
Laptop Computer Fees	\$ 91,064	\$ -	\$ -	\$ 91,064
Career and Technology Incentives	-	-	20,269	20,269
Parking Fees	6,764	-	-	6,764
Other	9,463	-	28	9,491
AP/IB Program	-	-	17,957	17,957
Regional Day School for the Deaf	-	-	153,173	153,173
Total Unearned Revenue	<u>\$ 107,291</u>	<u>\$ -</u>	<u>\$ 191,427</u>	<u>\$ 298,718</u>

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

**NOTE 14. SHARED SERVICES ARRANGEMENT**

The District is the fiscal agent for the Regional Day School for the Deaf (RDSPD) Shared Services Arrangement (SSA), which provides services to students in its member districts, who have educationally significant hearing loss. In addition to the District, other member districts include Duncanville ISD and Grand Prairie ISD.

The District, acting as the fiscal agent, manages the shared arrangement's financial matters, including the budgeting, accounting, auditing, and reporting. In accordance to guidance provided in the TEA's Financial Accountability System Resource Guide the District has accounted for the activities of the SSA in the appropriate special revenue funds. Additionally, the SSA is accounted for using Model #2 and #3 in Section 1.3.1.6 of the Accounting and Reporting Treatment Guidance.

Expenditures billed to the SSA members as of August 31, 2015 are summarized below:

	<u>2015</u>
Duncanville ISD	\$ 136,875
Grand Prairie ISD	<u>213,775</u>
	<u>\$ 350,650</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 15. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 72, Fair Value Measurement and Application. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This standard becomes effective for the District in fiscal year 2016.

The GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This standard becomes effective for the District in fiscal year 2017.

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

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

The GASB issued Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This standard becomes effective for the District in fiscal year 2016.

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

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

The GASB issued Statement No. 79, Certain External Investment Pools and Pool Participants. This standard becomes effective for the District in fiscal year 2016.

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

**NOTE 16. INSTRUCTIONAL MATERIALS ALLOTMENT**

In May 2011, Senate Rule 6 repealed the technology allotment used by Texas schools and created an instructional materials allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA, instructional materials purchases must be made through TEA's online registration system. Instructional materials totaling \$5,026,214 were purchased with the IMA and were recorded in a state special revenue fund as both revenue and expenditure.

**IRVING INDEPENDENT SCHOOL DISTRICT  
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**NOTE 17. EXTRAORDINARY ITEM**

The District's Administration building was the subject of an eminent domain lawsuit filed by the Texas Department of Transportation. The State paid the District \$3,001,539 during the fiscal year. The transaction is considered both infrequent and unusual in nature.

**NOTE 18. CUMULATIVE ADJUSTMENT FOR CHANGE IN ACCOUNTING PRINCIPLE**

As a result of the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", an adjustment for a change in accounting principle has been made to record the District's net pension liability as of September 1, 2014. As a result, beginning net position of the governmental activities has been decreased by \$53,944,079.



**REQUIRED SUPPLEMENTARY  
INFORMATION**



**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2015**

**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	\$ 106,798,052	\$ 112,200,231	\$ 111,758,252	\$ (441,979)
5800	State Program Revenues	176,749,903	176,448,251	177,008,374	560,123
5900	Federal Program Revenues	3,526,000	4,929,000	4,935,486	6,486
5020	Total Revenues	<u>287,073,955</u>	<u>293,577,482</u>	<u>293,702,112</u>	<u>124,630</u>
	<b>EXPENDITURES</b>				
	Current:				
0010	Instruction and Instructional-Related Services:				
0011	Instruction	180,101,844	179,653,033	177,391,782	2,261,251
0012	Instructional Resources and Media Services	4,594,188	4,853,716	4,604,704	249,012
0013	Curriculum Development and Instructional Staff Development	5,835,471	5,389,257	5,187,380	201,877
	Total Instruction and Instructional-Related Services:	<u>190,531,503</u>	<u>189,896,006</u>	<u>187,183,866</u>	<u>2,712,140</u>
0020	Instructional and School Leadership:				
0021	Instructional Leadership	4,271,751	4,688,902	4,051,194	637,708
0023	School Leadership	19,445,852	19,800,338	19,643,303	157,035
	Total Instructional and School Leadership:	<u>23,717,603</u>	<u>24,489,240</u>	<u>23,694,497</u>	<u>794,743</u>
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	14,707,651	14,321,029	14,215,516	105,513
0032	Social Work Services	1,173,985	1,562,523	1,537,760	24,763
0033	Health Services	2,738,064	2,872,022	2,787,156	84,866
0034	Student (Pupil) Transportation	5,445,666	4,595,666	4,579,893	15,773
0035	Food Services	395,521	405,275	359,992	45,283
0036	Co-Curricular/Extracurricular Activities	5,636,426	6,113,871	5,572,816	541,055
	Total Support Services - Student (Pupil):	<u>30,097,313</u>	<u>29,870,386</u>	<u>29,053,133</u>	<u>817,253</u>
0040	Administrative Support Services:				
0041	General Administration	8,752,648	7,884,935	7,038,599	846,336
	Total Administrative Support Services:	<u>8,752,648</u>	<u>7,884,935</u>	<u>7,038,599</u>	<u>846,336</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	22,834,953	23,161,985	21,557,138	1,604,847
0052	Security and Monitoring Services	3,580,575	3,493,667	3,181,074	312,593
0053	Data Processing Services	4,612,368	4,430,403	3,846,819	583,584
	Total Support Services - Nonstudent Based:	<u>31,027,896</u>	<u>31,086,055</u>	<u>28,585,031</u>	<u>2,501,024</u>
0060	Ancillary Services:				
0061	Community Services	503,515	475,508	359,325	116,183
	Total Ancillary Services:	<u>503,515</u>	<u>475,508</u>	<u>359,325</u>	<u>116,183</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	17,082,195	5,011,435	12,070,760
	Total Capital Outlay:	<u>-</u>	<u>17,082,195</u>	<u>5,011,435</u>	<u>12,070,760</u>
0090	Intergovernmental Charges:				
0095	Payments to JJAEP	140,000	190,000	173,772	16,228
0097	Payments to TIF	2,800,000	6,465,554	6,465,553	1
0099	Intergovernmental Charges	549,391	538,945	538,945	-
	Total Intergovernmental Charges:	<u>3,489,391</u>	<u>7,194,499</u>	<u>7,178,270</u>	<u>16,229</u>
6030	Total Expenditures	<u>288,119,869</u>	<u>307,978,824</u>	<u>288,104,156</u>	<u>19,874,668</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,045,914)</u>	<u>(14,401,342)</u>	<u>5,597,956</u>	<u>19,999,298</u>
	<b>OTHER FINANCING SOURCES (USES)</b>				
7912	Proceeds from Sale of Fixed Assets	50,000	636,901	668,453	31,552
7919	Insurance Recoveries	-	20,108	20,108	-
	Total Other Financing Sources (Uses)	<u>50,000</u>	<u>657,009</u>	<u>688,561</u>	<u>31,552</u>
7918	Extraordinary Item	-	2,763,099	2,764,638	1,539
1200	Net Change in Fund Balances	(995,914)	(10,981,234)	9,051,155	20,032,389
0100	Fund Balance - September 1 (Beginning)	98,518,503	98,518,503	98,518,503	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 97,522,589</u>	<u>\$ 87,537,269</u>	<u>\$ 107,569,658</u>	<u>\$ 20,032,389</u>

See Notes to Required Supplementary Information.

**IRVING INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – FOOD SERVICE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

**EXHIBIT G-2**

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
	<b>REVENUES</b>				
5700	Local and Intermediate Sources	\$ 2,726,000	\$ 3,195,000	\$ 3,112,454	\$ (82,546)
5800	State Program Revenues	116,578	119,678	119,678	-
5900	Federal Program Revenues	18,400,000	18,760,000	19,241,145	481,145
5020	Total Revenues	<u>21,242,578</u>	<u>22,074,678</u>	<u>22,473,277</u>	<u>398,599</u>
	<b>EXPENDITURES</b>				
	Current:				
0030	Support Services - Student (Pupil):				
0035	Food Services	19,823,035	22,734,416	21,081,990	1,652,426
0036	Co-Curricular/Extracurricular Activities	511,873	593,992	504,468	89,524
	Total Support Services - Student (Pupil):	<u>20,334,908</u>	<u>23,328,408</u>	<u>21,586,458</u>	<u>1,741,950</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	640,120	643,120	585,223	57,897
	Total Support Services - Nonstudent Based:	<u>640,120</u>	<u>643,120</u>	<u>585,223</u>	<u>57,897</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	822,371	707,656	114,715
	Total Capital Outlay:	<u>-</u>	<u>822,371</u>	<u>707,656</u>	<u>114,715</u>
6030	Total Expenditures	<u>20,975,028</u>	<u>24,793,899</u>	<u>22,879,337</u>	<u>1,914,562</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>267,550</u>	<u>(2,719,221)</u>	<u>(406,060)</u>	<u>2,313,161</u>
1200	Net Change in Fund Balances	267,550	(2,719,221)	(406,060)	2,313,161
0100	Fund Balance - September 1 (Beginning)	5,840,117	5,840,117	5,840,117	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 6,107,667</u>	<u>\$ 3,120,896</u>	<u>\$ 5,434,057</u>	<u>\$ 2,313,161</u>

See Notes to Required Supplementary Information.

**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY - TRS  
FOR THE YEAR ENDED AUGUST 31, 2015**

**EXHIBIT G-3**

	<u>2015</u>
District's Proportion of the Net Pension Liability (Asset)	0.1782444%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 47,611,544
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	<u>105,347,641</u>
Total	\$ 152,959,185
District's Covered Employee Payroll	210,264,992
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	22.64%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.25%

Note: GASB 68, 81,2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2014 - the period from September 1, 2013 - August 31, 2014.

