

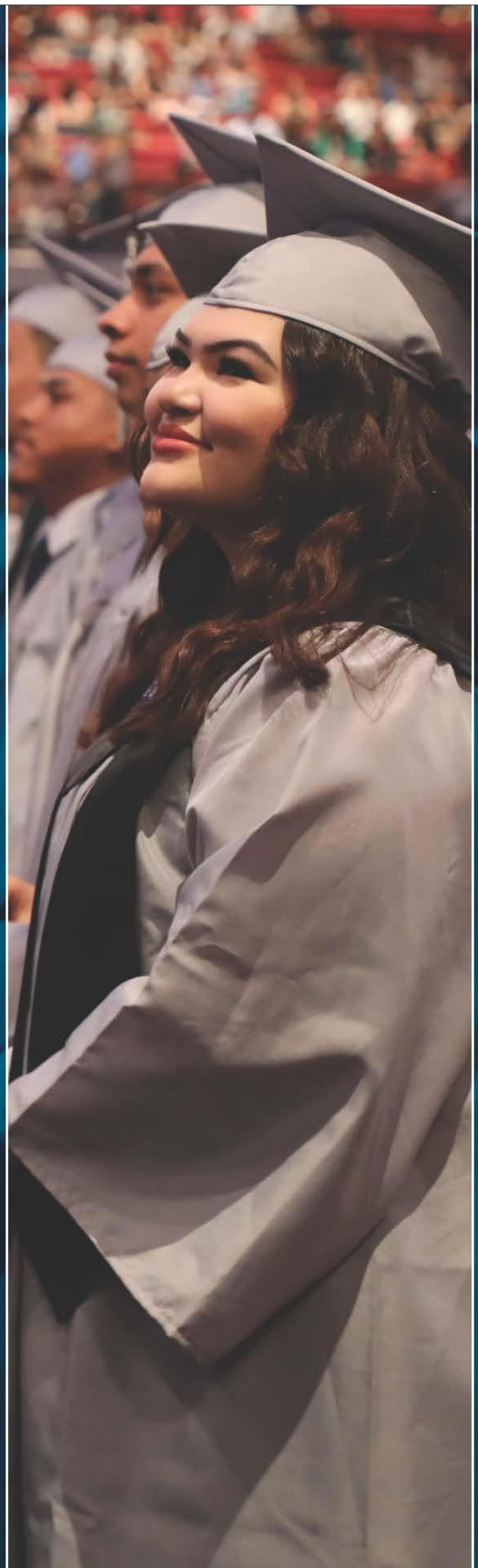


2019
**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

Fiscal Year Ending
August 31, 2019

Magda Hernandez, Superintendent of Schools

2621 W. Airport Freeway
Irving, Texas 75062



IRVING

Independent School District

**Comprehensive
Annual Financial
Report**



Irving, Texas

**For the
Fiscal Year Ended
August 31, 2019**

Magda Hernandez
Superintendent of Schools

**Prepared by
Irving ISD Business Office**

Gary Micinski, CPA
Chief Financial Officer
Steve Franks, CPA, CIA
Director of Business Operations



Irving Independent School District
 Comprehensive Annual Financial Report
 For The Fiscal Year Ended August 31, 2019
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Introductory Section

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, 2019, at a meeting of the board of school trustees of such school district on the 21st day of January, 2020.

Board President
A.D. Jenkins

Board Secretary
Randy Randle

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



GARY MICINSKI, CPA
Chief Financial Officer
Business Services

MAGDA HERNANDEZ
Superintendent of Schools

January 21, 2020

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, 2019, is submitted herewith. The District's Business Office has prepared this CAFR, assuming full responsibility for the accuracy and completeness of the information contained therein, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

We believe the data is presented in a manner to fairly represent the financial position and results of operations of the District, and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs have been included. The CAFR for the year ended August 31, 2019, is prepared in accordance with generally accepted accounting principles (GAAP) and is in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Weaver and Tidwell, L.L.P. has issued an unmodified ("clean") opinion on the Irving Independent School District's financial statements for the year ended August 31, 2019. The independent auditor's report is located at the front of the Financial Section.

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

This report provides valuable information for management as well as other users of the financial statements. The CAFR will be distributed to the Texas Education Agency, financial rating services, and other interested parties. An electronic copy of the CAFR is available on the District's website www.irvingisd.net.

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

2621 W. Airport Freeway, Irving, Texas 75062-6020 | Tel. 972.600.5405 | Fax 972.215.5412 | gmicinski@irvingisd.net

Profile of the District

Irving Independent School District is a political subdivision of the State of Texas located in Dallas County. The District, founded in 1909, is located in Irving, the 3rd largest city in Dallas County. It currently occupies 45.7 square miles and serves approximately 34,000 students. The District is one of 1,266 school districts and charter schools in the State of Texas. The District's mission is, "To ensure each student attains intellectual and personal excellence."

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

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

The Board of Trustees and District Administration employ financial management efforts to ensure the District maintains its sound fiscal condition. The latest bond rating by Standard and Poor's was AA+, the second highest bond rating available. Furthermore, no other District in Texas was awarded a higher bond rating. Finally, property values in the District and North Texas continue to increase.

The District measures, monitors, and reports the budget and financial condition to the Finance Committee on a monthly basis. In addition, budget development requires all stakeholders to align the needs of each department's goals and priorities with available resources. During the budget development process, departments summarize their major programs within the budget and measurable goals of the programs. The Superintendent's Cabinet assesses the budget needs and recommends a budget to the Board of Trustees.

Student enrollment is a major factor in the District's current and future financial plan. Enrollment for the 2017-2018 school year was 33,971 students. For the 2018-2019 school year, enrollment decreased by 507 students or a decline of 1.5% to 33,464 students. During the 2019-2020 school year, enrollment has stabilized to 33,546 students or a slight increase of 82 students. It is projected for enrollment to remain stable into the 2020-2021 school year.

The District's facilities include three early childhood schools (PK), twenty elementary schools (K-5), eight middle schools (6-8), three high schools (9-12), a high school academy (9-12), a career preparatory center (9-12), a reassignment center (9-12), a newcomer center, and an outdoor learning center. All campuses are air-conditioned facilities complete with cafeterias, library/media centers and gymnasiums. In addition, the District owns and operates additional facilities, which include an administration building and an annex, a facilities service center, a safety and security department, a food and nutrition center, a career development center, and an athletic stadium. The age of the District's campuses range from 70 years (Britain Elementary and Bowie Middle Schools) to 8 years (Lady Bird Johnson Middle School).

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

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

Economic Condition and Outlook

Local Economy

The City of Irving, Texas, is conveniently located between Dallas and Fort Worth and just minutes away from the Dallas/Fort Worth (DFW) International Airport – the country's fourth busiest airport. Irving's commitment to providing diverse, business-friendly, economic opportunities has made it the destination for the global headquarters for four Fortune 500 and nine Fortune 1000 companies and the site of more than 140 international companies currently operating throughout the city.

The state's strong economy, combined with Irving's numerous economic strengths, are the economic drivers to attract national and international companies, and commercial and retail development. This has led to several high profile projects in various stages of completion including Water Street, a mixed-use complex bringing more than 60,000 square feet of shops and restaurants and hundreds of apartments to a lakeside site in the Las Colinas Urban Center, and Toyota Music Factory, a state-of-the-art, destination venue that converts from a 2,500 intimate theater, to a 4,000 capacity indoor theater.

Irving offers a vibrant urban community for new economic development and high-wage jobs and a stable economic setting for some of the most respected and recognized companies in the world including ExxonMobil, Fluor, and Kimberly-Clark.

Long-term Financial Planning

The District's unassigned fund balance for the General Fund is approximately 30% of the operating expenditures, or about four months of expenditures. The Board adopted financial policy CE(LOCAL)-X to strive to maintain a minimum general operating fund balance equal to at least the sum of at least three months (i.e., 25 percent) of total budgeted general fund operating expenditures. For the last thirteen years, the fund balance for the General Fund has consistently been above the 25% goal of Fund Balance to Actual Expenditures.

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

The Department of Planning and Research begins the budget development planning cycle with the release of the projected student enrollment for the following fall in December. Staffing charts are updated, and campus staff is adjusted by Human Resources to accommodate the changes in student enrollment. The Budget Office develops a forecast document that compares the prior year's actual expenditures to the current year budget and projects the financial position of the District for the next three years. The parameters for this forecast model are developed early in the budget cycle by the Administration and provided to and discussed with the Finance Committee which is made up of three members of the Board of Trustees, the Superintendent, and the Chief Financial Officer. Financial calculations such as taxable assessed value growth, optional homestead exemption, employee raises, fund balance levels, and state funding assumptions are determined early in the budget cycle in preparation for accurate budget estimates necessary for budget compilation. This allows the District several months of planning for developing budgets for district-wide staffing, and non-payroll campus and department needs, before the first budget draft is presented to the Board of Trustees in June, with the final adoption of the budget by August 31st each year.

Financial Policies

The Comprehensive Annual Report for the year ended August 31, 2019, is prepared in accordance with GAAP and in conformance with standards of financial reporting established by GASB using guidelines recommended by the GFOA. This report covers all funds of the District. Presented funds are organized into three types dictated by the nature of the activities involved:

Governmental Funds:

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

Proprietary Funds:

- Internal Service Funds
- Enterprise Fund

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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, 2019, provided no conditions that would be considered a material weakness in relation to a Federal financial assistance program, and no material instances of non-compliance with applicable laws and regulations were noted. Information related to this single audit, including the schedule of expenditure of federal awards, findings and recommendations, and independent auditor's reports on internal controls and compliance with applicable laws and regulations, is included in this report.

Budgetary Controls

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

Internal Controls

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

Independent Audit

State law and District policy require an annual audit by independent certified public accountants. Weaver and Tidwell, L.L.P. was selected to fulfill this requirement. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirement of the Single Audit Act of 1984, as amended in 1996, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The independent auditor's report on the basic financial statements is included in the financial section of this report.

Awards

The Association of School Business Officials awarded the Certificate of Excellence in Financial Reporting, and the Government Finance Officers Association awarded the Certificate of Achievement for Excellence in Financial Reporting, to the District for its comprehensive annual financial report for the fiscal year ended August 31, 2018. 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-ninth 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 2019 certificates.

The District received a Superior rating for the 2019 School's Financial Integrity Rating System of Texas (FIRST). For the previous seventeen years, the District earned a Superior Achievement (or Perfect) rating from the School's FIRST. The superior and perfect ratings confirm the District's excellence in managing and reporting taxpayer dollars.

Acknowledgements

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

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

Sincerely,

Magda Hernandez
Superintendent

Gary Micinski, CPA
Chief Financial Officer

LIST OF PRINCIPAL OFFICIALS

BOARD OF TRUSTEES			
<u>Name</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
A.D. Jenkins, President	4 years	2022	Software Engineer
Randy Randle, Secretary	7 years	2022	Business Owner
Tony Grimes, Member	1 year	2022	Entrepreneur
Nuzhat Hye, Member	2 years	2021	Educator
Pamela Campbell, Member	2 years	2021	Educator
Nell Anne Hunt, Member	6 years	2020	Realtor
Dr. Rosemary Robbins, Member	1 year	2020	Educator

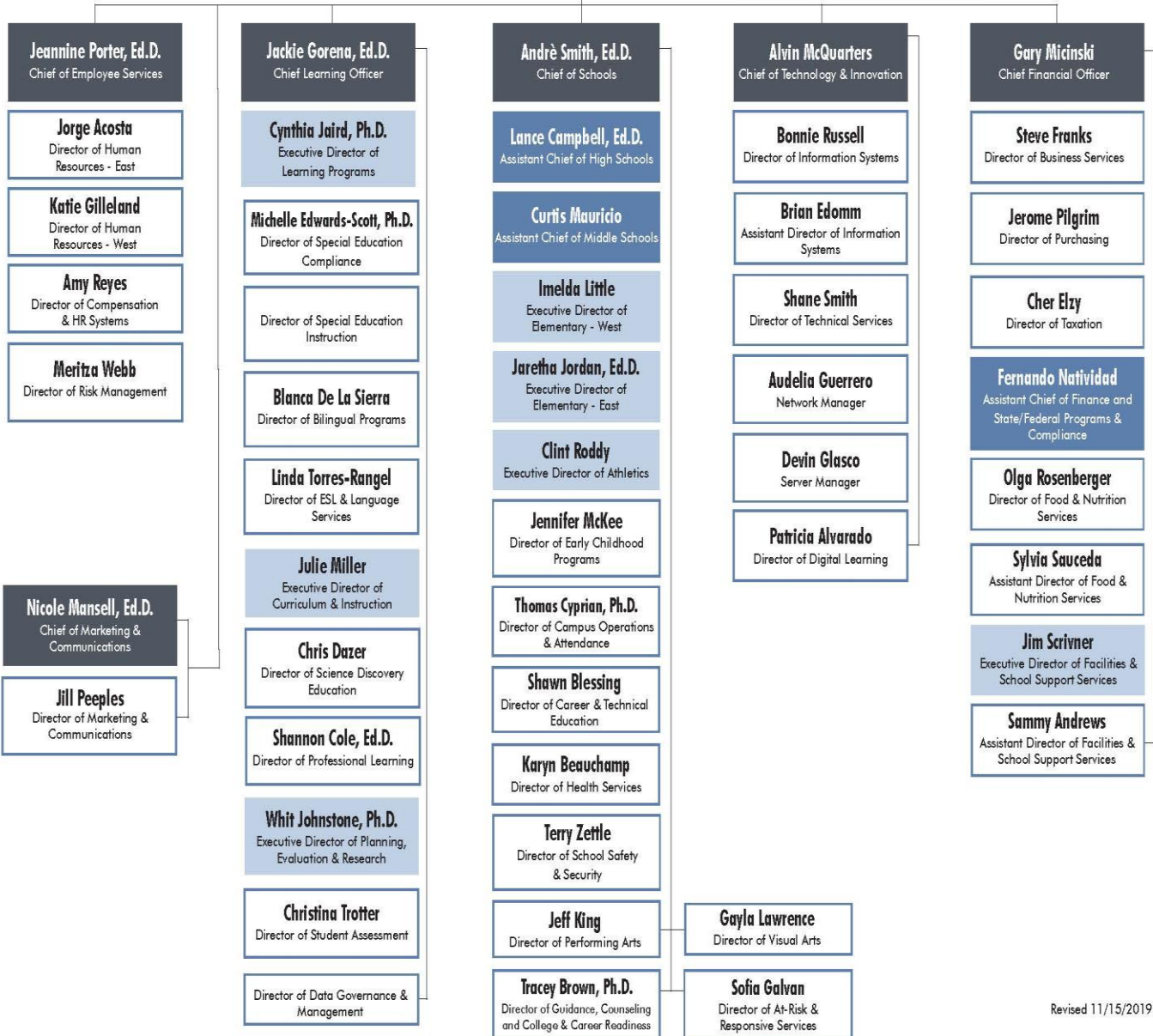
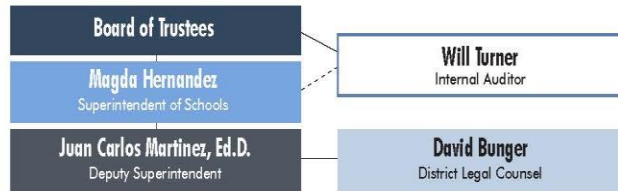
ADMINISTRATIVE OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Length of Service</u>
Magda Hernandez	Superintendent	1 year
Gary Micinski, CPA	Chief Financial Officer	5 years
Juan Carlos Martinez, Ed.D	Deputy Superintendent	3 years
David Bunger, J.D., Ed.D.	Chief Legal Counsel	Less than 1 year

CONSULTANTS AND ADVISORS

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

Irving ISD Central Office Organizational Chart



Revised 11/15/2019



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Irving Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2018

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The 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, 2018.

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Irving Independent School District (the District), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Members of the Board of Trustees
Irving Independent School District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 10, 2020



Management's Discussion And Analysis

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, 2019. 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 \$360,986,207, or 79%, of all fiscal year 2019 revenues. Program-specific revenues in the form of charges for services and grants and contributions accounted for \$97,940,073, or 21%, of total fiscal year 2019 revenues.
- The District had \$428,262,603 in expenses related to governmental activities, of which \$97,940,073 was offset by program-specific charges for services or grants and contributions. General revenues of \$360,986,207 were adequate to provide for the remaining costs of these programs, after transfers resulting in a \$30,455,145 increase in net position.
- Among major funds, the General Fund had \$356,058,681 in revenues which primarily consisted of state aid and property taxes, and \$321,721,613 in expenditures. The General Fund's fund balance increased \$322,991 from \$104,801,123 as of August 31, 2018 to \$105,124,114 as of August 31, 2019.

Overview of Financial Statements

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

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

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

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities) and the functions of the District that operate like a business (business-type 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 business-type activities include the District's vending machine operations, which was closed at the end of fiscal year 2019 and operations transferred to the general fund.

