

COMPREHENSIVE
ANNUAL FINANCIAL
REPORT



Independent School District

Irving, Texas

for the
Fiscal Year Ended
August 31, 2011

Dana T. Bedden, Ed.D.
Superintendent of Schools

Prepared by
Irving ISD Business Office

Debbie Cabrera, CPA, MBA
Associate Superintendent for Business Services

Jan Arrington, CPA, M.Ed.
Director of Business Operations

Miranda MacDonald, CPA, MBA
Accounting Supervisor



**IRVING INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED
 AUGUST 31, 2011**

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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) X approved _____ disapproved for the year ended August 31, 2011 at a meeting of the board of school trustees of such school district on the 23rd day of January, 2012.


Board President
Heather Ashley


Board Secretary
Jerry Christian

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





Diverse. Inspiring. Successful.



DEBBIE CABRERA, CPA, MBA
Associate Superintendent of
Business Services

DANA T. BEDDEN, Ed.D.
Superintendent of Schools

January 23, 2012

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, 2011 is submitted herewith. The District's Business Office has prepared this report, with responsibility for the accuracy and completeness of the report resting solely with the District. We believe the data, as presented, is accurate in all material aspects, that it 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, 2011, is prepared in accordance with generally accepted accounting principles (GAAP) and 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 five sections: introductory, financial, required TEA, statistical, and federal financial assistance. The Introductory Section includes this transmittal letter, the District's organizational chart, the GFOA and ASBO Certificates, and a list of principal officers. The Financial Section includes the basic financial statements, the combining and individual fund financial statements and schedules, as well as the auditor's report on the basic financial statements and schedules. The Required TEA Section includes various schedules required by the Texas Education Agency. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The Federal Financial Assistance Section includes the Single Audit Report.

GAAP also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

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

The District is one of 1,237 school districts and charter schools in the State of Texas. It provides a program of public education from pre-kindergarten through grade twelve.

The Irving Independent School District 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. Because members of the Board are elected by the public and have the authority to make decisions, appoint administrators and managers, and significantly influence operations, and because they 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 receives funding from local, state, and federal funding sources and must comply with the requirements of the entities providing those funds.

Major Initiatives and Points of Distinction

During a five year period from 1999 to 2003, the District earned a Recognized District rating from the Texas Education Agency. The IISD has had an Academically Acceptable rating in 2005, 2006, 2007, 2008, 2009, 2010 and 2011 with the implementation of the more rigorous and comprehensive TAKS Assessment. In 2011, 12 individual Irving schools earned campus Recognized ratings and one campus earned Exemplary ratings.

The United States Department of Education designated MacArthur High School as a National Blue Ribbon School in May 2002 following on the heels of Good Elementary School's National Blue Ribbon School designation in May 2001 and Lamar Middle School's in May of 2000. Good Elementary was also one of 12 schools in the U.S. and the only school in Texas to receive special recognition in technology in 2001.

From more than 1,200 applicants across the United States, MacArthur High School was named one of the two best high schools at the Intel/Scholastic 21st Century Schools of Distinction Awards in 2004.

Microsoft Corporation has selected the Irving ISD as the first Microsoft Center of Excellence. With this designation, the IISD is being recognized as an innovator in the use of technology to enhance the teaching and learning process.

Full-day kindergarten classes are available at all 20 elementary schools. The District has three early childhood schools for pre-kindergarten students that opened in the 1999-2000 school year.

Results of the 2010-2011 National Merit Scholarship competition included: four Semifinalists, nine Commended students, 11 National Hispanic Scholars, and three in the National Achievement Scholarship Program for African American students, one was designated a semifinalist and two were designated Outstanding Participants.

Over the past four years, Irving has seen a steady increase in the number of high school students who receive a score of 3 or higher on the Advanced Placement exam. Exams are scored on a scale of 1 to 5. For 2004-05, 522 students scored a 3 or higher, increasing to 690 in 2008-09. The number of AP scholars also increased from 69 in 2004 to 110 in 2009.

Graduating seniors in the Class of 2011 earned \$21 million in scholarship offers.

The District received the highest possible rating under the state's Schools FIRST financial accountability rating system. The Superior Achievement Rating confirms its excellence in managing and reporting taxpayer dollars. The District has received this rating in all nine years of the system's existence.

The District received a 5-star rating in the Financial Allocation Study for Texas (FAST) for the second year in a row. A 5-star rating indicates high student academic progress while being fiscally responsible. The District was one of 23 school districts and charter schools to receive this rating for two consecutive years.

The Partnerships in Education Program has more than 200 active alliances with businesses and other organizations with over 1,500 volunteers.

In November 2007, Irving voters approved a \$249,975,000 School Bond Package, the largest bond issue in the District's history. Divided into four phases, the projects in the bond package include funding for new and renovated facilities, equipment, instructional technology, and land to build new schools.

The District's newest facility is a "net zero" middle school. The District completed construction on the new middle school, which is named Lady Bird Johnson Middle School, and it is the first net zero school in Texas and the largest in the country. Renewable energy sources are on site that powers the building. On days of high demand, electricity is purchased from the electric grid. At other times of the day and year, electricity is produced on the site and sold back to the electric company. Over the course of a year, electricity purchased and consumed will be offset by electricity produced and sold; thus the term, net zero. This new school opened in the Fall of 2011.

Students have access to computer technology through numerous classroom computers, computer labs and mobile multimedia stations. Beginning in August 2003, all students in grades 9-12 have laptop computers for use at home and school. All teachers receive laptop computers with connections to the IISD network. In October 1997, \$47 million in bond funds were approved that funded a five-year instructional technology plan that included networking schools and other facilities with various software including e-mail and Internet access. In October 2001, \$54.8 million in bond funds were approved to replace aging equipment and to provide equipment for new facilities and new programs. In November 2007, \$49.8 million in bond funds were approved to replace aging equipment and to provide a new telephone system and student information system for the entire District.

GENERAL EDUCATION SERVICES

The mission statement of the Irving Independent School District is "We engage learners to become critical thinkers, leaders and contributors in a diverse and competitive world."

Instruction

The District, established by the Texas Legislature in 1909, provides a comprehensive curriculum of educational services appropriate for over 34,000 students enrolled in pre-kindergarten through Grade 12, as well as a preparation course for the General Education Development

examination. Instructional offerings include a strong core curriculum in language arts, mathematics, science, social studies, performing arts, compensatory education, bilingual and limited English proficient education, gifted and talented education for grades 2-12, career and technological education, special education for the handicapped, athletics and JROTC programs. The District's special programs include a regional school for the deaf, early childhood schools for four year-olds who are limited English proficient and/or economically disadvantaged, an extensive elementary health/safety instruction, and an array of elective courses at the secondary level.

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), two reassignment schools and two learning centers. All campuses are air-conditioned facilities complete with cafeterias and gymnasiums. In addition, the District owns and operates nine other facilities, which include an administration building, a learning resource center, a food service center, an athletic stadium and a facility service center.

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.

ECONOMIC OUTLOOK

The District is located in the heart of the Dallas-Fort Worth metropolitan area (the "Metroplex") in the western portion of Dallas County, Texas, the third most populous county in the state. The District encompasses 48.55 square miles, which includes the major portion of the City of Irving ("Irving") and portions of the cities of Dallas and Grand Prairie. On a per pupil basis, the District ranks in the top 16% of the wealthiest Texas school districts.

Irving offers its residents learning opportunities to last a lifetime. Irving boasts three institutions of higher learning located on 744 rolling acres in the City proper. These three fully accredited institutions of higher learning are the University of Dallas, North Lake College and DeVry University.

Irving represents a diverse and dynamic business environment, well established as a headquarters location for companies, with excellent access to domestic and international air service. Businesses recognize the many advantages offered by Irving's location and quality of life. Irving's proximity to major airports, commercial centers, and recreational and cultural attractions offers the convenience of a major metropolitan area with the comfort and charm of a suburban lifestyle.

Major corporations are drawn to Irving not only because of its accessibility to major transportation systems, availability of affordable land, high quality of life, large skilled work force and host of hotels and conference centers, but also because its commercial properties are designed to hold or increase in value over the long term. These key factors will assist continued business growth in the future.

Major industries in Irving include high technology, manufacturing, transportation, utilities, oil and gas, and tourism. Names like: Microsoft, ExxonMobil, Verizon, Zale Corporation, Boy Scouts of America, Nokia Inc., Citigroup and NCH Corporation have chosen to maintain their headquarters in the District, 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 RANGE PLANNING

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

The Department of Planning and Research starts off the budget development planning cycle when they release the projected student enrollment for the following fall in early January. Staffing charts are updated, and new campus staff additions to accommodate student growth are estimated by the Personnel department using this projection model. The Budget office develops a forecast document that compares the prior year's actual expenditures to the current year budget and projects the financial position of the district for the next three years. The parameters for this forecast model are developed early in the budget cycle by the Finance Committee, which is made up of three members of the Board of Trustees, the Superintendent, and the Associate Superintendent of Business Services. Such things as taxable assessed value growth, optional homestead exemption, employee raises, fund balance levels, and state funding assumptions are determined in February. This allows the District several months of planning for developing budgets for district-wide staffing, and non-payroll campus and department needs, before the first budget draft is presented to the Board of Trustees in May, with the final adoption of the budget in August.

FINANCIAL INFORMATION

The Comprehensive Annual Financial Report for the year ended August 31, 2011 is prepared in accordance with GAAP and in conformance with standards of financial reporting established by the 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, 2011 provided no conditions that would be considered a material weakness in relation to a Federal financial assistance program, and no material instances of noncompliance 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 auditors' 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.

OTHER INFORMATION

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 also was designed to meet the requirement of the federal Single Audit Act of 1984, as amended in 1996, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The independent auditor's report on the basic financial statements is included in the financial section of this report.

Awards

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2010 as reproduced on page 12. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2010 as reproduced on page 11. 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-third consecutive year that the District has prepared this report and won these prestigious awards.

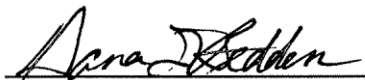
These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year 2011 certificates.

Acknowledgments

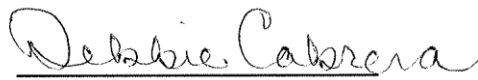
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Business Department. We would like to express our appreciation to all members of the Department who assisted and contributed to its preparation, especially, Helen Wilshire, Sharon Clifton, Ruth Loehr-Moffatt, Grace Mercado-Marx and Karen Rimmer. Jan Arrington, Director of Business Operations, coordinated the efforts of the Business Office staff, and is the person primarily responsible for the production of this report.

We also wish to thank the members of 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,



Dana T. Bedden, Ed.D.
Superintendent



Debbie Cabrera, CPA, MBA
Associate Superintendent of Business Services



LIST OF PRINCIPAL OFFICIALS

BOARD OF TRUSTEES

<u>Name</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Heather Ashley, President	3 years	2012	Retail Sales
Ronda Huffstetler, Vice President	11 years	2013	Salon Owner
Jerry Christian, Secretary	8 years	2013	Retired School Administrator
Gwen Craig, Member	2 years	2013	Retired Educator
Dr. Steven Jones, Member	1 year	2014	Producer
Valerie Jones, Member	6 years	2012	Civic Leader
Gail Conder Wells, Member	1 year	2014	CPA

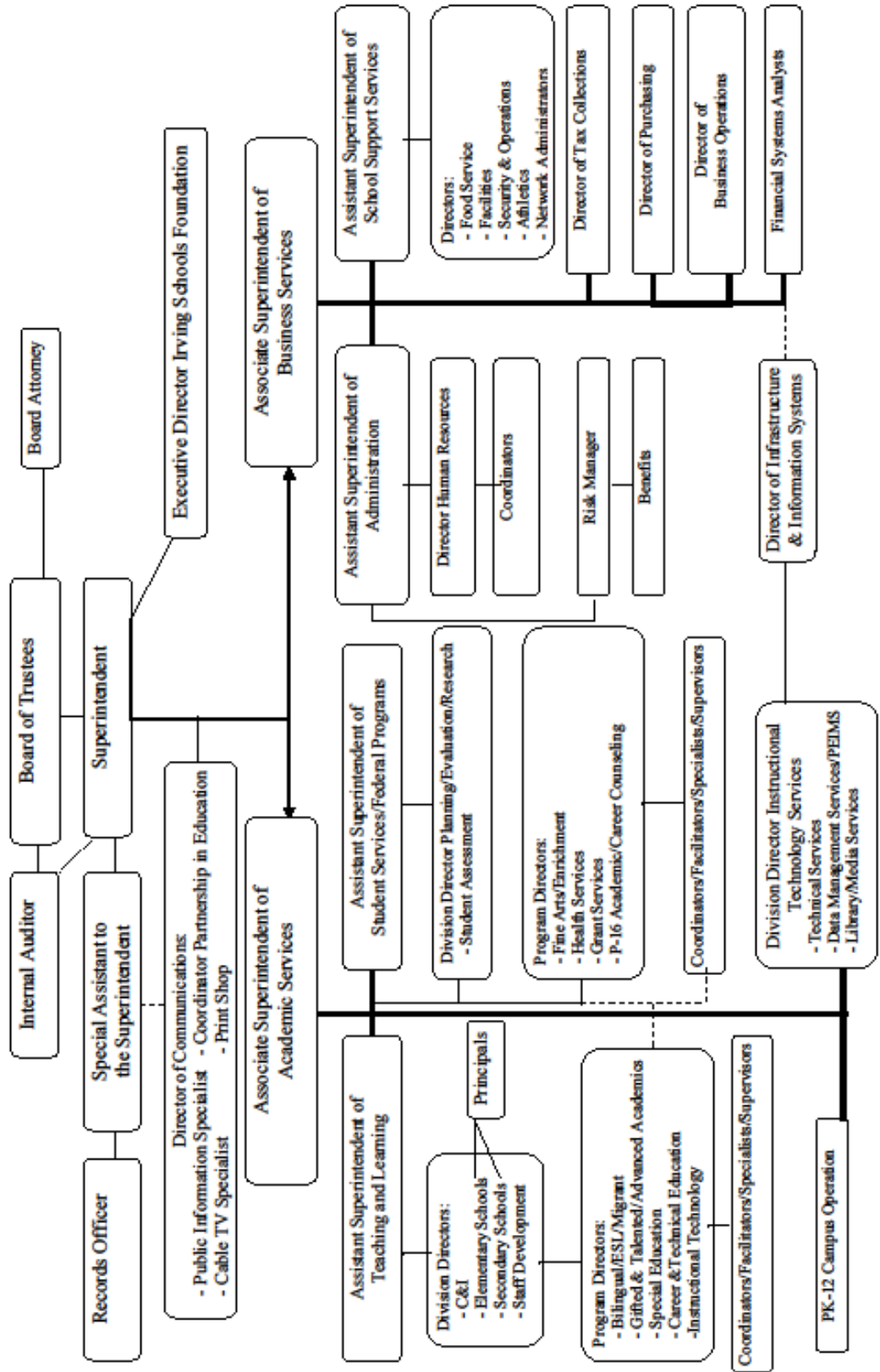
ADMINISTRATIVE OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Dana T. Bedden, Ed.D.	Superintendent	2 year
Debbie Cabrera, CPA	Associate Superintendent of Business Services	14 years
Melody Paschall	Associate Superintendent for Academic Services	1 year
Scott Layne	Assistant Superintendent of School Support Services	20 years
Karry Chapman	Interim Assistant Superintendent of Personnel and Administration	1 year
Cheryl Jennings	Assistant Superintendent of Teaching and Learning	24 years
Judy Rudebusch	Assistant Superintendent of Student Services and Federal Programs	10 year
Ralph Diaz	Special Assistant to the Superintendent	13 years

CONSULTANTS AND ADVISORS

Weaver and Tidwell L.L.P. Dallas, Texas	Independent Auditors
Vinson & Elkins LLP Dallas, Texas	Bond Counsel
RBC Capital Markets Dallas, Texas	Financial Advisor
James Deatherage Irving, Texas	General Counsel
Comerica Bank – Irving Irving, Texas	Official Depository

Irving Independent School District Organization Chart



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Emer

Executive Director



This Certificate of Excellence in Financial Reporting is presented to

IRVING INDEPENDENT SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended August 31, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Irving Independent School District, Texas (the District) as of and for the year ended August 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Irving Independent School District, Texas, as of August 31, 2011, and the respective changes in financial position, and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2012, on our consideration of the Irving Independent School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis (on pages 15 through 25) and the budgetary comparison schedules (on page 63 through 65) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Irving Independent School District

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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, required T.E.A. section, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 in addition to the other supplementary information, required T.E.A. schedules listed in the table of contents, are not a required part of the basic financial statements of the District. Such information, excluding the statistical section marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 18, 2012

**IRVING INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED AUGUST 31, 2011 (UNAUDITED)**

As management of the Irving Independent School District (the "District"), we offer readers of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2011. 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 \$270,892,348, or 77%, of all fiscal year 2011 revenues. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$78,757,361, or 23%, of total fiscal year 2011 revenues.
- The District had \$349,154,043 in expenses related to governmental activities. \$78,757,361 of these expenses was offset by program-specific charges for services or grants and contributions. General revenues of \$270,892,348 were adequate to provide for the remaining costs of these programs, resulting in a \$495,666 increase in net assets.
- Among major funds, the General Fund had \$232,084,538 in fiscal year 2011 revenues, which primarily consisted of state aid and property taxes, and \$229,927,733 in expenditures. The General Fund's fund balance increased \$2,331,342, from \$77,086,023 as of August 31, 2010 to \$79,417,365 as of August 31, 2011.

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 assets and the statement of activities. These provide information about the activities of the District as a whole and present a long-term view of the District's property and debt obligations and other financial matters.

The statement of net assets presents information on all of the District's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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. The government-wide financial statements can be found on pages 27 – 28 of this report.

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. The basic governmental fund financial statements can be found on pages 30 – 36 of this report.

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. The notes to the financial statements can be found on pages 41 – 61 of this report.

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 assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$52,101,757 as of August 31, 2011. This is an increase of \$495,666 over the prior year, indicating an overall positive position for the District.

A portion of the District's net assets represents resources subject to external restrictions on how they may be used. As of August 31, 2011, the District's restricted net assets for food service were \$6,710,687 and restricted net assets for future debt service payments were \$4,549,566. Unrestricted net assets 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, 2011, the District's unrestricted net assets were \$35,907,568.

Net assets invested in capital assets net of related debt was \$4,933,936. 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 assets for the fiscal years ended August 31, 2011 and August 31, 2010.

Table I
Net Assets
Governmental
Activities

	<u>2011</u>	<u>2010</u>	<u>Difference</u>
Current and other assets	\$ 210,536,143	\$ 254,208,679	\$ (43,672,536)
Capital assets (net)	<u>504,230,272</u>	<u>454,938,684</u>	<u>49,291,588</u>
Total assets	<u>714,766,415</u>	<u>709,147,363</u>	<u>5,619,052</u>
Current liabilities	49,349,249	34,170,321	15,178,928
Long-term liabilities	<u>613,315,409</u>	<u>623,370,951</u>	<u>(10,055,542)</u>
Total liabilities	<u>662,664,658</u>	<u>657,541,272</u>	<u>5,123,386</u>
Invested in capital assets, Net of related debt	4,933,936	3,431,449	1,502,487
Restricted	11,260,253	11,297,829	(37,576)
Unrestricted	<u>35,907,568</u>	<u>36,876,813</u>	<u>(969,245)</u>
Total net assets	<u>\$ 52,101,757</u>	<u>\$ 51,606,091</u>	<u>\$ 495,666</u>

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

- Total assets increased due to cash invested in the completion of a new energy-efficient middle school: a net zero middle school. Fifteen other major building construction projects were also completed to contribute to the increase in total assets.
- Total liabilities increased, primarily due to the District's issuance of \$22 million of newly issued voter authorized bonds from the November, 2007 election.