Note: Only one year of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

*See Notes to Required Supplementary Information.*

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

**EXHIBIT G-4**

	<u>2015</u>
Contractually Required Contribution	\$ 5,462,612
Contribution in Relation to the Contractually Required Contribution	<u>(5,462,612)</u>
Contribution Deficiency (Excess)	-
District's Covered Employee Payroll	218,700,802
Contributions as a percentage of Covered Employee Payroll	2.50%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 - August 31, 2014.

Note: Only one year of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
AUGUST 31, 2015**

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**NOTE 1. BUDGETARY LEGAL COMPLIANCE**

The Official Budget was prepared for adoption prior to August 20, 2014 for all required Governmental Funds on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (see Note 1(D) in the Notes to the Financial Statements). The budget is adopted by fund and function for expenditures and by fund and object for revenues. The appropriate department head or campus principal controls the budget. Therefore, management may transfer appropriations at the object level as necessary without the approval of the Board. The Board of Trustees maintains control within Fund Groups at the function code level for appropriations and object code level for revenues.

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

Should any change in the approved budget be required, budget amendment requests are presented to the Board of Trustees for consideration. Amendments are made before the fact and, once approved, are reflected in the official minutes. During the year, the budget was properly amended in accordance with the above procedures. The Board of Trustees approved the final amendment on August 24, 2015.

**NOTE 2. PENSION LIABILITY**

**Changes of benefit terms**

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

**Changes of assumptions**

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.





**OTHER SUPPLEMENTARY  
INFORMATION**



**COMBINING AND  
INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**



**NONMAJOR  
GOVERNMENTAL FUNDS**

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2015**

**EXHIBIT H-1**

<u>DATA CONTROL CODES</u>		<u>FEDERAL SPECIAL REVENUE</u>	<u>STATE SPECIAL REVENUE</u>	<u>TOTALS NONMAJOR GOVERNMENTAL FUNDS</u>
	ASSETS			
1110	Cash and Temporary Investment	\$ -	\$ 218,768	\$ 218,768
	Receivables:			
1240	Due from Other Governments	<u>1,977,422</u>	<u>27,342</u>	<u>2,004,764</u>
1000	TOTAL ASSETS	<u><u>\$ 1,977,422</u></u>	<u><u>\$ 246,110</u></u>	<u><u>\$ 2,223,532</u></u>
	LIABILITIES			
2110	Accounts Payable	\$ 114,382	\$ 27,341	\$ 141,723
2170	Due to Other Funds	1,863,040	27,342	1,890,382
2300	Unearned Revenue	<u>-</u>	<u>191,427</u>	<u>191,427</u>
2000	TOTAL LIABILITIES	<u>1,977,422</u>	<u>246,110</u>	<u>2,223,532</u>
3000	TOTAL FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>
4000	TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,977,422</u></u>	<u><u>\$ 246,110</u></u>	<u><u>\$ 2,223,532</u></u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2015**

**EXHIBIT H-2**

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
	<b>REVENUES</b>			
5700	Local and Intermediate Sources	\$ -	\$ 519,512	\$ 519,512
5800	State Program Revenues	-	5,767,381	5,767,381
5900	Federal Program Revenues	19,520,964	-	19,520,964
5020	Total Revenues	<u>19,520,964</u>	<u>6,286,893</u>	<u>25,807,857</u>
	<b>EXPENDITURES</b>			
	Current:			
0010	Instruction and Instructional-Related Services:			
0011	Instruction	11,952,856	6,129,035	18,081,891
0013	Curriculum Development and Instructional Staff Development	3,991,997	3,621	3,995,618
	Total Instruction and Instructional-Related Services:	<u>15,944,853</u>	<u>6,132,656</u>	<u>22,077,509</u>
0020	Instructional and School Leadership:			
0021	Instructional Leadership	340,192	123,136	463,328
0023	School Leadership	-	616	616
	Total Instructional and School Leadership:	<u>340,192</u>	<u>123,752</u>	<u>463,944</u>
0030	Support Services - Student (Pupil):			
0031	Guidance, Counseling, and Evaluation Services	949,029	30,485	979,514
0032	Social Work Services	53,703	-	53,703
0033	Health Services	104,479	-	104,479
0034	Student (Pupil) Transportation	660,830	-	660,830
	Total Support Services - Student (Pupil):	<u>1,768,041</u>	<u>30,485</u>	<u>1,798,526</u>
0050	Support Services - Nonstudent Based:			
0053	Data Processing Services	51,291	-	51,291
	Total Support Services - Nonstudent Based:	<u>51,291</u>	<u>-</u>	<u>51,291</u>
0060	Ancillary Services:			
0061	Community Services	1,416,587	-	1,416,587
	Total Ancillary Services:	<u>1,416,587</u>	<u>-</u>	<u>1,416,587</u>
6030	Total Expenditures	<u>19,520,964</u>	<u>6,286,893</u>	<u>25,807,857</u>
1100	Deficiency of Revenues Under Expenditures	-	-	-
1200	Net Change in Fund Balances	-	-	-
0100	Fund Balance - September 1 (Beginning)	-	-	-
	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>





# **INTERNAL SERVICE FUNDS**

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 AUGUST 31, 2015**

<u>DATA CONTROL CODES</u>		<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT</u>
	<b>ASSETS</b>		
	Current Assets:		
1110	Cash and Temporary Investments	\$ 2,244,152	\$ 509,813
1310	Inventories, At Cost	-	-
	Total Current Assets	<u>2,244,152</u>	<u>509,813</u>
1000	Total Assets	<u>2,244,152</u>	<u>509,813</u>
	<b>LIABILITIES</b>		
	Current Liabilities:		
2110	Accounts Payable	\$ 4,257	\$ 13,328
	Total Current Liabilities	<u>4,257</u>	<u>13,328</u>
	Noncurrent Liabilities:		
2800	Claims Due Within One Year	573,553	-
	Claims Due In More Than One Year	314,429	-
	Total Long-Term Liabilities	<u>887,982</u>	<u>-</u>
2000	Total Liabilities	<u>892,239</u>	<u>13,328</u>
	<b>NET POSITION</b>		
3900	Unrestricted Net Position	<u>1,351,913</u>	<u>496,485</u>
3000	TOTAL NET POSITION	<u>\$ 1,351,913</u>	<u>\$ 496,485</u>

SCIENCE KIT REFURBISHMENT	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 2,335	\$ 123,328	\$ 2,879,628
285,253	3,997	289,250
<u>287,588</u>	<u>127,325</u>	<u>3,168,878</u>
287,588	127,325	3,168,878
\$ 27,181	\$ 33,763	\$ 78,529
<u>27,181</u>	<u>33,763</u>	<u>78,529</u>
-	-	573,553
-	-	314,429
<u>-</u>	<u>-</u>	<u>887,982</u>
27,181	33,763	966,511
<u>260,407</u>	<u>93,562</u>	<u>2,202,367</u>
<u>\$ 260,407</u>	<u>\$ 93,562</u>	<u>\$ 2,202,367</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2015**

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<u>DATA CONTROL CODES</u>		<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT</u>
	OPERATING REVENUES		
5700	Charges for Services	\$ 836,630	\$ 10,508
5020	Total Operating Revenues	<u>836,630</u>	<u>10,508</u>
	OPERATING EXPENSES		
6100	Payroll Costs	131,151	35,219
6200	Professional/Contracted Services	28,102	-
6300	Supplies and Materials	4,409	5
6400	Claims, Administration, and Other Expenses	<u>925,698</u>	<u>124,156</u>
6030	Total Operating Expenses	<u>1,089,360</u>	<u>159,380</u>
	Operating Income (Loss)	(252,730)	(148,872)
	NONOPERATING REVENUES		
7955	Interest Income	<u>1,136</u>	<u>-</u>
	CHANGE IN NET POSITION		
0100	Total Net Position - September 1 (Beg.)	<u>1,603,507</u>	<u>645,357</u>
3000	Total Net Position - August 31 (Ending)	<u>\$ 1,351,913</u>	<u>\$ 496,485</u>

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SCIENCE KIT REFURBISHMENT	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 436,767	\$ 122,688	\$ 1,406,593
<u>436,767</u>	<u>122,688</u>	<u>1,406,593</u>
182,652	-	349,022
-	79,741	107,843
238,436	32,025	274,875
92,424	-	1,142,278
<u>513,512</u>	<u>111,766</u>	<u>1,874,018</u>
(76,745)	10,922	(467,425)
-	-	1,136
(76,745)	10,922	(466,289)
337,152	82,640	2,668,656
<u>\$ 260,407</u>	<u>\$ 93,562</u>	<u>\$ 2,202,367</u>

**IRVING INDEPENDENT SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2015**

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	<u>WORKERS COMPENSATION</u>	<u>UNEMPLOYMENT</u>
Cash Flows from Operating Activities:		
Cash Received for Premiums and Services	\$ 836,630	\$ 10,508
Cash Paid to Employees	(131,151)	(35,219)
Cash Paid for Claims, Administration, and Other Costs	<u>(1,146,345)</u>	<u>(147,393)</u>
Net Cash Used in Operating Activities	<u>(440,866)</u>	<u>(172,104)</u>
Cash Flows from Investing Activities:		
Interest Received	<u>1,136</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>1,136</u>	<u>-</u>
Net Decrease in Cash & Cash Equivalents	(439,730)	(172,104)
Cash and Cash Equivalents at Beginning of the Year	<u>2,683,882</u>	<u>681,917</u>
Cash and Cash Equivalents at End of the Year	<u>\$ 2,244,152</u>	<u>\$ 509,813</u>
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities:		
Operating Income (Loss)	<u>\$ (252,730)</u>	<u>\$ (148,872)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities		
Decrease (Increase) in Inventories	-	-
Increase (Decrease) in Accounts Payable	(11,336)	(23,232)
Decrease in Long-term Claims Reserve	<u>(176,800)</u>	<u>-</u>
Total Adjustments	<u>(188,136)</u>	<u>(23,232)</u>
Net Cash Used in Operating Activities	<u>\$ (440,866)</u>	<u>\$ (172,104)</u>