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, capital projects fund, and textbook allotment 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.

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

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

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

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, the District's overall assets and deferred outflows of resources were below the liabilities and deferred inflows of resources by \$15,594,045 as of August 31, 2019.

A portion of the District's net position represents resources subject to external restrictions on how they may be used. As of August 31, 2019, the District's restricted net position for federal and state programs was \$5,722,247 and restricted net position for future debt service payments was \$16,675,173. Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. As of August 31, 2019, unrestricted net position showed a \$127,105,683 deficit at the end of the year.

Net investment in capital assets was \$89,114,218. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the District's net position for the fiscal years ended August 31, 2019 and 2018.

Table I
Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 171,701,912	\$ 167,118,651	\$ -	\$ (182,385)	\$ 171,701,912	\$ 166,936,266
Capital assets (net)	509,098,850	500,373,451	-	-	509,098,850	500,373,451
Total assets	680,800,762	667,492,102	-	(182,385)	680,800,762	667,309,717
Deferred outflows	98,191,350	50,994,501	-	-	98,191,350	50,994,501
Current liabilities	58,097,085	44,986,990	-	-	58,097,085	44,986,990
Long-term liabilities	683,763,721	656,813,302	-	-	683,763,721	656,813,302
Total liabilities	741,860,806	701,800,292	-	-	741,860,806	701,800,292
Deferred inflows	52,725,351	62,735,501	-	-	52,725,351	62,735,501
Net investment in capital assets	89,114,218	76,698,608	-	-	89,114,218	76,698,608
Restricted	22,397,420	11,480,101	-	-	22,397,420	11,480,101
Unrestricted	(127,105,683)	(134,227,899)	-	(182,385)	(127,105,683)	(134,410,284)
Total net position	<u>\$ (15,594,045)</u>	<u>\$ (46,049,190)</u>	<u>\$ -</u>	<u>\$ (182,385)</u>	<u>\$ (15,594,045)</u>	<u>\$ (46,231,575)</u>

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

- Current and other assets increased by \$4.7 million, or 2.9%, due to an increase in due from other governments by \$5.1 million and a decrease in cash & cash equivalents and investments by \$1.9 million during the 2019 fiscal year.
- Deferred outflows of resources increased by \$47.2 million, or 92.6%, due to a change in deferred outflows for pensions of \$39.0 million and deferred outflows for OPEB of \$10.2 million.
- Deferred inflows of resources decreased \$10.0 million, or 16.0%, due to a change in deferred inflows for pensions of \$3.6 million and deferred inflows for OPEB of \$6.4 million.
- Long-term liabilities increased \$26.9 million. This was due to the increase of the net pension liability of \$51.5 million and net OPEB liability of \$18.3 million, as well as a decrease of bonds payable, and payments of accreted interest on capital appreciation bonds.

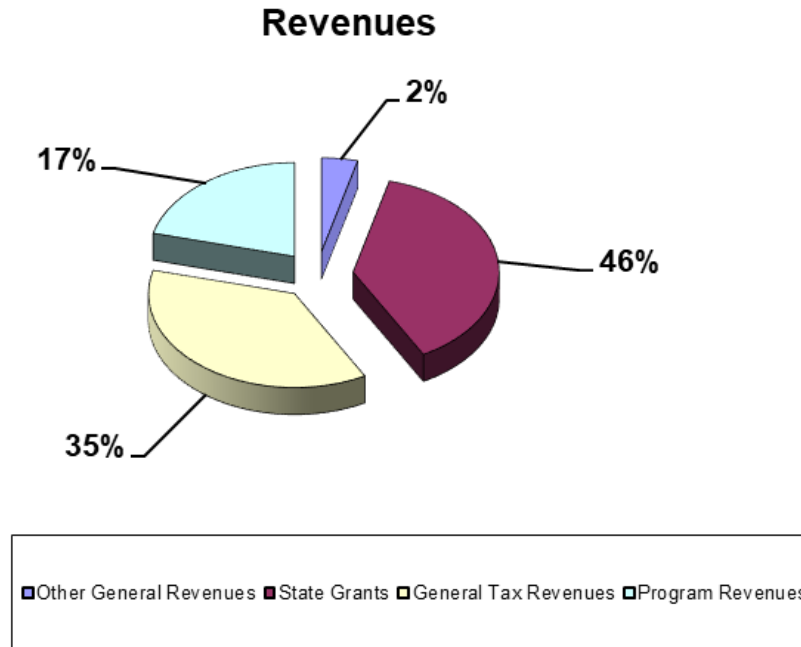
The District's total revenues for the fiscal year ended August 31, 2019 were \$459,161,439. The total cost of all programs and services was \$428,523,909. The following table presents a summary of the changes in net position for the fiscal years ended August 31, 2019 and 2018.

Table II
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 4,976,989	\$ 5,456,251	\$ 235,159	\$ 320,294	\$ 5,212,148	\$ 5,776,545
Operating grants and contributions	92,963,084	7,052,625	-	-	92,963,084	7,052,625
General revenues:						
Maintenance and operations taxes	141,267,808	127,929,303	-	-	141,267,808	127,929,303
Debt service taxes	27,771,138	28,367,128	-	-	27,771,138	28,367,128
State grants	174,875,485	175,530,606	-	-	174,875,485	175,530,606
Investment earnings	4,769,472	3,016,736	-	-	4,769,472	3,016,736
Miscellaneous	12,302,304	13,846,942	-	-	12,302,304	13,846,942
Total revenues	458,926,280	361,199,591	235,159	320,294	459,161,439	361,519,885
Expenses:						
Instruction, curriculum, and media services	253,937,875	169,821,673	-	-	253,937,875	169,821,673
Instructional and school leadership	29,444,834	18,244,712	-	-	29,444,834	18,244,712
Student support services, child nutrition and co-curricular activities	63,652,898	46,320,494	-	-	63,652,898	46,320,494
General administration	8,335,489	5,431,463	-	-	8,335,489	5,431,463
Plant maintenance, security, and data processing	40,538,813	30,645,677	-	-	40,538,813	30,645,677
Community services	2,057,946	1,411,289	-	-	2,057,946	1,411,289
Interest and fiscal charges	13,689,128	13,029,722	-	-	13,689,128	13,029,722
Other facility costs	589,580	475,180	-	-	589,580	475,180
Intergovernmental charges	635,779	620,479	-	-	635,779	620,479
Payments to TIF	15,380,261	13,382,139	-	-	15,380,261	13,382,139
Vending	-	-	261,306	453,958	261,306	453,958
Total expenses	428,262,603	299,382,828	261,306	453,958	428,523,909	299,836,786
Increase (decrease) in net position	30,663,677	61,816,763	(26,147)	(133,664)	30,637,530	61,683,099
Transfers	(208,532)	-	208,532	-	-	-
Special item	-	6,268,735	-	-	-	6,268,735
Change in net position	30,455,145	68,085,498	182,385	(133,664)	30,637,530	67,951,834
Net position - beginning	(46,049,190)	94,038,083	(182,385)	(48,721)	(46,231,575)	93,989,362
Prior period adjustment	-	(208,172,771)	-	-	-	(208,172,771)
Net position - beginning, as restated	(46,049,190)	(114,134,688)	(182,385)	(48,721)	(46,231,575)	(114,183,409)
Ending net position	\$ (15,594,045)	\$ (46,049,190)	\$ -	\$ (182,385)	\$ (15,594,045)	\$ (46,231,575)

Net position of the District's business-type activities increased from a deficit of \$182,385 to \$0, as the fund was closed and transferred operations to the general fund.

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



The District's total revenue this year was \$459,161,439, up \$97,641,554 from the prior year. General revenues increased due to an increase in tax collections as a result of rising property values and increased Tax Increment Financing (TIF) collections, and increased investment earnings from rising interest rates. In the prior year, operating grants and contributions had decreased due to the implementation of GASB 75, in which changes to the District's proportionate share of the State's Net OPEB Liability resulted in a decrease of expenses and a decrease of revenues.

The cost of all governmental activities this year was \$428,262,603. However, as shown in the statement of activities, the amount that our taxpayers ultimately financed for these activities through district taxes was \$138,375,269 because some of the costs were paid by those who directly benefited from the programs (\$4,976,989), by other governments and organizations that subsidized certain programs with grants and contributions (\$92,963,084), or by state aid (\$174,875,485), investment income (\$4,769,472), and other miscellaneous income (\$12,302,304).

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	\$ 253,937,875	\$ 210,981,080
Instructional and school leadership	29,444,834	26,380,013
Student support services, child nutrition and co-curricular activities	63,652,898	34,358,375
General administration	8,335,489	7,517,752
Plant maintenance, security, and data processing	41,128,393	22,247,102
Community services	2,057,946	667,696
Interest and fiscal charges	13,689,128	13,689,128
Intergovernmental charges	635,779	570,171
Payments to TIF	15,380,261	13,911,213
Total expenses	\$ 428,262,603	\$ 330,322,530

The District's Funds

As the District completed the year, its governmental funds reported a combined fund balance of \$137,109,178 which is a decrease of \$1,310,759 from the prior year.

The schedule below indicates the fund balance by fund type as of August 31, 2019 and August 31, 2018.

	Fund Balance August 31, 2019	Fund Balance August 31, 2018	Change in Fund Balance
General Fund	\$ 105,124,114	\$ 104,801,123	\$ 322,991
Food Service	5,469,225	6,652,000	(1,182,775)
Debt Service	16,572,259	5,751,972	10,820,287
Capital Projects	9,661,547	21,148,829	(11,487,282)
Textbook Allotment	227,436	6,987	220,449
Nonmajor Funds	54,597	59,026	(4,429)
Total	\$ 137,109,178	\$ 138,419,937	\$ (1,310,759)

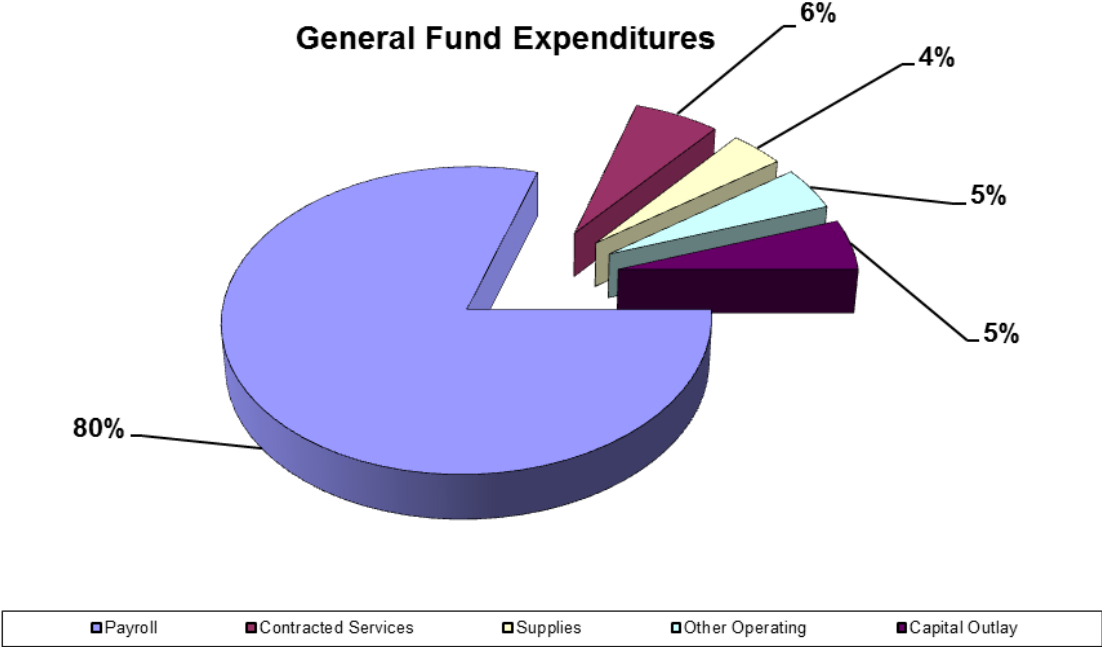
General Fund

The fund balance of the General Fund increased \$322,991 from the prior year. The District's original budget plan was to decrease fund balance \$2,686,131. The following factors contributed to the \$3,099,122 million difference:

- Actual general fund expenditures were \$321,721,613 which was \$11,727,746 less than the original budget total of \$333,449,359. Total actual expenditures were significantly less than originally budgeted because actual expenditures by function ended the fiscal year lower than originally budgeted.
- There was a \$362,003 increase in actual local general fund revenue including property tax collections greater than the amount that was originally budgeted.

- There was a \$4,442,509 increase in actual state funding revenue lesser than the amount that was originally budgeted. The District establishes the state revenue budget amount conservatively to limit any liability to Texas Education Agency.
- There was a \$3,805,941 increase in actual federal revenue lesser than the amount that was originally budgeted.
- There was an \$18,043,028 increase in operating transfers out greater than the amount that was originally budgeted. This increase was based on capital projects approved by the Board of Trustees during the fiscal year that were not included in the original budget.

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



Food Service Fund

The fund balance of the Food Service Fund decreased \$1,182,775 from the prior year. Compared to the prior fiscal year, revenue and expenditures remained relatively consistent.

Debt Service Fund

The Debt Service fund balance increased \$10,820,287. The General Fund completed an operating transfer to the Debt Service Fund for \$27.0 million that represented existing surplus funds. This operating transfer helped cover obligations of the fund during the fiscal year.

Capital Projects Fund

The Capital Projects fund balance decreased \$11,487,282 from the prior year due to the use of funds spent during the year for the completion of construction projects. Although these and other capital expenditures reduce available fund balances as projects are completed, they create new assets for the District as reported in the statement of net position and as discussed in Note 5 in the financial statements.

Textbook Allotment Fund

The Textbook Allotment fund balance increased by \$220,449 from the prior year due to receiving TEA allotment funds and not utilizing all funds by the end of the fiscal year.

Budgetary Highlights

Over the course of the year, budget amendments are necessary to realign funds, which will increase and/or decrease various function levels and object series within the budget. All necessary budget amendments, which change the function level for appropriations and object series for revenues, are formally approved by the School Board and recorded in the board minutes each month.

The difference between the original budget and the final amended budget were necessary amendments for changes in situations and estimates. Expenditures had budget amendments increasing the appropriation budget by \$12,746,634. Revenues had budget amendment increases of \$648,683. Other Financing Sources had budget amendment increases of \$17,672,739. The major components of these changes are reflected on Exhibit G-1 and the key factors for the changes can be summarized below.

The following factor contributed to the increase in the expenditures budget:

- \$1,037,188 budget amendments to increase Function 13 Curriculum and Instructional Staff Development, \$6,421,316 in budget amendments to increase Function 34 Student Transportation and \$2,468,053 in budget amendments to increase Function 51 Plant Maintenance and Operations were approved to accommodate greater expenditures than were anticipated in the original budget.

The following factor contributed to the increase in the revenue budget:

- There was a \$648,683 increase to the final amended budget compared to the original budget for general fund local revenues that was approved to accommodate greater revenues than were anticipated in the original budget.

The following factor contributed to the increase in the other financing sources budget:

- There was a \$17,914,496 increase in operating transfers out greater than the amount that was originally budgeted. This increase was based on capital projects approved by the Board of Trustees during the fiscal year that were not included in the original budget.

Capital Assets and Debt Administration

Capital Assets

As of August 31, 2019, the District had invested \$509,098,850 in capital assets, net of accumulated depreciation of \$442,174,291, including land and improvements, facilities, and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase in capitalized cost of \$8,725,399 from last year. The increase is due to construction projects started in the prior year and completed during the fiscal year, which totaled \$7.5 million. The total depreciation expense for the year was \$22,642,644. The following schedule presents capital asset balances net of depreciation for the fiscal year ended August 31, 2019:

Land and Improvements	\$	27,647,026
Furniture and Equipment		17,887,378
Buildings and Improvements		439,796,772
Construction in Progress		23,767,674
Total	\$	509,098,850

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

Debt

As of August 31, 2019, the District had \$449,855,021 in general obligation bonds payable with \$29,630,000 due within one year. The District continues to have favorable general obligation bond ratings indicated by Aa2 and AA+ ratings from Moody's Investors Service and Standard & Poor's Ratings Group, respectively.

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

Additional information on the District's Pension and OPEB liabilities can be found in Note 6 and 7, respectively, to the financial statements as indicated in the table of contents of this report.

Economic Factors and Next Year's Budgets and Rates

The District's elected and appointed officials considered many factors when preparing the 2019-2020 budget and setting the 2019 tax rates. For the eighth year, property values increased. The certified tax roll reflected values of \$14,512,366,935 which is an 8.0% increase in value compared to the prior fiscal year.

The Board approved a decreased total tax rate of \$1.3051 for the 2019 tax year. The Maintenance and Operations tax rate decreased by .1390 from \$1.1700 to \$1.0310; however, the interest and sinking rate increased by .0430 from \$.2311 to \$.2741. The interest and sinking tax rate increase was the result of the District discontinuing the use of the transfer of surplus funds from the General Fund.