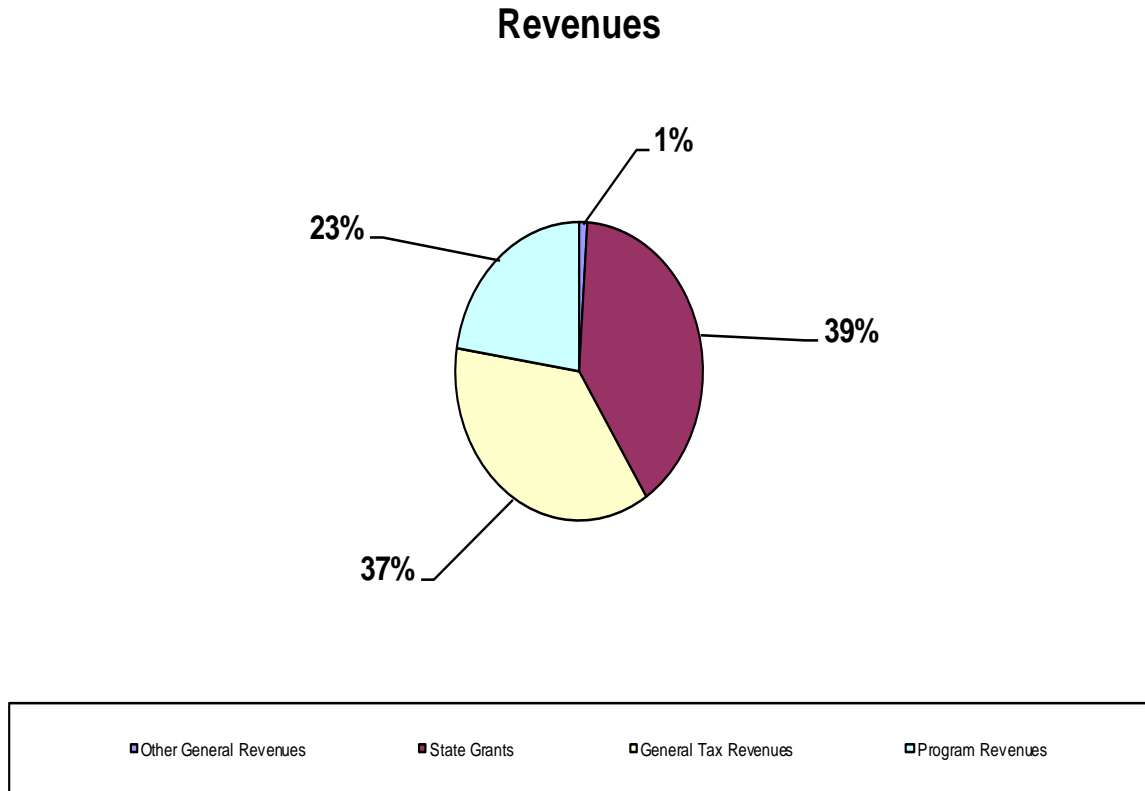
The District's total revenues for the fiscal year ended August 31, 2011 were \$349,649,709. The total cost of all programs and services was \$349,154,043. The following table presents a summary of the changes in net assets for the fiscal years ended August 31, 2011 and August 31, 2010.

Table II
Change in Net Assets
Governmental
Activities

	<u>2011</u>	<u>2010</u>	<u>Difference</u>
Revenues:			
Program revenues:			
Charges for services	\$ 4,643,979	\$ 4,979,080	\$ (335,101)
Operating grants and contributions	74,113,382	72,112,849	2,000,533
General revenues:			
Maintenance and operations taxes	90,847,221	93,248,521	(2,401,300)
Debt service taxes	37,126,703	37,025,527	101,176
State grants	139,197,880	129,868,903	9,328,977
Investment earnings	871,377	1,870,376	(998,999)
Miscellaneous	2,849,167	2,074,380	774,787
Total revenue	<u>349,649,709</u>	<u>341,179,636</u>	<u>8,470,073</u>
Expenses:			
Instruction, curriculum, and media services	212,653,461	213,223,140	(569,679)
Instructional and school leadership	24,576,757	24,995,000	(418,243)
Student support services, child nutrition and co-curricular activities	45,340,147	43,108,555	2,231,592
General administration	7,248,095	7,239,959	8,136
Plant maintenance, security, and data processing	27,986,500	28,402,114	(415,614)
Community services	1,246,312	1,336,533	(90,221)
Interest and fiscal charges	28,495,578	27,919,340	576,238
Other Facility Costs	-	3,450	(3,450)
Intergovernmental charges	596,286	626,839	(30,553)
Payments to TIF	1,010,907	1,414,723	(403,816)
Total expenses	<u>349,154,043</u>	<u>348,269,653</u>	<u>884,390</u>
Change in net assets	495,666	(7,090,017)	7,585,683
Beginning Net Assets	<u>51,606,091</u>	<u>58,696,108</u>	<u>(7,090,017)</u>
Ending Net Assets	<u>\$ 52,101,757</u>	<u>\$ 51,606,091</u>	<u>\$ 495,666</u>

Net assets of the District's governmental activities increased from \$51,606,091 to \$52,101,757, or \$495,666.

The District's reliance upon tax revenues is demonstrated by the graph below, which indicates that 37% of total revenues for governmental activities come from local taxes.



The District's total revenues this year were \$349,649,709, up \$8,470,373 from the prior year. A significant part of this increase is from increased state revenue which is generated by an increase in ADA (Average Daily Attendance) and by the state covering the loss of revenue from the decline in property tax values. This increase in revenues, while holding expenditures to prior year levels, allowed the District to see an overall increase in net assets.

The cost of all governmental activities this year was \$349,154,043. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through district taxes was \$127,973,924 because some of the costs were paid by those who directly benefited from the programs (\$4,643,979), by other governments and organizations that subsidized certain programs with grants and contributions (\$74,113,382), or by state aid (\$139,197,880), investment income (\$871,377), and other miscellaneous income (\$2,849,167).

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

	Total Expenses	Net Expenses
Instruction, curriculum, and media services	\$ 212,653,461	\$ 165,600,352
Instructional and school leadership	24,576,757	22,390,003
Student support services, child nutrition and co-curricular activities	45,340,147	22,571,965
General Administration	7,248,095	7,090,032
Plant maintenance, security, and data processing	27,986,500	23,324,992
Community services	1,246,312	361,699
Interest and fiscal charges	28,495,578	28,495,578
Intergovernmental charges	596,286	583,616
Payments to TIF	1,010,907	(21,555)
Total expenses	<u>\$ 349,154,043</u>	<u>\$ 270,396,682</u>

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds reported a combined fund balance of \$165,626,046, which is a decrease of \$45,564,132 from the prior year.

The schedule below indicates the fund balance by fund type as of August 31, 2011 and August 31, 2010.

	Fund Balance August 31, 2011	Fund Balance August 31, 2010	Change in Fund Balance
General Fund	\$ 79,417,365	\$ 77,086,023	\$ 2,331,342
Food Service	6,710,687	7,398,104	(687,417)
Debt Service	13,614,669	14,620,052	(1,005,383)
Capital Projects	65,746,211	112,060,012	(46,313,801)
Other Funds	137,114	25,987	111,127
Total	<u>\$ 165,626,046</u>	<u>\$ 211,190,178</u>	<u>\$ (45,564,132)</u>

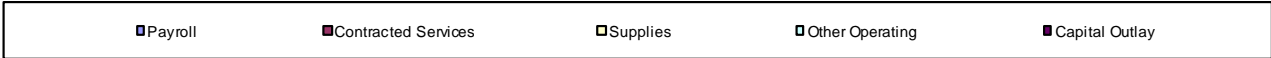
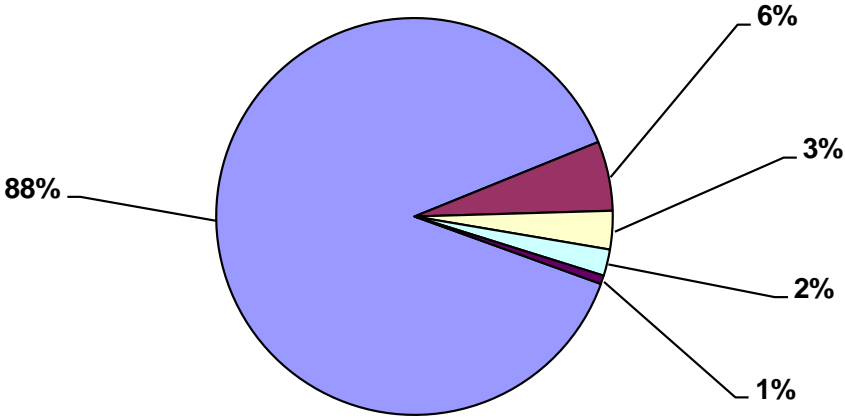
General Fund

The fund balance of the General Fund increased \$2,331,342 from the prior year. The District's original budget plan was to use \$6.5 million of fund balance. An increase of \$8.8 million from the budgeted fund balance can be explained as follows: \$1.8 million more state revenue from increased student attendance and lower property values was realized than what was originally expected. An additional \$1.7 million was received from the District's participation in the School Health and Related Services (SHARS) program, from the final settle-up from the 2009 SHARS Cost Report. General Fund expenditures decreased \$5.2 million over what was originally budgeted.

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.

Expenditures by Object	August 31, 2011 Amounts	August 31, 2010 Amounts	Increase (Decrease) from Prior Year
Payroll	\$ 202,994,680	\$ 198,471,877	\$ 4,522,803
Contracted Services	13,094,685	16,796,501	(3,701,816)
Supplies	7,238,057	7,337,632	(99,575)
Other Operating	4,974,157	5,479,126	(504,969)
Capital Outlay	1,626,154	1,259,161	366,993
Total	\$ 229,927,733	\$ 229,344,297	\$ 583,436

General Fund Expenditures



Food Service Fund

The fund balance of the Food Service fund decreased \$687,417 from the prior year. This represented a planned use of fund balance for kitchen equipment at the new “Net Zero” middle school which opened in August, 2011.

Debt Service Fund

The Debt Service fund balance decreased \$1,005,383. This represented a planned use of fund balance and was \$252,674 less than the original budgeted use of fund balance. The District was able to increase its state funding in the current year with an additional entitlement from the state for the IFA (Instructional Facilities Allotment) program to reduce its anticipated use of fund balance.

Capital Projects Fund

The Capital Projects fund balance decreased \$46,313,801 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 assets 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 reducing the appropriation budget, \$19,763,862. Revenues had budget amendments of \$19,378,644. The major components of these changes are reflected on Exhibit G-1 and the key factors for the changes can be summarized as follows:

\$1,852,767 increase in state revenue, for better than anticipated student growth and average daily attendance and an increase in FTE’s for special student populations.

\$21,008,290 decrease in revenue and expenditures for recording state foundation funds from the General Operating Fund to the federal ARRA stabilization grant fund. Separate fund accounting was required by the state.

\$575,000 increase in SHARS (School Health and Related Services) program revenues, due to an increase in reimbursements received for the year.

\$747,566 decrease in Tax Increment Finance Zone payments to the City of Irving as a result of the decrease in values of properties located within the Zone, from lawsuit settlements.

\$138,533 increase in contracted services for legal fees.

A positive variance, from actual to final budget, of \$1,681,380 is noted for Federal Program Revenues and is the result of the 2009 cost settle up for the SHARS program that was not known at the time of the final budget amendments to the Board of Trustees.

A positive variance, from actual to final budget, of \$1,510,995 is noted for function 11 expenditures and is attributed to less stipends and extra duty pay and associated TRS-On Behalf charges than anticipated and department and campus savings on supplies and material budgets.

A positive variance, from actual to final budget, of \$1,011,840 is noted for function 51 expenditures and is attributed to savings from vacant positions and related benefits.

A positive variance, from actual to final budget, of \$948,947 is noted for function 53 expenditures and the majority is attributed to e-rate reimbursements on internet services from prior years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of August 31, 2011, the District had invested \$504,230,272 in capital assets, net of accumulated depreciation of \$273,374,914, including land and improvements, facilities, and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase in capitalized cost of \$49,291,588 from last year. The increase is primarily due to completing various construction projects and equipment acquisitions. The total depreciation expense for the year was \$22,068,923. The following schedule presents capital asset balances net of depreciation for the fiscal year ended August 31, 2011:

Land and Improvements	\$ 31,771,477
Furniture and Equipment	22,899,707
Buildings and Improvements	437,800,351
Construction in Progress	<u>11,758,737</u>
Total	<u>\$ 504,230,272</u>

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

Debt

As of August 31, 2011, the District had \$624,900,837 in general obligation bonds payable and \$3,106,263 in claims payable. The District had \$16,383,540 in bonds payable that are 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. State statutes currently limit the amount of general obligation debt a District may issue to 10% of its total assessed valuation. The current debt limitation for the District is \$904,569,381, which is more than the District's outstanding general obligation debt.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the 2011-2012 budget and 2011 tax rates. One of those factors was the economy. Going into the 2011 tax year the District experienced a 2.1% decrease in property values. This is the third year of a decrease in property values after several years of increasing values.

With 59% of the District's tax base in commercial and business personal property, this was the third year in a row that the District experienced a significant decrease (5.8%) in its values. The residential property values for the 2012 fiscal year decreased with a decline in values of 2.2%.

The decrease in property values was offset by an increase in state revenue for the General Fund as provided for under current state law, but this does not apply to the Debt Service Fund. Since the state of Texas was faced with a budget shortfall for the new biennium, \$4 billion was cut from the public education system. Legislation was passed under Senate Bill 1 that reduced the District's state foundation revenue for next year by \$12 million, as compared to what would have been received under House Bill 3646. The District responded to this significant budget cut by declaring a financial exigency and reducing 322.5 staff positions from all areas of staffing from central administration, the classroom, and facilities and maintenance staff. With this drastic measure the District was able to balance the budget for fiscal year 2012 for the General Operating Fund, without the use of its fund balance.

The maintenance and operating tax rate of \$1.04 is the same as last year. A total of 4 cents above \$1.00 is allowable at the local level, under provisions of HB 1. The District is now at its maximum maintenance and operating tax rate for the second year in a row and will remain at this rate until the Board of Trustees decide to call for a tax ratification election to access up to 13 additional pennies.

The debt service tax rate remains the same as last year at \$.425 with the District making the decision to use \$422,045 of its ample fund balance reserve to maintain the same tax rate.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office at Irving Independent School District, 2621 W. Airport Freeway, Irving, Texas, 75062.



BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

**IRVING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2011**

EXHIBIT A-1

DATA CONTROL CODES		<u>GOVERNMENTAL ACTIVITIES</u>
	ASSETS	
1110	Cash & Cash Equivalents	\$ 157,391,180
1120	Investments	25,000,000
1220	Delinquent Taxes Receivable - Net of Estimated Uncollectible Taxes	4,759,107
1240	Due from Other Governments	13,597,932
1250	Accrued Interest	244,433
1290	Other Receivables	2,502,155
1310	Inventories	1,400,562
1410	Deferred Expenses	5,640,774
1510	Land	19,987,459
1515	Land Improvements	19,376,411
1520	Buildings and Improvements	620,217,802
1580	Construction in Progress	11,758,737
1530	Furniture and Equipment	106,264,777
1570	Accumulated Depreciation	<u>(273,374,914)</u>
1000	TOTAL ASSETS	<u>714,766,415</u>
	LIABILITIES	
2110	Accounts Payable and Claims Liabilities	22,251,482
2150	Payroll Deductions and Withholdings	545,292
2160	Accrued Wages Payable	5,614,161
2140	Interest Payable	3,137,589
2180	Due to Other Governments	44,148
2300	Unearned Revenue	563,858
	Due Within One Year:	
2121	Bonds Payable	16,383,540
2123	Claims Payable	809,179
	Noncurrent Liabilities:	
	Due in More than One Year:	
2800	Claims Payable	2,297,084
2510	Bonds Payable	<u>611,018,325</u>
2000	TOTAL LIABILITIES	<u>662,664,658</u>
	NET ASSETS	
3800	Invested in Capital Assets, Net of Related Debt	4,933,936
3840	Restricted for Food Service	6,710,687
3850	Restricted for Debt Service	4,549,566
3430	Unrestricted Net Assets	<u>35,907,568</u>
3000	TOTAL NET ASSETS	<u>\$ 52,101,757</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, 2011**

EXHIBIT B-1

Data Control Codes	Functions/Programs	1 Expenses	2 Charges for Services	3 Program Revenues		Net (Expense) Revenue and Changes in Net Assets
				Operating Grants and Contributions	Total Governmental Activities	
	Governmental Activities:					
11	Instruction	\$ 202,027,719	\$ 543,735	\$ 42,011,180		\$ (159,472,804)
12	Instructional Resources and Media Services	5,395,741	-	1,942,198		(3,453,543)
13	Curriculum Development and Instructional Staff Development	5,230,001	-	2,555,996		(2,674,005)
21	Instructional Leadership	5,302,420	-	1,060,044		(4,242,376)
23	School Leadership	19,274,337	-	1,126,710		(18,147,627)
31	Guidance, Counseling, and Evaluation Services	14,456,133	-	1,825,060		(12,631,073)
32	Social Work Services	452,483	-	48,806		(403,677)
33	Health Services	2,677,435	-	130,186		(2,547,249)
34	Student (Pupil) Transportation	4,462,792	-	816,614		(3,646,178)
35	Food Services	17,047,841	2,508,940	15,918,726		1,379,825
36	Co-Curricular/Extracurricular Activities	6,243,463	1,413,786	106,064		(4,723,613)
41	General Administration	7,248,095	-	158,063		(7,090,032)
51	Plant Maintenance and Operations	21,587,242	177,518	4,311,760		(17,097,964)
52	Security and Monitoring Services	2,849,399	-	60,361		(2,789,038)
53	Data Processing Services	3,549,859	-	111,869		(3,437,990)
61	Community Services	1,246,312	-	884,613		(361,699)
71	Debt Service - Interest and Fiscal Charges	28,495,578	-	-		(28,495,578)
95	Payments to Juvenile Justice Alternative Education Program	64,752	-	1,376		(63,376)
97	Payments to TIF	1,010,907	-	1,032,462		21,555
99	Other Intergovernmental Charges	531,534	-	11,294		(520,240)
	Total Governmental Activities	<u>\$ 349,154,043</u>	<u>\$ 4,643,979</u>	<u>\$ 74,113,382</u>		<u>\$ (270,396,682)</u>