SCIENCE KIT REFURBISHMENT	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 436,767	\$ 111,211	\$ 1,395,116
(182,652)	-	(349,022)
<u>(286,903)</u>	<u>(111,927)</u>	<u>(1,692,568)</u>
(32,788)	(716)	(646,474)
-	-	1,136
-	-	1,136
(32,788)	(716)	(645,338)
<u>35,123</u>	<u>124,044</u>	<u>3,524,966</u>
<u>\$ 2,335</u>	<u>\$ 123,328</u>	<u>\$ 2,879,628</u>
\$ (76,745)	\$ 10,922	\$ (467,425)
19,759	(161)	19,598
24,198	(11,477)	(21,847)
-	-	(176,800)
<u>43,957</u>	<u>(11,638)</u>	<u>(179,049)</u>
<u>\$ (32,788)</u>	<u>\$ (716)</u>	<u>\$ (646,474)</u>





# **FIDUCIARY FUNDS**



**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 AUGUST 31, 2015**

**EXHIBIT H-6**

	STUDENT ACTIVITY FUNDS	FLEXIBLE BENEFITS	TOTALS AGENCY FUNDS
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 458,214	\$ 248,522	\$ 706,736
<b>TOTAL ASSETS</b>	<b>\$ 458,214</b>	<b>\$ 248,522</b>	<b>\$ 706,736</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 17,625	\$ 248,522	\$ 266,147
Due to Student Groups	440,589	-	440,589
<b>TOTAL LIABILITIES</b>	<b>\$ 458,214</b>	<b>\$ 248,522</b>	<b>\$ 706,736</b>

**IRVING INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2015**

**EXHIBIT H-7**

	<u>BALANCE</u> <u>9/1/2014</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>8/31/2015</u>
<b>STUDENT ACTIVITIES:</b>				
Assets:				
Cash and Temporary Investments	\$ 470,770	\$ 1,362,323	\$ 1,374,879	\$ 458,214
Total Assets	<u>\$ 470,770</u>	<u>\$ 1,362,323</u>	<u>\$ 1,374,879</u>	<u>\$ 458,214</u>
Liabilities:				
Accounts Payable	\$ 42,277	\$ 1,537,428	\$ 1,562,080	\$ 17,625
Due to Student Groups	428,493	1,450,713	1,438,617	440,589
Total Liabilities	<u>\$ 470,770</u>	<u>\$ 2,988,141</u>	<u>\$ 3,000,697</u>	<u>\$ 458,214</u>
<b>FLEXIBLE BENEFITS:</b>				
Assets:				
Cash and Temporary Investments	\$ 290,958	\$ 1,208,463	\$ 1,250,899	\$ 248,522
Total Assets	<u>\$ 290,958</u>	<u>\$ 1,208,463</u>	<u>\$ 1,250,899</u>	<u>\$ 248,522</u>
Liabilities:				
Accounts Payable	\$ 290,958	\$ 2,455,663	\$ 2,498,099	\$ 248,522
Total Liabilities	<u>\$ 290,958</u>	<u>\$ 2,455,663</u>	<u>\$ 2,498,099</u>	<u>\$ 248,522</u>
<b>TOTAL AGENCY FUNDS:</b>				
Assets:				
Cash and Temporary Investments	\$ 761,728	\$ 2,570,786	\$ 2,625,778	\$ 706,736
Total Assets	<u>\$ 761,728</u>	<u>\$ 2,570,786</u>	<u>\$ 2,625,778</u>	<u>\$ 706,736</u>
Liabilities:				
Accounts Payable	\$ 333,235	\$ 3,993,091	\$ 4,060,179	\$ 266,147
Due to Student Groups	428,493	1,450,713	1,438,617	440,589
Total Liabilities	<u>\$ 761,728</u>	<u>\$ 5,443,804</u>	<u>\$ 5,498,796</u>	<u>\$ 706,736</u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED AUGUST 31, 2015**

Last Ten Years Tax Roll Fiscal Year Ending August 31	Operations	Maintenance Debt	Total	Interest & Sinking	3 Assessed/ Appraised Value for School Tax
2006 & Prior Years	Various	Various	Various	Various	Various
2007	1.3300	--	1.3300	0.3140	8,831,620,036
2008	1.0000	--	1.0000	0.3485	9,582,309,159
2009	1.0200	--	1.0200	0.3710	9,985,889,156
2010	1.0200	--	1.0200	0.4050	9,485,866,005
2011	1.0400	--	1.0400	0.4250	9,045,693,812
2012	1.0400	--	1.0400	0.4250	8,914,841,212
2013	1.0400	--	1.0400	0.4250	9,060,059,409
2014	1.0400	--	1.0400	0.4250	9,307,845,260
2015	1.0400	--	1.0400	0.3950	9,875,806,062 *
1000 Totals					

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

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

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

Column 20 - Current Year's Tax Levy:

This amount is calculated by multiplying the total tax rate times per \$100 of Assessed/Appraised value, then deducting the levy lost due to the over 65 tax freeze exemption and proration of taxes of \$2,635,204

\* Source: 2015 School District Report of Property Value  
(Includes all Supplements and Litigated Accounts).

10 Beginning Balance 9/1/2014	20 Current Year's Total Levy	30 Maintenance Total Collections	30a Debt Service Total Collections	40 Fiscal Year's Adjustment	50 Ending Balance 8/31/2015
\$ 928,715	\$ -	\$ 22,828	\$ 4,514	\$ (39,638)	\$ 861,735
196,024	-	9,979	2,356	(16,808)	166,881
194,578	-	15,404	5,368	(10,868)	162,938
286,446	-	25,604	9,312	(27,778)	223,752
505,248	-	62,362	24,761	(89,135)	328,990
691,891	-	54,927	22,446	(203,513)	411,005
652,130	-	60,162	24,586	(33,312)	534,070
974,470	-	(503,842)	(205,897)	(1,054,093)	630,116
1,617,672	-	(516,463)	(211,054)	(1,411,199)	933,990
-	139,082,613	99,681,403	37,859,772	-	1,541,438
<u>\$ 6,047,174</u>	<u>\$ 139,082,613</u>	<u>\$ 98,912,364</u>	<u>\$ 37,536,164</u>	<u>\$ (2,886,344)</u>	<u>\$ 5,794,915</u>
		\$ 6,465,553			

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 8/31/15:

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

**IRVING INDEPENDENT SCHOOL DISTRICT** **EXHIBIT J-2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – DEBT SERVICE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

Data Control Codes	Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
<b>REVENUES</b>				
5700 Local and Intermediate Sources	\$ 36,580,053	\$ 36,615,356	\$ 36,478,013	\$ (137,343)
5800 State Program Revenues	10,269,115	10,400,249	10,203,552	(196,697)
5020 Total Revenues	<u>46,849,168</u>	<u>47,015,605</u>	<u>46,681,565</u>	<u>(334,040)</u>
<b>EXPENDITURES</b>				
0070 Debt Service:				
0071 Principal	20,783,624	22,133,623	22,133,623	-
0072 Interest and Charges on Long-Term Debt	26,346,660	24,989,938	24,989,938	-
0073 Bond Issue Costs and Fees	671,141	621,141	1,147,082	(525,941)
Total Debt Services	<u>47,801,425</u>	<u>47,744,702</u>	<u>48,270,643</u>	<u>(525,941)</u>
6030 Total Expenditures	<u>47,801,425</u>	<u>47,744,702</u>	<u>48,270,643</u>	<u>(525,941)</u>
1100 Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(952,257)</u>	<u>(729,097)</u>	<u>(1,589,078)</u>	<u>(859,981)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
7901 Issuance of Refunding Debt	-	60,010,000	60,010,000	-
7916 Premium on Issuance of Debt	-	8,319,033	8,319,033	-
8940 Payment to Refunded Bond Escrow Agent	-	(68,334,023)	(67,764,023)	570,000
Total Other Financing Sources and (Uses)	<u>-</u>	<u>(4,990)</u>	<u>565,010</u>	<u>570,000</u>
1200 Net Change in Fund Balances	(952,257)	(734,087)	(1,024,068)	(289,981)
0100 Fund Balance - September 1 (Beginning)	15,495,011	15,495,011	15,495,011	-
3000 Fund Balance - August 31 (Ending)	<u>\$ 14,542,754</u>	<u>\$ 14,760,924</u>	<u>\$ 14,470,943</u>	<u>\$ (289,981)</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.	83
<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.	97
<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.	103
<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.	108
<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.	112

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$ 15,482,850	\$ 17,326,732	\$ 12,678,217	\$ 235,946
Restricted				
Food Service	4,910,165	5,829,135	6,482,598	7,121,811
Debt Service	3,546,649	483,099	3,866,540	6,948,487
Unrestricted	6,134,559	22,854,621	31,999,108	44,389,864
Total primary government net position	<u>\$ 30,074,223</u>	<u>\$ 46,493,587</u>	<u>\$ 55,026,463</u>	<u>\$ 58,696,108</u>