As the result of the increase to local property appraised values and the discontinuation of the Tax Increment Financing zone, it is anticipated that local property tax collections will increase approximately \$4.3 million for maintenance and operations. Due to the increase in contribution by the state per House Bill 3, state funding is anticipated to increase approximately \$18.4 million.

As of August 31, 2019, the fund balance for the general fund totaled \$105,124,114. During the 2018-2019 fiscal year, the unassigned fund balance increased by \$291,104, to \$101,393,315. A total of \$3,730,799 of the fund balance has been designated as non-spendable or assigned and is therefore not available for any other public purpose. Potential construction projects are still being evaluated; therefore, no fund balance has been assigned for construction projects.

Contacting the District's Financial Management

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



Basic Financial Statements



Government-Wide Financial Statements



Irving Independent School District
Statement of Net Position
August 31, 2019

Exhibit A-1

DATA CONTROL CODES	1 GOVERNMENTAL ACTIVITIES	2 BUSINESS-TYPE ACTIVITIES	3 TOTAL
ASSETS			
1110	Cash and Cash Equivalents	\$ 131,472,783	\$ 131,472,783
1120	Investments	24,895,737	24,895,737
1220	Delinquent Taxes Receivable - Net of Estimated Uncollectible Taxes	4,466,111	4,466,111
1240	Due from Other Governments	6,809,794	6,809,794
1250	Accrued Interest	160,063	160,063
1290	Other Receivables	2,839,346	2,839,346
1300	Inventories	990,231	990,231
1490	Other Assets	67,847	67,847
1510	Land	20,073,841	20,073,841
1515	Land Improvements	23,555,577	23,555,577
1520	Buildings and Improvements	733,494,774	733,494,774
1530	Furniture and Equipment	150,381,275	150,381,275
1580	Construction in Progress	23,767,674	23,767,674
1570	Accumulated Depreciation	(442,174,291)	(442,174,291)
1000	Total assets	680,800,762	680,800,762
DEFERRED OUTFLOWS OF RESOURCES			
1701	Deferred charges on refunding	23,517,640	23,517,640
1705	Deferred outflows of resources - pension	62,505,704	62,505,704
1706	Deferred outflows of resources - OPEB	12,168,006	12,168,006
1700	Total deferred outflows of resources	98,191,350	98,191,350
LIABILITIES			
2110	Accounts Payable and Claims Liabilities	10,275,298	10,275,298
2150	Payroll Deductions and Withholdings	1,981,086	1,981,086
2160	Accrued Wages Payable	13,768,052	13,768,052
2140	Interest Payable	761,537	761,537
2180	Due to Other Governments	1,160,602	1,160,602
2300	Unearned Revenue	258,152	258,152
Due Within One Year:			
2121	Bonds Payable	29,630,000	29,630,000
2123	Claims Payable	262,358	262,358
Noncurrent Liabilities:			
Due in More than One Year:			
2800	Claims Payable	540,341	540,341
2510	Bonds Payable	420,225,021	420,225,021
2540	Net Pension Liability	125,769,039	125,769,039
2545	Net OPEB Liability	137,229,320	137,229,320
2000	Total liabilities	741,860,806	741,860,806
DEFERRED INFLOWS OF RESOURCES			
2605	Deferred inflows of resources - pension	9,330,134	9,330,134
2606	Deferred inflows of resources - OPEB	43,395,217	43,395,217
2600	Total deferred inflows of resources	52,725,351	52,725,351
NET POSITION			
3800	Net Investment in Capital Assets	89,114,218	89,114,218
3840	Restricted for Federal and State Programs	5,722,247	5,722,247
3850	Restricted for Debt Service	16,675,173	16,675,173
3900	Unrestricted	(127,105,683)	(127,105,683)
3000	TOTAL NET POSITION	\$ (15,594,045)	\$ (15,594,045)

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District
Statement of Activities
For the Year Ended August 31, 2019

Data Control Codes	Functions/Programs	Program Revenues		
		1	2	3
		Expenses	Charges for Services	Operating Grants and Contributions
Governmental Activities:				
11	Instruction	\$ 237,621,653	\$ 484,781	\$ 36,835,220
12	Instructional Resources and Media Services	6,293,049	-	870,064
13	Curriculum Development and Instructional Staff Development	10,023,173	-	4,766,730
21	Instructional Leadership	6,218,861	-	1,008,366
23	School Leadership	23,225,973	-	2,056,455
31	Guidance, Counseling, and Evaluation Services	17,879,474	-	2,799,525
32	Social Work Services	1,719,611	-	224,553
33	Health Services	3,711,880	-	560,035
34	Student (Pupil) Transportation	10,376,215	-	1,324,708
35	Food Services	22,592,999	2,640,984	19,469,748
36	Co-Curricular/Extracurricular Activities	7,372,719	1,633,941	641,029
41	General Administration	8,335,489	-	817,737
51	Plant Maintenance and Operations	28,772,770	217,283	2,504,189
52	Security and Monitoring Services	4,237,373	-	416,995
53	Data Processing Services	7,528,670	-	771,948
61	Community Services	2,057,946	-	1,390,250
71	Debt Service - Interest and Fiscal Charges	13,689,128	-	-
81	Other Facility Costs	589,580	-	14,970,876
95	Payments to Juvenile Justice Alternative Education Program	11,322	-	1,168
97	Payments to TIF	15,380,261	-	1,469,048
99	Other Intergovernmental Charges	624,457	-	64,440
	Total Governmental Activities	428,262,603	4,976,989	92,963,084
Business-Type Activities:				
01	Vending	261,306	235,159	-
	Total Business-Type Activities	261,306	235,159	-
	TOTAL PRIMARY GOVERNMENT	\$ 428,523,909	\$ 5,212,148	\$ 92,963,084

Data Control Codes

General Revenues:

Taxes:

MT M & O Property Taxes

DT Debt Service Property Taxes

SF State Aid - Not Restricted to Specific Programs

IE Investment Income

MI Miscellaneous

FR Transfers

TR Total General Revenues and Transfers

CN Change in Net Position

NB Net Position - Beginning

NE **Net Position - Ending**

The Notes to the Financial Statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Position**

6	7	8
Governmental Activities	Business-Type Activities	Total
\$ (200,301,652)	\$ -	\$ (200,301,652)
(5,422,985)	-	(5,422,985)
(5,256,443)	-	(5,256,443)
(5,210,495)	-	(5,210,495)
(21,169,518)	-	(21,169,518)
(15,079,949)	-	(15,079,949)
(1,495,058)	-	(1,495,058)
(3,151,845)	-	(3,151,845)
(9,051,507)	-	(9,051,507)
(482,267)	-	(482,267)
(5,097,749)	-	(5,097,749)
(7,517,752)	-	(7,517,752)
(26,051,298)	-	(26,051,298)
(3,820,378)	-	(3,820,378)
(6,756,722)	-	(6,756,722)
(667,696)	-	(667,696)
(13,689,128)	-	(13,689,128)
14,381,296	-	14,381,296
(10,154)	-	(10,154)
(13,911,213)	-	(13,911,213)
(560,017)	-	(560,017)
(330,322,530)	-	(330,322,530)
-	(26,147)	(26,147)
-	(26,147)	(26,147)
<u>\$ (330,322,530)</u>	<u>\$ (26,147)</u>	<u>\$ (330,348,677)</u>
141,267,808	-	141,267,808
27,771,138	-	27,771,138
174,875,485	-	174,875,485
4,769,472	-	4,769,472
12,302,304	-	12,302,304
(208,532)	208,532	-
360,777,675	208,532	360,986,207
30,455,145	182,385	30,637,530
(46,049,190)	(182,385)	(46,231,575)
<u>\$ (15,594,045)</u>	<u>\$ -</u>	<u>\$ (15,594,045)</u>



Governmental Fund Financial Statements

Irving Independent School District
 Balance Sheet
 Governmental Funds
 August 31, 2019

DATA CONTROL CODES	MAJOR		
	GENERAL	FOOD SERVICE	
ASSETS			
Current Assets:			
1110	Cash and Cash Equivalents	\$ 90,561,914	\$ 4,573,631
1120	Investments	24,895,737	-
Receivables:			
1220	Property Taxes - Delinquent	6,124,272	-
1230	Allowance for Uncollectible Taxes	(2,522,612)	-
1240	Due from Other Governments	3,294,153	1,120,995
1250	Accrued Interest	160,063	-
1260	Due from Other Funds	2,809,769	-
1290	Other Receivables	2,839,225	-
1300	Inventories, at cost	638,177	203,880
1410	Prepaid Items	67,847	-
1000	TOTAL ASSETS	<u>\$ 128,868,545</u>	<u>\$ 5,898,506</u>
LIABILITIES			
Current Liabilities:			
2110	Accounts Payable	\$ 2,366,460	\$ 429,281
2150	Payroll Deductions and Withholdings	1,981,086	-
2160	Accrued Wages Payable	13,768,052	-
2170	Due to Other Funds	-	-
2180	Due to Other Governments	1,160,602	-
2300	Unearned Revenue	-	-
2000	Total Liabilities	19,276,200	429,281
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable Revenue	4,468,231	-
2600	Total Deferred Inflows of Resources	4,468,231	-
FUND BALANCES			
Nonspendable			
3410	Inventory	638,177	203,880
3430	Prepaid Items	67,847	-
Restricted			
3450	Food Service	-	5,265,345
3450	Grant Funds	-	-
3470	Capital Acquisition and Contractual Obligation	-	-
3480	Retirement of Long-Term Debt	-	-
Assigned			
3590	Campus Activity Funds	2,392,664	-
3590	Construction Projects	-	-
3590	Other	632,111	-
3600	Unassigned	101,393,315	-
3000	Total Fund Balance	105,124,114	5,469,225
4000	TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 128,868,545</u>	<u>\$ 5,898,506</u>

The Notes to the Financial Statements are an integral part of this statement.

Exhibit C-1

<u>DEBT SERVICE</u>	<u>MAJOR CAPITAL PROJECTS</u>	<u>TEXTBOOK ALLOTMENT</u>	<u>NONMAJOR OTHER FUNDS</u>	<u>TOTALS GOVERNMENTAL FUNDS</u>
\$ 17,074,349	\$ 11,667,527	\$ 5,588,977	\$ 298,988	\$ 129,765,386
-	-	-	-	24,895,737
1,758,291	-	-	-	7,882,563
(893,840)	-	-	-	(3,416,452)
343,353	-	-	2,051,293	6,809,794
-	-	-	-	160,063
-	-	-	-	2,809,769
-	-	-	121	2,839,346
-	-	-	-	842,057
-	-	-	-	67,847
<u>\$ 18,282,153</u>	<u>\$ 11,667,527</u>	<u>\$ 5,588,977</u>	<u>\$ 2,350,402</u>	<u>\$ 172,656,110</u>
\$ -	\$ 2,005,980	\$ 5,361,541	\$ 75,863	\$ 10,239,125
-	-	-	-	1,981,086
-	-	-	-	13,768,052
845,443	-	-	1,961,790	2,807,233
-	-	-	-	1,160,602
-	-	-	258,152	258,152
845,443	2,005,980	5,361,541	2,295,805	30,214,250
864,451	-	-	-	5,332,682
864,451	-	-	-	5,332,682
-	-	-	-	842,057
-	-	-	-	67,847
-	-	-	-	5,265,345
-	-	227,436	57,611	285,047
-	-	-	-	-
16,572,259	-	-	-	16,572,259
-	-	-	-	2,392,664
-	9,661,547	-	-	9,661,547
-	-	-	-	632,111
-	-	-	(3,014)	101,390,301
<u>16,572,259</u>	<u>9,661,547</u>	<u>227,436</u>	<u>54,597</u>	<u>137,109,178</u>
<u>\$ 18,282,153</u>	<u>\$ 11,667,527</u>	<u>\$ 5,588,977</u>	<u>\$ 2,350,402</u>	<u>\$ 172,656,110</u>



Irving Independent School District

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
August 31, 2019

Exhibit C-1R

Total Fund Balances - Governmental Funds \$ 137,109,178

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$951,273,141 and the accumulated depreciation is \$442,174,291. 509,098,850

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. 5,332,682

Internal Service Funds are used by the District's management to charge the cost of health insurance, workers compensation, unemployment, and benefits administration to the funds. The assets and liabilities of the Internal Service Funds are included with governmental activities. 1,014,163

The deferred loss on refundings is not a current period transaction and therefore is not reported in the funds. The deferred loss on refundings is included in the deferred outflows of resources with governmental activities. 23,517,640

Included in the items related to debt is the recognition of the District's proportionate share of the TRS net pension liability (\$125,769,039) and a deferred inflow of resources (\$9,330,134), and a deferred outflow of resources (\$62,505,704). The result is a decrease in net position. (72,593,469)

Included in the items related to debt is the recognition of the District's proportionate share of the TRS-Care net OPEB liability (\$137,229,320) and a deferred inflow of resources (\$43,395,217), and a deferred outflow of resources (\$12,168,006). The result is a decrease in net position. (168,456,531)

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	\$	(414,287,749)	
Premium/Discount on Bonds Payable		(35,567,272)	
Interest Payable		(761,537)	
		(450,616,558)	

Net Position - Governmental Activities **\$ (15,594,045)**

The Notes to the 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, 2019

DATA CONTROL CODES		MAJOR	
		GENERAL	FOOD SERVICE
REVENUES			
5700	Local and Intermediate Sources	\$ 173,773,017	\$ 3,055,992
5800	State Program Revenues	172,514,205	108,021
5900	Federal Program Revenues	9,771,459	19,317,791
5020	Total Revenues	356,058,681	22,481,804
EXPENDITURES			
Current:			
0011	Instruction	182,616,127	-
0012	Instructional Resources and Media Services	5,076,611	-
0013	Curriculum Development and Instructional Staff Development	4,794,162	-
0021	Instructional Leadership	5,039,140	-
0023	School Leadership	19,927,818	-
0031	Guidance, Counseling, and Evaluation Services	14,149,456	-
0032	Social Work Services	1,453,956	-
0033	Health Services	2,933,269	-
0034	Student (Pupil) Transportation	12,836,911	-
0035	Food Services	425,750	19,897,990
0036	Co-Curricular/Extracurricular Activities	6,211,822	8,752
0041	General Administration	7,362,736	-
0051	Plant Maintenance and Operations	24,266,526	693,865
0052	Security and Monitoring Services	4,040,839	-
0053	Data Processing Services	6,921,027	-
0061	Community Services	524,492	-
Debt Service:			
0071	Principal on Long-Term Debt	-	-
0072	Interest and Charges on Long-Term Debt	-	-
0073	Bond Issuance Costs and Fees	-	-
0081	Facilities Acquisition and Construction	7,124,931	3,063,972
0095	Payments to Juvenile Justice Alternative Education Program	11,322	-
0097	Payments to TIF	15,380,261	-
0099	Intergovernmental Charges	624,457	-
6030	Total Expenditures	321,721,613	23,664,579
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	34,337,068	(1,182,775)
OTHER FINANCING SOURCES (USES)			
7912	Proceeds from Sale of Capital Assets	123,016	-
7915	Transfers in	705,935	-
8911	Transfers out	(34,843,028)	-
7080	Total Other Financing Sources (Uses)	(34,014,077)	-
1200	Net Change in Fund Balances	322,991	(1,182,775)
0100	Fund Balance, September 1 (Beginning)	104,801,123	6,652,000
3000	FUND BALANCE - AUGUST 31 (ENDING)	\$ 105,124,114	\$ 5,469,225

The Notes to the Financial Statements are an integral part of this statement.