Data Control Codes	General Revenues:	
	Taxes:	
MT	M & O Property Taxes	90,847,221
DT	Debt Service Property Taxes	37,126,703
SF	State Aid - Not Restricted to Specific Programs	139,197,880
IE	Investment Income	871,377
MI	Miscellaneous	<u>2,849,167</u>
TG	Total General Revenues and Direct Allocation	270,892,348
CN	Change in Net Assets	495,666
NB	Net Assets - Beginning	<u>51,606,091</u>
NE	Net Assets - Ending	<u>\$ 52,101,757</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, 2011**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	ASSETS		
	Current Assets:		
1110	Cash & Cash Equivalents	\$ 63,816,162	\$ 8,036,000
1120	Investments	10,000,000	-
	Receivables:		
1220	Property Taxes - Delinquent	5,207,758	-
1230	Allowance for Uncollectible Taxes	(1,789,872)	-
1240	Due from Other Governments	8,193,976	-
1250	Accrued Interest	92,066	-
1260	Due from Other Funds	4,358,091	-
1290	Other Receivables	2,186,047	-
1310	Inventories, at cost	654,755	193,802
1410	Deferred Expenditures	403,976	-
1000	TOTAL ASSETS	<u>\$ 93,122,959</u>	<u>\$ 8,229,802</u>
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	\$ 2,988,045	\$ 1,519,115
2150	Payroll Deductions and Withholdings	545,292	-
2160	Accrued Wages Payable	5,614,161	-
2170	Due to Other Funds	845,771	-
2180	Due to Other Governments	2,249	-
2300	Deferred Revenue	3,710,076	-
2000	TOTAL LIABILITIES	<u>13,705,594</u>	<u>1,519,115</u>
	FUND BALANCES		
	Nonspendable		
3410	Inventory	654,755	193,802
3430	Prepaid Items	403,976	-
	Restricted		
3450	Food Service	-	6,516,885
3450	Grant Funds	-	-
3470	Capital Acquisition and Contractual Obligation	-	-
3480	Retirement of Long-Term Debt	-	-
	Assigned		
3550	Construction	4,479,121	-
3590	Campus Activity Funds	2,396,029	-
3590	Other Assigned Fund Balance	869,190	-
3600	Unassigned	70,614,294	-
3000	TOTAL FUND BALANCE	<u>79,417,365</u>	<u>6,710,687</u>
4000	TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 93,122,959</u>	<u>\$ 8,229,802</u>

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

EXHIBIT C-1

MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 12,513,763	\$ 67,812,533	\$ 259,296	\$ 152,437,754
-	15,000,000	-	25,000,000
1,721,132	-	-	6,928,890
(379,911)	-	-	(2,169,783)
1,043,866	-	4,360,090	13,597,932
-	152,367	-	244,433
-	-	-	4,358,091
118,064	-	193,500	2,497,611
-	-	-	848,557
-	-	-	403,976
<u>\$ 15,016,914</u>	<u>\$ 82,964,900</u>	<u>\$ 4,812,886</u>	<u>\$ 204,147,461</u>
\$ -	\$ 17,218,689	\$ 132,619	\$ 21,858,468
-	-	-	545,292
-	-	-	5,614,161
61,024	-	4,229,586	5,136,381
-	-	41,899	44,148
1,341,221	-	271,668	5,322,965
<u>1,402,245</u>	<u>17,218,689</u>	<u>4,675,772</u>	<u>38,521,415</u>
-	-	-	848,557
-	-	-	403,976
-	-	-	6,516,885
-	-	137,114	137,114
-	65,746,211	-	65,746,211
13,614,669	-	-	13,614,669
-	-	-	4,479,121
-	-	-	2,396,029
-	-	-	869,190
-	-	-	70,614,294
<u>13,614,669</u>	<u>65,746,211</u>	<u>137,114</u>	<u>165,626,046</u>
<u>\$ 15,016,914</u>	<u>\$ 82,964,900</u>	<u>\$ 4,812,886</u>	<u>\$ 204,147,461</u>



**IRVING INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
AUGUST 31, 2011**

EXHIBIT C-1R

Total Fund Balances - Governmental Funds \$ 165,626,046

Amounts reported for governmental activities in the statement of net assets 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 \$777,599,135, and the accumulated depreciation is \$273,370,677. 504,228,458

Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. 4,759,107

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. 2,790,802

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	\$ (624,900,837)	
Premium/Discount on Bonds Payable	(7,595,100)	
Deferred Loss on Refunding Bonds	5,094,072	
Interest Payable	(3,137,589)	
Bond Issuance Costs	5,236,798	
		(625,302,656)

Net Assets - Governmental Activities \$ 52,101,757

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

**IRVING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011**

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
	REVENUES		
5700	Local and Intermediate Sources	\$ 96,769,157	\$ 2,515,749
5800	State Program Revenues	131,442,707	110,412
5900	Federal Program Revenues	3,872,674	15,802,248
5020	TOTAL REVENUES	<u>232,084,538</u>	<u>18,428,409</u>
	EXPENDITURES		
	Current:		
0011	Instruction	147,015,630	-
0012	Instructional Resources and Media Services	2,624,685	-
0013	Curriculum Development and Instructional Staff Development	2,733,164	-
0021	Instructional Leadership	4,234,840	-
0023	School Leadership	17,807,769	-
0031	Guidance, Counseling, and Evaluation Services	12,393,490	-
0032	Social Work Services	414,143	-
0033	Health Services	2,495,145	-
0034	Student (Pupil) Transportation	3,108,165	-
0035	Food Services	299,472	16,681,437
0036	Co-Curricular/Extracurricular Activities	4,999,416	789,756
0041	General Administration	7,108,795	-
0051	Plant Maintenance and Operations	16,848,218	587,681
0052	Security and Monitoring Services	2,844,050	-
0053	Data Processing Services	3,017,524	-
0061	Community Services	372,314	-
	Debt Service:		
0071	Principal on Long-Term Debt	-	-
0072	Interest and Charges on Long-Term Debt	-	-
0073	Bond Issuance Costs and Fees	-	-
	Intergovernmental:		
0081	Facilities Acquisition and Construction	3,720	1,056,952
0095	Payments to Juvenile Justice Alternative Education Program	64,752	-
0097	Payments to TIF	1,010,907	-
0099	Intergovernmental Charges	531,534	-
6030	TOTAL EXPENDITURES	<u>229,927,733</u>	<u>19,115,826</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,156,805</u>	<u>(687,417)</u>
	OTHER FINANCING SOURCES		
7912	Proceeds from Sale of Capital Assets	174,537	-
7911	Issuance of Bonds	-	-
7080	TOTAL OTHER FINANCING SOURCES	<u>174,537</u>	<u>-</u>
1200	Net Change in Fund Balances	2,331,342	(687,417)
0100	Fund Balance - September 1 (Beginning)	<u>77,086,023</u>	<u>7,398,104</u>
3000	Fund Balance - August 31 (Ending)	<u>\$ 79,417,365</u>	<u>\$ 6,710,687</u>

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

MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 37,324,470	\$ 1,093,328	\$ 386,132	\$138,088,836
7,755,173	-	6,006,501	145,314,793
-	753,747	45,923,363	66,352,032
45,079,643	1,847,075	52,315,996	349,755,661
-	6,153,168	38,799,799	191,968,597
-	925,513	1,886,040	5,436,238
-	-	2,483,885	5,217,049
-	959	970,268	5,206,067
-	145,513	748,612	18,701,894
-	474	1,562,259	13,956,223
-	-	40,025	454,168
-	3,241	77,287	2,575,673
-	627,315	750,570	4,486,050
-	2,631	-	16,983,540
-	123,360	-	5,912,532
-	59,278	7,260	7,175,333
-	132,309	3,954,290	21,522,498
-	8,020	-	2,852,070
-	1,121,593	47,833	4,186,950
-	-	876,741	1,249,055
14,720,670	-	-	14,720,670
31,130,392	-	-	31,130,392
233,964	-	-	233,964
-	60,497,502	-	61,558,174
-	-	-	64,752
-	-	-	1,010,907
-	-	-	531,534
46,085,026	69,800,876	52,204,869	417,134,330
(1,005,383)	(67,953,801)	111,127	(67,378,669)
-	-	-	174,537
-	21,640,000	-	21,640,000
-	21,640,000	-	21,814,537
(1,005,383)	(46,313,801)	111,127	(45,564,132)
14,620,052	112,060,012	25,987	211,190,178
\$ 13,614,669	\$ 65,746,211	\$ 137,114	\$ 165,626,046

**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, 2011**

EXHIBIT C-3

Total Net Change in Fund Balances - Governmental Funds \$ (45,564,132)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$71,403,910) exceeded depreciation (\$22,068,923) in the current period. 49,334,987

The disposal of capital assets is not recognized in the governmental funds. (42,190)

Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues, net of bad debt, increased by this amount this year. (243,336)

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. 1,060,889

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 14,720,670

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 assets with related costs amortized over the life of the bonds. Differences consist of the following:

Bond Proceeds	\$	(21,640,000)	
Bond Issue Costs		233,964	
Amortization of Issue Costs		(279,374)	
Amortization of Refunding Loss		(460,381)	
Amortization of Bond Premium/Discount		858,086	(21,287,705)

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	\$	778,811	
Interest Accretion		(7,691,658)	
Accretion Retirement		9,429,330	2,516,483
Change in Net Assets - Governmental Activities			\$495,666

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

**IRVING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AUGUST 31, 2011**

EXHIBIT D-1

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	ASSETS	
	Current Assets:	
1110	Cash and Temporary Investments	\$ 4,953,426
1260	Due from Other Funds	845,771
1290	Other Receivables	4,544
1310	Inventories, at cost	552,005
	Total Current Assets	<u>6,355,746</u>
	Non-Current Assets:	
1500	Furniture and Equipment, net	1,814
	Total Non-Current Assets	<u>1,814</u>
1000	TOTAL ASSETS	<u><u>6,357,560</u></u>
	LIABILITIES	
	Current Liabilities:	
2110	Accounts Payable	392,715
2170	Due to Other Funds	67,481
2200	Accrued expenses	299
2800	Claims Due Within One Year	2,344,827
	Total Current Liabilities	<u>2,805,322</u>
	Noncurrent Liabilities:	
	Claims Due in More than One Year	761,436
	Total Long-Term Liabilities	<u>761,436</u>
2000	TOTAL LIABILITIES	<u><u>3,566,758</u></u>
	NET ASSETS	
3800	Invested in Capital Assets	1,814
3900	Unrestricted Net Assets	2,788,988
3000	TOTAL NET ASSETS	<u><u>\$ 2,790,802</u></u>

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

**IRVING INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011**

EXHIBIT D-2

DATA CONTROL CODES		GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
	OPERATING REVENUES	
5700	Charges for Services	\$ 22,465,821
5020	Total Operating Revenues	<u>22,465,821</u>
	OPERATING EXPENSES	
6100	Payroll Costs	303,259
6200	Professional/Contracted Services	209,643
6300	Supplies and Materials	64,065
6400	Claims, Administration, and Other Expenses	<u>20,833,002</u>
6030	Total Operating Expenses	<u>21,409,969</u>
	OPERATING INCOME	1,055,852
	NON-OPERATING REVENUES	
7955	Interest Income	<u>5,037</u>
	CHANGE IN NET ASSETS	1,060,889
0100	Total Net Assets - September 1 (Beginning)	<u>1,729,913</u>
3000	Total Net Assets - August 31 (Ending)	<u><u>\$ 2,790,802</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, 2011**

EXHIBIT D-3

	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:	
Cash Received for Premiums and Services	\$ 22,465,821
Cash Paid to Employees	(300,313)
Cash Paid for Claims and Administration, and Other Costs	(21,833,909)
Net Cash Provided by Operating Activities	<u>331,599</u>
Cash Flows from Financing Activities:	
Cash Received from Other Funds	(845,771)
Net Cash Provided by Noncapital Financing Activities	<u>(845,771)</u>
Cash Flows from Investing Activities:	
Interest Received	5,037
Net Cash Provided by Investing Activities	<u>5,037</u>
Net Decrease in Cash and Cash Equivalents	(509,135)
Cash and Cash Equivalents at Beginning of the Year	5,462,561
Cash and Cash Equivalents at End of the Year	<u>\$ 4,953,426</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating income	<u>\$ 1,055,852</u>
Adjustments to Reconcile Operating income to Net Cash Provided by Operating Activities	
Depreciation	1,210
Change in Current Assets and Liabilities:	
Increase in Other Receivables	(4,544)
Increase in Inventories	(384,152)
Decrease in Accounts Payable and Claims Liability	(27,110)
Increase in Accrued Expenses	299
Decrease in Long-term Claims Reserve	(309,956)
	<u>(724,253)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 331,599</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, 2011**

EXHIBIT E-1

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and Temporary Investments	\$ 808,352
TOTAL ASSETS	<u>\$ 808,352</u>
LIABILITIES	
Accounts Payable	\$ 492,019
Due to Student Groups	<u>316,333</u>
TOTAL LIABILITIES	<u>\$ 808,352</u>

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The Board of Trustees, a seven-member group, has financial accountability for all activities related to public elementary and secondary education within the jurisdiction of the District. Because members of the board are elected by the public, they have the authority to make decisions and to appoint administrators and managers. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. In addition, there are no component units which meet the financial accountability criteria as defined in Governmental Accounting Standards Board Statement No. 14 and amended by GASB 39 which are included in the District's reporting entity.

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

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

The District reports the following Major Funds:

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

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

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

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

The District reports the following Proprietary Funds:

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

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

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

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

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount. In accordance with the Financial Accountability System 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, 2011**

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 appropriation 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, 2011 that were subsequently provided for in the 2011-2012 budget totaled \$869,190 for the General Fund, \$151,496 for the Food Service Fund, and \$3,430,994 for the Capital Projects Fund. These amounts are reflected as reserves of fund balance in those 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, 2011**

H. INVENTORIES

The consumption method is used to account for inventories of food products, 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. Inventories in the Capital Projects Fund represent computers purchased with bond funds but not yet distributed to the schools. The General Fund and Capital Projects inventories are offset by a fund balance reserve indicating that they are unavailable as current expendable financial resources. The Food Service (Special Revenue Fund) commodity inventories received through the U.S. Department of Agriculture are recognized as revenue.

I. DEFERRED EXPENDITURES

Deferred expenditures of \$403,976 in the General Fund are prepaid items, which benefit the next school year. Deferred expenses on government-wide financial statements include these prepaid items and bond issuance costs of \$5,236,798, net of accumulated amortization of \$233,964. These bond issuance costs will be amortized using the straight-line method over the life of the bonds.

J. CAPITAL ASSETS

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	40
Land Improvements	20
Portable Buildings	20
Furniture, Fixtures & Equipment	10
Computer Equipment	5
Software	3
Automobiles	5
Food Service Equipment	15

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

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 assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Deferred losses on refundings are amortized over the shorter of the life of the old debt or the life of the new debt.

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

L. FUND EQUITY

The District has 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. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

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

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

L. FUND EQUITY, cont'd.

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Fund balance can be assigned by the District's Board, the Superintendent, or the Associate Superintendent of Business Services.

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.

The order of spending and availability of the fund balances shall be to reduce funds in the following order: restricted, committed, assigned, and unassigned.

Minimum Fund Balance Policy

It is the desire of the Board to attempt to maintain a fund balance in the General Fund that is approximately 16.67% of General Fund expenditures, excluding any nonspendable fund balance.

M. VACATION AND SICK LEAVE

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

N. DATA CONTROL CODES

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

O. HEALTH CARE

The health self-insurance plan was established September 1, 1992. The revenues of this fund are received from both the General and Special Revenue Funds and its expenses are comprised of administrative fees, stop-loss coverage and claims paid on behalf of District employees. The District contributed \$297 per month per employee to the plan, for a total of \$15,695,024. The employees, at their option, may authorize payroll withholdings to pay premiums for dependents' health insurance coverage. Health claim payments are processed by a third party administrator acting on behalf of the District. As of August 31, 2011, the total liabilities of the health self-insurance fund of \$1,790,750 includes accounts payable of \$255,102 and current health claim short-term liabilities of \$1,535,648 representing claims reported but not paid and incurred but not reported. The net assets of the health self-insurance fund were \$437,274.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

O. HEALTH CARE, cont'd.

Claims incurred after September 1, 2002 are subject to an individual stop-loss of \$200,000 per participant annually and \$1,000,000 lifetime maximum benefit for the PPO plan and \$200,000 per participant annually and unlimited lifetime maximum benefit for the OAP plan. Individual employee health claims are self-insured by the District up to \$200,000 annually and stop-loss benefits above \$200,000 are provided by Blue Cross Blue Shield of Texas, up to an aggregate district-wide attachment point of \$23,318,879.

The latest financial statements available for Blue Cross Blue Shield of Texas are filed with the Texas State Board of Insurance, Austin, Texas, and are public records. The District does not provide any post-retirement health benefits to its employees. Changes in the medical claims liability amounts in fiscal 2010 and 2011 are presented below:

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims & Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2010 Medical	\$ 1,257,266	\$ 19,626,373	\$ 19,349,854	\$ 1,533,785
2011 Medical	\$ 1,533,785	\$ 17,415,958	\$ 17,414,095	\$ 1,535,648

P. SELF-INSURED WORKERS' COMPENSATION

On September 1, 1992, the District established its self-funded Workers' Compensation program. The District currently maintains a self-insured retention of \$500,000 per occurrence and purchases excess coverage to statutory limits from Midwest Employer's Casualty Company. Claims administration is currently provided by the third party administrator Tristar Inc., and the Texas Association of School Boards maintains claims processing for liabilities between September 1, 1986 and July 31, 1992.

The total liabilities for the Workers' Compensation self-insurance fund of \$1,570,685 include incurred but not reported claims in the amount of \$1,570,615 (of which \$809,179 is expected to be paid within one year,) and accounts payable of \$70. The claims liability reported in the fund at August 31, 2011 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. Professional Actuarial Services, Inc. through its actuarial review of the Workers' Compensation self-insurance program, projected an estimated discounted liability of \$1,570,615 as of August 31, 2011 for the ultimate loss reserve of the fund. The fund had net assets as August 31, 2011 of \$1,533,643.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

P. SELF-INSURED WORKERS' COMPENSATION, cont'd.

Changes in the workers' compensation claims liability amounts in fiscal 2010 and 2011 are presented below:

	<u>Beginning of Fiscal-Year Liability</u>	<u>Current-Year Claims & Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2010 Workers' Compensation	\$ 989,759	\$ 1,902,465	\$ 1,011,653	\$ 1,880,571
2011 Workers' Compensation	\$ 1,880,571	\$ 720,620	\$ 1,030,576	\$ 1,570,615

Q. 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 \$105,612 for claims reported and not paid, and the net deficit as of August 31, 2011 was (\$15,963).

R. BENEFITS ADMINISTRATION

Benefit administrative expenses for the self-insurance programs are funded at the rate of \$1 per month per employee. Benefit administration liabilities of \$0 for accounts payable were recorded at year end. The August 31, 2011 net assets were \$20,022.

S. 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. During fiscal year 2005, the District executed an Interlocal agreement with the TASB Risk Management Fund. There were no significant reductions in coverage in the past fiscal year with no settlements exceeding insurance coverage.

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, 2011, the carrying amount of the District's cash, not including fiduciary funds, was \$42,870 including petty cash funds of \$42,870. The bank balance was \$1,520,868. During 2010-2011, 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:

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

NOTE 2. DEPOSITS AND INVESTMENTS, cont'd.