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

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Fiscal Year					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 3,431,449	\$ 4,933,936	\$ 30,022,606	\$ 33,082,682	\$ 34,787,416	\$ 32,289,637
7,398,104	6,710,687	9,102,534	8,548,803	5,840,117	5,434,057
3,899,725	4,549,566	12,602,461	9,270,928	11,811,520	10,505,814
36,876,813	35,907,568	15,693,677	27,784,480	25,431,713	(482,474)
<u>\$ 51,606,091</u>	<u>\$ 52,101,757</u>	<u>\$ 67,421,278</u>	<u>\$ 78,686,893</u>	<u>\$ 77,870,766</u>	<u>\$ 47,747,034</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenses</b>				
Governmental activities				
Instruction	\$ 151,485,746	\$ 156,793,863	\$ 168,804,073	\$ 180,232,180
Instructional resources and media services	4,305,056	4,427,356	4,710,352	4,975,486
Curriculum and staff development services	3,113,527	3,295,719	3,923,766	3,558,753
Instructional leadership	4,285,657	4,932,500	5,225,582	5,155,792
School leadership	15,372,131	16,069,867	17,269,721	18,327,617
Guidance, counseling, & evaluation services	9,622,840	10,134,028	11,014,134	13,188,546
Social work services	386,673	391,517	451,833	454,045
Health services	1,911,962	2,070,801	2,352,144	2,546,835
Student transportation	2,818,312	3,141,164	3,294,523	3,498,826
Food Service	11,868,793	12,864,427	13,916,614	15,973,273
Extracurricular activities	3,819,855	4,291,034	4,905,015	4,968,072
General administration	6,533,431	6,831,531	7,024,356	7,214,596
Plant maintenance and operations	19,046,590	18,259,089	18,582,655	20,296,508
Security and monitoring services	1,557,058	1,671,357	2,221,348	2,615,072
Data processing services	3,050,837	3,978,718	3,704,739	3,574,010
Community services	738,404	858,752	1,088,711	1,177,345
Interest on long-term debt	20,163,981	21,739,963	22,865,771	24,205,191
Facilities acquisition/construction	-	-	-	3,469
Intergovernmental charges	162,003	121,135	166,095	176,431
Payments to TIF	-	-	498,713	2,347,460
Other Intergovernmental Charges	-	-	-	505,598
Total primary government program expenses	<u>260,242,856</u>	<u>271,872,821</u>	<u>292,020,145</u>	<u>314,995,105</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
Instruction	\$ 1,703,590	\$ 1,428,425	\$ 827,006	\$ 675,741
Instructional leadership	-	344,144	-	-
Guidance, counseling, & evaluation services	-	177,332	-	-
Food service	3,063,206	2,985,422	2,996,746	3,048,365
Extracurricular activities	1,333,011	1,487,930	1,262,648	1,380,358
Plant maintenance and operations	178,949	163,346	132,445	149,044
Operating grants and contributions	33,430,779	32,270,600	38,828,216	45,849,732
Capital Grants and Contributions	-	-	-	75,000
Total primary government program revenues	<u>\$ 39,709,535</u>	<u>\$ 38,857,199</u>	<u>\$ 44,047,061</u>	<u>\$ 51,178,240</u>
<b>Net (Expense)/Revenue</b>				
Total primary government net (expenses) revenues	<u>\$ (221,481,990)</u>	<u>\$ (233,015,622)</u>	<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>

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

Fiscal Year					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 202,902,605	\$ 202,027,719	\$ 190,308,817	\$ 188,974,526	209,800,052	211,808,998
5,268,387	5,395,741	5,448,807	5,595,410	5,915,181	5,488,376
5,052,148	5,230,001	4,751,709	6,703,099	8,471,201	9,135,362
5,767,304	5,302,420	5,624,822	5,311,012	5,112,718	4,577,973
19,227,696	19,274,337	17,229,739	17,688,291	19,926,467	20,401,286
14,526,771	14,456,133	13,715,505	14,731,022	15,040,908	15,721,776
421,492	452,483	422,845	452,558	584,649	1,576,516
2,668,537	2,677,435	2,652,074	2,728,362	2,814,171	3,001,895
3,894,410	4,462,792	4,086,234	4,600,440	6,354,947	5,267,894
16,353,277	17,047,841	17,531,841	19,032,015	19,309,738	19,738,827
5,244,068	6,243,463	6,270,809	6,338,475	6,559,814	6,538,184
7,239,959	7,248,095	7,199,150	7,559,425	8,104,538	7,122,438
22,197,037	21,587,242	22,012,072	21,523,347	21,912,291	22,191,155
2,835,972	2,849,399	2,905,808	2,998,649	3,182,215	3,130,271
3,369,105	3,549,859	3,893,178	3,888,670	4,261,484	4,031,182
1,336,533	1,246,312	1,195,296	1,839,893	1,818,555	1,724,124
27,919,340	28,495,578	28,718,685	27,340,450	26,343,364	20,023,429
3,450	-	3,974	2,559	10,703	71,682
91,036	64,752	86,526	56,430	116,850	173,772
1,414,723	1,010,907	1,742,264	3,100,836	2,182,197	6,465,553
535,803	531,534	519,552	520,707	534,086	538,945
<u>348,269,653</u>	<u>349,154,043</u>	<u>336,319,707</u>	<u>340,986,176</u>	<u>368,356,129</u>	<u>368,729,638</u>
\$ 592,479	\$ 543,735	\$ 516,091	\$ 440,510	425,016	360,438
-	-	-	-	-	-
-	-	-	-	-	-
2,751,056	2,508,940	2,971,813	3,131,771	3,284,981	3,110,102
1,422,835	1,413,786	1,427,241	1,381,483	1,421,847	1,814,044
212,710	177,518	731,666	2,045,158	231,145	388,564
72,112,849	74,113,382	57,192,756	48,772,209	51,231,188	57,542,541
-	-	-	-	-	-
<u>\$ 77,091,929</u>	<u>\$ 78,757,361</u>	<u>\$ 62,839,567</u>	<u>\$ 55,771,131</u>	<u>\$ 56,594,177</u>	<u>\$ 63,215,689</u>
<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>	<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>	<u>\$ (311,761,952)</u>	<u>\$ (305,513,949)</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Net (Expense)/Revenue</b>				
Total primary government expenses	<u>\$ (233,015,622)</u>	<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>	<u>\$ (271,177,724)</u>
<b>General Revenues</b>				
Governmental activities				
Taxes				
Property taxes levied for general purposes	\$ 118,995,866	\$ 114,148,984	\$ 91,437,264	\$ 97,024,305
Property taxes levied for debt service	24,870,366	26,892,668	32,112,354	34,961,198
State Aid Formula Grants	80,428,670	99,077,027	123,663,032	127,466,060
Investment earnings	5,407,773	7,551,678	7,590,752	4,993,990
Miscellaneous	<u>1,177,260</u>	<u>1,764,629</u>	<u>1,702,558</u>	<u>3,040,957</u>
Total primary government	<u>230,879,935</u>	<u>249,434,986</u>	<u>256,505,960</u>	<u>267,486,510</u>
<b>Change in Net Position</b>				
Total primary government	<u>\$ (2,135,687)</u>	<u>\$ 1,461,902</u>	<u>\$ (7,310,905)</u>	<u>\$ (3,691,214)</u>