	MAJOR		NONMAJOR	TOTALS
DEBT SERVICE	CAPITAL PROJECTS	TEXTBOOK ALLOTMENT	OTHER FUNDS	GOVERNMENTAL FUNDS
\$ 28,079,531	\$ -	\$ -	\$ 556,159	\$205,464,699
2,361,280	-	6,188,523	916,495	182,088,524
-	-	-	18,632,698	47,721,948
30,440,811	-	6,188,523	20,105,352	435,275,171
-	328,188	5,634,224	12,186,599	200,765,138
-	-	333,850	-	5,410,461
-	-	-	4,271,996	9,066,158
-	-	-	488,350	5,527,490
-	-	-	-	19,927,818
-	-	-	1,344,001	15,493,457
-	-	-	74,512	1,528,468
-	-	-	257,337	3,190,606
-	-	-	-	12,836,911
-	-	-	16,853	20,340,593
-	-	-	-	6,220,574
-	-	-	57,938	7,420,674
-	-	-	-	24,960,391
-	-	-	-	4,040,839
-	30,230	-	57,731	7,008,988
-	-	-	1,354,464	1,878,956
-	-	-	-	-
28,720,000	-	-	-	28,720,000
17,854,470	-	-	-	17,854,470
14,550	-	-	-	14,550
-	18,088,929	-	-	28,277,832
-	-	-	-	11,322
-	-	-	-	15,380,261
-	-	-	-	624,457
46,589,020	18,447,347	5,968,074	20,109,781	436,500,414
(16,148,209)	(18,447,347)	220,449	(4,429)	(1,225,243)
-	-	-	-	123,016
26,968,496	7,666,000	-	-	35,340,431
-	(705,935)	-	-	(35,548,963)
26,968,496	6,960,065	-	-	(85,516)
10,820,287	(11,487,282)	220,449	(4,429)	(1,310,759)
5,751,972	21,148,829	6,987	59,026	138,419,937
\$ 16,572,259	\$ 9,661,547	\$ 227,436	\$ 54,597	\$ 137,109,178

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, 2019

Exhibit C-3

Total Net Change in Fund Balances - Governmental Funds		\$ (1,310,759)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay (\$31,503,591) exceeded depreciation (\$22,642,644) in the current period.		8,860,947
The disposal of capital assets is not recognized in the governmental funds.		(135,548)
Because some property taxes will not be collected for several months after the district's fiscal year ends, they are not considered "available" revenues and are deferred inflows in the governmental funds. Unavailable revenue, net of bad debt, increased by this amount this year.		507,883
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.		89,548
Current year long-term debt payments on bonds payable and payments of accreted interest on capital appreciation bonds are expenditures in the fund financial statements, but they also reduce long-term liabilities in the statement of net position.		28,720,000
Bond issuances and refundings and related costs are shown as "other sources" and "other uses" in the governmental funds, but are shown on the statement of net position with related costs amortized over the life of the bonds. Differences consist of the following:		
	Amortization of Refunding Loss	\$ (2,076,039)
	Amortization of Bond Premiums	5,880,079
		<u>3,804,040</u>
The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of an increase in deferred outflows (\$39,025,420); decrease in deferred inflows \$3,636,679; and increase in net pension liability \$51,488,456.		(8,826,357)
The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of an increase in deferred outflows (\$10,247,468); decrease in deferred inflows \$6,373,471; and an increase in net OPEB liability \$18,251,400.		(1,630,461)
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	\$ 697,747
	Interest Accretion	(321,895)
		<u>375,852</u>
Change in Net Position - Governmental Activities		<u><u>\$ 30,455,145</u></u>

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District

Statement of Net Position

Proprietary Funds

August 31, 2019

Exhibit D-1

DATA CONTROL CODES		BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES
		VENDING FUND	INTERNAL SERVICE FUNDS
	ASSETS		
	Current Assets:		
1110	Cash and Temporary Investments	\$ -	\$ 1,707,397
1310	Inventories, at Cost	-	148,174
1000	Total Assets	-	1,855,571
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	-	36,173
2170	Due to Other Funds	-	2,536
2800	Claims Due Within One Year	-	262,358
	Total Current Liabilities	-	301,067
	Noncurrent Liabilities:		
	Claims Due in More than One Year	-	540,341
	Total Long-Term Liabilities	-	540,341
2000	Total Liabilities	-	841,408
3900	Unrestricted Net Position	-	1,014,163
3000	TOTAL NET POSITION	\$ -	\$ 1,014,163

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District
Exhibit D-2

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended August 31, 2019

DATA CONTROL CODES		BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES
		VENDING FUND	INTERNAL SERVICE FUNDS
OPERATING REVENUES			
5700	Charges for Services	\$ 235,159	\$ 1,742,724
5020	Total Operating Revenues	235,159	1,742,724
OPERATING EXPENSES			
6100	Payroll Costs	119,023	363,164
6200	Professional/Contracted Services	6,914	163,788
6300	Supplies and Materials	135,357	316,803
6400	Claims, Administration, and Other Expenses	12	859,914
6030	Total Operating Expenses	261,306	1,703,669
	Operating Income (Loss)	(26,147)	39,055
NONOPERATING REVENUES			
7955	Interest Income	-	50,493
7915	Transfers In	208,532	-
CHANGE IN NET POSITION		182,385	89,548
0100	Total Net Position - September 1 (Beginning)	(182,385)	924,615
3000	Total Net Position - August 31 (Ending)	\$ -	\$ 1,014,163

The Notes to the 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, 2019

Exhibit D-3

	BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES
	VENDING FUND	INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:		
Cash Received for Premiums and Services	\$ 45,848	\$ 1,742,724
Cash Paid to Employees	(119,023)	(363,164)
Cash Paid to Suppliers	(135,357)	-
Cash Paid for Claims and Administration, and Other Costs	-	(1,317,581)
Net Cash Provided by (Used in) Operating Activities	(208,532)	61,979
Cash Flows from Noncapital Financing Activities:		
Transfers from Other Funds	208,532	-
Net Cash Provided by Noncapital Financing Activities	208,532	-
Cash Flows from Investing Activities:		
Interest Received	-	50,493
Net Cash Provided by Investing Activities	-	50,493
Net Increase in Cash and Cash Equivalents	-	112,472
Cash and Cash Equivalents at Beginning of the Year	-	1,594,925
Cash and Cash Equivalents at End of the Year	\$ -	\$ 1,707,397
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ (26,147)	\$ 39,055
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Change in Current Assets and Liabilities:		
(Increase) Decrease in Inventories	57,648	(18,532)
Increase in Accounts Payable and Claims Liability	-	30,290
Increase (Decrease) in Due To Other Funds	(240,033)	2,536
Increase in Long-term Claims Reserve	-	8,630
	(182,385)	22,924
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (208,532)	\$ 61,979

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District
 Statement of Fiduciary Assets and Liabilities
 August 31, 2019

Exhibit E-1

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and Temporary Investments	\$ 696,676
TOTAL ASSETS	<u>\$ 696,676</u>
LIABILITIES	
Accounts Payable	\$ 127,756
Due to Student Groups	<u>568,920</u>
TOTAL LIABILITIES	<u>\$ 696,676</u>

The Notes to the Financial Statements are an integral part of this statement.

Irving Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from these statements. An exception to this general rule would be amounts that are reasonably equivalent in value to the interfund services provided. The *governmental activities* are supported by tax revenues and intergovernmental revenues. The *business-type activities* 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.

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.

Irving Independent School District

Notes to the Financial Statements

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.

Textbook Allotment Fund - This governmental fund is established to account for funds awarded to the District under the TEA instructional materials allotment.

The District reports the following Proprietary Funds:

Enterprise Funds – The District has one fund for the operation of a self-supporting activity which provides services to outside parties in return for fees. The funds account for assets, liabilities, revenues and expenses of the District's vending machines.

Internal Service Funds – The District utilizes Internal Service Funds to account for its workers' compensation, unemployment insurance, science kit refurbishment and district-wide print shop. The General Fund is contingently liable for liabilities of these funds. The principal operating revenues of the District's internal service funds are charges to other funds for services. Operating expenses for internal service funds include the cost of providing the services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Sub-fund accounting is employed to maintain the integrity of these activities of the District. See Note 1 (O), (P), and (Q) for additional discussion of the District's self-insurance plans.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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.

Irving Independent School District

Notes to the Financial Statements

C. Basis of Accounting/Measurement Focus

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

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

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

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.

Irving Independent School District

Notes to the Financial Statements

E. Encumbrance Accounting

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriations related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at August 31, and encumbrances outstanding at that time are either canceled or provided for in the subsequent year's budget. Outstanding encumbrances at August 31, 2019 that were subsequently provided for in the 2019-2020 budget totaled \$632,111 for the General Fund.

F. Deposits and Investments

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

Investments - Investments for the District, except for certain investment pools and certificates of deposit, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or net asset value; i.e. fair value.

G. Due From (To) Other Funds

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

H. Inventories

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

I. Prepaid Items

Prepaid items of \$67,847 in the General Fund are purchases which benefit the next school year. The consumption method is used to account for these items paid in advance. In the governmental funds, they are reported as nonspendable fund balance.

J. Capital Assets

Capital assets, which include land, buildings, furniture and equipment, and construction in progress, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined as land, land improvements, buildings, building improvements with an initial cost of any amount, and vehicles, furniture and equipment with an initial individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value rather than fair value.

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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:

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

K. Long Term Debt

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

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

L. Fund Equity

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

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

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

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

Assigned – includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. Board Policy CE (Local) has authorized the Superintendent or Chief Financial Officer to assign fund balance. As of August 31, 2019, the District has assigned fund balance in the General Fund for the following purposes: 1) Campus Activity Funds – assigned to distinguish portion of fund balance allocated to activity funds, 2) TIF – assigned to identify the unexpended proceeds from the revenue generated from Tax Increment Financing (TIF) rebates, 3) Construction projects – assigned to planned capital projects not completed during the fiscal year, and 4) Other Assigned Fund Balance – assigned to outstanding encumbrances as of the fiscal year end.

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

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

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

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

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

Restricted for Federal and State Programs – the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the federal and state government.

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

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

M. Vacation and Sick Leave

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

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Notes to the Financial Statements

N. Data Control Codes

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

O. Self-Insured Workers' Compensation

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

The total liabilities for the Workers' Compensation self-insurance fund of \$804,166 include incurred but not reported claims in the amount of \$802,699 (of which \$262,358 is expected to be paid within one year) and accounts payable of \$1,467. The claims liability reported in the fund at August 31, 2019, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. Lewis & Ellis, Inc. through its actuarial review of the Workers' Compensation self-insurance program, projected an estimated discounted liability of \$802,699 as of August 31, 2019, for the ultimate loss reserve of the fund. The fund had net position at August 31, 2019, of \$610,071.

Changes in the workers' compensation claims liability amounts in fiscal year 2019 and 2018 are presented below:

	Beginning of Fiscal-Year Liability	Current-Year Claims & Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2018 Workers' Compensation	\$ 947,170	\$ 1,038,506	\$ 1,191,607	\$ 794,069
2019 Workers' Compensation	\$ 794,069	\$ 1,514,910	\$ 1,506,280	\$ 802,699

P. Self-Insured Unemployment

The District through a reimbursement program provides unemployment insurance protection through the Texas Workforce Commission (TWC), should an employee experience a job loss through no fault of his own. As a reimbursing employer (IISD employees receive unemployment benefits directly from the Texas Workforce Commission), the District refunds unemployment benefit claims on a quarterly basis to TWC. Unemployment liabilities have been established at \$0 for claims reported and not paid, and net position as of August 31, 2019, was \$127,016.

Q. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The risk is minimized by the purchase of excess workers' compensation insurance, property and liability coverage, and a set-aside loss fund for damages under a particular deductible or for where no other protection exists. During fiscal year 2019, there were no significant reductions in insurance coverage for any category of risk.

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In addition, there are no settlements in excess of the insurance coverage in any of the three prior fiscal years.

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

Insurance/Coverage	Deductible/ Retention	Per Occurrence Limit
Property	\$100,000 \$250,000 Wind/Hail	\$957,450,548 blanket RC
Flood/Earthquake/Extra Exp.	\$100,000	\$10,000,000
EDP Equip/EE/Data & Media	\$10,000	\$4,293,427
Wind Turbines, Geothermal Systems	\$10,000	\$5,721,764
BI/EE	\$10,000	\$25,000
Other Equipment Breakdown	\$10,000	\$100,000,000
Crime	\$10,000	\$500,000
Valuable Papers	\$100,000	\$500,000
Liability (E & O)	\$10,000	\$2,000,000 PO/2,000,000 Agg.
Liability (General)	None	\$2,000,000
Employee Benefits	None	\$100,000
Cyber Liability - TASB	None	\$100,000/\$10,000 to notify
Cyber Liability - Endurance	\$75,000	\$1,000,000
Liability (Fleet)	\$5,000	\$500,000 CSL
Comprehensive ACV	\$1,000	ACV
Collision ACV	\$1,000	ACV
Catastrophic PD	\$10,000	\$2,621,948
Workers' Compensation Excess	\$600,000	Statutory

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

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

R. Pensions

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

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Notes to the Financial Statements

S. Other Post-Employment Benefits.

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Note 2. Deposits and Investments

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

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

At August 31, 2019, the carrying amount of the District's cash, not including fiduciary funds, was \$24,335. The bank balance was \$5,393,629. During 2018-2019, the District's combined deposits were fully insured by federal depository insurance or collateralized with securities pledged to the District and held in the District's name by the District's agent.

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

1. Name of bank: Frost Bank - Irving, Texas.
2. Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$44,063,110.
3. Largest combined collected cash account balance required to be collateralized amounted to \$16,508,871 and occurred on January 31, 2019.
4. Total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

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

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Notes to the Financial Statements

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

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

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

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

	August 31, 2019	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)			
Cash and Imprest Funds	\$ 24,335	\$ -	\$ -	\$ -	0.02%		
Money market funds	20,450,522	-	-	-	13.02%		
Investments Measured at Amortized Cost:							
Certificates of Deposit	15,000,000	-	15,000,000	-	9.55%	285	
Investment Pools:							
Lone Star	6,232,426	-	-	-	3.97%	41	AAAm
Investments Measured at Net Asset Value (NAV):							
Investment Pools:							
TexSTAR	8,840,250	-	-	-	5.63%	22	AAAm
Texas CLASS	72,985,386	-	-	-	46.47%	47	AAAm
LOGIC	23,636,540	-	-	-	15.05%	47	AAAm
Investment Pools Total	<u>111,694,602</u>	<u>-</u>	<u>-</u>	<u>-</u>			
Investments Subject to Fair Value							
Agency Securities	<u>9,895,737</u>	<u>-</u>	<u>9,895,737</u>	<u>-</u>	6.30%	583	
Total Value	<u>\$ 157,065,196</u>	<u>\$ -</u>	<u>\$ 24,895,737</u>	<u>\$ -</u>			
Portfolio Weighted Average Maturity						96	

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

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

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

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

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

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

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

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Notes to the Financial Statements

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

U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Certificates of Deposit are valued at amortized cost, which approximates fair value. These are included as Level 2 in the fair value hierarchy.

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

Interest rate risk occurs whenever rising interest rates will cause a fixed income security to lose fair value. The District manages its exposure to interest rate fluctuations and interest rate risk through its investment policy, through diversity of issuer and maturity and by limiting final maturity of its investments for a maximum of five years, with most purchases between 1.5 and 3.5 years.

The District's investment policy states under the diversity section that, "The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer." Therefore, it manages interest rate risk by laddering the portfolio so that agency positions are not concentrated in one time frame or in one issuer, thereby reducing the overall volatility of the portfolio.

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, Frost Bank, registered in the District's name.

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

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Notes to the Financial Statements

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, 2019, the District held \$12,995,737 of securities with a zero par amount, which is 8.82% of the total portfolio. All agency securities held by the District are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Service. The District controls this risk by laddering the portfolio, limiting the final maturity of each investment of a maximum of five years through its investment policy with most purchases between 1.5 and 3.5 years, and by diversifying between agency types when possible.

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

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, 2018, upon which the levy for the 2018-2019 fiscal year was based, was \$13,439,011,068. The roll was subsequently decreased to a year-end assessed value of \$13,358,205,288. 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, 2019, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.17 and \$.2311 per \$100 valuation, respectively, for a total of \$1.4011 per \$100 valuation.

Current tax collections for the year ended August 31, 2019, were 98.18% 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, 2019, property taxes receivable, net of estimated uncollectible taxes, totaled \$3,601,660 and \$864,451 for the General and Debt Service Funds, respectively.

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

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

A total of \$15,380,261 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.

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Notes to the Financial Statements

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, 2019 consisted of the following Due from Other Governments:

Fund	State Entitlements	Federal Grants
General Operating Fund	\$ 3,294,153	\$ -
Food Service Fund	-	1,120,995
Debt Service Fund	343,353	-
Nonmajor Special Revenue Funds	-	2,051,293
Total	\$ 3,637,506	\$ 3,172,288

Note 5. Capital Assets

Capital asset activity, as reported in governmental activities, for the year ended August 31, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets not depreciated:					
Land	\$ 20,073,841	\$ -	\$ -	\$ -	\$ 20,073,841
Construction in Progress	4,118,578	27,130,359	-	(7,481,263)	23,767,674
Total Capital Assets not depreciated	24,192,419	27,130,359	-	(7,481,263)	43,841,515
Capital Assets depreciated:					
Land Improvements	23,555,577	-	-	-	23,555,577
Buildings and Improvements	725,515,402	774,417	(276,308)	7,481,263	733,494,774
Furniture and Equipment	147,103,343	3,598,815	(320,883)	-	150,381,275
Total Capital Assets depreciated	896,174,322	4,373,232	(597,191)	7,481,263	907,431,626
Total Capital Assets	920,366,741	31,503,591	(597,191)	-	951,273,141
Less Accumulated Depreciation for:					
Land Improvements	14,826,209	1,156,183	-	-	15,982,392
Buildings and Improvements	278,183,960	15,790,350	(276,308)	-	293,698,002
Furniture and Equipment	126,983,121	5,696,111	(185,335)	-	132,493,897
Total Accumulated Depreciation	419,993,290	22,642,644	(461,643)	-	442,174,291
Governmental Activities					
Capital Assets, Net	\$ 500,373,451	\$ 8,860,947	\$ (135,548)	\$ -	\$ 509,098,850

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Notes to the Financial Statements

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

Governmental Activities:	
Instruction	\$ 14,843,248
Instructional Resources & Media Services	367,127
Curriculum Development & Instructional Staff Development	15,475
Instructional Leadership	105,779
School Leadership	953,470
Guidance, Counseling & Evaluation Services	656,242
Health Services	138,760
Student Transportation	340,174
Food Services	1,416,745
Co-Curricular/Extracurricular Activities	664,889
General Administration	146,493
Plant Maintenance & Operations	2,579,180
Security & Monitoring Services	18,632
Data Processing Services	270,416
Facilities	126,014
Total Depreciation Expense, Governmental Activities	\$ 22,642,644

The District has active construction projects that started near the end of the fiscal year. Of the District's active construction projects, the total construction commitment as of August 31, 2019 is \$1,897,308 for projects under the General and Capital Project funds.