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 \$67,493,676 and occurred on September 29, 2010.
3. Largest combined collected cash account balance required to be collateralized amounted to \$20,214,499 and occurred on September 29, 2010.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

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

The investments held at period-end are as follows:

	<u>Fair Value</u>	<u>WAM</u>
Cash and Imprest Funds	\$ 367,840	1 Day
Certificates of Deposit	25,000,000	443 Days
Investments in Texpool	14,120,791	44 Day
Investments in TexStar	9,159,990	45 Day
Investments in Lone Star	5,931,134	39 Day
Investments in Texas Class	57,011,929	40 Day
Investments in LOGIC	71,607,848	53 Day
Total	<u>\$ 183,199,532</u>	<u>101 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 assets 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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

NOTE 2. DEPOSITS AND INVESTMENTS, cont'd.

the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. LOGIC and TexSTAR are co-administered by JP Morgan Chase & Co. and First Southwest Asset Management under an agreement with their Boards of Directors. The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

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

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

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

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

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

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

NOTE 2. DEPOSITS AND INVESTMENTS, cont'd.

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

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

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

Concentration of credit risk is the risk associated with holding investments that are not in pools and in excess of 5% of the total portfolio. As of August 31, 2011 the District held securities with a zero par amount, which is 0.00% of the total portfolio and \$25,000,000 of certificates of deposit, which is 13.67% of the portfolio. All Agency securities held by the District are rated AAA by Standard and Poor's or Moody's Investors Service. The District controls this risk by laddering the portfolio, limiting the final maturity of each investment between two and five years through its investment policy with most purchases under two years, and by diversifying between agency types when possible.

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

NOTE 3. PROPERTY TAXES

Property taxes are considered available when they become due and receivable within the current accounting period or within 60 days thereafter. The District levies taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by the lien date, February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2010, upon which the levy for the 2010-2011 fiscal year was based, was \$9,162,488,657. The roll was subsequently decreased to a year-end assessed value of \$9,045,693,812. 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, 2011, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$.425 per \$100 valuation, respectively, for a total of \$1.465 per \$100 valuation.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

NOTE 3. PROPERTY TAXES, cont'd.

Current tax collections for the year ended August 31, 2011 were 98.36% 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, 2011, property taxes receivable, net of estimated uncollectible taxes, totaled \$3,417,886 and \$1,341,221 for the General and Debt Service Funds, respectively.

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

A total of \$1,032,462 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, 2011 consisted of the following Due from Other Governments:

<u>Fund:</u>		
General Operating Fund	\$	8,193,976
Debt Service Fund		1,043,866
Federal & State Special Revenue Funds		4,360,090
Total	\$	<u>13,597,932</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

NOTE 5. CAPITAL ASSETS

Capital asset activity, as reported in governmental activities, for the year ended August 31, 2011 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	\$ 19,358,463	\$ 628,996	\$ -	\$ -	\$ 19,987,459
Construction in Progress	32,434,217	11,500,629	-	(32,176,109)	11,758,737
Total Capital Assets not depreciated	51,792,680	12,129,625	-	(32,176,109)	31,746,196
Capital Assets depreciated:					
Land Improvements	18,399,594	976,817	-	-	19,376,411
Buildings and Improvements	540,114,251	48,618,442	(691,000)	32,176,109	620,217,802
Furniture and Equipment	97,699,122	9,679,026	(1,113,371)	-	106,264,777
Total Capital Assets depreciated	656,212,967	59,274,285	(1,804,371)	32,176,109	745,858,990
Total Capital Assets	<u>708,005,647</u>	<u>71,403,910</u>	<u>(1,804,371)</u>	<u>-</u>	<u>777,605,186</u>
Less Accumulated Depreciation for:					
Land Improvements	6,667,368	925,025	-	-	7,592,393
Buildings and Improvements	172,263,574	10,806,627	(652,750)	-	182,417,451
Furniture and Equipment	74,136,021	10,338,480	(1,109,431)	-	83,365,070
Total Accumulated Depreciation	253,066,963	22,070,132	(1,762,181)	-	273,374,914
Governmental Activities Capital Assets, Net	<u>\$ 454,938,684</u>	<u>\$49,333,778</u>	<u>\$ (42,190)</u>	<u>\$ -</u>	<u>\$ 504,230,272</u>

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

Governmental Activities:	
Instruction	\$ 17,213,098
Instructional Resources & Media Services	851,983
Curriculum Development & Instructional Staff Development	13,957
Instructional Leadership	100,822
School Leadership	746,822
Guidance, Counseling & Evaluation Services	518,397
Health Services	109,015
Student Transportation	27,171
Food Services	994,753
Co-Curricular/Extracurricular Activities	589,734
General Administration	135,783
Plant Maintenance & Operations	440,865
Security & Monitoring Services	13,930
Data Processing Services	312,592
Internal Service Funds	1,210
Total Depreciation Expense, Governmental Activities	<u>\$ 22,070,132</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

NOTE 6. RETIREMENT PLAN

The Teacher Retirement System of Texas is a cost sharing multiple employer public-employee retirement system (PERS). However, all risks and costs are not shared by the District but are a liability of the State of Texas. By statute, the State of Texas contributes to the retirement system an amount equal to the current authorized rate times the aggregate annual compensation of all members of the retirement system during that fiscal year. The System's annual financial report and other required disclosure information are available by writing the Teacher Retirement System of Texas, 1000 Red River, Austin, Texas 78701-2698 or by calling (800) 223-8778.

For members of the retirement system entitled to the minimum salary for certain school personnel under Section 21.402 of the Texas Education Code and for members who would have been entitled to the state minimum salary under former Section 16.056, Texas Education Code, the District shall pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum, if the District's effective tax rate for maintenance and operations is less than 125 percent of the statewide average for the tax year that ended in the preceding school year. The District is subject to the statutory minimum payment for the fiscal year.

All employees of public, state-supported educational institutions in Texas who are employed for half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Subtitle C § 822.002 are covered by TRS membership. The Teacher Retirement System of Texas administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school system of Texas. It operates primarily under the provisions of Texas Constitution, Article § XVI, 67 and Texas Government Code, Title 8, Subtitle C.

The system also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and Chapter 805, respectively.

Service Retirement:

- 1) Normal
 - a) Age 65 with 5 years of service
 - b) Age 60 with 20 years of service
 - c) Age 50 with 30 years of service
 - d) Effective September 1, 1997 - any combination of age plus years of service which equals 80
- 2) Reduced
 - a) Age 55 with at least 5 years of service
 - b) Any age below 50 with 30 years of service

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

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount equal to 6.644% of the District's covered payroll. The District's employees' contributions to the System for the years ending August 31, 2011, 2010 and 2009 were \$13,315,174, \$13,056,769, and \$11,875,070, respectively, equal to the required contribution for each year. Other contributions the District made for salaries above the statutory minimum for the years ending August 31, 2011, 2010, and

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

NOTE 6. RETIREMENT PLAN, cont'd.

2009 were \$3,058,269, \$2,844,882, and \$2,582,004, respectively, equal to the required contribution for each year. Contributions to the System by the State on behalf of the District for the years ending August 31, 2011, 2010 and 2009 were \$11,859,712, \$11,464,531, and \$10,622,072, respectively, equal to the required contributions for each year.

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

NOTE 7. RETIREE HEALTH PLAN

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

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2011, 2010, and 2009. 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. For the years ended August 31, 2011, 2010, and 2009, the State's contributions to TRS-Care were \$2,080,496, \$2,040,121, and \$1,855,479, respectively, the active member contributions were \$1,352,310, \$1,326,091, and \$1,205,993, respectively, and the District's contributions were \$1,144,281, \$1,122,079, and \$1,020,465, respectively, which equaled the required contributions each year. The District recognized these payments as revenues and expenditures in the General Fund in the current period.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

NOTE 7. RETIREE HEALTH PLAN, cont'd.

Contributions Made. Contributions made by the State, the District and its employees, and the District's covered payroll for the fiscal years 2011, 2010, and 2009 are as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Covered payroll	\$ 208,049,596	\$ 204,012,053	\$ 185,547,876
Contributions made by the State	11,303,830	11,023,853	10,161,328
Retirement plan rate	6.644%	6.58%, 6.644%	6.58%
Retiree health care rate	1.00%	1.00%	1.00%
Medicare Part D	553,480	501,468	446,280
District required and actual			
Contributions to TRS & TRS-Care	4,202,550	3,966,961	3,602,469
Employee contributions to TRS & TRS-Care	14,667,485	14,382,860	13,081,062

NOTE 8. LONG-TERM LIABILITIES

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

	<u>Beginning 9/1/2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 8/31/2011</u>	<u>Current Portion</u>
Claims Payable	\$ 989,759	\$ 18,136,578	\$ 16,020,074	\$ 3,106,263	\$ 2,344,827

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

<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amounts Original Issue</u>	<u>Bonds Outstanding at 09/01/2010</u>	<u>Issued (Retired)</u>	<u>Interest Accretion</u>	<u>Accreted Interest Retirements</u>	<u>Bonds Outstanding at 08/31/2011</u>
1997 School Building	5.00%-5.20%	125,003,220	3,390,634	(1,640,000)	79,366	(1,830,000)	-
1997A Refunding	4.85%-5.42%	33,140,000	40,464,072	(3,115,000)	1,999,020	(3,070,000)	36,278,092
2001 School Building	4.00%-5.50%	27,390,000	1,385,000	(1,160,000)	-	-	225,000
2002 School Building	2.09%-6.03%	130,853,959	34,666,829	(4,275,670)	1,588,939	(2,319,330)	29,660,768
2003 School Building	2.00%-5.00%	51,882,264	7,482,491	(865,000)	142,301	(630,000)	6,129,792
2004A School Building	Variable	20,000,000	15,300,000	-	-	-	15,300,000
2004B School Building	Variable	20,000,000	15,300,000	-	-	-	15,300,000
2005 Refunding	3.00%-5.25%	92,425,000	90,070,000	(180,000)	-	-	89,890,000
2006 Refunding	3.95%-5.46%	66,472,786	78,531,126	(235,000)	3,671,034	-	81,967,160
2007 Refunding	3.65%-4.40%	109,045,000	112,393,989	(95,000)	196,036	(425,000)	112,070,025
2007A School Building	3.87%-5.00%	20,000,000	15,955,000	(395,000)	-	-	15,560,000
2008 School Building	2.00%-5.00%	87,020,000	80,160,000	(2,170,000)	-	-	77,990,000
2009 School Building	3.00%-5.25%	66,106,018	66,135,038	(590,000)	14,962	(1,155,000)	64,405,000
2010A School Building	3.625%-5.000%	18,485,000	18,485,000	-	-	-	18,485,000
2010B Build America Bonds	5.561%-5.661%	40,000,000	40,000,000	-	-	-	40,000,000
2011 Qualified School Construction Bond	0%	21,640,000	-	21,640,000	-	-	21,640,000
Total Bonded Indebtedness			<u>619,719,179</u>	<u>6,919,330</u>	<u>7,691,658</u>	<u>(9,429,330)</u>	<u>624,900,837</u>
Less Current Portion							<u>16,383,540</u>
Long term portion as of August 31, 2011							<u>608,517,297</u>
Premium/Discounts/Loss on Refunding			<u>2,898,733</u>	<u>(397,705)</u>	<u>-</u>	<u>-</u>	<u>2,501,028</u>
Total Long Term Bonds Payable							<u>611,018,325</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

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

Debt service principal requirements to maturity (below) exclude accumulated accretion of \$67,670,697, which is included in the interest column:

<u>Year Ended August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 16,383,540	\$ 29,052,838	\$ 45,436,378
2013	16,134,223	29,117,911	45,252,134
2014	15,626,432	29,543,196	45,169,628
2015	19,688,623	27,250,673	46,939,296
2016	19,921,698	27,045,786	46,967,484
2017-2021	121,150,624	113,718,779	234,869,403
2022-2026	118,805,000	113,283,921	232,088,921
2027-2031	138,615,000	70,839,980	209,454,980
2032-2036	63,745,000	13,279,372	77,024,372
2037-2040	27,160,000	2,601,451	29,761,451
Totals	<u>\$ 557,230,140</u>	<u>\$ 455,733,907</u>	<u>\$ 1,012,964,047</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, 2011.

NOTE 9. DEBT ISSUANCES AND DEFEASED DEBT

On March 15, 2011, the District issued \$21,640,000 Series 2011 Unlimited Tax Qualified School Building Bonds (QSCB) bearing no interest. This issuance was made possible due to the passage of the American Recovery and Reinvestment Act of 2009 which authorized the Qualified School Construction Bond Program. The program allows school districts and charter schools to obtain interest-free or very-low interest financing for qualified construction projects.

The District must spend 100 percent of the QSCB proceeds within three years of the sale of the bonds and must expect to enter into a binding commitment with a third party to spend at least 10 percent of the proceeds within six months. Issuers must also comply with arbitrage rebate and information reporting requirements and with the requirements of the Davis-Bacon Act. The District was in compliance with the bond requirements at year end.

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 insubstance defeased debt as of August 31, 2011 is \$124,385,623.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

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, 2011 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	\$ 61,024	\$ -	To clear negative cash.
Other Nonmajor Funds	4,229,586	-	To clear negative cash.
Science Kit Refurbishment	67,481	-	To clear negative cash.
Health Fund	-	845,771	To clear negative cash.
Debt Service Fund:			
General Fund	-	61,024	To clear negative cash.
Other Nonmajor Funds:			
General Fund	-	4,229,586	To clear negative cash.
Internal Service:			
General Fund	-	67,481	To clear negative cash.
General Fund	845,771	-	To clear negative cash.
	<u>\$ 5,203,862</u>	<u>\$ 5,203,862</u>	

NOTE 11. LITIGATION, COMMITMENTS, AND CONTINGENCIES

The District is a party to various legal actions, none of which is believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying financial statements for such contingencies.

The District participates in numerous State and Federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2011 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

The District was obligated at August 31, 2011 for 2 major construction projects. These projects cover Phase II construction and renovations at one middle school and one elementary school. The District was obligated for \$524,146 relating to these projects as of August 31, 2011.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

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

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

	General Fund	Food Service Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Other Funds	Total
Property Taxes	\$90,184,374	\$ -	\$36,804,925	\$ -	\$ -	\$126,989,299
Food Sales	-	2,507,679	-	-	-	2,507,679
Food Service-Vending	-	1,261	-	-	-	1,261
Investment Income	313,780	6,809	197,767	347,984	-	866,340
Energy Efficiency Rebates	-	-	-	745,344	-	745,344
Income	906,185	-	321,778	-	-	1,227,963
Co-curricular	-	-	-	-	-	-
Student Activities	1,413,786	-	-	-	-	1,413,786
Other	3,951,032	-	-	-	386,132	4,337,164
Total	\$96,769,157	\$ 2,515,749	\$37,324,470	\$ 1,093,328	\$ 386,132	\$138,088,836

NOTE 13. DEFERRED REVENUE

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

	General Fund	Debt Service Fund	Nonmajor Other Funds	Total
Net Tax Revenue	\$ 3,417,886	\$ 1,341,221	\$ -	\$ 4,759,107
Taxes Paid in Advance	8,164	-	-	8,164
Laptop Computer Fees	258,750	-	-	258,750
Appliance Fees	24,825	-	-	24,825
Other	451	-	-	451
AP/IB Program	-	-	40,736	40,736
Regional State Deaf	-	-	230,932	230,932
Total Deferred Revenue	\$ 3,710,076	\$ 1,341,221	\$ 271,668	\$ 5,322,965

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

NOTE 14. NET ASSET DEFICIT

A net asset deficit of \$15,963 exists in the unemployment fund resulting from an increase in costs and claims. It is expected that changes in the economy will provide positive net assets.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
AUGUST 31, 2011**

NOTE 15. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended August 31, 2011, expenditures exceeded appropriations in the Co-Curricular/Extracurricular Activities function of the Food Service Fund by \$674,256. These expenditures were offset by less than anticipated expenditures in the Food Services function, which had appropriations exceeding expenditures by \$1,245,590.

NOTE 16. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 64, Accounting and Financial Reporting for Derivative Instruments, which will be effective for periods beginning after June 15, 2011. The Statement clarifies the existing requirements for the termination of hedge accounting. This statement applies to all state and local governments and amends Statement 53, paragraphs 22d and 82. The District has no derivative instruments. In the future if there is a situation that applies to this Statement, the District will account for it appropriately.

The GASB issued Statement No. 63, Accounting and Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which will be effective for periods beginning after December 15, 2011. The Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The District will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

The GASB issued Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, which will be effective for periods beginning after December 15, 2011. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The District will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

NOTE 17. SUBSEQUENT EVENTS

The District has evaluated all events or transactions that occurred after August 31, 2011 up through January 18, 2012, the date the financial statements were issued. During this period there were no subsequent events requiring disclosure.