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

Fiscal Year					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>\$ (270,396,682)</u>	<u>\$ (273,480,140)</u>	<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>	<u>\$ (311,761,952)</u>	<u>\$ (305,513,949)</u>
\$ 93,248,521	\$ 90,847,221	\$ 89,463,642	\$ 89,907,666	91,269,145	96,135,459
37,025,527	37,126,703	36,363,206	36,708,071	37,578,332	36,447,373
129,868,903	139,197,880	157,790,019	165,468,694	184,171,041	187,211,926
1,870,376	871,377	692,064	410,848	254,184	285,316
<u>2,074,380</u>	<u>2,849,167</u>	<u>4,490,730</u>	<u>3,985,381</u>	<u>2,693,365</u>	<u>9,254,222</u>
<u>264,087,707</u>	<u>270,892,348</u>	<u>288,799,661</u>	<u>296,480,660</u>	<u>315,966,067</u>	<u>329,334,296</u>
<u>\$ (6,308,975)</u>	<u>\$ (2,587,792)</u>	<u>\$ 15,319,521</u>	<u>\$ 11,265,615</u>	<u>\$ 4,204,115</u>	<u>\$ 23,820,347</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Reserved and designated	\$ 6,658,936	\$ 5,178,967	\$ 4,950,861	\$ 5,498,527
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unreserved	46,797,121	62,600,749	70,672,111	75,006,001
Total general fund	<u>\$ 53,456,057</u>	<u>\$ 67,779,716</u>	<u>\$ 75,622,972</u>	<u>\$ 80,504,528</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ 5,170,285	\$ 6,977,423	\$ 7,264,922	\$ 4,922,770
Debt service fund	12,084,774	13,439,971	12,331,569	18,518,712
Capital projects fund	19,109,623	32,858,019	104,020,753	115,773,018
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	<u>\$ 36,364,682</u>	<u>\$ 53,275,413</u>	<u>\$ 123,617,244</u>	<u>\$ 139,214,500</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 8,703,587	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,058,731	772,985	1,286,199	1,351,036	976,874
-	7,744,340	3,374,022	6,310,707	5,919,083	17,091,518
-	70,614,294	81,320,437	89,241,873	91,248,384	89,501,266
68,382,436	-	-	-	-	-
<u>\$ 77,086,023</u>	<u>\$ 79,417,365</u>	<u>\$ 85,467,444</u>	<u>\$ 96,838,779</u>	<u>\$ 98,518,503</u>	<u>\$ 107,569,658</u>
\$ 7,424,091	\$ -	\$ -	\$ -	\$ -	\$ -
14,620,052	-	-	-	-	-
112,060,012	-	-	-	-	-
-	193,802	262,320	113,409	183,405	268,747
-	86,014,879	82,214,192	49,865,661	38,826,806	33,001,787
-	-	-	-	-	-
<u>\$ 134,104,155</u>	<u>\$ 86,208,681</u>	<u>\$ 82,476,512</u>	<u>\$ 49,979,070</u>	<u>\$ 39,010,211</u>	<u>\$ 33,270,534</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Federal sources:				
Federal grants	\$ 18,513,271	\$ 15,366,903	\$ 19,536,650	\$ 21,859,060
Food service	9,837,963	11,305,672	11,756,508	13,802,030
Capital projects	-	-	-	-
Total federal sources	<u>28,351,234</u>	<u>26,672,575</u>	<u>31,293,158</u>	<u>35,661,090</u>
State sources:				
State grants and other	77,597,077	97,207,159	123,615,224	130,353,672
Food service	104,521	105,045	111,329	111,223
Debt service	8,426,457	7,863,269	6,635,812	4,551,934
Total state sources	<u>86,128,055</u>	<u>105,175,473</u>	<u>130,362,365</u>	<u>135,016,829</u>
Local sources:				
Local & intermediate sources	125,880,509	124,237,728	102,058,885	106,888,411
Food service	3,223,491	3,210,101	3,162,463	3,096,672
Debt service	25,414,527	27,994,311	32,834,524	35,331,200
Capital projects	1,200,876	1,109,368	2,338,211	1,994,383
Total local sources	<u>155,719,403</u>	<u>156,551,508</u>	<u>140,394,083</u>	<u>147,310,666</u>
Total revenues	<u>\$ 270,198,692</u>	<u>\$ 288,399,556</u>	<u>\$ 302,049,606</u>	<u>\$ 317,988,585</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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 47,734,756	\$ 49,796,037	\$ 29,463,107	\$ 23,543,714	\$ 22,794,674	\$ 24,456,450
15,454,652	15,802,248	18,062,634	18,417,218	18,888,553	19,241,145
-	753,747	786,518	752,305	729,889	729,102
63,189,408	66,352,032	48,312,259	42,713,237	42,413,116	44,426,697
130,813,857	137,449,208	153,759,838	157,474,464	178,517,736	182,775,755
112,830	110,412	113,286	116,578	119,653	119,678
5,903,142	7,755,173	10,610,150	10,197,164	12,008,997	10,203,552
136,829,829	145,314,793	164,483,274	167,788,206	190,646,386	193,098,985
99,594,423	97,155,289	96,477,576	99,972,999	100,004,325	112,277,764
2,760,323	2,515,749	2,977,172	3,136,942	3,286,672	3,112,454
37,001,854	37,324,470	36,405,272	36,744,653	37,613,336	36,478,013
868,130	1,093,328	648,793	121,990	36,458	20,001
140,224,730	138,088,836	136,508,813	139,976,584	140,940,791	151,888,232
\$ 340,243,967	\$ 349,755,661	\$ 349,304,346	\$ 350,478,027	\$ 374,000,293	\$ 389,413,914

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Expenditures</b>				
Governmental activities				
11 Instruction	\$ 140,965,033	\$ 148,395,516	\$ 162,448,414	\$ 173,574,607
12 Instructional resources & media services	4,196,788	4,229,238	4,697,079	5,677,661
13 Curriculum & staff development services	3,108,679	3,307,335	3,911,629	3,531,491
Total function 10	<u>148,270,500</u>	<u>155,932,089</u>	<u>171,057,122</u>	<u>182,783,759</u>
21 Instructional leadership	4,044,615	4,448,576	5,171,093	5,045,162
23 School leadership	14,771,684	15,638,048	16,627,903	17,462,729
Total function 20	<u>18,816,299</u>	<u>20,086,624</u>	<u>21,798,996</u>	<u>22,507,891</u>
31 Guidance, counseling, & evaluation services	9,218,760	9,805,805	10,584,700	12,615,102
32 Social work services	388,421	399,004	452,623	446,818
33 Health services	1,803,601	1,982,160	2,253,193	2,421,931
34 Student transportation	2,791,141	3,113,993	3,267,352	3,471,655
35 Food service	11,576,056	12,734,631	13,469,056	15,589,155
36 Extracurricular activities	3,508,333	3,960,786	4,618,842	4,632,454
Total function 30	<u>29,286,312</u>	<u>31,996,379</u>	<u>34,645,766</u>	<u>39,177,115</u>
41 General administration	5,900,645	6,196,903	7,077,655	6,867,346
Total function 40	<u>5,900,645</u>	<u>6,196,903</u>	<u>7,077,655</u>	<u>6,867,346</u>
51 Plant maintenance and operations	18,943,773	18,297,271	18,594,964	20,084,490
52 Security and monitoring services	1,563,207	1,707,830	2,243,275	2,587,258
53 Data processing services	3,827,566	3,362,101	2,944,091	4,868,180
Total function 50	<u>24,334,546</u>	<u>23,367,202</u>	<u>23,782,330</u>	<u>27,539,928</u>
61 Community services	735,436	849,700	1,089,717	1,166,059
Total function 60	<u>735,436</u>	<u>849,700</u>	<u>1,089,717</u>	<u>1,166,059</u>
71 Debt service <sup>2</sup>				
Principal on long-term debt	13,460,943	16,464,750	15,542,222	16,784,392
Interest on long-term debt <sup>2</sup>	18,698,016	18,054,594	24,943,371	22,114,075
Bond issuance costs and fees	810,321.00	919,403	813,384	837,801
Total function 70	<u>32,969,280</u>	<u>35,438,747</u>	<u>41,298,977</u>	<u>39,736,268</u>
81 Facilities acquisition/construction	24,801,952	2,030,735	11,283,423	43,234,688
Total function 80	<u>24,801,952</u>	<u>2,030,735</u>	<u>11,283,423</u>	<u>43,234,688</u>
95 Payments to JJAEP	162,003	121,135	166,095	176,431
97 Payments to TIF	-	-	498,713.00	2,347,460
99 Intergovernmental Charges	-	-	-	505,598.00
Total function 90	<u>162,003</u>	<u>121,135</u>	<u>664,808</u>	<u>3,029,489</u>
Total expenditures	<u>285,276,973</u>	<u>276,019,514</u>	<u>312,698,794</u>	<u>366,042,543</u>
Prior Period Adjustment	-	-	-	-
As restated	<u>\$ 285,276,973</u>	<u>\$ 276,019,514</u>	<u>\$ 312,698,794</u>	<u>\$ 366,042,543</u>
Debt service as a percentage of noncapital expenditures	12.7%	12.9%	13.7%	12.3%

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

**Notes:**

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

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

Fiscal Year					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 189,864,948	\$ 191,968,597	\$ 177,857,532	\$ 182,329,142	\$ 195,714,227	\$ 198,653,525
5,024,943	5,436,238	5,245,765	5,307,001	5,300,771	4,988,675
5,021,634	5,217,049	4,739,378	6,689,081	8,456,104	9,182,998
199,911,525	202,621,884	187,842,675	194,325,224	209,471,102	212,825,198
5,816,865	5,206,067	5,539,881	5,232,228	5,026,844	4,583,961
18,574,959	18,701,894	16,381,301	16,804,379	19,002,786	19,658,156
24,391,824	23,907,961	21,921,182	22,036,607	24,029,630	24,242,117
13,941,149	13,956,223	13,123,326	14,117,350	14,402,200	15,195,030
421,492	454,168	423,082	452,578	584,539	1,591,463
2,541,463	2,575,673	2,530,773	2,599,288	2,679,805	2,891,635
4,649,537	4,486,050	4,059,063	4,573,269	6,327,776	5,240,723
17,820,690	16,983,540	16,798,404	18,185,254	18,468,763	21,441,982
4,786,651	5,912,532	5,807,666	5,862,983	5,959,930	6,324,888
44,160,982	44,368,186	42,742,314	45,790,722	48,423,013	52,685,721
7,097,909	7,175,333	7,167,319	7,468,154	7,996,682	7,038,599
7,097,909	7,175,333	7,167,319	7,468,154	7,996,682	7,038,599
22,285,279	21,522,498	21,955,636	21,510,075	21,707,212	22,166,761
2,864,230	2,852,070	3,131,576	3,010,376	3,647,381	3,192,050
4,370,952	4,186,950	3,751,686	4,312,260	4,533,127	4,065,945
29,520,461	28,561,518	28,838,898	28,832,711	29,887,720	29,424,756
1,350,371	1,249,055	1,195,778	1,839,947	1,810,100	1,775,912
1,350,371	1,249,055	1,195,778	1,839,947	1,810,100	1,775,912
17,471,407	14,720,670	17,123,540	19,379,223	17,901,432	22,133,623
26,328,594	31,130,392	29,033,988	28,839,306	28,633,014	24,989,938
663,861	233,964	180,785	535,898	150,754	1,147,082
44,463,862	46,085,026	46,338,313	48,754,427	46,685,200	48,270,643
56,093,964	61,558,174	33,014,692	29,255,048	14,841,570	6,679,429
56,093,964	61,558,174	33,014,692	29,255,048	14,841,570	6,679,429
91,036	64,752	86,526	56,430	116,850	173,772
1,414,723	1,010,907	1,742,264	3,100,836	2,182,197	6,465,553
535,803	531,534	519,552	520,707	534,086	538,945
2,041,562	1,607,193	2,348,342	3,677,973	2,833,133	7,178,270
409,032,460	417,134,330	371,409,513	381,980,813	385,978,151	390,120,645
-	-	-	-	-	-
<u>\$ 409,032,460</u>	<u>\$ 417,134,330</u>	<u>\$ 371,409,513</u>	<u>\$ 381,980,813</u>	<u>\$ 385,978,151</u>	<u>\$ 390,120,645</u>
12.8%	13.3%	13.6%	13.9%	12.7%	12.5%