Note 6. Defined Benefit Pension Plan

A. Plan Description

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

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

B. Pension Plan Fiduciary Net Position

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

Irving Independent School District

Notes to the Financial Statements

C. Benefits Provided

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

D. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same.

Contribution Rates

	<u>2019</u>	<u>2018</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers/District	6.8%	6.8%
2019 Employer Contributions	\$ 7,798,496	
2019 Member Contributions	\$ 17,412,102	
2019 NECE On-behalf Contributions	\$ 10,063,894	

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

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

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

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

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

E. Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation date	August 31, 2017 rolled forward to August 31, 2018
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	6.907%
Long-term expected rate	7.25%
Municipal bond rate	3.69*
Last year ending August 31 in projection period (100 years)	2116
Inflation	2.30%
Salary increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

*Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

The actuarial methods and assumptions are based primarily on a study of actual experience for the three year period ending August 31, 2017, and adopted in July 2018.

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Notes to the Financial Statements

F. Discount Rate

The discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.69 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

	<u>Target Allocation *</u>	<u>Long-Term Expected Geometric Real Rate of Return **</u>	<u>Expected Contribution to Long-Term Portfolio Returns</u>
Global Equity			
U.S.	18.0%	5.7%	1.0%
Non-U.S. Developed	13.0%	6.9%	0.9%
Emerging Markets	9.0%	8.9%	0.8%
Directional Hedge Funds	4.0%	3.5%	0.1%
Private Equity	13.0%	10.2%	1.3%
Stable Value			
U.S. Treasuries	11.0%	1.1%	0.1%
Absolute Return	0.0%	0.0%	0.0%
Hedge Funds (Stable Value)	4.0%	3.1%	0.1%
Cash	1.0%	-0.3%	0.0%
Real Return			
Global Inflation Linked-Bonds	3.0%	0.7%	0.0%
Real Assets	14.0%	5.2%	0.7%
Energy and Natural Resources	5.0%	7.5%	0.4%
Commodities	0.0%	0.0%	0.0%
Risk Parity			
Risk Parity	5.0%	3.7%	0.2%
Inflation Expectation			2.3%
Volatility drag***			-0.8%
Total	<u>100.0%</u>		<u>7.1%</u>

* Target allocations are based on the FY2016 policy model

** Capital market assumptions come from Aon Hewitt (2017 Q4)

*** The volatility drag resulting from the conversion between arithmetic and geometric mean returns.

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Notes to the Financial Statements

G. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
District's proportionate share of the net pension liability:	\$189,815,622	\$125,769,039	\$73,919,512

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

At August 31, 2019, the District reported a liability of \$125,769,039 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 125,769,039
State's proportionate share that is associated with the District	163,101,251
Total	\$ 288,870,290

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018. The net pension liability is typically liquidated by the General fund.

At August 31, 2018, the District's proportion of the collective net pension liability was 0.2284947%, which was a decrease of .0038164% from its proportion measured as of August 31, 2017.

I. Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The Total Pension Liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the Net Pension Liability.

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

For the year ended August 31, 2019, the District recognized pension expense of \$24,969,034 and revenue of \$16,142,677 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 783,941	\$ 3,085,876
Changes in actuarial assumptions	45,345,796	1,417,057
Difference between projected and actual investment earnings	-	2,386,378
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	8,577,471	2,440,823
Contributions paid to TRS subsequent to the measurement date	<u>7,798,496</u>	<u> </u>
Total	<u><u>\$ 62,505,704</u></u>	<u><u>\$ 9,330,134</u></u>

\$7,798,496 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Pension Expense (Income)
	<u> </u>
Fiscal Year ending August 31:	
2020	\$ 12,248,160
2021	7,226,226
2022	5,883,047
2023	7,625,847
2024	7,554,915
Thereafter	<u>4,838,879</u>
Total	<u><u>\$ 45,377,074</u></u>

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Notes to the Financial Statements

Note 7. Defined Other Post-Employment Benefit Plan

A. Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

B. OPEB Plan Fiduciary Net Position

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

C. Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

TRS-Care Plan Premium Rates
Effective January 1, 2018 thru December 31, 2018

	<u>Medicare</u>	<u>Non-Medicare</u>
Retiree*	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree* and children	468	408
Retiree and family	1,020	999

* or surviving spouse

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Notes to the Financial Statements

D. Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<u>2019</u>	<u>2018</u>
Active Employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

The contribution amounts for the District's fiscal year 2019 are as follows:

2019 District contributions	\$ 1,895,974
2019 Member contributions	1,469,853
2019 NECE on-behalf contributions (state)	3,014,245

In addition, the State of Texas contributed \$875,399 and \$706,556, in 2019 and 2018, respectively, for on-behalf payments for Medicare Part D.

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the FY2018-19 biennium to continue to support the program. This was also received in FY2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

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Notes to the Financial Statements

E. Actuarial Assumptions

The total OPEB liability in the August 31, 2017 was rolled forward to August 31, 2018. The actuarial valuation was determined using the following actuarial assumptions:

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Expected payroll growth
Rates of disability incidence	
Additional Actuarial Methods and Assumptions:	
Valuation date	August 31, 2017 rolled forward to August 31, 2018
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Single discount rate*	3.69%*
Aging factors	Based on plan specific experience
Expenses	third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected salary increases**	3.05% to 9.05%**
Election Rates	Normal retirement: 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

*Source: Sourced from fixed Income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.

**Includes inflation at 2.30%

Other information - In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50 percent.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55. Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

F. Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of .27 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able* to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

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Notes to the Financial Statements

G. Sensitivity of the Net OPEB Liability

Discount Rate

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

	Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumptions		
	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
District's Proportionate share of the Net OPEB Liability	\$ 163,350,039	\$ 137,229,320	\$ 116,566,147

Healthcare Cost Trend Rates

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed health-care cost trend rate:

	Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions		
	1% Decrease (7.5%)	Current Healthcare Cost Trend Rate (8.5%)	1% Increase (9.5%)
District's Proportionate share of the Net OPEB Liability	\$ 113,971,185	\$ 137,229,320	\$ 167,860,786

H. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2019, the District reported a liability of \$137,229,320 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 137,229,320
State's proportionate share of the net OPEB liability associated with the District	191,416,641
Total	\$ 328,645,961

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Notes to the Financial Statements

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018. The Net OPEB liability is typically liquidated by the General fund.

At August 31, 2018 the employer's proportion of the collective Net OPEB Liability was 0.2748384% which was an increase of 0.0012394% from its proportion measured as of August 31, 2017.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
- The discount rate was changed from 3.42 percent as of August 31, 2017 to 3.69 percent as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.
- Change of Benefit Terms Since the Prior Measurement Date – Please see the 2018 TRS CAFR, page 68, section B. for a list of changes made effective September 1, 2017 by the 85th Texas Legislature.

For the fiscal year ended August 31, 2019, the District recognized OPEB expense of \$8,593,049 and revenue of \$6,962,588 for support provided by the State.

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual economic experience	\$ 7,282,250	\$ 2,165,680
Changes of assumptions	2,289,986	41,229,537
Net difference between projected and actual earnings on pension plan investments	24,000	-
Changes in proportion and differences between District contributions and proportionate share of contributions (cost-sharing plan)	675,796	-
District contributions after measurement date	1,895,974	-
	<u> </u>	<u> </u>
Totals	<u>\$ 12,168,006</u>	<u>\$ 43,395,217</u>

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Notes to the Financial Statements

\$1,895,974 reported as deferred outflows of resources related to OEPB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2020. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending August 31,	
2020	\$ (5,316,943)
2021	(5,316,943)
2022	(5,316,943)
2023	(5,321,482)
2024	(5,324,078)
Thereafter	(6,526,796)
Total	\$ (33,123,185)

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:

	Beginning 09/01/18	Increases	Decreases	Balance 08/31/19	Current Portion
Claims Payable	\$ 794,069	\$ 1,514,910	\$ 1,506,280	\$ 802,699	\$ 262,358

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

Description	Final Maturity	Interest Rate Payable	Amounts Original Issue	Bonds			Interest Accretion	Bonds	
				Outstanding at 09/01/2018	Additions	Reductions/ Refunded		Outstanding at 08/31/2019	Due Within One Year
2008 School Building	2038	3.25% - 5.00%	\$87,020,000	\$ 1,340,000	\$ -	\$ (1,340,000)	\$ -	\$ -	\$ -
2009 School Building	2033	3.00% - 5.25%	64,995,000	6,250,000	-	(2,380,000)	-	3,870,000	2,485,000
2010A School Building	2030	3.625% - 5.00%	18,485,000	3,935,000	-	(1,240,000)	-	2,695,000	1,315,000
2010B Build America Bonds	2040	5.561% - 5.661%	40,000,000	40,000,000	-	-	-	40,000,000	-
2011 Qualified School Construction Bond	2026	None	34,770,000	14,440,000	-	(1,800,000)	-	12,640,000	1,800,000
2012 School Building	2025	2.00% - 5.00%	13,985,000	8,125,000	-	(1,030,000)	-	7,095,000	1,065,000
2013 Refunding	2023	2.00% - 4.00%	66,145,000	53,315,000	-	(11,120,000)	-	42,195,000	11,465,000
2014 Refunding	2027	4.00%	4,685,000	4,685,000	-	-	-	4,685,000	-
2015 Refunding	2033	4.00%	60,010,000	53,015,000	-	(670,000)	-	52,345,000	690,000
2015A Refunding	2031	4.00% - 5.00%	139,295,000	137,930,000	-	(75,000)	-	137,855,000	7,955,000
2016 Refunding	2038	2.00% - 5.00%	79,345,000	77,655,000	-	(1,110,000)	-	76,545,000	2,570,000
2016A Refunding	2033	3.00% - 5.00%	20,185,000	19,535,000	-	(230,000)	-	19,305,000	245,000
2017 Refunding	2029	3.00% - 5.00%	8,885,000	8,745,000	-	(40,000)	-	8,705,000	40,000
Total Bonded Indebtedness				428,970,000	-	(21,035,000)	-	407,935,000	29,630,000
Accreted Interest and CAB premium				13,715,854	-	(7,685,000)	321,895	6,352,749	-
Premium/Discounts on Bonds				41,447,351	-	(5,880,079)	-	35,567,272	-
Total Bonds Payable				\$ 484,133,205	\$ -	\$ (34,600,079)	\$ 321,895	\$ 449,855,021	\$ 29,630,000
Net Pension Liability				\$ 74,280,583	\$ 60,258,316	\$ (8,769,860)		\$ 125,769,039	\$ -
Net OPEB Liability				118,977,920	20,147,392	(1,895,992)		137,229,320	-
Total Long-Term Liabilities				\$ 677,391,708	\$ 80,405,708	\$ (45,265,931)	\$ 321,895	\$ 712,853,380	\$ 29,630,000

Irving Independent School District

Notes to the Financial Statements

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

Year Ended August 31	Principal	Interest	Total Requirements
2020	\$ 29,630,000	\$ 16,964,682	\$ 46,594,682
2021	30,145,000	16,176,545	46,321,545
2022	31,360,000	14,960,770	46,320,770
2023	32,710,000	13,612,670	46,322,670
2024-2028	141,225,000	52,401,600	193,626,600
2029-2033	98,590,000	20,743,348	119,333,348
2034-2038	34,375,000	7,209,148	41,584,148
2039-2040	9,900,000	568,364	10,468,364
Totals	\$ 407,935,000	\$ 142,637,127	\$ 550,572,127

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, 2019.

Note 9. Debt Issuances and Defeased Debt

In prior years, the District issued refunding bonds for the purpose of restructuring outstanding debt service requirements or decreasing the total debt service payments. These refunding issues defeased selected general obligation and maintenance bonds. The total principal outstanding of the defeased debt as of August 31, 2019, is \$69,460,000.

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, 2019, consisted of the following individual fund receivables and payables:

Fund	Receivable	Payable	Reason
General Fund:			
Debt Service Fund	\$ 845,443	\$ -	To reclassify deficit pooled cash
Other Nonmajor Funds	1,961,790	-	To reclassify deficit pooled cash
Internal Service	2,536	-	To reclassify deficit pooled cash
Debt Service Fund:			
General Fund	-	845,443	To reclassify deficit pooled cash
Other Nonmajor Funds:			
General Fund	-	1,961,790	To reclassify deficit pooled cash
Internal Service:			
General Fund	-	2,536	To reclassify deficit pooled cash
	<u>\$ 2,809,769</u>	<u>\$ 2,809,769</u>	

Irving Independent School District

Notes to the Financial Statements

The detail transfer schedule for the year ended August 31, 2019, includes the following:

Transfer In	Transfer Out	Amount	Purpose
General Fund	Capital Projects Funds	\$ 705,935	To close out capital project funds that are complete
Debt Service Fund	General Fund	26,968,496	To transfer surplus of general funds to debt service
Capital Projects Fund	General Fund	7,666,000	To offset costs of capital projects
Enterprise Fund	General Fund	208,532	To close vending enterprise fund
		<u>\$35,548,963</u>	

Note 11. Litigation, Commitments, and Contingencies

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

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. Therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2019, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants, therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 12. Local, Intermediate, and Out-of-State Revenues – Governmental Funds

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

	General Fund	Food Service Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Other Funds	Total
Property Taxes	\$ 139,111,759	\$ -	\$ 27,531,272	\$ -	\$ -	\$ 166,643,031
Food Sales	-	2,640,984	-	-	-	2,640,984
TIF Proceeds	10,676,714	-	-	-	-	10,676,714
Investment Income	4,014,536	396,050	308,393	-	-	4,718,979
Rental of Facilities	206,680	-	-	-	-	206,680
Tuition	459,781	-	-	-	-	459,781
Gifts and Bequests	205,270	-	-	-	-	205,270
Penalties, Interest & Other Tax-Related Income	1,648,166	-	239,866	-	-	1,888,032
Co-curricular Student Activities	1,390,984	-	-	-	-	1,390,984
Athletics	242,957	-	-	-	-	242,957
Other	15,816,170	18,958	-	-	556,159	16,391,287
Total	<u>\$ 173,773,017</u>	<u>\$ 3,055,992</u>	<u>\$ 28,079,531</u>	<u>\$ -</u>	<u>\$ 556,159</u>	<u>\$ 205,464,699</u>

Irving Independent School District

Notes to the Financial Statements

Note 13. Unearned Revenue and Deferred Inflows of Resources

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

	General Fund	Debt Service Fund	Nonmajor Other Funds	Total
Deferred Inflows of Resources:				
Net Tax Revenue	\$ 4,468,231	\$ 864,451	\$ -	\$ 5,332,682
Total Deferred Inflows of Resources	<u>\$ 4,468,231</u>	<u>\$ 864,451</u>	<u>\$ -</u>	<u>\$ 5,332,682</u>
Unearned Revenue:				
Other unearned revenues	\$ -	\$ -	\$ 258,152	\$ 258,152
Total Unearned Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 258,152</u>	<u>\$ 258,152</u>

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

Note 14. Shared Services Arrangement

The District is the fiscal agent for the Regional Day School for the Deaf (RDSPD) Shared Services Arrangement (SSA), which provides services to students in its member districts, who have educationally significant hearing loss. In addition to the District, other member districts include Duncanville ISD and Grand Prairie ISD. The District, acting as the fiscal agent, manages the shared arrangement's financial matters, including the budgeting, accounting, auditing, and reporting. In accordance to guidance provided in the TEA's Financial Accountability System Resource Guide the District has accounted for the activities of the SSA in the appropriate special revenue funds. Additionally, the SSA is accounted for using Model #2 and #3 in Section 1.3.1.6 of the Accounting and Reporting Treatment Guidance.