**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, 2011**

EXHIBIT G-1

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
REVENUES					
5700	Local and Intermediate Sources	\$97,355,172	\$96,441,393	\$96,769,157	\$ 327,764
5800	State Program Revenues	150,692,291	131,573,132	131,442,707	(130,425)
5900	Federal Program Revenues	1,537,000	2,191,294	3,872,674	1,681,380
5020	Total Revenues	<u>249,584,463</u>	<u>230,205,819</u>	<u>232,084,538</u>	<u>1,878,719</u>
EXPENDITURES					
Current:					
0010	Instruction and Instructional-Related Services:				
0011	Instruction	164,434,718	148,526,625	147,015,630	1,510,995
0012	Instructional Resources and Media Services	4,161,725	2,858,772	2,624,685	234,087
0013	Curriculum Development & Instructional Staff Development	<u>2,344,481</u>	<u>3,045,526</u>	<u>2,733,164</u>	<u>312,362</u>
	Total Instruction and Instructional-Related Services:	<u>170,940,924</u>	<u>154,430,923</u>	<u>152,373,479</u>	<u>2,057,444</u>
0020	Instructional and School Leadership:				
0021	Instructional Leadership	4,283,473	4,420,547	4,234,840	185,707
0023	School Leadership	18,142,567	18,087,410	17,807,769	279,641
	Total Instructional and School Leadership:	<u>22,426,040</u>	<u>22,507,957</u>	<u>22,042,609</u>	<u>465,348</u>
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	12,457,840	12,671,208	12,393,490	277,718
0032	Social Work Services	441,874	440,198	414,143	26,055
0033	Health Services	2,620,035	2,631,620	2,495,145	136,475
0034	Student (Pupil) Transportation	3,244,758	3,404,499	3,108,165	296,334
0035	Food Services	334,421	333,621	299,472	34,149
0036	Co-Curricular/Extracurricular Activities	4,912,164	5,238,286	4,999,416	238,870
	Total Support Services - Student (Pupil):	<u>24,011,092</u>	<u>24,719,432</u>	<u>23,709,831</u>	<u>1,009,601</u>
0040	Administrative Support Services:				
0041	General Administration	7,332,422	7,642,935	7,108,795	534,140
	Total Administrative Support Services:	<u>7,332,422</u>	<u>7,642,935</u>	<u>7,108,795</u>	<u>534,140</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	21,504,982	17,860,058	16,848,218	1,011,840
0052	Security and Monitoring Services	3,062,978	3,036,647	2,844,050	192,597
0053	Data Processing Services	3,985,861	3,966,471	3,017,524	948,947
	Total Support Services - Nonstudent Based:	<u>28,553,821</u>	<u>24,863,176</u>	<u>22,709,792</u>	<u>2,153,384</u>
0060	Ancillary Services:				
0061	Community Services	435,949	424,429	372,314	52,115
	Total Ancillary Services:	<u>435,949</u>	<u>424,429</u>	<u>372,314</u>	<u>52,115</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	3,519	98,619	3,720	94,899
	Total Capital Outlay:	<u>3,519</u>	<u>98,619</u>	<u>3,720</u>	<u>94,899</u>
0090	Intergovernmental Charges:				
0095	Payments to JJAEP	100,000	100,000	64,752	35,248
0097	Payments to TIF	1,758,473	1,010,907	1,010,907	-
0099	Intergovernmental Charges	539,063	539,063	531,534	7,529
	Total Intergovernmental Charges:	<u>2,397,536</u>	<u>1,649,970</u>	<u>1,607,193</u>	<u>42,777</u>
6030	Total Expenditures	<u>256,101,303</u>	<u>236,337,441</u>	<u>229,927,733</u>	<u>6,409,708</u>
1100	Excess of Revenues Over Expenditures	<u>(6,516,840)</u>	<u>(6,131,622)</u>	<u>2,156,805</u>	<u>8,288,427</u>
OTHER FINANCING SOURCES (USES)					
7912	Proceeds from Sale of Fixed Assets	30,000	174,538	174,537	(1)
	Total Other Financing Sources (Uses)	<u>30,000</u>	<u>174,538</u>	<u>174,537</u>	<u>(1)</u>
1200	Net Change in Fund Balances	(6,486,840)	(5,957,084)	2,331,342	8,288,426
0100	Fund Balance - September 1 (Beginning)	<u>77,086,023</u>	<u>77,086,023</u>	<u>77,086,023</u>	-
3000	Fund Balance - August 31 (Ending)	<u>\$70,599,183</u>	<u>\$71,128,939</u>	<u>\$79,417,365</u>	<u>\$8,288,426</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, 2011**

EXHIBIT G-2

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
	REVENUES				
5700	Local and Intermediate Sources	\$ 3,074,526	\$ 3,074,526	\$ 2,515,749	\$ (558,777)
5800	State Program Revenues	112,830	110,412	110,412	-
5900	Federal Program Revenues	15,078,000	16,088,950	15,802,248	(286,702)
5020	Total Revenues	<u>18,265,356</u>	<u>19,273,888</u>	<u>18,428,409</u>	<u>(845,479)</u>
	EXPENDITURES				
	Current:				
0030	Support Services - Student (Pupil):				
0035	Food Services	16,568,123	17,927,027	16,681,437	1,245,590
0036	Co-Curricular/Extracurricular Activities	-	115,500	789,756	(674,256)
	Total Support Services - Student (Pupil):	<u>16,568,123</u>	<u>18,042,527</u>	<u>17,471,193</u>	<u>571,334</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	653,557	659,807	587,681	72,126
	Total Support Services - Nonstudent Based:	<u>653,557</u>	<u>659,807</u>	<u>587,681</u>	<u>72,126</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	834,837	2,101,671	1,056,952	1,044,719
	Total Capital Outlay:	<u>834,837</u>	<u>2,101,671</u>	<u>1,056,952</u>	<u>1,044,719</u>
6030	Total Expenditures	<u>18,056,517</u>	<u>20,804,005</u>	<u>19,115,826</u>	<u>1,688,179</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>208,839</u>	<u>(1,530,117)</u>	<u>(687,417)</u>	<u>842,700</u>
1200	Net Change in Fund Balances	208,839	(1,530,117)	(687,417)	842,700
0100	Fund Balance - September 1 (Beginning)	7,398,104	7,398,104	7,398,104	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 7,606,943</u>	<u>\$ 5,867,987</u>	<u>\$ 6,710,687</u>	<u>\$ 842,700</u>

See Notes to Required Supplementary Information.

**IRVING INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2011**

NOTE 1. BUDGETARY LEGAL COMPLIANCE

The Official Budget was prepared for adoption prior to August 20, 2010 for all required Governmental Funds on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (see Note 1D in the Notes to the Financial Statements). The budget is adopted by fund and function for expenditures and by fund and object for revenues. The appropriate department head or campus principal controls the budget. Therefore, management may transfer appropriations at the object level as necessary without the approval of the Board unless the intent is to cross fund or function, or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level for expenditures and object code level for revenues.

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

Should any change in the approved budget be required, budget amendment requests are presented to the Board of Trustees for consideration. Amendments are made before the fact and, once approved, are reflected in the official minutes. During the year the budget was properly amended in accordance with the above procedures. The Board of Trustees approved the final amendment on August 29, 2011.



**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, 2011**

EXHIBIT H-1

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
	ASSETS			
1110	Cash & Temporary Investment	\$ -	\$ 259,296	\$ 259,296
	Receivables:			
1240	Due from Other Governments	4,180,263	179,827	4,360,090
1290	Other Receivables	-	193,500	193,500
1000	TOTAL ASSETS	<u>\$ 4,180,263</u>	<u>\$ 632,623</u>	<u>\$ 4,812,886</u>
	LIABILITIES			
2110	Accounts Payable	\$ 64,503	\$ 68,116	\$ 132,619
2170	Due to Other Funds	4,073,861	155,725	4,229,586
2180	Due to Other Governments	41,899	-	41,899
2300	Deferred Revenue	-	271,668	271,668
2000	TOTAL LIABILITIES	<u>4,180,263</u>	<u>495,509</u>	<u>4,675,772</u>
	FUND BALANCE			
	Restricted			
3450	Grant Funds	-	137,114	137,114
3000	TOTAL FUND BALANCE	<u>-</u>	<u>137,114</u>	<u>137,114</u>
4000	TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,180,263</u>	<u>\$ 632,623</u>	<u>\$ 4,812,886</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011**

EXHIBIT H-2

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
	REVENUES			
5700	Local and Intermediate Sources	\$ -	\$ 386,132	\$ 386,132
5800	State Program Revenues	-	6,006,501	6,006,501
5900	Federal Program Revenues	45,923,363	-	45,923,363
5020	Total Revenues	<u>45,923,363</u>	<u>6,392,633</u>	<u>52,315,996</u>
	EXPENDITURES			
	Current:			
0010	Instruction and Instructional-Related Services:			
0011	Instruction	33,146,427	5,653,372	38,799,799
0012	Instructional Resources and Media Services	1,865,983	20,057	1,886,040
0013	Curriculum Development & Instructional Staff Development	2,252,452	231,433	2,483,885
	Total Instruction and Instructional-Related Services:	<u>37,264,862</u>	<u>5,904,862</u>	<u>43,169,724</u>
0020	Instructional and School Leadership:			
0021	Instructional Leadership	846,381	123,887	970,268
0023	School Leadership	664,435	84,177	748,612
	Total Instructional and School Leadership:	<u>1,510,816</u>	<u>208,064</u>	<u>1,718,880</u>
0030	Support Services - Student (Pupil):			
0031	Guidance, Counseling, and Evaluation Services	1,454,388	107,871	1,562,259
0032	Social Work Services	-	40,025	40,025
0033	Health Services	72,388	4,899	77,287
0034	Student (Pupil) Transportation	750,570	-	750,570
	Total Support Services - Student (Pupil):	<u>2,277,346</u>	<u>152,795</u>	<u>2,430,141</u>
0040	Administrative Support Services:			
0041	General Administration	7,260	-	7,260
	Total Administrative Support Services:	<u>7,260</u>	<u>-</u>	<u>7,260</u>
0050	Support Services - Nonstudent Based:			
0051	Plant Maintenance and Operation	3,954,290	-	3,954,290
0053	Data Processing Services	47,833	-	47,833
	Total Support Services - Nonstudent Based:	<u>4,002,123</u>	<u>-</u>	<u>4,002,123</u>
0060	Ancillary Services:			
0061	Community Services	860,956	15,785	876,741
	Total Ancillary Services:	<u>860,956</u>	<u>15,785</u>	<u>876,741</u>
6030	Total Expenditures	<u>45,923,363</u>	<u>6,281,506</u>	<u>52,204,869</u>
1100	Excess of Revenues Over Expenditures	-	111,127	111,127
1200	Net Change in Fund Balances	-	111,127	111,127
0100	Fund Balance - September 1 (Beginning)	-	25,987	25,987
	Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 137,114</u>	<u>\$ 137,114</u>

INTERNAL SERVICE FUNDS



**IRVING INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
AUGUST 31, 2011**

DATA CONTROL CODES		WORKERS'		
		HEALTH	COMPENSATION	UNEMPLOYMENT
	ASSETS			
	Current Assets:			
1110	Cash and Temporary Investments	\$ 1,377,709	\$ 3,104,328	\$ 89,649
1260	Due from Other Funds	845,771	-	-
1290	Other Receivables	4,544	-	-
1310	Inventories, at cost	-	-	-
	Total Current Assets	<u>2,228,024</u>	<u>3,104,328</u>	<u>89,649</u>
	Non-Current Assets:			
1500	Furniture and Equipment, net	\$ -	\$ -	\$ -
	Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>
1000	Total Assets	<u>2,228,024</u>	<u>3,104,328</u>	<u>89,649</u>
	LIABILITIES			
	Current Liabilities:			
2110	Accounts Payable	\$ 254,803	\$ 70	\$ 105,612
2170	Due to Other Funds	-	-	-
2200	Accrued expenses	299	-	-
	Total Current Liabilities	<u>255,102</u>	<u>70</u>	<u>105,612</u>
	Noncurrent Liabilities:			
2800	Claims due within one year	1,535,648	809,179	-
	Claims due in more than one year	-	761,436	-
	Total Long-Term Liabilities	<u>1,535,648</u>	<u>1,570,615</u>	<u>-</u>
2000	Total Liabilities	<u>1,790,750</u>	<u>1,570,685</u>	<u>105,612</u>
	NET ASSETS (DEFICIT)			
3800	Invested in Capital Assets, Net of Related Debt	-	-	-
3900	Unrestricted Net Assets (Deficit)	<u>437,274</u>	<u>1,533,643</u>	<u>(15,963)</u>
3000	TOTAL NET ASSETS (DEFICIT)	<u>\$ 437,274</u>	<u>\$ 1,533,643</u>	<u>\$ (15,963)</u>

EXHIBIT H-3

<u>BENEFITS ADMINISTRATION</u>	<u>SCIENCE KIT REFURBISHMENT</u>	<u>IRVING.NET</u>	<u>PRINT SHOP</u>	<u>TOTALS INTERNAL SERVICE FUNDS</u>
\$ 20,022	\$ 287,729	\$ 19,844	\$ 54,145	\$ 4,953,426
-	-	-	-	845,771
-	-	-	-	4,544
-	545,828	-	6,177	552,005
<u>20,022</u>	<u>833,557</u>	<u>19,844</u>	<u>60,322</u>	<u>6,355,746</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,814</u>	<u>\$ 1,814</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,814</u>	<u>1,814</u>
<u>20,022</u>	<u>833,557</u>	<u>19,844</u>	<u>62,136</u>	<u>6,357,560</u>
\$ -	\$ 21,353	\$ -	\$ 10,877	392,715
-	67,481	-	-	67,481
-	-	-	-	299
<u>-</u>	<u>88,834</u>	<u>-</u>	<u>10,877</u>	<u>460,495</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,344,827</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>761,436</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,106,263</u>
<u>-</u>	<u>88,834</u>	<u>-</u>	<u>10,877</u>	<u>3,566,758</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,814</u>	<u>1,814</u>
<u>20,022</u>	<u>744,723</u>	<u>19,844</u>	<u>49,445</u>	<u>2,788,988</u>
<u>\$ 20,022</u>	<u>\$ 744,723</u>	<u>\$ 19,844</u>	<u>\$ 51,259</u>	<u>\$ 2,790,802</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011**

DATA CONTROL CODES	WORKERS'			
	HEALTH	COMPENSATION	UNEMPLOYMENT	
OPERATING REVENUES				
5700	Charges for Services	\$20,796,602	\$ 397,669	\$ 179,612
5020	Total Operating Revenues	20,796,602	397,669	179,612
OPERATING EXPENSES				
6100	Payroll Costs	84	105,966	-
6200	Professional/Contracted Services	1,050	-	-
6300	Supplies and Materials	-	570	-
6400	Claims, Administration, & Other Exp.	19,683,924	896,338	236,150
6030	Total Operating Expenses	19,685,058	1,002,874	236,150
	Operating Income (Loss)	1,111,544	(605,205)	(56,538)
NON-OPERATING REVENUES				
7955	Interest Income	-	5,037	-
CHANGE IN NET ASSETS (DEFICIT)				
0100	Total Net Assets - September 1 (Beg.)	1,111,544	(600,168)	(56,538)
		(674,270)	2,133,811	40,575
3000	Total Net Assets (Deficit) - August 31 (Ending)	\$ 437,274	\$ 1,533,643	\$ (15,963)

BENEFITS ADMINISTRATION	SCIENCE KIT REFURBISHMENT	IRVING.NET	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 65,795	\$ 918,207	\$ 1,605	\$ 106,331	\$ 22,465,821
65,795	918,207	1,605	106,331	22,465,821
-	194,347	-	2,862	303,259
54,000	13,198	-	141,395	209,643
-	10,618	174	52,703	64,065
12,263	2,530	587	1,210	20,833,002
66,263	220,693	761	198,170	21,409,969
(468)	697,514	844	(91,839)	1,055,852
-	-	-	-	5,037
(468)	697,514	844	(91,839)	1,060,889
20,490	47,209	19,000	143,098	1,729,913
\$ 20,022	\$ 744,723	\$ 19,844	\$ 51,259	\$ 2,790,802

**IRVING INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011**

	HEALTH	WORKERS COMPENSATION	UNEMPLOYMENT
Cash Flows from Operating Activities:			
Cash Received for Premiums and Services	\$20,796,602	\$ 397,669	\$ 179,612
Cash Paid to Employees	-	(105,966)	-
Cash Paid for Claims, Administration, & Other Costs	(19,766,478)	(1,212,999)	(156,991)
Net Cash Provided by (Used in) Operating Activities	<u>1,030,124</u>	<u>(921,296)</u>	<u>22,621</u>
Cash Flows from Noncapital Financing Activities:			
Cash Paid to Other Funds	(845,771)	-	-
Net Cash Used by Noncapital Financing Activities	<u>(845,771)</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:			
Interest Received	-	5,037	-
Net Cash Provided by Investing Activities	<u>-</u>	<u>5,037</u>	<u>-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	184,353	(916,259)	22,621
Cash and Cash Equivalents at Beginning of the Year	<u>1,193,356</u>	<u>4,020,587</u>	<u>67,028</u>
Cash and Cash Equivalents at End of the Year	<u>\$ 1,377,709</u>	<u>\$ 3,104,328</u>	<u>\$ 89,649</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (Loss)	<u>\$ 1,111,544</u>	<u>\$ (605,205)</u>	<u>\$ (56,538)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Depreciation	-	-	-
Change in Current Assets and Liabilities:			
Increase in Other Receivables	(4,544)	-	-
Decrease (Increase) in Inventories	-	-	-
Increase (Decrease) in Accounts Payable	(77,175)	(6,135)	79,159
Increase in Accrued Expenses	299	-	-
Decrease in Long-term Claims Reserve	-	(309,956)	-
Total Adjustments	<u>(81,420)</u>	<u>(316,091)</u>	<u>79,159</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,030,124</u>	<u>\$ (921,296)</u>	<u>\$ 22,621</u>

EXHIBIT H-5

BENEFITS ADMINISTRATION	SCIENCE KIT REFURBISHMENT	IRVING.NET	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 65,795	\$ 918,207	\$ 1,605	\$ 106,331	\$ 22,465,821
-	(194,347)	-	-	(300,313)
(67,247)	(436,631)	(761)	(192,802)	(21,833,909)
(1,452)	287,229	844	(86,471)	331,599
-	-	-	-	(845,771)
-	-	-	-	(845,771)
-	-	-	-	5,037
-	-	-	-	5,037
(1,452)	287,229	844	(86,471)	(509,135)
21,474	500	19,000	140,616	5,462,561
\$ 20,022	\$ 287,729	\$ 19,844	\$ 54,145	\$ 4,953,426
\$ (468)	\$ 697,514	\$ 844	\$ (91,839)	\$ 1,055,852
-	-	-	1,210	1,210
-	-	-	-	(4,544)
-	(384,771)	-	619	(384,152)
(984)	(25,514)	-	3,539	(27,110)
-	-	-	-	299
-	-	-	-	(309,956)
(984)	(410,285)	-	5,368	(724,253)
\$ (1,452)	\$ 287,229	\$ 844	\$ (86,471)	\$ 331,599



FIDUCIARY FUNDS

**IRVING INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 AUGUST 31, 2011**

EXHIBIT H-6

	<u>STUDENT ACTIVITY FUNDS</u>	<u>FLEXIBLE BENEFITS</u>	<u>TOTALS AGENCY FUNDS</u>
ASSETS			
Cash and Temporary Investments	\$ 329,501	\$ 478,851	\$ 808,352
TOTAL ASSETS	<u>\$ 329,501</u>	<u>\$ 478,851</u>	<u>\$ 808,352</u>
LIABILITIES			
Accounts Payable	\$ 13,168	478,851	\$ 492,019
Due to Student Groups	316,333	-	316,333
TOTAL LIABILITIES	<u>\$ 329,501</u>	<u>\$ 478,851</u>	<u>\$ 808,352</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2011**

EXHIBIT H-7

	<u>BALANCE</u> 9/1/2010	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> 8/31/2011
STUDENT ACTIVITIES:				
Assets:				
Cash & Temporary Investments	\$ 375,700	\$ 972,990	\$ 1,019,189	\$ 329,501
Total Assets	<u>\$ 375,700</u>	<u>\$ 972,990</u>	<u>\$ 1,019,189</u>	<u>\$ 329,501</u>
Liabilities:				
Accounts Payable	\$ 42,316	\$ 969,546	\$ 998,694	\$ 13,168
Due to Student Groups	333,384	1,042,776	1,059,827	316,333
Total Liabilities	<u>\$ 375,700</u>	<u>\$ 2,012,322</u>	<u>\$ 2,058,521</u>	<u>\$ 329,501</u>
FLEXIBLE BENEFITS:				
Assets:				
Cash & Temporary Investments	\$ 452,381	\$ 2,240,325	\$ 2,213,855	\$ 478,851
Total Assets	<u>\$ 452,381</u>	<u>\$ 2,240,325</u>	<u>\$ 2,213,855</u>	<u>\$ 478,851</u>
Liabilities:				
Accounts Payable	\$ 452,381	\$ 4,328,555	\$ 4,302,085	\$ 478,851
Total Liabilities	<u>\$ 452,381</u>	<u>\$ 4,328,555</u>	<u>\$ 4,302,085</u>	<u>\$ 478,851</u>
TOTAL AGENCY FUNDS:				
Assets:				
Cash & Temporary Investments	\$ 828,081	\$ 3,213,315	\$ 3,233,044	\$ 808,352
Total Assets	<u>\$ 828,081</u>	<u>\$ 3,213,315</u>	<u>\$ 3,233,044</u>	<u>\$ 808,352</u>
Liabilities:				
Accounts Payable	\$ 494,697	\$ 5,298,101	\$ 5,300,779	\$ 492,019
Due to Student Groups	333,384	1,042,776	1,059,827	316,333
Total Liabilities	<u>\$ 828,081</u>	<u>\$ 6,340,877</u>	<u>\$ 6,360,606</u>	<u>\$ 808,352</u>

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



**IRVING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2011**

Last Ten Years Tax Roll Fiscal Year Ending August 31	Operations	Maintenance Debt	Total	Interest & Sinking	3 Assessed/ Appraised Value for School Tax
2002 & Prior Years	Various	Various	Various	Various	Various
2003	1.5000	--	1.5000	0.2706	\$ 7,626,582,560
2004	1.5000	--	1.5000	0.3150	\$ 7,554,198,014
2005	1.5000	--	1.5000	0.3370	\$ 7,860,220,752
2006	1.5000	--	1.5000	0.3140	\$ 8,239,493,587
2007	1.3300	--	1.3300	0.3140	\$ 8,831,620,036
2008	1.0000	--	1.0000	0.3485	\$ 9,582,309,159
2009	1.0200	--	1.0200	0.3710	\$ 9,985,889,156
2010	1.0200	--	1.0200	0.4050	\$ 9,485,866,005
2011	1.0400	--	1.0400	0.4250	\$ 9,045,693,812 *
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 \$4,011,174.