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Excess of revenues over (under) expenditures</b>	\$ 12,380,042	\$ (10,649,188)	\$ (48,053,958)	\$ (68,788,493)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of bonds	10,000,000	20,000,000	87,020,000	65,000,000
Premium or (discount) on bonds issued	(83,842)	3,335,506	1,700,239	3,498,056
Proceeds from sale of refunding bonds	56,292,787	109,045,000	-	-
Sale of real or personal property	946,074	5,576	114,036	34,714
Extraordinary Other Uses	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(2,046,167)	-	-
Insurance recoveries	-	-	-	-
Payments to escrow agents	(55,450,501)	(111,485,567)	-	-
<b>Total other financing sources (uses)</b>	<u>\$ 11,704,518</u>	<u>\$ 18,854,348</u>	<u>\$ 88,834,275</u>	<u>\$ 68,532,770</u>
<b>Net change in fund balances</b>	<u>\$ 24,084,560</u>	<u>\$ 8,205,160</u>	<u>\$ 40,780,317</u>	<u>\$ (255,723)</u>

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

<b>Fiscal Year</b>					
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ (67,378,669)	\$ (22,105,167)	\$ (22,105,167)	\$ (31,502,786)	\$ (11,977,857)	\$ (706,731)
58,485,000	21,640,000	13,985,000	-	-	-
1,717,427	-	1,509,190	6,487,601	5,165,908	8,319,033
-	-	-	66,145,000	4,685,000	60,010,000
57,216	174,537	1,660,871	304,732	148,857	668,453
-	-	-	-	-	2,764,638
-	-	4,479,121	489,118	487,672	-
-	-	(4,479,121)	-	-	-
-	-	7,268,016	9,654,036	2,061,466	20,108
-	-	-	(72,703,808)	(9,860,181)	(67,764,023)
<u>\$ 60,259,643</u>	<u>\$ 21,814,537</u>	<u>\$ 24,423,077</u>	<u>\$ 10,376,679</u>	<u>\$ 2,688,722</u>	<u>\$ 4,018,209</u>
<u>\$ (7,119,026)</u>	<u>\$ (290,630)</u>	<u>\$ 2,317,910</u>	<u>\$ (21,126,107)</u>	<u>\$ (9,289,135)</u>	<u>\$ 3,311,478</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		
2006	7,174,877,690	1,526,364,000	461,748,103	8,239,493,587	1.837
2007	7,670,724,880	1,651,921,440	491,026,284	8,831,620,036	1.814
2008	8,315,691,790	1,743,828,360	477,210,991	9,582,309,159	1.644
2009	8,668,807,690	1,780,763,340	463,681,874	9,985,889,156	1.349
2010	8,181,587,045	1,762,119,040	457,840,080	9,485,866,005	1.391
2011	7,809,445,097	1,694,159,892	457,911,177	9,045,693,812	1.425
2012	7,658,082,224	1,704,481,030	447,722,042	8,914,841,212	1.465
2013	7,770,689,855	1,727,551,530	438,181,976	9,060,059,409	1.465
2014	7,968,927,106	1,815,107,590	476,189,436	9,307,845,260	1.465
2015	8,540,194,076	1,851,556,660	515,944,674	9,875,806,062	1.435

**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
2006	1.500	0.314	1.814	0.548	0.225
2007	1.330	0.314	1.644	0.548	0.271
2008	1.000	0.349	1.349	0.548	0.242
2009	1.020	0.371	1.391	0.541	0.291
2010	1.020	0.405	1.425	0.576	0.355
2011	1.040	0.425	1.465	0.599	0.430
2012	1.040	0.425	1.465	0.599	0.465
2013	1.040	0.425	1.465	0.599	0.500
2014	1.040	0.425	1.465	0.594	0.505
2015	1.040	0.395	1.435	0.594	0.520

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

**Note:**

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

Overlapping Rates <sup>1</sup>

City of Grand Prairie	City of Dallas	Dallas County	Dallas County Community College	Dallas County Hospital	Dallas County Flood Control	Dallas County Schools	Dallas County Utility and Reclamation
0.670	0.742	0.214	0.081	0.254	2.836	0.005	2.097
0.670	0.729	0.228	0.080	0.254	2.836	0.005	1.628
0.670	0.748	0.228	0.089	0.254	2.836	0.005	1.626
0.670	0.748	0.228	0.095	0.254	2.836	0.005	1.763
0.670	0.797	0.228	0.099	0.274	2.836	0.005	2.050
0.670	0.797	0.243	0.100	0.271	2.900	0.010	2.122
0.670	0.797	0.243	0.119	0.271	3.050	0.010	1.840
0.670	0.797	0.243	0.125	0.271	2.750	0.010	1.791
0.670	0.797	0.243	0.125	0.276	2.750	0.010	1.983
0.670	0.797	0.243	0.124	0.286	2.650	0.010	1.590

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

**EXHIBIT S-10**

<b>Taxpayer</b>	<b>2015</b>			<b>2006</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value <sup>1</sup></b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value <sup>2</sup></b>
F6TWS LLC	\$ 255,000,000	1	2.6%	\$ -		0.00%
Verizon	209,182,430	2	2.1%	241,861,690	1	3.00%
AG PCPI Urban Towers	110,219,680	3	1.1%	-	3	0.00%
BRE Las Colinas LLC	110,113,720	4	1.1%	-	5	0.00%
Texas Utilities	89,653,160	5	0.9%	78,146,120		0.95%
Dr. Pepper Bottling Co.	70,398,750	6	0.7%	-		0.00%
San Mar Corporation	66,797,960	7	0.7%	-		0.00%
LPC Northwest PH I LP	60,690,000	8	0.6%	-		0.00%
TCI 600 Las Colinas Inc	58,200,150	9	0.6%	-	10	0.00%
Frito Lay	57,961,110	10	0.6%	38,240,690		0.46%
TIAA	-		0.0%	120,543,900	2	1.46%
Crescent Real Estate	-		0.0%	48,847,600	7	0.59%
Las Colinas USAA LTD	-		0.0%	53,697,940	4	0.65%
EOP 545 E. John Carpenter	-		0.0%	68,530,000	9	0.83%
Simon Property Group	-		0.0%	47,250,000	8	0.57%
MPA Las Colinas LTD PS	-		0.0%	46,000,000		0.56%
114 Millenium LTD	-		0.0%	56,608,550	6	0.69%
	<b>\$ 1,088,216,960</b>		<b>10.8%</b>	<b>\$ 799,726,490</b>		<b>9.7%</b>

**Source:** Dallas Central Appraisal District

**Note:**

<sup>1</sup> Total appraised taxable value for 2015 = \$9,875,806,062

<sup>2</sup> Total appraised taxable value for 2006 = \$8,239,493,587



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

Fiscal Year Ending	Taxes Levied for the Fiscal Year <sup>2</sup>	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2006	142,940,929	138,651,124	97.00%
2007	140,160,896	135,464,767	96.65%
2008	124,619,570	120,877,498	97.00%
2009	134,156,998	131,036,207	97.67%
2010	131,200,729	127,266,070	97.00%
2011	128,508,240	124,473,002	96.86%
2012	126,932,410	125,164,250	98.61%
2013	129,608,617	128,579,225	99.21%
2014	133,509,350	132,829,508	99.49%
2015	139,082,613	136,448,528	98.11%

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

**Notes:**

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

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

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

<u>Collections other than Current Year</u>	<u>Total Collections to Date<sup>3</sup></u>	
<u>Delinquent Taxes</u>	<u>Amount</u>	<u>Percentage of Total Collections to Tax Levy</u>
1,537,958	140,189,082	98.07%
2,469,351	137,934,118	98.41%
1,952,621	122,830,119	98.56%
687,293	131,723,500	98.19%
883,375	128,149,445	97.67%
1,928,590	126,401,592	98.36%
1,186,096	126,350,346	99.54%
1,001,456	129,580,681	99.98%
937,831	133,767,339	100.19%
(1,092,647)	135,355,881	97.32%

**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			
2006	446,066,092	-	444,002,433	9.51%	2,209
2007	457,137,621	-	446,066,092	9.39%	2,223
2008	526,670,907	-	457,137,621	9.76%	2,506
2009	577,803,295	-	526,670,907	11.00%	2,722
2010	619,719,179	-	577,803,295	10.48%	2,900
2011	624,900,837	-	619,719,179	11.17%	2,880
2012	621,492,018	-	624,900,837	11.37%	2,840
2013	600,739,284	-	621,492,017	10.92%	2,721
2014	595,590,237	-	595,590,237	9.73%	2,623
2015	575,827,393	-	575,827,393	9.40%	2,536