Expenditures billed to the SSA members as of August 31, 2019, are summarized below:

	2019
Duncanville ISD	\$ 115,160
Grand Prairie ISD	317,545
	<u>\$ 432,705</u>

Note 15. New Accounting Pronouncements

The GASB issued Statement No. 83, Certain Asset Retirement Obligations. The implementation had no significant effect on the District's financial statements.

The GASB issued Statement No. 84, Fiduciary Activities. This standard becomes effective for the District in fiscal year 2020.

Irving Independent School District

Notes to the Financial Statements

The GASB issued Statement No. 87, Lease. This standard becomes effective for the District in fiscal year 2021.

The GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The implementation had no significant effect on the District's financial statements.

The GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. This standard becomes effective for the District in fiscal year 2021.

The GASB issued Statement No. 90, Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61. This standard becomes effective for the District in fiscal year 2020.

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

Note 16. Instructional Materials Allotment

In May 2011, Senate Rule 6 repealed the technology allotment used by Texas schools and created an instructional materials allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA, instructional materials purchases must be made through TEA's online registration system. Instructional materials totaling \$5,968,074 were purchased with the IMA and were recorded in a state special revenue fund as both revenue and expenditure.

Note 17. Subsequent Events

On September 23, 2019, the Board of Trustees approved issuance of the "Irving Independent School District Unlimited Tax Refunding Bonds, Series 2019", in the aggregated principal amount of \$42,020,000. Proceeds of this issuance were used to refund \$1,385,000 of Series 2009 Unlimited Tax School Building Bonds, \$1,380,000 of Series 2010A Unlimited Tax School Building Bonds, and \$40,000,000 of Series 2010B Unlimited Tax School Building Bonds.

Required Supplementary Information



Irving Independent School District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual - General Fund
 For the Year Ended August 31, 2019

Exhibit G-1

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
REVENUES					
5700	Local and Intermediate Sources	\$ 173,411,014	\$ 174,059,697	\$ 173,773,017	\$ (286,680)
5800	State Program Revenues	168,071,696	168,071,696	172,514,205	4,442,509
5900	Federal Program Revenues	5,965,518	5,965,518	9,771,459	3,805,941
5020	Total Revenues	<u>347,448,228</u>	<u>348,096,911</u>	<u>356,058,681</u>	<u>7,961,770</u>
EXPENDITURES					
Current:					
0010	Instruction and Instructional-Related Services:				
0011	Instruction	188,551,443	187,978,591	182,616,127	5,362,464
0012	Instructional Resources and Media Services	5,651,657	5,786,431	5,076,611	709,820
0013	Curriculum Development and Instructional Staff Development	4,764,145	5,801,333	4,794,162	1,007,171
	Total Instruction and Instructional-Related Services:	<u>198,967,245</u>	<u>199,566,355</u>	<u>192,486,900</u>	<u>7,079,455</u>
0020	Instructional and School Leadership:				
0021	Instructional Leadership	5,239,760	5,468,642	5,039,140	429,502
0023	School Leadership	20,384,665	21,095,396	19,927,818	1,167,578
	Total Instructional and School Leadership:	<u>25,624,425</u>	<u>26,564,038</u>	<u>24,966,958</u>	<u>1,597,080</u>
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	14,662,207	14,955,513	14,149,456	806,057
0032	Social Work Services	1,534,280	1,637,945	1,453,956	183,989
0033	Health Services	3,211,751	3,326,467	2,933,269	393,198
0034	Student (Pupil) Transportation	8,599,190	15,020,506	12,836,911	2,183,595
0035	Food Services	401,602	606,557	425,750	180,807
0036	Co-Curricular/Extracurricular Activities	6,180,503	6,775,761	6,211,822	563,939
	Total Support Services - Student (Pupil):	<u>34,589,533</u>	<u>42,322,749</u>	<u>38,011,164</u>	<u>4,311,585</u>
0040	Administrative Support Services:				
0041	General Administration	8,593,802	8,419,614	7,362,736	1,056,878
	Total Administrative Support Services:	<u>8,593,802</u>	<u>8,419,614</u>	<u>7,362,736</u>	<u>1,056,878</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	24,841,905	27,309,958	24,266,526	3,043,432
0052	Security and Monitoring Services	4,142,548	4,589,172	4,040,839	548,333
0053	Data Processing Services	8,010,644	7,271,276	6,921,027	350,249
	Total Support Services - Nonstudent Based:	<u>36,995,097</u>	<u>39,170,406</u>	<u>35,228,392</u>	<u>3,942,014</u>
0060	Ancillary Services:				
0061	Community Services	495,326	772,034	524,492	247,542
	Total Ancillary Services:	<u>495,326</u>	<u>772,034</u>	<u>524,492</u>	<u>247,542</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	12,270,564	11,965,340	7,124,931	4,840,409
	Total Capital Outlay:	<u>12,270,564</u>	<u>11,965,340</u>	<u>7,124,931</u>	<u>4,840,409</u>
0090	Intergovernmental Charges:				
0095	Payments to JJAEP	190,000	190,000	11,322	178,678
0097	Payments to TIF	15,097,910	16,600,000	15,380,261	1,219,739
0099	Intergovernmental Charges	625,457	625,457	624,457	1,000
	Total Intergovernmental Charges:	<u>15,913,367</u>	<u>17,415,457</u>	<u>16,016,040</u>	<u>1,399,417</u>
6030	Total Expenditures	<u>333,449,359</u>	<u>346,195,993</u>	<u>321,721,613</u>	<u>24,474,380</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>13,998,869</u>	<u>1,900,918</u>	<u>34,337,068</u>	<u>32,436,150</u>
OTHER FINANCING SOURCES (USES)					
7912	Proceeds from Sale of Fixed Assets	50,000	50,000	123,016	73,016
7915	Transfers In	65,000	306,757	705,935	399,178
8911	Transfers Out	(16,800,000)	(34,714,496)	(34,843,028)	(128,532)
	Total Other Financing Sources (Uses)	<u>(16,685,000)</u>	<u>(34,357,739)</u>	<u>(34,014,077)</u>	<u>343,662</u>
1200	Net Change in Fund Balances	(2,686,131)	(32,456,821)	322,991	32,779,812
0100	Fund Balance - September 1 (Beginning)	104,801,123	104,801,123	104,801,123	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 102,114,992</u>	<u>\$ 72,344,302</u>	<u>\$ 105,124,114</u>	<u>\$ 32,779,812</u>

See Notes to the Required Supplementary Information.

Irving Independent School District

Exhibit G-2

Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Food Service Fund
For The Year Ended August 31, 2019

DATA CONTROL CODES		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
REVENUES					
5700	Local and Intermediate Sources	\$ 2,862,000	\$ 2,862,000	\$ 3,055,992	\$ 193,992
5800	State Program Revenues	120,000	120,000	108,021	(11,979)
5900	Federal Program Revenues	20,075,895	20,075,895	19,317,791	(758,104)
5020	Total Revenues	<u>23,057,895</u>	<u>23,057,895</u>	<u>22,481,804</u>	<u>(576,091)</u>
EXPENDITURES					
Current:					
0030	Support Services - Student (Pupil):				
0035	Food Services	22,683,141	23,196,641	19,897,990	3,298,651
0036	Co-Curricular/Extracurricular Activities	706,965	193,465	8,752	184,713
	Total Support Services - Student (Pupil):	<u>23,390,106</u>	<u>23,390,106</u>	<u>19,906,742</u>	<u>3,483,364</u>
0050	Support Services - Nonstudent Based:				
0051	Plant Maintenance and Operations	650,000	650,000	693,865	(43,865)
	Total Support Services - Nonstudent Based:	<u>650,000</u>	<u>650,000</u>	<u>693,865</u>	<u>(43,865)</u>
0080	Capital Outlay:				
0081	Facilities Acquisition and Construction	2,000,000	3,584,000	3,063,972	520,028
	Total Capital Outlay:	<u>2,000,000</u>	<u>3,584,000</u>	<u>3,063,972</u>	<u>520,028</u>
6030	Total Expenditures	<u>26,040,106</u>	<u>27,624,106</u>	<u>23,664,579</u>	<u>3,959,527</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,982,211)</u>	<u>(4,566,211)</u>	<u>(1,182,775)</u>	<u>3,383,436</u>
1200	Net Change in Fund Balances	(2,982,211)	(4,566,211)	(1,182,775)	3,383,436
0100	Fund Balance - September 1 (Beginning)	6,652,000	6,652,000	6,652,000	-
3000	Fund Balance - August 31 (Ending)	<u><u>\$ 3,669,789</u></u>	<u><u>\$ 2,085,789</u></u>	<u><u>\$ 5,469,225</u></u>	<u><u>\$ 3,383,436</u></u>

See Notes to the Required Supplementary Information.

Irving Independent School District
 Schedule of the District's Proportionate
 Share of the Net Pension Liability of a Cost-
 Sharing Multiple-Employer Pension Plan - TRS
 For the Last Five Fiscal Years

Exhibit G-3

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.2284947%	0.2323111%	0.2260375%	0.2410883%	17.8244400%
District's Proportionate Share of Net Pension Liability	\$ 125,769,039	\$ 74,280,583	\$ 85,416,214	\$ 85,221,505	\$ 47,611,544
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>163,101,251</u>	<u>100,274,354</u>	<u>123,700,991</u>	<u>122,441,157</u>	<u>105,347,641</u>
Total	\$ 288,870,290	\$ 174,554,937	\$ 209,117,205	\$ 207,662,662	\$ 152,959,185
District's Covered Payroll	226,139,762	225,816,020	219,842,627	218,700,802	210,264,992
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	55.62%	32.89%	38.85%	38.97%	22.64%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	73.74%	82.17%	78.00%	78.43%	83.25%

Note: GASB 68,81.2,a requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2018 - the period from September 1, 2017 - August 31, 2018.

Note: Ten years of data is not available.

Irving Independent School District
 Schedule of the District's Contributions- TRS
 For the Last Five Fiscal Years

Exhibit G-4

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 5,500,632	\$ 5,412,795	\$ 5,272,151	\$ 5,816,323	\$ 5,760,719
Contribution in Relation to the Contractually Required Contribution	<u>(5,500,632)</u>	<u>(5,412,795)</u>	<u>(5,272,151)</u>	<u>(5,816,323)</u>	<u>(5,760,719)</u>
Contribution Deficiency (Excess)	-	-	-	-	-
District's Covered Payroll	226,131,194	226,139,762	225,816,020	219,842,627	218,700,802
Contributions as a percentage of Covered Employee Payroll	2.43%	2.39%	2.33%	2.65%	2.63%

Note: GASB 68, Paragraph 81.2.b. requires that the data in this schedule be presented as the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2017 - August 31, 2018.

Note: Ten years of data is not available.

Irving Independent School District
 Schedule of the District's Proportionate
 Share of the Net OPEB Liability of a Cost-
 Sharing Multiple-Employer OPEB Plan - TRS
 Last Two Fiscal Years

Exhibit G-5

	<u>2019</u>	<u>2018</u>
District's Proportion of the Net OPEB Liability	0.2748384%	0.2735990%
District's Proportionate Share of Net OPEB Liability	\$ 137,229,320	\$ 118,977,920
State's Proportionate Share of the Net OPEB Liability Associated with the District	<u>191,416,641</u>	<u>174,501,471</u>
Total	\$ 328,645,961	\$ 293,479,391
District's Covered Payroll	226,139,762	225,816,020
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	60.68%	52.69%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	1.57%	0.91%

Note: The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31, 2018. Ten years of data is not available.

Irving Independent School District
Schedule of the District's Contributions to the
OPEB Plan - TRS
Last Two Fiscal Years

Exhibit G-6

	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,895,974	\$ 1,901,915
Contribution in Relation to the Contractually Required Contribution	<u>(1,895,974)</u>	<u>(1,901,915)</u>
Contribution Deficiency (Excess)	-	-
District's Covered Payroll	226,131,194	226,139,762
Contributions as a percentage of Covered Employee Payroll	0.84%	0.84%

Note: The amounts presented for the fiscal year were determined as of the District's fiscal year end August 31, 2019. Ten years of data is not available.

Irving Independent School District

Notes to the Required Supplementary Information

Note 1. Budgetary Legal Compliance

A. Budgetary Information

The Official Budget was prepared for adoption prior to August 20, 2018 for all required Governmental Funds on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (see Note 1 (D) in the Notes to the Financial Statements). The budget is adopted by fund and function for expenditures and by fund and object for revenues. The appropriate department head or campus principal controls the budget. Therefore, management may transfer appropriations at the object level as necessary without the approval of the Board. The Board of Trustees maintains control within Fund Groups at the function code level for appropriations and object code level for revenues.

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

Should any change in the approved budget be required, budget amendment requests are presented to the Board of Trustees for consideration. Amendments are made before the fact and, once approved, are reflected in the official minutes. During the year, the budget was properly amended in accordance with the above procedures. The Board of Trustees approved the final amendment on August 26, 2019.



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, 2019

Exhibit H-1

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	LOCAL SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
ASSETS					
1110	Cash and Temporary Investment Receivables:	\$ 28,555	\$ 168,703	\$ 101,730	\$ 298,988
1240	Due from Other Governments	2,051,293	-	-	2,051,293
1290	Other Receivables	121	-	-	121
1000	TOTAL ASSETS	<u>\$ 2,079,969</u>	<u>\$ 168,703</u>	<u>\$ 101,730</u>	<u>\$ 2,350,402</u>
LIABILITIES					
2110	Accounts Payable	\$ 73,366	\$ -	\$ 2,497	\$ 75,863
2170	Due to Other Funds	1,961,727	63	-	1,961,790
2300	Unearned Revenue	47,890	143,054	67,208	258,152
2000	TOTAL LIABILITIES	<u>2,082,983</u>	<u>143,117</u>	<u>69,705</u>	<u>2,295,805</u>
FUND BALANCE					
	Restricted	-	25,586	32,025	57,611
	Unrestricted	(3,014)	-	-	(3,014)
3000	TOTAL FUND BALANCE	<u>(3,014)</u>	<u>25,586</u>	<u>32,025</u>	<u>54,597</u>
4000	TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,079,969</u>	<u>\$ 168,703</u>	<u>\$ 101,730</u>	<u>\$ 2,350,402</u>

Irving Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended August 31, 2019

Exhibit H-2

DATA CONTROL CODES		FEDERAL SPECIAL REVENUE	STATE SPECIAL REVENUE	LOCAL SPECIAL REVENUE	TOTALS NONMAJOR GOVERNMENTAL FUNDS
REVENUES					
5700	Local and Intermediate Sources	\$ -	\$ 483,943	\$ 72,216	\$ 556,159
5800	State Program Revenues	-	916,495	-	916,495
5900	Federal Program Revenues	18,632,698	-	-	18,632,698
5020	Total Revenues	<u>18,632,698</u>	<u>1,400,438</u>	<u>72,216</u>	<u>20,105,352</u>
EXPENDITURES					
Current:					
0010	Instruction and Instructional-Related Services:				
0011	Instruction	10,881,221	1,253,522	51,856	12,186,599
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum Development and Instructional Staff Development	4,263,031	8,965	-	4,271,996
	Total Instruction and Instructional-Related Services:	<u>15,144,252</u>	<u>1,262,487</u>	<u>51,856</u>	<u>16,458,595</u>
0020	Instructional and School Leadership:				
0021	Instructional Leadership	365,434	122,916	-	488,350
	Total Instructional and School Leadership:	<u>365,434</u>	<u>122,916</u>	<u>-</u>	<u>488,350</u>
0030	Support Services - Student (Pupil):				
0031	Guidance, Counseling, and Evaluation Services	1,339,369	-	4,632	1,344,001
0032	Social Work Services	74,512	-	-	74,512
0033	Health Services	257,337	-	-	257,337
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	16,853	16,853
0036	Co-Curricular/Extracurricular Activities	-	-	-	-
	Total Support Services - Student (Pupil):	<u>1,671,218</u>	<u>-</u>	<u>21,485</u>	<u>1,692,703</u>
0040	Administrative Support Services:				
0041	General Administration	57,938	-	-	57,938
	Total Administrative Support Services:	<u>57,938</u>	<u>-</u>	<u>-</u>	<u>57,938</u>
0050	Support Services - Nonstudent Based:				
0053	Data Processing Services	57,731	-	-	57,731
	Total Support Services - Nonstudent Based:	<u>57,731</u>	<u>-</u>	<u>-</u>	<u>57,731</u>
0060	Ancillary Services:				
0061	Community Services	1,336,125	18,339	-	1,354,464
	Total Ancillary Services:	<u>1,336,125</u>	<u>18,339</u>	<u>-</u>	<u>1,354,464</u>
6030	Total Expenditures	<u>18,632,698</u>	<u>1,403,742</u>	<u>73,341</u>	<u>20,109,781</u>
1100	Deficiency of Revenues Under Expenditures	-	(3,304)	(1,125)	(4,429)
OTHER FINANCING SOURCES					
8911	Transfers out	-	-	-	-
1200	Net Change in Fund Balances	-	(3,304)	(1,125)	(4,429)
0100	Fund Balance - September 1 (Beginning)	(3,014)	28,890	33,150	59,026
	Fund Balance - August 31 (Ending)	<u>\$ (3,014)</u>	<u>\$ 25,586</u>	<u>\$ 32,025</u>	<u>\$ 54,597</u>