* Source: 2010 School District Report of Property Value
(Includes all Supplements and Litigated Accounts).

10 Beginning Balance 9/1/2010	20 Current Year's Total Levy	30 Maintenance Total Collections	30a Debt Service Total Collections	40 Fiscal Year's Adjustment	50 Ending Balance 8/31/2011
\$ 796,044	\$ -	\$ 7,078	\$ 1,424	\$ (2,527)	\$ 785,015
\$ 173,559	\$ -	\$ 3,796	\$ 685	\$ -	\$ 169,078
\$ 209,113	\$ -	\$ 5,806	\$ 1,219	\$ (1,512)	\$ 200,576
\$ 406,523	\$ -	\$ 8,212	\$ 1,845	\$ (7,616)	\$ 388,850
\$ 448,173	\$ -	\$ 7,890	\$ 1,652	\$ 840	\$ 439,471
\$ 455,969	\$ -	\$ 28,756	\$ 6,789	\$ 5,355	\$ 425,779
\$ 551,665	\$ -	\$ 89,786	\$ 31,290	\$ 3,345	\$ 433,934
\$ 1,115,953	\$ -	\$ 318,269	\$ 115,763	\$ 3,503	\$ 685,424
\$ 3,051,284	\$ -	\$ 929,331	\$ 368,999	\$ (458,839)	\$ 1,294,115
\$ -	\$ 128,508,240	\$ 89,732,180	\$ 36,669,412	\$ -	\$ 2,106,648
<u>\$ 7,208,283</u>	<u>\$ 128,508,240</u>	<u>\$ 91,131,104</u>	<u>\$ 37,199,078</u>	<u>\$ (457,451)</u>	<u>\$ 6,928,890</u>
		\$ 1,010,907			

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 8/31/11:

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

**IRVING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES FOR COMPUTATIONS
OF INDIRECT COST FOR 2010-2011
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2011**

EXHIBIT J-2

FUNCTION 41 AND RELATED FUNCTION 53 - GENERAL ADMINISTRATION

Account Number	1	2	3	4	5	6	7
	(702) School Board	(703) Tax Collection	(701) Supt's Office	(750) Indirect Cost	(720) Direct Cost	(other) Miscellaneous	Total
6100	\$ -	\$ 237,032	\$1,001,360	\$ 4,556,817	\$ 106,840	\$ -	\$ 5,902,049
6211	627,311	-	26,205	-	-	-	653,516
6212	-	-	-	80,000	-	-	80,000
6213	-	-	-	-	-	-	-
621X	-	-	-	-	-	-	-
6230	-	-	-	53,184	-	-	53,184
6240	-	-	-	-	492,128	-	492,128
6250	-	-	-	-	20,135	-	20,135
6260	(193)	2,001	9,104	40,509	-	-	51,421
6290	1,141	14,472	151,098	349,095	-	-	515,806
6320	-	-	2,947	-	6,050	-	8,997
63XX	-	22,009	25,444	307,848	9,264	-	364,565
6410	16,766	5,988	19,459	71,810	2,338	-	116,361
6420	32,593	235	-	109,962	-	-	142,790
6430	38,942	-	-	-	-	-	38,942
6490	37,751	2,070	35,909	162,385	-	-	238,115
6600	-	-	-	-	-	134,537	134,537
Total	\$ 754,311	\$ 283,807	\$1,271,526	\$ 5,731,610	\$ 636,755	\$ 134,537	\$ 8,812,546

Total Expenditures for General and Special Revenue Funds (Schedule C-2)	(8)	\$ 301,248,428
LESS: Deductions of Unallowable Costs		
FISCAL YEAR		
Total Capital Outlay (6600)	\$ 5,305,420	
Total Debt & Lease (6500)	-	
Plant Maintenance (Function 51, 6100-6400)	21,235,810	
Food (Function 35, 6341 and 6499)	6,019,350	
Stipends (6413)	-	
Column 4 (above) - Total Indirect Cost	5,731,610	
Subtotal:		38,292,190
Net Allowed Direct Cost		<u>\$ 262,956,238</u>
CUMULATIVE		
Total Cost of Buildings before Depreciation (1520)		\$ 620,217,802
Historical Cost of Buildings over 50 years old		37,507,890
Amount of Federal Money in building cost (Net of Above)		-
Total Cost of Furniture & Equipment before Depreciation (1530)		106,264,777
Historical Cost of Furniture & Equipment over 16 years old		1,183,024
Amount of Federal Money in Furniture & Equipment (Net of Above)		2,609,484

Note: \$1,696,491 in Function 53 expenditures are included in this report on administrative costs.

Note: \$59,278 of Capital Projects in Function 41 expenditures are excluded from this report on administrative costs

IRVING INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2011

EXHIBIT J-3

Data Control Codes		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
REVENUES					
5700	Local and Intermediate Sources	\$ 37,373,196	\$ 37,386,196	\$ 37,324,470	\$ (61,726)
5800	State Program Revenues	6,701,924	7,243,233	7,755,173	511,940
5020	Total Revenues	<u>44,075,120</u>	<u>44,629,429</u>	<u>45,079,643</u>	<u>450,214</u>
EXPENDITURES					
0070	Debt Service:				
0071	Principal	14,720,670	14,720,670	14,720,670	-
0072	Interest and Charges on Long-Term Debt	30,437,507	31,130,392	31,130,392	-
0073	Bond Issue Costs and Fees	175,000	275,000	233,964	41,036
	Total Debt Services	<u>45,333,177</u>	<u>46,126,062</u>	<u>46,085,026</u>	<u>41,036</u>
6030	Total Expenditures	<u>45,333,177</u>	<u>46,126,062</u>	<u>46,085,026</u>	<u>41,036</u>
1100	Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(1,258,057)</u>	<u>(1,496,633)</u>	<u>(1,005,383)</u>	<u>491,250</u>
1200	Net Change in Fund Balances	(1,258,057)	(1,496,633)	(1,005,383)	491,250
0100	Fund Balance - September 1 (Beginning)	14,620,052	14,620,052	14,620,052	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 13,361,995</u>	<u>\$ 13,123,419</u>	<u>\$ 13,614,669</u>	<u>\$ 491,250</u>



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

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

Contents	Page
Financial Trends Information These schedules contain trend information intended to help the reader understand how the district's financial position has changed over time.	86
Revenue Capacity Information These schedules contain information intended to help the reader assess the district's most significant revenue source, state tax collections.	100
Debt Capacity information These schedules contain information intended to assist users in understanding and assessing the district's current levels of outstanding debt and the ability to issue additional debt.	108
Demographic and Economic information These schedules provide demographic and economic indicators intended to help the reader understand the socioeconomic environment within which the district's financial activities take place.	112
Operating Information These schedules provide contextual information about the district's operations and resources intended to assist readers in using financial statement information to understand and assess the district's economic condition.	116

**IRVING INDEPENDENT SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS¹ (UNAUDITED)**

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 22,969,447	\$ 31,468,629	\$ 53,188,552	\$ 20,925,351
Restricted				
Food Service	437,222	1,713,224	2,486,215	3,379,086
Debt Service	8,942,926	7,767,463	5,854,438	(320,233)
Unrestricted	8,889,321	(10,721,894)	(41,061,425)	(4,516,715)
Total primary government net assets	<u>\$ 41,238,916</u>	<u>\$ 30,227,422</u>	<u>\$ 20,467,780</u>	<u>\$ 19,467,489</u>

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

Note:

¹ Amounts were not available prior to the GASB 34 requirements in 2002.

	Fiscal Year					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
As Restated						
\$	15,482,850	\$ 17,326,732	\$ 12,678,217	\$ 235,946	\$ 3,431,449	\$ 4,933,936
	4,910,165	5,829,135	6,482,598	7,121,811	7,398,104	6,710,687
	3,546,649	483,099	3,866,540	6,948,487	3,899,725	4,549,566
	6,134,559	22,854,621	31,999,108	44,389,864	36,876,813	35,907,568
\$	<u>30,074,223</u>	<u>\$ 46,493,587</u>	<u>\$ 55,026,463</u>	<u>\$ 58,696,108</u>	<u>\$ 51,606,091</u>	<u>\$ 52,101,757</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS¹ (UNAUDITED)**

	Fiscal Year			
	<u>2002²</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenses				
Governmental activities				
Instruction	\$ 140,506,756	\$ 141,378,290	\$ 140,482,414	\$ 146,901,790
Instructional resources and media services	-	4,125,063	4,086,837	4,226,810
Curriculum and staff development services	-	2,922,273	2,796,047	3,045,050
Instructional leadership	16,603,759	4,124,716	4,520,665	4,290,512
School leadership	-	13,656,367	14,133,219	14,355,641
Guidance, counseling, & evaluation services	24,352,766	9,070,236	9,428,195	9,556,167
Social work services	-	313,467	338,892	334,891
Health services	-	1,830,314	1,847,329	1,891,844
Student transportation	-	1,780,177	2,082,926	2,407,130
Food service	-	10,271,774	10,992,177	11,327,917
Extracurricular activities	-	3,566,372	3,601,010	3,640,268
General administration	5,471,326	5,582,107	6,271,739	6,253,171
Plant maintenance and operations	20,130,621	16,627,084	16,583,792	17,454,062
Security and monitoring services	-	1,460,917	1,486,013	1,486,523
Data processing services	-	2,447,109	2,564,905	3,627,658
Community services	309,318	709,301	1,031,252	801,428
Interest on long-term debt	18,859,658	20,209,588	24,143,929	21,928,409
Facilities acquisition/construction	1,253,511	1,792	3,458	-
Intergovernmental charges	818,673	601,929	112,540	98,414
Payments to TIF	-	-	-	-
Other intergovernmental charges	-	-	-	-
Total primary government program expenses	<u>228,306,388</u>	<u>240,678,876</u>	<u>246,507,339</u>	<u>253,627,685</u>
Prior Period Adjustment	-	-	-	948,669
As restated	<u>\$ 228,306,388</u>	<u>\$ 240,678,876</u>	<u>\$ 246,507,339</u>	<u>\$ 254,576,354</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	619,595	1,063,806	1,658,110	1,703,997
Instructional leadership	-	35,555	370,890	-
Guidance, counseling, & evaluation services	4,054,385	-	-	-
Food service	-	3,023,447	2,854,792	3,025,401
Extracurricular activities	-	1,333,805	1,428,587	1,303,344
Plant maintenance and operations	169,784	137,990	168,366	192,941
Operating grants and contributions	18,582,537	26,434,666	25,974,739	30,492,545
Capital grants and contributions	-	-	-	-
Total primary government program revenues	<u>\$ 23,426,301</u>	<u>\$ 32,029,269</u>	<u>\$ 32,455,484</u>	<u>\$ 36,718,228</u>
Net (Expense)/Revenue				
Total primary government expenses	<u>\$ (204,880,087)</u>	<u>\$ (208,649,607)</u>	<u>\$ (214,051,855)</u>	<u>\$ (217,858,126)</u>

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

Notes:

¹ Amounts were not available prior to the GASB 34 requirements in 2002.

² Functional expenditure reporting was rolled into a summary format for 2002, therefore the detailed functional breakdown is not provided.

Fiscal Year					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 151,485,746	\$ 156,793,863	\$ 168,804,073	\$ 180,232,180	\$ 202,902,605	\$ 202,027,719
4,305,056	4,427,356	4,710,352	4,975,486	5,268,387	5,395,741
3,113,527	3,295,719	3,923,766	3,558,753	5,052,148	5,230,001
4,285,657	4,932,500	5,225,582	5,155,792	5,767,304	5,302,420
15,372,131	16,069,867	17,269,721	18,327,617	19,227,696	19,274,337
9,622,840	10,134,028	11,014,134	13,188,546	14,526,771	14,456,133
386,673	391,517	451,833	454,045	421,492	452,483
1,911,962	2,070,801	2,352,144	2,546,835	2,668,537	2,677,435
2,818,312	3,141,164	3,294,523	3,498,826	3,894,410	4,462,792
11,868,793	12,864,427	13,916,614	15,973,273	16,353,277	17,047,841
3,819,855	4,291,034	4,905,015	4,968,072	5,244,068	6,243,463
6,533,431	6,831,531	7,024,356	7,214,596	7,239,959	7,248,095
19,046,590	18,259,089	18,582,655	20,296,508	22,197,037	21,587,242
1,557,058	1,671,357	2,221,348	2,615,072	2,835,972	2,849,399
3,050,837	3,978,718	3,704,739	3,574,010	3,369,105	3,549,859
738,404	858,752	1,088,711	1,177,345	1,336,533	1,246,312
20,163,981	21,739,963	22,865,771	24,205,191	27,919,340	28,495,578
-	-	-	3,469	3,450	-
162,003	121,135	166,095	176,431	91,036	64,752
-	-	498,713	2,347,460	1,414,723	1,010,907
-	-	-	505,598	535,803	531,534
<u>260,242,856</u>	<u>271,872,821</u>	<u>292,020,145</u>	<u>314,995,105</u>	<u>348,269,653</u>	<u>349,154,043</u>
-	-	-	-	-	-
<u>\$ 260,242,856</u>	<u>\$ 271,872,821</u>	<u>\$ 292,020,145</u>	<u>\$ 314,995,105</u>	<u>\$ 348,269,653</u>	<u>\$ 349,154,043</u>
1,703,590	1,428,425	827,006	675,741	592,479	543,735
-	344,144	-	-	-	-
-	177,332	-	-	-	-
3,063,206	2,985,422	2,996,746	3,048,365	2,751,056	2,508,940
1,333,011	1,487,930	1,262,648	1,380,358	1,422,835	1,413,786
178,949	163,346	132,445	149,044	212,710	177,518
33,430,779	32,270,600	38,828,216	45,849,732	72,112,849	74,113,382
-	-	-	75,000	-	-
<u>\$ 39,709,535</u>	<u>\$ 38,857,199</u>	<u>\$ 44,047,061</u>	<u>\$ 51,178,240</u>	<u>\$ 77,091,929</u>	<u>\$ 78,757,361</u>
<u>\$ (220,533,321)</u>	<u>\$ (233,015,622)</u>	<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>	<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>

**IRVING INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS¹ (UNAUDITED)**

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Net (Expense)/Revenue				
Total primary government expenses	<u>\$ (204,880,087)</u>	<u>\$ (208,649,607)</u>	<u>\$ (214,051,855)</u>	<u>\$ (217,858,126)</u>
General Revenues				
Governmental activities				
Taxes				
Property taxes levied for general purposes	\$ 113,675,672	\$ 112,163,035	\$ 110,325,929	\$ 114,765,808
Property taxes levied for debt service	15,243,715	20,041,515	23,214,927	25,730,326
State Aid Formula Grants	56,043,738	61,600,073	67,793,701	72,033,002
Investment earnings	3,760,849	2,386,301	1,847,751	3,358,191
Miscellaneous	<u>1,927,092</u>	<u>1,447,189</u>	<u>1,109,905</u>	<u>970,508</u>
Total primary government	<u>190,651,066</u>	<u>197,638,113</u>	<u>204,292,213</u>	<u>216,857,835</u>
Change in Net Assets				
Total primary government	<u>\$ (14,229,021)</u>	<u>\$ (11,011,494)</u>	<u>\$ (9,759,642)</u>	<u>\$ (1,000,291)</u>

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

Note:

¹ Amounts were not available prior to the GASB 34 requirements in 2002.

Fiscal Year					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>\$ (220,533,321)</u>	<u>\$ (233,015,622)</u>	<u>\$ (247,973,084)</u>	<u>\$ (263,816,865)</u>	<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>
\$ 118,995,866	\$ 114,148,984	\$ 91,437,264	\$ 97,024,305	\$ 93,248,521	\$ 90,847,221
24,870,366	26,892,668	32,112,354	34,961,198	37,025,527	37,126,703
80,428,670	99,077,027	123,663,032	127,466,060	129,868,903	139,197,880
5,407,773	7,551,678	7,590,752	4,993,990	1,870,376	871,377
<u>1,177,260</u>	<u>1,764,629</u>	<u>1,702,558</u>	<u>3,040,957</u>	<u>2,074,380</u>	<u>2,849,167</u>
<u>230,879,935</u>	<u>249,434,986</u>	<u>256,505,960</u>	<u>267,486,510</u>	<u>264,087,707</u>	<u>270,892,348</u>
<u>\$ 10,346,614</u>	<u>\$ 16,419,364</u>	<u>\$ 8,532,876</u>	<u>\$ 3,669,645</u>	<u>\$ (7,090,017)</u>	<u>\$ 495,666</u>

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

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Reserved and designated	\$ 9,469,016	\$ 8,774,971	\$ 7,829,443	\$ 7,783,690
Nonspendable	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unreserved	28,521,931	21,389,155	25,229,172	30,251,545
Total general fund	<u>\$ 37,990,947</u>	<u>\$ 30,164,126</u>	<u>\$ 33,058,615</u>	<u>\$ 38,035,235</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	437,222	1,713,224	2,486,215	3,379,086
Debt service fund	10,321,508	9,260,702	9,540,108	10,454,626
Capital projects fund	101,574,549	74,463,098	70,965,056	41,325,555
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Total all other governmental funds	<u>\$ 112,333,279</u>	<u>\$ 85,437,024</u>	<u>\$ 82,991,379</u>	<u>\$ 55,159,267</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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
As Restated					
\$ 6,658,936	\$ 5,178,967	\$ 4,950,861	\$ 5,498,527	\$ 8,703,587	\$ -
-	-	-	-	-	1,058,731
-	-	-	-	-	7,744,340
-	-	-	-	-	70,614,294
46,797,121	62,600,749	70,672,111	75,006,001	68,382,436	-
<u>\$ 53,456,057</u>	<u>\$ 67,779,716</u>	<u>\$ 75,622,972</u>	<u>\$ 80,504,528</u>	<u>\$ 77,086,023</u>	<u>\$ 79,417,365</u>
5,170,285	6,977,423	7,264,922	4,922,770	7,424,091	-
12,084,774	13,439,971	12,331,569	18,518,712	14,620,052	-
19,109,623	32,858,019	104,020,753	115,773,018	112,060,012	-
-	-	-	-	-	193,802
-	-	-	-	-	82,295,275
-	-	-	-	-	3,719,604
<u>\$ 36,364,682</u>	<u>\$ 53,275,413</u>	<u>\$ 123,617,244</u>	<u>\$ 139,214,500</u>	<u>\$ 134,104,155</u>	<u>\$ 86,208,681</u>