**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, 2015 (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	\$ 372,625,000	48.65%	\$ 181,282,063
Irving Flood Control District Section I	6,560,000	100.00%	6,560,000
City of Grand Prairie	161,857,000	0.73%	1,181,556
City of Dallas	1,700,336,063	0.24%	4,080,807
Dallas County	84,725,000	5.76%	4,880,160
Dallas County Community College	321,510,000	5.76%	18,518,976
Dallas County Hospital	727,932,716	5.76%	41,928,924
Dallas County Flood Control	27,750,000	30.92%	8,580,300
Dallas County Schools	75,610,000	5.76%	4,355,136
Dallas County Utility and Reclamation	255,173,791	49.04%	125,137,227
Subtotal, overlapping bonded debt			<u>396,505,149</u>
<b>Irving Independent School District direct debt</b>	<b>\$ 575,827,393</b>	<b>100.00%</b>	<b>\$ 575,827,393</b>
<b>Total direct and overlapping debt</b>			<u><u>\$ 972,332,542</u></u>
<b>Ratio of (net) general bonded debt to the estimated actual property value</b>			<u><u>5.83%</u></u>

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

**Notes:**

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

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

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

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	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt Limit	\$ 823,949,359	\$ 883,162,004	\$ 958,230,916	\$ 998,588,916
Total net debt applicable to limit	<u>433,981,318</u>	<u>443,697,650</u>	<u>514,339,338</u>	<u>559,284,583</u>
Legal debt margin	<u>\$ 389,968,041</u>	<u>\$ 439,464,354</u>	<u>\$ 443,891,578</u>	<u>\$ 439,304,333</u>
 Total net debt applicable to the limit as a percentage of debt limit	 <u>52.67%</u>	 <u>50.24%</u>	 <u>53.68%</u>	 <u>56.01%</u>

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

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

**EXHIBIT S-14**

**Legal Debt Margin Calculation for Fiscal Year 2015:**

Assessed value	<u>\$ 9,875,806,062</u>
Debt limit (10% of assessed value)	<u>\$ 987,580,606</u>
Debt applicable to limit	<u>(575,827,393)</u>
Legal debt margin	<u><u>\$ 411,753,213</u></u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 948,586,601	\$ 904,569,381	\$ 891,484,121	\$ 906,005,941	\$ 930,784,526	\$ 987,580,606
<u>605,099,127</u>	<u>624,900,837</u>	<u>621,492,018</u>	<u>600,739,284</u>	<u>595,590,237</u>	<u>575,827,393</u>
<u><u>\$ 343,487,474</u></u>	<u><u>\$ 279,668,544</u></u>	<u><u>\$ 269,992,103</u></u>	<u><u>\$ 305,266,657</u></u>	<u><u>\$ 335,194,289</u></u>	<u><u>\$ 411,753,213</u></u>
<u>63.79%</u>	<u>69.08%</u>	<u>69.71%</u>	<u>66.31%</u>	<u>63.99%</u>	<u>58.31%</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>
2006	201,927	8,239,493,587	446,066,092	12,084,774	433,981,318	5.27%	2,149
2007	205,600	8,831,620,036	457,137,621	13,439,971	443,697,650	5.02%	2,158
2008	210,150	9,582,309,159	526,670,907	12,331,569	514,339,338	5.37%	2,447
2009	212,250	9,985,889,156	577,803,295	15,976,491	561,826,804	5.63%	2,647
2010	213,700	9,485,866,005	619,719,179	14,620,052	605,099,127	6.38%	2,832
2011	216,970	9,045,693,812	624,900,837	13,614,669	611,286,168	6.76%	2,817
2012	218,850	8,914,841,212	621,492,017	14,450,968	607,041,049	6.81%	2,774
2013	220,750	9,060,059,409	600,739,282	12,567,151	588,172,131	6.49%	2,664
2014	227,030	9,307,845,260	595,590,237	15,495,011	580,095,226	6.23%	2,555
2015	228,610	9,875,806,062	575,827,393	14,519,439	561,307,954	5.68%	2,455

**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 <sup>2</sup> (thousands of dollars)</b>	<b>Per Capita Personal Income <sup>2</sup> (dollars)</b>	<b>Unemployment Rate <sup>3</sup></b>
2006	201,927	4,748,717	23,517	4.50%
2007	205,600	4,685,007	22,787	4.30%
2008	210,150	4,788,688	22,787	5.10%
2009	212,250	5,510,859	25,964	6.45%
2010	213,700	5,548,507	25,964	7.98%
2011	216,970	5,494,548	25,324	7.86%
2012	218,850	5,693,602	26,016	6.58%
2013	220,750	5,905,946	26,754	5.79%
2014	227,030	6,122,999	26,970	4.90%
2015	228,610	6,096,800	26,669	3.60%

**Sources:**

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

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

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

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

**EXHIBIT S-17**

<u>Employer</u>	<u>2015</u> <sup>1</sup>			<u>2006</u> <sup>2</sup>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Citigroup, Inc.	7,500	1	3.01%	5,100	2	9.16%
Irving ISD	5,093	2	2.04%	4,022	3	7.22%
Verizon	3,260	3	1.31%	6,431	1	11.55%
Irving Mall	2,100	4	0.84%	2,100	7	3.77%
DFW International Airport	1,700	5	0.68%	2,500	5	4.49%
Allstate Insurance	1,650	6	0.66%	1,650	9	2.96%
Microsoft	1,351	7	0.54%			0.00%
Neiman Marcus Direct	1,339	8	0.54%			0.00%
Health Management Systems	1,299	9	0.52%			0.00%
Zale Corporation	1,250	10	0.50%			0.00%
Sprint				3,114	4	5.59%
Nokia				2,500	6	4.49%
City of Irving				1,846	8	3.32%
Abbott Laboratories				1,500	10	2.69%
<b>Total</b>	<u>26,542</u>		<u>10.65%</u>	<u>30,763</u>		<u>55.26%</u>

**Source(s):**

<sup>1</sup> City of Irving 2014 CAFR

<sup>2</sup> Irving ISD 2006 CAFR



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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b>Teachers</b>	2,155.4	2,213.0	2,270.2	2,329.6
<b>Professional Support</b>				
Associate School Psychologist	3.7	3.7	6.2	6.9
Counselor	80.7	79.9	81.0	79.0
Educational Diagnostician	27.5	27.0	28.9	26.5
Librarian	32.2	32.0	32.0	28.0
Occupational Therapist	5.3	4.8	4.9	4.8
Physical Therapist	2.0	2.0	2.0	2.0
School Nurse	33.9	33.4	35.5	35.0
Speech Therapist/Speech- Language Pathologist	23.1	25.5	20.4	24.8
Teacher Facilitator	39.3	3.0	3.0	4.0
Campus Professional Personnel	1.1	14.0	9.0	3.5
Non-Campus Professional Personnel	53.2	59.9	67.8	73.0
<b>Total Professional Support</b>	<u>302.0</u>	<u>285.2</u>	<u>290.7</u>	<u>287.5</u>
<b>Campus Administration</b>				
Assistant Principal	75.6	75.0	76.0	80.0
Instructional Officer	9.0	11.0	13.0	12.4
Principal	36.0	35.7	35.7	36.0
Teacher Supervisor	31.8	3.0	4.0	2.0
Athletic Director	2.0	1.0	1.0	1.0
<b>Total Campus Administration</b>	<u>154.4</u>	<u>125.7</u>	<u>129.7</u>	<u>131.4</u>
<b>Central Administration</b>				
Assistant/Assoc/Deputy Superintendent	3.0	4.0	4.0	4.0
Superintendent	1.0	1.0	1.0	1.0
Instructional Program Director or Exec Director	2.2	28.0	28.5	29.0
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>9.2</u>	<u>36.0</u>	<u>36.5</u>	<u>37.0</u>
<b>Educational Aides</b>				
Educational Aides	437.4	430.9	420.8	425.8
Interpreter	1.8	2.0	1.9	4.0
<b>Total Educational Aides</b>	<u>439.2</u>	<u>432.9</u>	<u>422.7</u>	<u>429.8</u>
<b>Auxiliary Staff</b>	<u>803.0</u>	<u>816.9</u>	<u>840.4</u>	<u>900.4</u>
<b>Total All Full-Time Equivalent Employees</b>	<u><u>3,863.2</u></u>	<u><u>3,909.7</u></u>	<u><u>3,990.2</u></u>	<u><u>4,115.7</u></u>