Internal Service Funds

Irving Independent School District
Combining Statement of Net Position
Internal Service Funds
August 31, 2019

<u>DATA CONTROL CODES</u>		<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT</u>
	ASSETS		
	Current Assets:		
1110	Cash and Temporary Investments	\$ 1,414,237	\$ 127,016
1310	Inventories, at Cost	-	-
	Total Current Assets	<u>1,414,237</u>	<u>127,016</u>
1000	Total Assets	<u>1,414,237</u>	<u>127,016</u>
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	1,467	-
2170	Due to Other Funds	-	-
2800	Claims Due Within One Year	<u>262,358</u>	<u>-</u>
	Total Current Liabilities	<u>263,825</u>	<u>-</u>
	Noncurrent Liabilities:		
	Claims Due In More Than One Year	<u>540,341</u>	<u>-</u>
	Total Long-Term Liabilities	<u>540,341</u>	<u>-</u>
2000	Total Liabilities	<u>804,166</u>	<u>-</u>
	NET POSITION		
3900	Unrestricted Net Position	<u>610,071</u>	<u>127,016</u>
3000	TOTAL NET POSITION	<u>\$ 610,071</u>	<u>\$ 127,016</u>

SCIENCE KIT REFURBISHMENT	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 166,144	\$ -	\$ 1,707,397
111,900	36,274	148,174
<u>278,044</u>	<u>36,274</u>	<u>1,855,571</u>
278,044	36,274	1,855,571
34,706	-	36,173
-	2,536	2,536
-	-	262,358
<u>34,706</u>	<u>2,536</u>	<u>301,067</u>
-	-	540,341
-	-	540,341
34,706	2,536	841,408
243,338	33,738	1,014,163
<u>\$ 243,338</u>	<u>\$ 33,738</u>	<u>\$ 1,014,163</u>

Irving Independent School District
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Year Ended August 31, 2019

DATA CONTROL CODES		WORKERS' COMPENSATION	UNEMPLOYMENT
OPERATING REVENUES			
5700	Charges for Services	\$ 1,186,667	\$ 10,784
5020	Total Operating Revenues	<u>1,186,667</u>	<u>10,784</u>
OPERATING EXPENSES			
6100	Payroll Costs	147,073	37,296
6200	Professional/Contracted Services	40,953	-
6300	Supplies and Materials	22,168	31
6400	Claims, Administration, and Other Expenses	<u>817,975</u>	<u>41,481</u>
6030	Total Operating Expenses	<u>1,028,169</u>	<u>78,808</u>
	Operating Income (Loss)	158,498	(68,024)
NONOPERATING REVENUES			
7955	Interest Income	<u>50,493</u>	<u>-</u>
		208,991	(68,024)
CHANGE IN NET POSITION			
0100	Total Net Position - September 1 (Beg.)	<u>401,080</u>	<u>195,040</u>
3000	Total Net Position - August 31 (Ending)	<u><u>\$ 610,071</u></u>	<u><u>\$ 127,016</u></u>

SCIENCE KIT REFURBISHMENT	PRINT SHOP	TOTALS INTERNAL SERVICE FUNDS
\$ 427,464	\$ 117,809	\$ 1,742,724
427,464	117,809	1,742,724
178,795	-	363,164
-	122,835	163,788
300,961	(6,357)	316,803
458	-	859,914
480,214	116,478	1,703,669
(52,750)	1,331	39,055
-	-	50,493
(52,750)	1,331	89,548
296,088	32,407	924,615
<u>\$ 243,338</u>	<u>\$ 33,738</u>	<u>\$ 1,014,163</u>

Irving Independent School District
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended August 31, 2019

	<u>WORKERS'</u> <u>COMPENSATION</u>	<u>UNEMPLOYMENT</u>
Cash Flows from Operating Activities:		
Cash Received for Premiums and Services	\$ 1,186,667	\$ 10,784
Cash Paid to Employees	(147,073)	(37,296)
Cash Paid for Claims, Administration, and Other Costs	(871,195)	(41,512)
	<u>168,399</u>	<u>(68,024)</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows from Investing Activities:		
Interest Received	50,493	-
	<u>50,493</u>	<u>-</u>
Net Cash Provided by Investing Activities		
	50,493	-
Net Increase (Decrease) in Cash & Cash Equivalents	218,892	(68,024)
Cash and Cash Equivalents at Beginning of the Year	1,195,345	195,040
	<u>1,195,345</u>	<u>195,040</u>
Cash and Cash Equivalents at End of the Year	<u><u>\$ 1,414,237</u></u>	<u><u>\$ 127,016</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating Income (Loss)	\$ 158,498	\$ (68,024)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Decrease (Increase) in Inventories	-	-
Increase in Accounts Payable	1,271	-
Increase in Due to Other Funds	-	-
Increase in Long-term Claims Reserve	8,630	-
	<u>9,901</u>	<u>-</u>
Total Adjustments		
	9,901	-
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 168,399</u></u>	<u><u>\$ (68,024)</u></u>

<u>SCIENCE KIT REFURBISHMENT</u>	<u>PRINT SHOP</u>	<u>TOTALS INTERNAL SERVICE FUNDS</u>
\$ 427,464	\$ 117,809	\$ 1,742,724
(178,795)	-	(363,164)
(262,828)	(142,046)	(1,317,581)
<u>(14,159)</u>	<u>(24,237)</u>	<u>61,979</u>
-	-	50,493
-	-	50,493
(14,159)	(24,237)	112,472
180,303	24,237	1,594,925
<u>\$ 166,144</u>	<u>\$ -</u>	<u>\$ 1,707,397</u>
\$ (52,750)	\$ 1,331	\$ 39,055
9,572	(28,104)	(18,532)
29,019	-	30,290
-	2,536	2,536
-	-	8,630
<u>38,591</u>	<u>(25,568)</u>	<u>22,924</u>
<u>\$ (14,159)</u>	<u>\$ (24,237)</u>	<u>\$ 61,979</u>



Fiduciary Funds



Irving Independent School District

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

August 31, 2019

Exhibit H-6

	STUDENT ACTIVITY FUNDS	FLEXIBLE BENEFITS	TOTALS AGENCY FUNDS
ASSETS			
Cash and Temporary Investments	\$ 621,836	\$ 74,840	\$ 696,676
TOTAL ASSETS	<u>\$ 621,836</u>	<u>\$ 74,840</u>	<u>\$ 696,676</u>
LIABILITIES			
Accounts Payable	\$ 52,916	\$ 74,840	\$ 127,756
Due to Student Groups	568,920	-	568,920
TOTAL LIABILITIES	<u>\$ 621,836</u>	<u>\$ 74,840</u>	<u>\$ 696,676</u>

Irving Independent School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended August 31, 2019

Exhibit H-7

	BALANCE			BALANCE
	9/1/2018	ADDITIONS	DELETIONS	8/31/2019
STUDENT ACTIVITIES:				
Assets:				
Cash and Temporary Investments	\$ 612,222	\$ 1,818,082	\$ 1,808,468	\$ 621,836
Total Assets	<u>\$ 612,222</u>	<u>\$ 1,818,082</u>	<u>\$ 1,808,468</u>	<u>\$ 621,836</u>
Liabilities:				
Accounts Payable	\$ 53,253	\$ 2,399,498	\$ 2,399,835	\$ 52,916
Due to Student Groups	558,969	1,934,591	1,924,640	568,920
Total Liabilities	<u>\$ 612,222</u>	<u>\$ 4,334,089</u>	<u>\$ 4,324,475</u>	<u>\$ 621,836</u>
FLEXIBLE BENEFITS:				
Assets:				
Cash and Temporary Investments	\$ 117,832	\$ 976,910	\$ 1,019,902	\$ 74,840
Total Assets	<u>\$ 117,832</u>	<u>\$ 976,910</u>	<u>\$ 1,019,902</u>	<u>\$ 74,840</u>
Liabilities:				
Accounts Payable	\$ 117,832	\$ 1,997,106	\$ 2,040,098	\$ 74,840
Total Liabilities	<u>\$ 117,832</u>	<u>\$ 1,997,106</u>	<u>\$ 2,040,098</u>	<u>\$ 74,840</u>
TOTAL AGENCY FUNDS:				
Assets:				
Cash and Temporary Investments	\$ 730,054	\$ 2,794,992	\$ 2,828,370	\$ 696,676
Total Assets	<u>\$ 730,054</u>	<u>\$ 2,794,992</u>	<u>\$ 2,828,370</u>	<u>\$ 696,676</u>
Liabilities:				
Accounts Payable	\$ 171,085	\$ 4,396,604	\$ 4,439,933	\$ 127,756
Due to Student Groups	558,969	1,934,591	1,924,640	568,920
Total Liabilities	<u>\$ 730,054</u>	<u>\$ 6,331,195</u>	<u>\$ 6,364,573</u>	<u>\$ 696,676</u>

Required T.E.A. Schedules

Irving Independent School District
 Schedule of Delinquent Taxes Receivable
 For the Year Ended August 31, 2019

Last Ten Years			3
Tax Roll			Assessed/
Fiscal Year Ending		Interest &	Appraised Value for
August 31	Operations	Sinking	School Tax
2010 & Prior Years	Various	Various	Various
2011	1.0400	0.4250	9,162,488,657
2012	1.0400	0.4250	8,971,398,639
2013	1.0400	0.4250	9,095,092,708
2014	1.0400	0.4250	9,423,271,055
2015	1.0400	0.3950	9,875,806,062
2016	1.0400	0.4050	10,428,027,790
2017	1.7000	0.2750	11,457,829,623
2018	1.1700	0.2614	12,120,027,696
2019	1.1700	0.2311	13,358,205,288 *
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 \$4,630,806.

* Source: 2019 School District Report of Property Value (Includes all Supplements and Litigated Accounts).

10	20	30	30a	40	50
Beginning	Current	Maintenance	Debt Service	Fiscal	Ending
Balance	Year's	Total	Total	Year's	Balance
9/1/2018	Total Levy	Collections	Collections	Adjustment	8/31/2019
\$ 1,252,861	\$ -	\$ 100,377	\$ 25,996	\$ (94,377)	\$ 1,032,111
203,081	-	22,542	9,212	(6,430)	164,897
250,254	-	22,146	9,050	(19,818)	199,240
280,717	-	24,212	9,894	(16,388)	230,223
526,470	-	29,933	12,232	(27,108)	457,197
719,615	-	43,022	16,340	(85,081)	575,172
858,137	-	64,845	25,252	(1,300)	766,740
1,136,813	-	132,999	31,260	(107,329)	865,225
2,010,913	-	27,513	6,148	(647,873)	1,329,379
-	183,611,141	150,534,790	29,733,839	(1,080,133)	2,262,379
<u>\$ 7,238,861</u>	<u>\$ 183,611,141</u>	<u>\$ 151,002,379</u>	<u>\$ 29,879,223</u>	<u>\$ (2,085,837)</u>	<u>\$ 7,882,563</u>

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 8/31/19:

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

Irving Independent School District

Exhibit J-2

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Debt Service Fund
For the Year Ended August 31, 2019

Data Control Codes		Original Budget	Final Amended Budget	Fiscal Year Actual	Variance Positive or (Negative)
REVENUES					
5700	Local and Intermediate Sources	\$ 27,848,230	\$ 27,848,230	\$ 28,079,531	\$ 231,301
5800	State Program Revenues	1,393,793	1,393,793	2,361,280	967,487
5020	Total Revenues	<u>29,242,023</u>	<u>29,242,023</u>	<u>30,440,811</u>	<u>1,198,788</u>
EXPENDITURES					
0070	Debt Service:				
0071	Principal	28,720,000	28,720,000	28,720,000	-
0072	Interest and Charges on Long-Term Debt	17,854,470	17,854,470	17,854,470	-
0073	Bond Issue Costs and Fees	300,000	300,000	14,550	285,450
	Total Debt Services	<u>46,874,470</u>	<u>46,874,470</u>	<u>46,589,020</u>	<u>285,450</u>
6030	Total Expenditures	<u>46,874,470</u>	<u>46,874,470</u>	<u>46,589,020</u>	<u>285,450</u>
1100	Excess (Deficiency) of Revenues Over (under) Expenditures	<u>(17,632,447)</u>	<u>(17,632,447)</u>	<u>(16,148,209)</u>	<u>1,484,238</u>
OTHER FINANCING SOURCES (USES)					
7915	Transfers In	16,800,000	26,968,496	26,968,496	-
	Total Other Financing Sources and (Uses)	<u>16,800,000</u>	<u>26,968,496</u>	<u>26,968,496</u>	<u>-</u>
1200	Net Change in Fund Balances	(832,447)	9,336,049	10,820,287	1,484,238
0100	Fund Balance - September 1 (Beginning)	5,751,972	5,751,972	5,751,972	-
3000	Fund Balance - August 31 (Ending)	<u>\$ 4,919,525</u>	<u>\$ 15,088,021</u>	<u>\$ 16,572,259</u>	<u>\$ 1,484,238</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	Exhibits
Financial Trends Information These schedules contain trend information intended to help the reader understand how the district's financial position has changed over time.	S1 – S7
Revenue Capacity Information These schedules contain information intended to help the reader assess the district's most significant revenue source, state tax collections.	S8 – S12
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.	S13 – S15
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.	S16 – S18
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.	S19 – S20

Irving Independent School District

Net Position By Component
Last Ten Fiscal Years (Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$ 3,431,449	\$ 4,933,936	\$ 30,022,606	\$ 33,082,682
Restricted				
Food Service	7,398,104	6,710,687	9,102,534	8,548,803
Debt Service	3,899,725	4,549,566	12,602,461	9,270,928
Unrestricted	36,876,813	35,907,568	15,693,677	27,784,480
Total governmental net position	<u>\$ 51,606,091</u>	<u>\$ 52,101,757</u>	<u>\$ 67,421,278</u>	<u>\$ 78,686,893</u>
Business-Type activities				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Total Business-Type net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government				
Net investment in capital assets	\$ 3,431,449	\$ 4,933,936	\$ 30,022,606	\$ 33,082,682
Restricted				
Food Service	7,398,104	6,710,687	9,102,534	8,548,803
Debt Service	3,899,725	4,549,566	12,602,461	9,270,928
Unrestricted	36,876,813	35,907,568	15,693,677	27,784,480
Total primary government	<u>\$ 51,606,091</u>	<u>\$ 52,101,757</u>	<u>\$ 67,421,278</u>	<u>\$ 78,686,893</u>

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

Fiscal Year					
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 34,787,416	\$ 32,289,637	\$ 32,387,346	\$ 49,947,282	\$ 76,698,608	\$ 89,114,218
5,840,117	5,434,057	6,190,761	6,926,005	6,687,877	5,722,247
11,811,520	10,505,814	4,202,628	4,239,051	4,792,224	16,675,173
25,431,713	(482,474)	19,157,439	32,925,745	(134,227,899)	(127,105,683)
<u>\$ 77,870,766</u>	<u>\$ 47,747,034</u>	<u>\$ 61,938,174</u>	<u>\$ 94,038,083</u>	<u>\$ (46,049,190)</u>	<u>\$ (15,594,045)</u>
\$ -	\$ -	\$ -	\$ (48,721)	\$ (182,385)	\$ -
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (48,721)</u>	<u>\$ (182,385)</u>	<u>\$ -</u>
\$ 34,787,416	\$ 32,289,637	\$ 32,387,346	\$ 49,947,282	\$ 76,698,608	\$ 89,114,218
5,840,117	5,434,057	6,190,761	6,926,005	6,687,877	5,722,247
11,811,520	10,505,814	4,202,628	4,239,051	4,792,224	16,675,173
25,431,713	(482,474)	19,157,439	32,877,024	(134,410,284)	(127,105,683)
<u>\$ 77,870,766</u>	<u>\$ 47,747,034</u>	<u>\$ 61,938,174</u>	<u>\$ 93,989,362</u>	<u>\$ (46,231,575)</u>	<u>\$ (15,594,045)</u>