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

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Federal sources:				
Federal grants	\$ 8,166,254	\$ 11,296,230	\$ 14,241,524	\$ 17,290,408
Food service	6,649,977	7,505,425	8,062,369	8,833,357
Capital projects	-	-	-	-
Total federal sources	<u>\$ 14,816,231</u>	<u>\$ 18,801,655</u>	<u>\$ 22,303,893</u>	<u>\$ 26,123,765</u>
State sources:				
State grants and other	56,053,440	65,041,434	65,901,252	69,877,065
Food service	104,271	109,717	105,897	101,329
Debt service	4,195,529	4,798,323	5,931,418	6,777,084
Total state sources	<u>\$ 60,353,240</u>	<u>\$ 69,949,474</u>	<u>\$ 71,938,567</u>	<u>\$ 76,755,478</u>
Local sources:				
Local & intermediate sources	118,628,634	115,689,544	115,104,227	119,114,539
Food service	2,744,444	3,023,447	2,868,595	3,088,575
Debt service	15,604,634	20,286,203	23,294,950	25,915,188
Capital projects	1,463,675	1,137,469	839,266	1,251,009
Total local sources	<u>\$ 138,441,387</u>	<u>\$ 140,136,663</u>	<u>\$ 142,107,038</u>	<u>\$ 149,369,311</u>
Total revenues	<u>\$ 213,610,858</u>	<u>\$ 228,887,792</u>	<u>\$ 236,349,498</u>	<u>\$ 252,248,554</u>

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

Note:

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

Fiscal Year					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
As Restated					
\$ 18,513,271	\$ 15,366,903	\$ 19,536,650	\$ 21,859,060	\$ 47,734,756	\$ 49,796,037
9,837,963	11,305,672	11,756,508	13,802,030	15,454,652	15,802,248
-	-	-	-	-	753,747
\$ 28,351,234	\$ 26,672,575	\$ 31,293,158	\$ 35,661,090	\$ 63,189,408	\$ 66,352,032
77,597,077	97,207,159	123,615,224	130,353,672	130,813,857	137,449,208
104,521	105,045	111,329	111,223	112,830	110,412
8,426,457	7,863,269	6,635,812	4,551,934	5,903,142	7,755,173
\$ 86,128,055	\$ 105,175,473	\$ 130,362,365	\$ 135,016,829	\$ 136,829,829	\$ 145,314,793
125,880,509	124,237,728	102,058,885	106,888,411	99,594,423	97,155,289
3,223,491	3,210,101	3,162,463	3,096,672	2,760,323	2,515,749
25,414,527	27,994,311	32,834,524	35,331,200	37,001,854	37,324,470
1,200,876	1,109,368	2,338,211	1,994,383	868,130	1,093,328
\$ 155,719,403	\$ 156,551,508	\$ 140,394,083	\$ 147,310,666	\$ 140,224,730	\$ 138,088,836
\$ 270,198,692	\$ 288,399,556	\$ 302,049,606	\$ 317,988,585	\$ 340,243,967	\$ 349,755,661

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

	Fiscal Year			
	<u>2002²</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Expenditures				
Governmental activities				
11 Instruction	-	\$ 151,720,835	\$ 133,489,497	\$ 137,871,663
12 Instructional resources & media services	-	4,651,601	4,262,714	4,438,065
13 Curriculum & staff development services	-	2,905,061	2,768,619	3,041,593
Total function 10	<u>133,692,821</u>	<u>159,277,497</u>	<u>140,520,830</u>	<u>145,351,321</u>
21 Instructional leadership	-	4,091,776	4,181,626	3,927,769
23 School leadership	-	13,160,646	13,445,689	13,934,237
Total function 20	<u>15,914,685</u>	<u>17,252,422</u>	<u>17,627,315</u>	<u>17,862,006</u>
31 Guidance, counseling, & evaluation services	-	8,751,742	8,976,635	9,197,470
32 Social work services	-	312,915	337,185	338,207
33 Health services	-	1,762,015	1,789,906	1,853,302
34 Student transportation	-	1,753,028	2,055,755	2,379,959
35 Food service	-	9,720,315	10,336,431	10,970,668
36 Extracurricular activities	-	3,318,132	3,293,191	3,390,310
Total function 30	<u>22,966,703</u>	<u>25,618,147</u>	<u>26,789,103</u>	<u>28,129,916</u>
41 General administration	-	6,726,117	5,880,996	5,816,669
Total function 40	<u>5,522,034</u>	<u>6,726,117</u>	<u>5,880,996</u>	<u>5,816,669</u>
51 Plant maintenance and operations	-	16,557,826	16,461,637	17,238,257
52 Security and monitoring services	-	1,482,338	1,501,233	1,483,529
53 Data processing services	-	2,347,326	2,473,285	4,516,994
Total function 50	<u>19,400,321</u>	<u>20,387,490</u>	<u>20,436,155</u>	<u>23,238,780</u>
61 Community services	-	708,822	1,008,516	800,270
Total function 60	<u>306,114</u>	<u>708,822</u>	<u>1,008,516</u>	<u>800,270</u>
71 Debt service ³				
Principal on long-term debt	7,071,041	11,521,344	12,100,437	13,444,789
Interest on long-term debt ³	13,746,172	15,004,129	17,212,417	18,386,035
Bond issuance costs and fees	-	-	-	-
Total function 70	<u>20,817,213</u>	<u>26,525,473</u>	<u>29,312,854</u>	<u>31,830,824</u>
81 Facilities acquisition/construction	-	54,932,374	34,406,064	21,088,401
Total function 80	<u>45,779,339</u>	<u>54,932,374</u>	<u>34,406,064</u>	<u>21,088,401</u>
95 Payments to JJAEP	-	66,504	112,540	98,414
97 Payments to TIF	-	535,425	-	-
99 Intergovernmental Charges	-	-	-	-
Total function 90	<u>818,673</u>	<u>601,929</u>	<u>112,540</u>	<u>98,414</u>
Total expenditures	<u>265,217,903</u>	<u>312,030,271</u>	<u>276,094,373</u>	<u>274,216,601</u>
Prior Period Adjustment	-	-	-	948,669
As restated	<u>\$ 265,217,903</u>	<u>\$ 312,030,271</u>	<u>\$ 276,094,373</u>	<u>\$ 275,165,270</u>
Debt service as a percentage of noncapital expenditures	9.5%	10.3%	12.1%	12.5%

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

Notes:

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

² Functional expenditure reporting was rolled into a summary format for fiscal year 2002, therefore the detailed functional breakdown is not provided.

³ Bond issuance costs and fees were not split until 2006.

Fiscal Year					
2006	2007	2008	2009	2010	2011
\$ 140,965,033	\$ 148,395,516	\$ 162,448,414	\$ 173,574,607	\$ 189,864,948	\$ 191,968,597
4,196,788	4,229,238	4,697,079	5,677,661	5,024,943	5,436,238
3,108,679	3,307,335	3,911,629	3,531,491	5,021,634	5,217,049
148,270,500	155,932,089	171,057,122	182,783,759	199,911,525	202,621,884
4,044,615	4,448,576	5,171,093	5,045,162	5,816,865	5,206,067
14,771,684	15,638,048	16,627,903	17,462,729	18,574,959	18,701,894
18,816,299	20,086,624	21,798,996	22,507,891	24,391,824	23,907,961
9,218,760	9,805,805	10,584,700	12,615,102	13,941,149	13,956,223
388,421	399,004	452,623	446,818	421,492	454,168
1,803,601	1,982,160	2,253,193	2,421,931	2,541,463	2,575,673
2,791,141	3,113,993	3,267,352	3,471,655	4,649,537	4,486,050
11,576,056	12,734,631	13,469,056	15,589,155	17,820,690	16,983,540
3,508,333	3,960,786	4,618,842	4,632,454	4,786,651	5,912,532
29,286,312	31,996,379	34,645,766	39,177,115	44,160,982	44,368,186
5,900,645	6,196,903	7,077,655	6,867,346	7,097,909	7,175,333
5,900,645	6,196,903	7,077,655	6,867,346	7,097,909	7,175,333
18,943,773	18,297,271	18,594,964	20,084,490	22,285,279	21,522,498
1,563,207	1,707,830	2,243,275	2,587,258	2,864,230	2,852,070
3,827,566	3,362,101	2,944,091	4,868,180	4,370,952	4,186,950
24,334,546	23,367,202	23,782,330	27,539,928	29,520,461	28,561,518
735,436	849,700	1,089,717	1,166,059	1,350,371	1,249,055
735,436	849,700	1,089,717	1,166,059	1,350,371	1,249,055
13,460,943	16,464,750	15,542,222	16,784,392	17,471,407	14,720,670
18,698,016	18,054,594	24,943,371	22,114,075	26,328,594	31,130,392
810,321	919,403	813,384	837,801	663,861	233,964
32,969,280	35,438,747	41,298,977	39,736,268	44,463,862	46,085,026
24,801,952	2,030,735	11,283,423	43,234,688	56,093,964	61,558,174
24,801,952	2,030,735	11,283,423	43,234,688	56,093,964	61,558,174
162,003	121,135	166,095	176,431	91,036	64,752
-	-	498,713	2,347,460	1,414,723	1,010,907
-	-	-	505,598	535,803	531,534
162,003	121,135	664,808	3,029,489	2,041,562	1,607,193
285,276,973	276,019,514	312,698,794	366,042,543	409,032,460	417,134,330
-	-	-	-	-	-
<u>\$ 285,276,973</u>	<u>\$ 276,019,514</u>	<u>\$ 312,698,794</u>	<u>\$ 366,042,543</u>	<u>\$ 409,032,460</u>	<u>\$ 417,134,330</u>
12.7%	12.9%	13.7%	12.3%	12.6%	13.0%

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Excess of revenues over (under) expenditures	\$ (51,607,045)	\$ (83,142,479)	\$ (39,744,875)	\$ (21,968,047)
Other Financing Sources (Uses)				
Proceeds from sale of bonds	130,000,000	49,500,000	40,000,000	92,425,000
Premium or (discount) on bonds issued	-	-	187,400	6,573,811
Proceeds from sale of maintenance tax notes	-	-	-	-
Proceeds from sale of refunding bonds	9,351,533	4,875,256	-	-
Proceeds from sale of contractual obligations	-	-	-	-
Sale of real or personal property	24,688	13,353	6,319	41,427
Transfers in	301,563	252,156	381,751	616,229
Transfers out	(777,964)	(1,789,424)	(381,751)	(649,502)
Payments to escrow agents	(7,667,483)	(4,431,938)	-	(98,945,741)
Total other financing sources (uses)	<u>\$ 131,232,337</u>	<u>\$ 48,419,403</u>	<u>\$ 40,193,719</u>	<u>\$ 61,224</u>
Net change in fund balances	<u>\$ 79,625,292</u>	<u>\$ (34,723,076)</u>	<u>\$ 448,844</u>	<u>\$ (21,906,823)</u>

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

Fiscal Year					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ (15,078,281)	\$ 12,380,042	\$ (10,649,188)	\$ (48,053,958)	\$ (68,788,493)	\$ (67,378,669)
10,000,000	20,000,000	87,020,000	65,000,000	58,485,000	21,640,000
(83,842)	3,335,506	1,700,239	3,498,056	1,717,427	-
-	-	-	-	-	-
56,292,787	109,045,000	-	-	-	-
-	-	-	-	-	-
946,074	5,576	114,036	34,714	57,216	174,537
-	-	-	-	-	-
-	(2,046,167)	-	-	-	-
(55,450,501)	(111,485,567)	-	-	-	-
<u>\$ 11,704,518</u>	<u>\$ 18,854,348</u>	<u>\$ 88,834,275</u>	<u>\$ 68,532,770</u>	<u>\$ 60,259,643</u>	<u>\$ 21,814,537</u>
<u>\$ (3,373,763)</u>	<u>\$ 31,234,390</u>	<u>\$ 78,185,087</u>	<u>\$ 20,478,812</u>	<u>\$ (8,528,850)</u>	<u>\$ (45,564,132)</u>

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

EXHIBIT S-8

Fiscal Year	APPRAISED VALUE ¹			Total Estimated Taxable Value	Total Direct Rate ²
	Residential or Real Property	Personal Property	Less: Exemptions		
2002	6,881,771,460	1,793,929,054	992,209,445	7,683,491,069	1.695
2003	7,047,315,280	1,674,555,340	1,095,288,060	7,626,582,560	1.771
2004	6,976,135,611	1,530,328,860	952,266,457	7,554,198,014	1.815
2005	6,958,121,200	1,537,889,415	635,789,863	7,860,220,752	1.837
2006	7,174,877,690	1,526,364,000	461,748,103	8,239,493,587	1.814
2007	7,670,724,880	1,651,921,440	491,026,284	8,831,620,036	1.644
2008	8,315,691,790	1,743,828,360	477,210,991	9,582,309,159	1.349
2009	8,668,807,690	1,780,763,340	463,681,874	9,985,889,156	1.391
2010	8,181,587,045	1,762,119,040	457,840,080	9,485,866,005	1.425
2011	6,893,622,743	1,694,159,892	457,911,177	9,045,693,812	1.465

Source: Dallas Central Appraisal District

Notes:

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

² Per \$100 of assessed value.



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

Fiscal Year	Irving Independent School District Direct Rates			Overlapping Rates ¹	
	Maintenance and Operations	Debt Service	Total	City of Irving	Irving Flood Control District Section I
2002	1.495	0.200	1.695	0.488	0.263
2003	1.500	0.271	1.771	0.498	0.263
2004	1.500	0.315	1.815	0.533	0.200
2005	1.500	0.337	1.837	0.548	0.200
2006	1.500	0.314	1.814	0.548	0.225
2007	1.330	0.314	1.644	0.548	0.271
2008	1.000	0.349	1.349	0.548	0.242
2009	1.020	0.371	1.391	0.541	0.291
2010	1.020	0.405	1.425	0.576	0.355
2011	1.040	0.425	1.465	0.599	0.430

Source: Appropriate government entities' tax departments

Note:

¹ Includes levies for operating and debt service costs.

² Information not available.

Overlapping Rates ¹						
City of Grand Prairie	City of Dallas	Dallas County	Dallas County Community College	Dallas County Hospital	Dallas County Flood Control	Dallas County Utility and Reclamation
0.670	0.668	0.196	0.060	0.254	2.100	1.381
0.670	0.670	0.196	0.078	0.254	2.080	1.868
0.670	0.670	0.204	0.080	0.254	2.080	2.322
0.670	0.720	0.204	0.082	0.254	2.780	2.360
0.670	0.742	0.214	0.081	0.254	2.836	2.097
0.670	0.729	0.228	0.080	0.254	2.836	1.628
0.670	0.748	0.228	0.089	0.254	2.836	1.626
0.670	0.748	0.228	0.095	0.254	2.836	1.763
0.670	0.797	0.228	0.099	0.274	2.836	2.050
0.670	0.797		² 0.100	0.271	2.836	2.122

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

EXHIBIT S-10

<u>Taxpayer</u>	<u>2011</u>			<u>2002</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value ¹</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value ²</u>
Verizon	\$ 197,790,770	1	2.1%	\$ -		0.0%
TIAA	134,783,470	2	1.5%	297,088,940	2	3.9%
Texas Utilities	81,391,050	3	0.9%	70,922,470	6	0.9%
SP Millennium	73,559,000	4	0.8%	-		0.0%
4150 North MacArthur	71,512,950	5	0.8%	-		0.0%
Dr Pepper Bottling Co	70,739,950	6	0.8%	-		0.0%
LPC Northwest PH1 LP	51,930,000	7	0.6%	-		0.0%
Frito Lay Inc.	47,982,120	8	0.5%	-		0.0%
Owen Corning	42,152,450	9	0.5%	-		0.0%
Simon Property Group	42,077,680	10	0.5%	-		0.0%
GTE Telephone	-		0.0%	362,980,300	1	4.8%
Crescent Real Estate	-		0.0%	118,230,410	3	1.5%
EOP 545 E. John Carpenter	-		0.0%	100,975,320	4	1.3%
Associates Bancorp	-		0.0%	89,787,560	5	1.2%
W9 CGN Real Estate	-		0.0%	70,025,100	7	0.9%
Las Colinas USAA LTD	-		0.0%	67,309,110	8	0.9%
Post Apartments	-		0.0%	64,707,610	9	0.8%
Banctec	-		0.0%	64,246,710	10	0.8%
	<u>\$ 813,919,440</u>		<u>8.8%</u>	<u>\$ 1,306,273,530</u>		<u>17.1%</u>

Source: Dallas Central Appraisal District

Note:

¹ Total appraised taxable value for 2010 = \$9,207,233,484

² Total appraised taxable value for 2001 = \$7,634,561,835



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

Fiscal Year Ending	Taxes Levied for the Fiscal Year ²	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2002	127,313,189	125,522,907	98.59%
2003	132,100,388	128,617,287	97.36%
2004	133,004,134	130,969,935	98.47%
2005	138,674,876	136,301,769	98.29%
2006	142,940,929	140,189,082	98.07%
2007	140,160,896	137,934,118	98.41%
2008	124,619,570	122,830,119	98.56%
2009	134,156,998	131,723,500	98.19%
2010	131,200,729	128,149,445	97.67%
2011	128,508,240	126,401,592	98.36%

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

Notes:

¹ The District performs its own tax collection activities.

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

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

Collections other than Current Year		Total Collections to Date ³	
Delinquent Taxes	Penalty and Interest	Amount	Percentage of Total Collections to Tax Levy
1,398,486	1,079,277	128,000,670	100.54%
1,490,073	1,079,133	131,186,493	99.31%
1,902,788	907,035	133,779,758	100.58%
2,228,831	1,149,148	139,679,748	100.72%
1,537,958	1,359,651	143,086,691	100.10%
2,469,351	1,565,168	141,968,637	101.29%
1,952,621	1,239,561	126,022,301	101.13%
687,293	1,259,864	133,670,657	99.64%
883,375	1,203,003	130,235,823	99.26%
1,928,590	1,227,963	129,558,145	100.82%

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

EXHIBIT S-12

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Contractual Obligations			
2002	373,903,024	-	373,903,024	8.21%	1,923
2003	424,303,006	-	424,303,006	9.16%	2,145
2004	456,726,320	-	456,726,320	9.91%	2,321
2005	444,002,433	-	444,002,433	9.51%	2,249
2006	446,066,092	-	446,066,092	9.39%	2,209
2007	457,137,621	-	457,137,621	9.76%	2,223
2008	526,670,907	-	526,670,907	11.00%	2,506
2009	577,803,295	-	577,803,295	10.48%	2,722
2010	619,719,179	-	619,719,179	11.17%	2,900
2011	624,900,837	-	624,900,837		2,880

Source: Dallas Central Appraisal District

Notes:

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

² See Schedule S-15 for personal income and population data. No 2011 population data was available from the current City of Irving CAFR.

**IRVING INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF AUGUST 31, 2011 (UNAUDITED)**

EXHIBIT S-13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Direct and Overlapping Debt
City of Irving	\$ 197,915,000	71.25%	\$ 141,014,438
Irving Flood Control District Section I	8,083,232	100.00%	8,083,232
City of Grand Prairie	155,711,000	0.77%	1,198,975
City of Dallas	1,795,353,408	0.24%	4,308,848
Dallas County	121,838,209 ²	6.91%	8,419,020
Dallas County Community College	387,680,000	6.91%	26,788,688
Dallas County Hospital	696,614,952	6.91%	48,136,093
Dallas County Flood Control	30,620,000	97.70%	29,915,740
Dallas County Utility and Reclamation	294,275,689	90.63%	266,702,057
Subtotal, overlapping bonded debt			<u>534,567,091</u>
Irving Independent School District direct debt	\$ 624,900,837	100.00%	\$ 624,900,837
Total direct and overlapping debt			<u><u>\$ 1,159,467,928</u></u>
Ratio of (net) general bonded debt to the estimated actual property value			<u><u>6.91%</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.