Source: District records from the Fall PEIMS submission



<b>Full-time-Equivalent Employees</b>						
<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
2,428.4	2,421.0	2,280.8	2,304.0	2,351.3	2,351.7	
8.2	8.8	8.8	9.0	10.6	9.2	
78.0	79.0	79.5	79.5	85.0	87.4	
35.5	33.5	29.5	32.5	31.4	36.4	
30.0	29.0	27.0	27.0	32.0	32.9	
5.0	6.0	6.0	5.5	5.6	5.6	
2.0	2.0	2.0	2.0	2.0	3.0	
36.0	36.0	35.0	36.0	35.9	38.0	
29.3	28.0	26.6	30.3	34.9	35.1	
6.0	7.0	5.0	37.9	40.7	78.4	
12.3	56.8	37.0	51.0	83.8	75.1	
81.0	81.0	76.0	80.0	78.9	92.0	
<u>323.3</u>	<u>367.1</u>	<u>332.4</u>	<u>390.7</u>	<u>440.8</u>	<u>493.1</u>	
83.0	81.0	69.0	69.0	65.0	71.9	
13.0	0.0	0.0	0.0	0.0	0.0	
37.0	38.0	38.0	38.0	36.9	37.0	
1.0	38.0	32.0	30.0	33.0	36.9	
1.0	1.0	1.0	1.0	1.0	1.0	
<u>135.0</u>	<u>158.0</u>	<u>140.0</u>	<u>138.0</u>	<u>135.9</u>	<u>146.8</u>	
4.0	4.0	6.0	7.0	5.7	4.0	
1.0	1.0	1.0	1.0	0.6	1.0	
35.0	13.0	13.0	13.0	12.0	12.9	
1.0	1.0	1.0	1.0	1.0	1.0	
1.0	1.0	1.0	1.0	1.0	3.0	
1.0	1.0	1.0	2.0	1.7	2.0	
<u>43.0</u>	<u>21.0</u>	<u>23.0</u>	<u>25.0</u>	<u>22.0</u>	<u>23.9</u>	
448.4	431.8	381.0	387.5	403.5	426.1	
0.0	4.0	0.0	4.0	8.3	9.5	
<u>448.4</u>	<u>435.8</u>	<u>381.0</u>	<u>391.5</u>	<u>411.8</u>	<u>435.6</u>	
<u>923.9</u>	<u>999.3</u>	<u>707.0</u>	<u>707.0</u>	<u>721.3</u>	<u>732.0</u>	
<u>4,302.0</u>	<u>4,402.2</u>	<u>3,864.2</u>	<u>3,956.2</u>	<u>4,083.1</u>	<u>4,183.1</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>
2006	32,620	183,767,694	5,634	0.27 %	2,008.0	16.2	68.7%
2007	32,951	199,587,657	6,057	7.52 %	2,009.0	16.4	72.0%
2008	33,189	212,397,290	6,400	5.65 %	2,010.0	16.5	72.5%
2009	33,223	226,761,389	6,825	6.65 %	2,011.0	16.5	74.1%
2010	33,798	229,344,297	6,786	(0.58)%	2,012.0	16.8	78.1%
2011	34,289	229,927,733	6,706	(1.18)%	2,013.0	17.0	80.5%
2012	34,851	243,870,930	6,998	4.35 %	2,280.8	15.3	81.5%
2013	35,114	257,769,548	7,342	4.92 %	2,304.0	15.2	81.3%
2014	35,403	276,784,658	7,818	6.49 %	2,351.3	15.1	80.5%
2015	35,191	288,104,156	8,187	4.72 %	2,351.7	15.0	76.9%

**Source:** District records

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

**EXHIBIT S-20**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>School</b>										
<b>Elementary</b>										
Buildings	24	24	24	24	24	24	24	24	24	24
Square feet	1,848,530	2,003,550	2,003,550	2,048,484	2,023,104	2,024,334	2,024,334	2,025,940	2,025,940	2,027,517
Maximum Capacity	18,600	18,600	18,600	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Enrollment	19,909	17,005	17,005	17,313	17,431	17,751	18,120	18,178	18,406	17,912
<b>Middle</b>										
Buildings	7	7	7	7	7	8	8	8	8	8
Square feet	1,149,983	1,149,983	1,149,983	1,149,983	1,156,734	1,326,868	1,326,868	1,328,012	1,328,012	1,328,012
Maximum Capacity	6,125	6,125	6,125	7,000	7,000	8,000	8,000	8,000	8,000	8,000
Enrollment	7,102	7,000	7,000	7,043	7,083	7,222	7,310	7,397	7,355	7,454
<b>High</b>										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	1,256,785	1,276,660	1,276,660	1,401,249	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281
Maximum Capacity	14,700	14,700	14,700	9,400	9,800	9,800	9,800	9,800	9,800	9,800
Enrollment	8,564	7,982	7,982	8,867	9,240	9,269	9,359	9,490	9,632	9,778
<b>Administrative</b>										
Buildings	7	10	9	9	9	9	9	9	9	9
Square feet	269,980	224,283	221,839	235,775	251,192	247,992	247,992	247,992	247,992	247,992
<b>Transportation</b>										
Buses (quantity) <sup>1</sup>	42	47	54	57	57	63.5	0	0	0	0
<b>Athletics</b>										
Football fields (quantity)	11	11	11	11	14	15	15	15	15	15
Soccer fields (quantity)	11	11	11	11	10	11	11	11	11	11
Running tracks (quantity)	11	11	11	11	9	11	11	11	11	11
Baseball/softball (quantity)	6	6	6	6	6	6	6	6	6	6
Playgrounds (quantity)	38	38	25	23	23	24	24	24	24	24

Source: District records

**Note:**

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



# **SINGLE AUDIT REPORTS**





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

Board of Trustees  
Irving Independent School District

We have audited, in accordance with 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, 2015, 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 6, 2016.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

Irving Independent School District  
January 6, 2016

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

### **Purpose of this Report**

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

*Weaver and Tidwell LLP*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
January 6, 2016





## 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 *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2015. 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, 2015.

## 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 LLP*

WEAVER AND TIDWELL, L.L.P

Dallas, Texas  
January 6, 2016

**IRVING INDEPENDENT SCHOOL DISTRICT  
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2015**

**EXHIBIT K-1**

<u>Pass-Through Grantor Program Title</u>	<u>Pass-Through Federal Grantor/ Grantor's Number</u>	<u>Federal CFDA Number</u>	<u>Direct Expenditures</u>	<u>Indirect Charges</u>	<u>Total Expenditures</u>
Passed Through State Department of Education:					
McKinney-Vento Homeless Education Region X	15-012	84.196A	\$ 60,442	\$ 1,487	\$ 61,929
Title I Part A Improving Basic Programs	15610101057912	84.010A	9,458,591	243,734	9,702,325
Title I Part A Improving Basic Programs	16610101057912	84.010A	71,086	2,761	73,847
Title I 1003(A) Priority & Focus School Grant	15610112057912045	84.010A	16,608	358	16,966
Title I 1003(A) Priority & Focus School Grant	15610112057912050	84.010A	14,831	369	15,200
Title I 1003(A) Priority & Focus School Grant	15610112057912101	84.010A	15,997	385	16,382
Title I 1003(A) Priority & Focus School Grant	15610112057912102	84.010A	16,890	110	17,000
Title I 1003(A) Priority & Focus School Grant	15610112057912103	84.010A	12,141	382	12,523
Title I 1003(A) Priority & Focus School Grant	15610112057912105	84.010A	16,575	358	16,933
Title I 1003(A) Priority & Focus School Grant	15610112057912109	84.010A	14,573	314	14,887
Title I 1003(A) Priority & Focus School Grant	15610112057912112	84.010A	14,115	449	14,564
Title I 1003(A) Priority & Focus School Grant	15610112057912114	84.010A	16,292	377	16,669
Title I 1003(A) Priority & Focus School Grant	15610112057912119	84.010A	16,600	397	16,997
Title I 1003(A) Priority & Focus School Grant	15610112057912121	84.010A	16,641	359	17,000
Title I 1003(A) Priority & Focus School Grant	15610112057912122	84.010A	16,381	419	16,800
Adult Ed English Literacy & Civics Awareness	IISD-AEL1-2014	84.002A	346,400	5,786	352,186
IDEA-B Formula*	156600010579126600	84.027A	6,504,977	156,478	6,661,455
IDEA-B Formula*	166600010579126600	84.027A	8,312	323	8,635
IDEA-B Preschool*	156610010579126610	84.173A	17,282	448	17,730
IDEA-B Discretionary Deaf*	15600020579126673	84.027A	65,331	-	65,331
IDEA-B Formula Deaf*	156600010579126601	84.027A	14,447	312	14,759
IDEA-B Formula Deaf*	166600010579126000	84.027	738	29	767
IDEA-B Preschool Deaf*	156610010579126611	84.173A	5,769	128	5,897
IDEA-C Early Childhood Intervention, Deaf*	153911010579123911	84.181A	959	-	959
Carl D Perkins Basic Grant for Career & Technology	15420006057912	84.048A	160,199	2,838	163,037
Title II Part A Teacher & Principal Training & Recruiting	15694501057912	84.367A	811,134	18,652	829,786
Title II Part A Teacher & Principal Training & Recruiting	16694501057912	84.367A	73,105	2,839	75,944
Title III Part A Limited English Proficiency	15671001057912	84.365A	1,554,538	31,091	1,585,629
Title III Part A Limited English Proficiency	16671001057912	84.365A	30,432	609	31,041
Summer School - Limited English Proficiency	S369A130045	84.369A	40,943	-	40,943
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>19,412,329</b>	<b>471,792</b>	<b>19,884,121</b>
Passed Through the Department of Housing and Urban Development/Office of Community Planning					
Community Development Block Grant	86-0162-0-1-45	14.218	4,156	-	4,156
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>4,156</b>	<b>-</b>	<b>4,156</b>
Passed through Texas Department of Health and Human Services:					
Medicaid	00057912	93.778	104,479	-	104,479
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>104,479</b>	<b>-</b>	<b>104,479</b>
Passed through State Department of Education:					
USDA Donated Commodities**	00057912	10.555	1,359,070	-	1,359,070
National School Lunch**	00057912	10.555	12,560,018	-	12,560,018
School Breakfast Program**	00057912	10.553	4,874,105	-	4,874,105
Summer Feeding Program**	00057912	10.559	447,953	-	447,953
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>19,241,146</b>	<b>-</b>	<b>19,241,146</b>
Reserve Officer Training Corps	00057912	12.000	290,116	-	290,116
<b>TOTAL DEPARTMENT OF DEFENSE</b>			<b>290,116</b>	<b>-</b>	<b>290,116</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 39,052,226</b>	<b>\$ 471,792</b>	<b>\$ 39,524,018</b>

\* Special Education Cluster

\*\* Child Nutrition Cluster

**IRVING INDEPENDENT SCHOOL DISTRICT  
NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2015**

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

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

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

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

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

3. The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extends 30 days beyond the federal project period ending date, in accordance with the provisions in Section H, Period of Performance of Federal Funds, Part 3, U.S. Office of Management and Budget (OMB) Compliance Supplement.
4. Funds were received by the District for school health and related services (SHARS) reimbursements (\$4,173,577) and a Build America Bond interest subsidy (\$729,102). 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, 2015**

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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**