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

² Information not available for 2011. Used Debt Outstanding as of August 31, 2010.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt Limit	\$ 768,349,107	\$ 762,658,256	\$ 755,419,801	\$ 786,022,075
Total net debt applicable to limit	<u>363,581,516</u>	<u>415,042,304</u>	<u>447,186,212</u>	<u>433,547,807</u>
Legal debt margin	<u>\$ 404,767,591</u>	<u>\$ 347,615,952</u>	<u>\$ 308,233,589</u>	<u>\$ 352,474,268</u>
 Total net debt applicable to the limit as a percentage of debt limit	<u>47.32%</u>	<u>54.42%</u>	<u>59.20%</u>	<u>55.16%</u>

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

Legal Debt Margin Calculation for Fiscal Year 2011:

Assessed value	<u>\$ 9,045,693,812</u>
Debt limit (10% of assessed value)	\$ 904,569,381
Debt applicable to limit	<u>(624,900,837)</u>
Legal debt margin	<u>\$ 279,668,544</u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 823,949,359	\$ 883,162,004	\$ 958,230,916	\$ 998,588,916	\$ 948,586,601	\$ 904,569,381
<u>433,981,318</u>	<u>443,697,650</u>	<u>514,339,338</u>	<u>559,284,583</u>	<u>605,099,127</u>	<u>624,900,837</u>
<u>\$ 389,968,041</u>	<u>\$ 439,464,354</u>	<u>\$ 443,891,578</u>	<u>\$ 439,304,333</u>	<u>\$ 343,487,474</u>	<u>\$ 279,668,544</u>
<u>52.67%</u>	<u>50.24%</u>	<u>53.68%</u>	<u>56.01%</u>	<u>63.79%</u>	<u>69.08%</u>

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

EXHIBIT S-15

Period Ending	Population ¹	Personal Income ² (thousands of dollars)	Per Capita Personal Income (dollars)	Unemployment Rate
2002	194,407	4,552,818	23,419	6.00%
2003	197,836	4,633,121	23,419	5.70%
2004	196,774	4,608,250	23,419	5.80%
2005	197,400	4,669,497	23,655	5.30%
2006	201,927	4,748,717	23,517	4.50%
2007	205,600	4,685,007	22,787	4.30%
2008	210,150	4,788,688	22,787	5.10%
2009	212,250	5,510,859	25,964	6.45%
2010	213,700	5,548,507	25,964	7.98%
2011	216,970	-	-	7.86%

Sources:

¹ North Central Texas Council of Governments.

² City of Irving CAFR, 'Demographic and Economic Statistics.' 2011 Personal Income data was not available from the current City of Irving CAFR.

**IRVING INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND FIVE YEARS AGO¹ (UNAUDITED)**

EXHIBIT S-16

<u>Employer</u>	<u>2011</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Citigroup	5,000	1	4.84%	5,100	2	9.16%
Irving Independent School District	4,299	2	4.16%	4,022	3	7.22%
Associates First Capital Corp	4,000	3	3.87%			
Verizon Communications Inc	3,000	4	2.91%	6,431	1	11.55%
Citicorp Credit Services	2,684	5	2.60%			
Allstate Insurance Co.	2,000	6	1.94%	1,650	9	2.96%
Central Freight Lines Inc.	2,000	7	1.94%			
YRC Worldwide INC	1,941	8	1.88%			
Microsoft Corporation - Las Colinas	1,200	9	1.16%			
Baylor Medical Center - Irving	1,165	10	1.13%			
Sprint				3,114	4	5.59%
D/FW International Airport				2,500	5	4.49%
Nokia				2,500	6	4.49%
Irving Mall				2,100	7	3.77%
City of Irving				1,846	8	3.32%
Abbott Laboratories				1,500	10	2.69%
Total	<u>27,289</u>		<u>26.43%</u>	<u>30,763</u>		<u>55.24%</u>

Source: North Central Texas Council of Governments

¹ 2002 data not available for 10-year comparison

**IRVING INDEPENDENT SCHOOL DISTRICT
 FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
 LAST TEN FISCAL YEARS¹ (UNAUDITED)**

	Full-time-Equivalent Employees			
	<u>2002¹</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Teachers	2,125.6	2,209.6	2,092.9	2,093.6
Professional Support				
Associate School Psychologist		4.7	3.7	3.4
Counselor		83.0	78.3	75.0
Educational Diagnostician		24.0	27.0	27.5
Librarian		34.1	35.4	34.2
Occupational Therapist		5.0	5.3	4.8
Physical Therapist		1.0	1.0	0.0
School Nurse		34.0	34.0	33.8
Speech Therapist/Speech- Language Pathologist		24.6	22.1	25.0
Teacher Facilitator		41.6	42.1	40.4
Campus Professional Personnel		2.0	2.0	2.0
Non-Campus Professional Personnel		26.6	27.1	33.0
Total Professional Support	<u>266.5</u>	<u>280.6</u>	<u>278.0</u>	<u>279.1</u>
Campus Administration				
Assistant Principal		73.5	75.0	76.8
Instructional Officer		12.0	12.0	10.0
Principal		34.8	33.0	36.0
Teacher Supervisor		35.4	31.2	29.6
Athletic Director		2.0	2.0	2.0
Total Campus Administration	<u>148.5</u>	<u>157.7</u>	<u>153.2</u>	<u>154.4</u>
Central Administration				
Assistant/Assoc/Deputy Superintendent		3.0	3.0	3.0
Superintendent		1.0	1.0	1.0
Instructional Program Director or Exec Director		4.0	3.7	3.2
Business Manager		1.0	1.0	1.0
Tax Assessor &/or Collector		1.0	1.0	1.0
Director of Personnel/HR		1.0	1.0	1.0
Total Central Administration	<u>5.9</u>	<u>11.0</u>	<u>10.7</u>	<u>10.2</u>
Educational Aides				
Educational Aides		394.5	411.7	422.0
Interpreter		2.8	1.0	4.0
Total Educational Aides	<u>390.1</u>	<u>397.3</u>	<u>412.7</u>	<u>426.0</u>
Auxiliary Staff	<u>740.7</u>	<u>778.8</u>	<u>793.6</u>	<u>816.7</u>
Total All Full-Time Equivalent Employees	<u><u>3,677.3</u></u>	<u><u>3,835.0</u></u>	<u><u>3,741.1</u></u>	<u><u>3,780.0</u></u>

Source: District records from the Fall PEIMS submission

Notes:

¹ Detailed information was not available for fiscal year 2002.

Full-time-Equivalent Employees					
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
2,155.4	2,213.0	2,270.2	2,329.6	2,428.4	2,421.0
3.7	3.7	6.2	6.9	8.2	8.8
80.7	79.9	81.0	79.0	78.0	79.0
27.5	27.0	28.9	26.5	35.5	33.5
32.2	32.0	32.0	28.0	30.0	29.0
5.3	4.8	4.9	4.8	5.0	6.0
2.0	2.0	2.0	2.0	2.0	2.0
33.9	33.4	35.5	35.0	36.0	36.0
23.1	25.5	20.4	24.8	29.3	28.0
39.3	3.0	3.0	4.0	6.0	7.0
1.1	14.0	9.0	3.5	12.3	56.8
53.2	59.9	67.8	73.0	81.0	81.0
<u>302.0</u>	<u>285.2</u>	<u>290.7</u>	<u>287.5</u>	<u>323.3</u>	<u>367.1</u>
75.6	75.0	76.0	80.0	83.0	81.0
9.0	11.0	13.0	12.4	13.0	0.0
36.0	35.7	35.7	36.0	37.0	38.0
31.8	3.0	4.0	2.0	1.0	38.0
2.0	1.0	1.0	1.0	1.0	1.0
<u>154.4</u>	<u>125.7</u>	<u>129.7</u>	<u>131.4</u>	<u>135.0</u>	<u>158.0</u>
3.0	4.0	4.0	4.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0	1.0
2.2	28.0	28.5	29.0	35.0	13.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
<u>9.2</u>	<u>36.0</u>	<u>36.5</u>	<u>37.0</u>	<u>43.0</u>	<u>21.0</u>
437.4	430.9	420.8	425.8	448.4	431.8
1.8	2.0	1.9	4.0	0.0	4.0
<u>439.2</u>	<u>432.9</u>	<u>422.7</u>	<u>429.8</u>	<u>448.4</u>	<u>435.8</u>
803.0	816.9	840.4	900.4	923.9	999.3
<u>3,863.2</u>	<u>3,909.7</u>	<u>3,990.2</u>	<u>4,115.7</u>	<u>4,302.0</u>	<u>4,402.2</u>

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

EXHIBIT S-18

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2002	30,086	170,913,489	5,681	(0.48)%	2,125.6	14.2	61.4%
2003	30,853	179,762,746	5,826	2.56 %	2,209.6	14.0	59.3%
2004	31,215	174,851,490	5,602	(3.86)%	2,092.9	14.9	61.3%
2005	31,879	179,111,618	5,618	0.30 %	2,093.6	15.2	65.7%
2006	32,620	183,767,694	5,634	0.27 %	2,155.4	15.1	68.7%
2007	32,951	199,587,657	6,057	7.52 %	2,213.0	14.9	72.0%
2008	33,189	212,397,290	6,400	5.65 %	2,270.2	14.6	72.5%
2009	33,223	226,761,389	6,825	6.65 %	2,329.6	14.3	74.1%
2010	33,798	229,344,297	6,786	(0.58)%	2,428.4	13.9	78.1%
2011	34,289	229,927,733	6,706	(1.18)%	2,421.0	14.2	80.5%

Source: District records

**IRVING INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
(UNAUDITED)**

EXHIBIT S-19

<u>School</u>	<u>2011</u>	<u>2002</u>
Elementary		
Buildings	24	22
Square feet	2,024,334	1,798,965
Maximum Capacity	20,000	18,200
Enrollment	17,751	15,983
Middle		
Buildings	8	7
Square feet	1,326,868	1,149,983
Maximum Capacity	8,000	7,000
Enrollment	7,222	6,708
High		
Buildings	7	7
Square feet	1,546,281	1,284,650
Maximum Capacity	9,800	9,400
Enrollment	9,269	7,617
Administrative		
Buildings	9	10
Square feet	247,992	163,750
Transportation		
Buses (quantity)	63.5 ¹	33 ¹
Athletics		
Football fields (quantity)	15	14
Soccer fields (quantity)	11	9
Running tracks (quantity)	11	9
Baseball/softball (quantity)	6	6
Playgrounds (quantity)	24	22

Source: District records

Note:

¹ Buses are titled under Dallas County Schools. DCS maintains and repairs these buses.



SINGLE AUDIT REPORTS



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

Board of Trustees
Irving Independent School District

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Irving Independent School District (the District), as of and for the year ended August 31, 2011 and have issued our report thereon dated January 18, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our, 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*.

Irving Independent School District
January 18, 2012

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This report is intended solely for the information and use of the management, District Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 18, 2012



**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Trustees
Irving Independent School District

Compliance

We have audited the compliance of Irving Independent School District (the District), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District, complied, in all material respects, with the 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, 2011.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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.

Irving Independent School District
January 18, 2012

Page 2

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the District's Trustees, others within the entity, federal awarding agencies, the Texas Education Agency and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
January 18, 2012

**IRVING INDEPENDENT SCHOOL DISTRICT
 SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2011**

EXHIBIT K-1

Pass-Through Grantor Program Title	Pass-Through Federal Grantor/ Grantor's Number	Federal CFDA Number	Direct Expenditures	Indirect Charges	Total Expenditures
Passed Through State Department of Education:					
Title IV Safe & Drug Free Schools	10691001057912	84.186A	\$ 28,302	\$ 557	\$ 28,859
McKinney-Vento Homeless Education	99029	84.196	93,208	1,842	95,050
Title I Part A Improving Basic Programs **	10610101057912	84.010A	8,749,005	172,874	8,921,879
Title I Part A Improving Basic Programs **	11610101057912	84.010A	55,456	-	55,456
Title I Part C Migrant Region X	10615001057912	84.011A	87,391	1,761	89,152
Title I Part C Migrant Region X	11615001057912	84.011A	2,560	-	2,560
Adult Ed English Literacy & Civics Education Section 231	104100087110326	84.002A	109,146	2,178	111,324
Adult Ed English Literacy & Civics Awareness Continued	114100087110394	84.002A	234	-	234
Learn and Serve Texas Region XIV	09KSWTX001	94.004	69,145	-	69,145
IDEA-B Formula *	106600010579126600	84.027A	4,442,777	87,117	4,529,894
IDEA-B Formula *	116600010579126600	84.027A	13,245	-	13,245
IDEA-B Preschool *	106610010579126610	84.173A	95,679	1,882	97,561
Preschool Least Restrictive Environment Region 10 *	966102271210	84.173A	33,000	-	33,000
IDEA-B Discretionary Deaf *	106600020579126673	84.027A	71,289	-	71,289
IDEA-B Formula Deaf *	106600010579126601	84.027A	10,841	215	11,056
IDEA-B Preschool Deaf *	106610010579126611	84.173A	2,124	42	2,166
Carl D Perkins Basic Grant for Career & Technology	10420006057912	84.048A	229,719	3,522	233,241
Carl D Perkins Basic Grant for Career & Technology	11420006057912	84.048A	205,996	-	205,996
IDEA-C Early Intervention	103911010579123911	84.181A	1,565	-	1,565
Title II Part A Teacher & Principal Training & Recruiting	10694501057912	84.367A	1,117,374	22,142	1,139,516
Title II Part A Teacher & Principal Training & Recruiting	11694501057912	84.367A	60,907	-	60,907
Title III Part A Limited English Proficiency	10671001057912	84.365A	1,539,651	30,362	1,570,013
Title III Part A Limited English Proficiency	11671001057912	84.365A	22,512	-	22,512
21st Century Community Learning Centers Cycle 6 Year 3	096950137110023	84.287C	45,220	-	45,220
21st Century Community Learning Centers Cycle 4 Year 5	106950117110021	84.287C	454,475	9,049	463,524
21st Century Community Learning Centers Cycle 6 Year 2	106950137110034	84.287C	1,796,345	35,467	1,831,812
ARRA Title XIV SFSF	10557001057912	84.394A	21,008,290	-	21,008,290
Summer School Limited English Proficiency	69550702	84.369A	44,050	-	44,050
ARRA Title II D Discretionary	105530027110020	84.386A	158,319	2,594	160,913
ARRA Title II D Technology	10553001057912	84.386A	13,517	-	13,517
ARRA McKinney-Vento Homeless Ed	A09-017	94.004	48,732	950	49,682
ARRA IDEA-B Formula *	10554001057912	84.391A	2,862,462	60,696	2,923,158
ARRA IDEA-B Preschool *	10555001057912	84.392A	51,921	1,236	53,157
ARRA Title I Part A Improving Basic Programs **	10551001057912	84.389A	2,301,568	45,481	2,347,049
Mentoring Program Grants	Q184B070779	84.184B	24,950	1,521	26,471
TOTAL DEPARTMENT OF EDUCATION			45,850,975	481,488	46,332,463
Passed through Texas Department of Health and Human Services:					
Medicaid	00057912	93.778	72,388	-	72,388
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			72,388	-	72,388
Passed through State Department of Education:					
National School Lunch - Commodities ***	00057912	10.555	1,030,949	-	1,030,949
National School Lunch ***	00057912	10.555	10,560,116	-	10,560,116
School Breakfast Program ***	00057912	10.553	4,211,183	-	4,211,183
TOTAL DEPARTMENT OF AGRICULTURE			15,802,248	-	15,802,248
Reserve Officer Training Corps	00057912	12.000	266,396	-	266,396
TOTAL DEPARTMENT OF DEFENSE			266,396	-	266,396
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 61,992,007	\$ 481,488	\$ 62,473,495

* Special Education Cluster

** Title I, Part A Cluster

*** Child Nutrition Cluster

**IRVING INDEPENDENT SCHOOL DISTRICT
 NOTES TO SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2011**

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 (i.e. expenditures and other financing uses) in net current assets.

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

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

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extends 30 days beyond the federal project period ending date, in accordance with the provisions in Section H. Period of Availability of Federal Funds, Part 3, OMB Circular A-133 Compliance Supplement.
4. Funds were received by the District for school health and related services (“SHARS”) reimbursements (\$3,124,790) and for the interest subsidy on the Build America Bonds (\$753,747). However, such reimbursements are not considered federal awards and are not included in the Schedule of Expenditures of Federal Awards.

Federal Program Revenues (Exhibit C-2)	\$ 66,352,032
SHARS	(3,124,790)
Interest subsidy on Build America Bonds	(753,747)
	<u>\$ 62,473,495</u>

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

- a. An unqualified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
- Material weakness(es) identified? Yes No
 - Significant deficiency(ies) identified? Yes No
- c. Noncompliance material to financial statements noted Yes No

Major Programs

- d. Internal control over major programs:
- Material weakness(es) identified? Yes No
 - Significant deficiency(ies) identified? Yes None Reported
- e. An unqualified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that were required to be reported under Section 510(a) or OMB Circular A-133. Yes No
- g. Identification of major programs:
- | | |
|----------------------------|---|
| Special Education Cluster: | |
| 84.027 | IDEA B, Formula |
| 84.173A | IDEA B, Preschool |
| 84.391A | IDEA B, Formula Recovery Act |
| 84.392A | IDEA B, Preschool Recovery Act |
| Title I, Part A Cluster: | |
| 84.010A | Title I, Part A |
| 84.389A | Title I, Part A Recovery Act |
| 84.394 | ARRA State Fiscal Stabilization Fund |
| 84.287C | 21 st Century Community Learning |
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$1,874,205
- i. Auditee qualified as a low-risk auditee. Yes No

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FINDING AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

SECTION IV – SUMMARY OF PRIOR YEAR FINDINGS

10-1

Criteria: A system should be in place at the Hands-On Science Center to track and appropriately account for transactions which take place throughout the year. The system should be in place to allow for a systematic approach to reconcile the inventory on hand and the inventory reflected in the general ledger system.

Condition: It was noted that there were insufficient records for the inventory on hand in the Hands-On Science Center.

Context: During our testing of the District's science kit inventory, we noted that there were insufficient records to support the inventory on hand. The District was also unable to provide a detail of the specific inventory activity which occurred throughout the year.

Effect: The District had to perform alternate procedures to reconcile inventory to the general ledger and a significant adjustment was made.

Cause: The District does not have a perpetual inventory system for all stocked items.

Recommendation: The inventory should be tracked and counted during the year to ensure that the amounts in the general ledger are accurate.

Management's Planned Corrective Actions: The Business and Data Processing departments will work with the Hands-On Science Center to develop a perpetual inventory system for all stock items and incorporate it into our district's financial software package to better track the items. The system to be established will include a process of verifying the inventory counts throughout the year, at year end, and tracking the number of kits refurbished.

Status: This was corrected in fiscal year 2011.