Irving Independent School District

Expenses, Program Revenues, And Net (Expense)/Revenue

Last Ten Fiscal Years (Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenses				
Governmental activities				
Instruction	\$ 202,902,605	\$ 202,027,719	\$ 190,308,817	\$ 188,974,526
Instructional resources and media services	5,268,387	5,395,741	5,448,807	5,595,410
Curriculum and staff development services	5,052,148	5,230,001	4,751,709	6,703,099
Instructional leadership	5,767,304	5,302,420	5,624,822	5,311,012
School leadership	19,227,696	19,274,337	17,229,739	17,688,291
Guidance, counseling, & evaluation services	14,526,771	14,456,133	13,715,505	14,731,022
Social work services	421,492	452,483	422,845	452,558
Health services	2,668,537	2,677,435	2,652,074	2,728,362
Student transportation	3,894,410	4,462,792	4,086,234	4,600,440
Food Service	16,353,277	17,047,841	17,531,841	19,032,015
Extracurricular activities	5,244,068	6,243,463	6,270,809	6,338,475
General administration	7,239,959	7,248,095	7,199,150	7,559,425
Plant maintenance and operations	22,197,037	21,587,242	22,012,072	21,523,347
Security and monitoring services	2,835,972	2,849,399	2,905,808	2,998,649
Data processing services	3,369,105	3,549,859	3,893,178	3,888,670
Community services	1,336,533	1,246,312	1,195,296	1,839,893
Interest on long-term debt	27,919,340	28,495,578	28,718,685	27,340,450
Facilities acquisition/construction	3,450	-	3,974	2,559
Intergovernmental charges	91,036	64,752	86,526	56,430
Payments to TIF	1,414,723	1,010,907	1,742,264	3,100,836
Other Intergovernmental Charges	535,803	531,534	519,552	520,707
Total governmental activities expenses	<u>348,269,653</u>	<u>349,154,043</u>	<u>336,319,707</u>	<u>340,986,176</u>
Business-Type activities				
Vending	\$ -	\$ -	\$ -	\$ -
Total business-type activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government expenses	<u>\$ 348,269,653</u>	<u>\$ 349,154,043</u>	<u>\$ 336,319,707</u>	<u>\$ 340,986,176</u>
Program Revenues				
Governmental activities				
Charges for services				
Instruction	\$ 592,479	\$ 543,735	\$ 516,091	\$ 440,510
Food service	2,751,056	2,508,940	2,971,813	3,131,771
Extracurricular activities	1,422,835	1,413,786	1,427,241	1,381,483
Plant maintenance and operations	212,710	177,518	731,666	2,045,158
Operating grants and contributions	72,112,849	74,113,382	57,192,756	48,772,209
Total governmental activities revenues	<u>\$ 77,091,929</u>	<u>\$ 78,757,361</u>	<u>\$ 62,839,567</u>	<u>\$ 55,771,131</u>
Business-Type activities				
Charges for services				
Vending	\$ -	\$ -	\$ -	\$ -
Total business-type activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total primary government revenues	<u>\$ 77,091,929</u>	<u>\$ 78,757,361</u>	<u>\$ 62,839,567</u>	<u>\$ 55,771,131</u>

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

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 209,800,052	\$ 211,808,998	\$ 217,338,877	\$ 224,360,321	\$ 155,169,170	\$ 237,621,653
5,915,181	5,488,376	6,368,683	6,581,856	7,625,079	6,293,049
8,471,201	9,135,362	8,217,047	9,400,847	7,027,424	10,023,173
5,112,718	4,577,973	5,027,383	5,654,331	3,800,568	6,218,861
19,926,467	20,401,286	21,467,618	22,393,869	14,444,144	23,225,973
15,040,908	15,721,776	17,071,237	17,081,638	11,411,772	17,879,474
584,649	1,576,516	1,556,815	1,728,065	1,022,686	1,719,611
2,814,171	3,001,895	3,294,065	3,403,554	2,317,808	3,711,880
6,354,947	5,267,894	6,032,429	7,009,837	6,857,230	10,376,215
19,309,738	19,738,827	21,381,006	22,262,789	18,844,875	22,592,999
6,559,814	6,538,184	6,986,735	7,151,176	5,866,123	7,372,719
8,104,538	7,122,438	7,791,108	7,939,216	5,431,463	8,335,489
21,912,291	22,191,155	23,796,087	25,112,397	23,008,223	28,772,770
3,182,215	3,130,271	3,467,941	3,551,287	3,030,946	4,237,373
4,261,484	4,031,182	4,254,484	4,868,754	4,606,508	7,528,670
1,818,555	1,724,124	2,323,519	2,144,097	1,411,289	2,057,946
26,343,364	20,023,429	20,103,591	16,096,943	13,029,722	13,689,128
10,703	71,682	92,834	122,425	475,180	589,580
116,850	173,772	15,882	42,900	21,162	11,322
2,182,197	6,465,553	8,945,883	11,010,364	13,382,139	15,380,261
534,086	538,945	568,476	583,498	599,317	624,457
<u>368,356,129</u>	<u>368,729,638</u>	<u>386,101,700</u>	<u>398,500,164</u>	<u>299,382,828</u>	<u>428,262,603</u>
\$ -	\$ -	\$ -	\$ 476,486	\$ 453,958	\$ 261,306
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,486</u>	<u>\$ 453,958</u>	<u>\$ 261,306</u>
<u>\$ 368,356,129</u>	<u>\$ 368,729,638</u>	<u>\$ 386,101,700</u>	<u>\$ 398,976,650</u>	<u>\$ 299,836,786</u>	<u>\$ 428,523,909</u>
\$ 425,016	360,438	242,247	572,448	651,901	484,781
3,284,981	3,110,102	3,136,952	2,782,044	2,565,563	2,640,984
1,421,847	1,814,044	1,861,280	1,885,027	1,855,358	1,633,941
231,145	388,564	466,364	331,195	383,429	217,283
51,231,188	57,542,541	62,385,043	75,499,383	7,052,625	92,963,084
<u>\$ 56,594,177</u>	<u>\$ 63,215,689</u>	<u>\$ 68,091,886</u>	<u>\$ 81,070,097</u>	<u>\$ 12,508,876</u>	<u>\$ 97,940,073</u>
\$ -	\$ -	\$ -	\$ 321,361	\$ 320,294	\$ 235,159
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,361</u>	<u>\$ 320,294</u>	<u>\$ 235,159</u>
<u>\$ 56,594,177</u>	<u>\$ 63,215,689</u>	<u>\$ 68,091,886</u>	<u>\$ 81,391,458</u>	<u>\$ 12,829,170</u>	<u>\$ 98,175,232</u>

Irving Independent School District
 General Revenues and Changes In Net Position
 Last Ten Fiscal Years (Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Net (Expense)/Revenue				
Governmental activities	\$ (271,177,724)	\$ (270,396,682)	\$ (273,480,140)	\$ (285,215,045)
Business-Type activities	-	-	-	-
Total primary government expenses	<u>\$ (271,177,724)</u>	<u>\$ (270,396,682)</u>	<u>\$ (273,480,140)</u>	<u>\$ (285,215,045)</u>
General Revenues				
Governmental activities				
Taxes				
Property taxes levied for general purposes	\$ 93,248,521	\$ 90,847,221	\$ 89,463,642	\$ 89,907,666
Property taxes levied for debt service	37,025,527	37,126,703	36,363,206	36,708,071
State Aid Formula Grants	129,868,903	139,197,880	157,790,019	165,468,694
Investment earnings	1,870,376	871,377	692,064	410,848
Miscellaneous	2,074,380	2,849,167	4,490,730	3,985,381
Special item	-	-	-	-
Transfers	-	-	-	-
Total governmental activities	<u>264,087,707</u>	<u>270,892,348</u>	<u>288,799,661</u>	<u>296,480,660</u>
Business-Type activities				
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>264,087,707</u>	<u>270,892,348</u>	<u>288,799,661</u>	<u>296,480,660</u>
Change in Net Position				
Governmental activities	\$ (7,090,017)	\$ 495,666	\$ 15,319,521	\$ 11,265,615
Business-type activities	-	-	-	-
Total primary government	<u>\$ (7,090,017)</u>	<u>\$ 495,666</u>	<u>\$ 15,319,521</u>	<u>\$ 11,265,615</u>

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

Fiscal Year					
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ (311,761,952)	\$ (305,513,949)	\$ (318,009,814)	\$ (317,430,067)	\$ (286,873,952)	\$ (330,322,530)
-	-	-	(155,125)	(133,664)	(26,147)
<u>\$ (311,761,952)</u>	<u>\$ (305,513,949)</u>	<u>\$ (318,009,814)</u>	<u>\$ (317,585,192)</u>	<u>\$ (287,007,616)</u>	<u>\$ (330,348,677)</u>
\$ 91,269,145	\$ 96,135,459	\$ 100,440,711	\$ 122,229,287	\$ 127,929,303	\$ 141,267,808
37,578,332	36,447,373	38,749,543	28,770,790	28,367,128	27,771,138
184,171,041	187,211,926	184,411,595	187,453,054	175,530,606	174,875,485
254,184	285,316	832,337	1,612,463	3,016,736	4,769,472
2,693,365	9,254,222	7,766,768	9,570,786	13,846,942	12,302,304
-	-	-	-	6,268,735	-
-	-	-	(106,404)	-	(208,532)
<u>315,966,067</u>	<u>329,334,296</u>	<u>332,200,954</u>	<u>349,529,976</u>	<u>354,959,450</u>	<u>360,777,675</u>
-	-	-	106,404	-	208,532
-	-	-	106,404	-	208,532
<u>315,966,067</u>	<u>329,334,296</u>	<u>332,200,954</u>	<u>349,636,380</u>	<u>354,959,450</u>	<u>360,986,207</u>
\$ 4,204,115	\$ 23,820,347	\$ 14,191,140	\$ 32,099,909	\$ 68,085,498	\$ 30,455,145
-	-	-	(48,721)	(133,664)	182,385
<u>\$ 4,204,115</u>	<u>\$ 23,820,347</u>	<u>\$ 14,191,140</u>	<u>\$ 32,051,188</u>	<u>\$ 67,951,834</u>	<u>\$ 30,637,530</u>

Irving Independent School District
Fund Balances – Governmental Funds
Last Ten Fiscal Years (Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Reserved and designated	\$ 8,703,587	\$ -	\$ -	\$ -
Nonspendable	-	1,058,731	772,985	1,286,199
Assigned	-	7,744,340	3,374,022	6,310,707
Unassigned	-	70,614,294	81,320,437	89,241,873
Unreserved	68,382,436	-	-	-
Total general fund	<u>\$ 77,086,023</u>	<u>\$ 79,417,365</u>	<u>\$ 85,467,444</u>	<u>\$ 96,838,779</u>
All Other Governmental Funds				
Reserved				
Special revenue funds	\$ 7,424,091	\$ -	\$ -	\$ -
Debt service fund	14,620,052	-	-	-
Capital projects fund	112,060,012	-	-	-
Nonspendable	-	193,802	262,320	113,409
Restricted	-	86,014,879	82,214,192	49,865,661
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 134,104,155</u>	<u>\$ 86,208,681</u>	<u>\$ 82,476,512</u>	<u>\$ 49,979,070</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,351,036	976,874	1,207,087	1,249,468	738,981	706,024
5,919,083	17,091,518	9,696,748	3,402,196	2,959,931	3,024,775
91,248,384	89,501,266	92,208,290	109,226,931	101,102,211	101,393,315
-	-	-	-	-	-
<u>\$ 98,518,503</u>	<u>\$ 107,569,658</u>	<u>\$ 103,112,125</u>	<u>\$ 113,878,595</u>	<u>\$ 104,801,123</u>	<u>\$ 105,124,114</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
183,405	268,747	283,454	79,029	301,724	203,880
38,826,806	33,001,787	20,287,005	18,846,703	12,171,275	22,122,651
-	-	-	-	21,148,829	9,661,547
-	-	-	-	(3,014)	(3,014)
<u>\$ 39,010,211</u>	<u>\$ 33,270,534</u>	<u>\$ 20,570,459</u>	<u>\$ 18,925,732</u>	<u>\$ 33,618,814</u>	<u>\$ 31,985,064</u>

Irving Independent School District

Governmental Funds Revenues¹

Last Ten Fiscal Years (Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Federal sources:				
Federal grants	\$ 47,734,756	\$ 49,796,037	\$ 29,463,107	\$ 23,543,714
Food service	15,454,652	15,802,248	18,062,634	18,417,218
Capital projects	-	753,747	786,518	752,305
Total federal sources	<u>63,189,408</u>	<u>66,352,032</u>	<u>48,312,259</u>	<u>42,713,237</u>
State sources:				
State grants and other	130,813,857	137,449,208	153,759,838	157,474,464
Food service	112,830	110,412	113,286	116,578
Debt service	5,903,142	7,755,173	10,610,150	10,197,164
Total state sources	<u>136,829,829</u>	<u>145,314,793</u>	<u>164,483,274</u>	<u>167,788,206</u>
Local sources:				
Local & intermediate sources	99,594,423	97,155,289	96,477,576	99,972,999
Food service	2,760,323	2,515,749	2,977,172	3,136,942
Debt service	37,001,854	37,324,470	36,405,272	36,744,653
Capital projects	868,130	1,093,328	648,793	121,990
Total local sources	<u>140,224,730</u>	<u>138,088,836</u>	<u>136,508,813</u>	<u>139,976,584</u>
Total revenues	<u>\$ 340,243,967</u>	<u>\$ 349,755,661</u>	<u>\$ 349,304,346</u>	<u>\$ 350,478,027</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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 22,794,674	\$ 24,456,450	\$ 27,010,564	\$ 27,194,891	\$ 22,754,974	\$ 28,404,157
18,888,553	19,241,145	19,662,942	19,972,952	19,519,459	19,317,791
729,889	729,102	-	-	-	-
<u>42,413,116</u>	<u>44,426,697</u>	<u>46,673,506</u>	<u>47,167,843</u>	<u>42,274,433</u>	<u>47,721,948</u>
178,517,736	182,775,755	177,764,921	184,875,873	174,183,511	179,619,223
119,653	119,678	140,759	119,779	120,605	108,021
12,008,997	10,203,552	8,106,227	5,898,837	2,557,992	2,361,280
<u>190,646,386</u>	<u>193,098,985</u>	<u>186,011,907</u>	<u>190,894,489</u>	<u>176,862,108</u>	<u>182,088,524</u>
100,004,325	112,277,764	120,590,560	148,042,048	160,412,398	174,329,176
3,286,672	3,112,454	3,150,051	2,813,945	2,667,739	3,055,992
37,613,336	36,478,013	38,831,336	28,920,869	28,450,971	28,079,531
36,458	20,001	58,264	126,741	223,268	-
<u>140,940,791</u>	<u>151,888,232</u>	<u>162,630,211</u>	<u>179,903,603</u>	<u>191,754,376</u>	<u>205,464,699</u>
<u>\$ 374,000,293</u>	<u>\$ 389,413,914</u>	<u>\$ 395,315,624</u>	<u>\$ 417,965,935</u>	<u>\$ 410,890,917</u>	<u>\$ 435,275,171</u>

Irving Independent School District

Governmental Funds Expenditures and Debt Service Ratio¹

Last Ten Fiscal Years (Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Expenditures				
Governmental funds				
11 Instruction	\$ 189,864,948	\$ 191,968,597	\$ 177,857,532	\$ 182,329,142
12 Instructional resources & media services	5,024,943	5,436,238	5,245,765	5,307,001
13 Curriculum & staff development services	5,021,634	5,217,049	4,739,378	6,689,081
Total function 10	<u>199,911,525</u>	<u>202,621,884</u>	<u>187,842,675</u>	<u>194,325,224</u>
21 Instructional leadership	5,816,865	5,206,067	5,539,881	5,232,228
23 School leadership	18,574,959	18,701,894	16,381,301	16,804,379
Total function 20	<u>24,391,824</u>	<u>23,907,961</u>	<u>21,921,182</u>	<u>22,036,607</u>
31 Guidance, counseling, & evaluation services	13,941,149	13,956,223	13,123,326	14,117,350
32 Social work services	421,492	454,168	423,082	452,578
33 Health services	2,541,463	2,575,673	2,530,773	2,599,288
34 Student transportation	4,649,537	4,486,050	4,059,063	4,573,269
35 Food service	17,820,690	16,983,540	16,798,404	18,185,254
36 Extracurricular activities	4,786,651	5,912,532	5,807,666	5,862,983
Total function 30	<u>44,160,982</u>	<u>44,368,186</u>	<u>42,742,314</u>	<u>45,790,722</u>
41 General administration	7,097,909	7,175,333	7,167,319	7,468,154
Total function 40	<u>7,097,909</u>	<u>7,175,333</u>	<u>7,167,319</u>	<u>7,468,154</u>
51 Plant maintenance and operations	22,285,279	21,522,498	21,955,636	21,510,075
52 Security and monitoring services	2,864,230	2,852,070	3,131,576	3,010,376
53 Data processing services	4,370,952	4,186,950	3,751,686	4,312,260
Total function 50	<u>29,520,461</u>	<u>28,561,518</u>	<u>28,838,898</u>	<u>28,832,711</u>
61 Community services	1,350,371	1,249,055	1,195,778	1,839,947
Total function 60	<u>1,350,371</u>	<u>1,249,055</u>	<u>1,195,778</u>	<u>1,839,947</u>
71 Debt service ²				
Principal on long-term debt	17,471,407	14,720,670	17,123,540	19,379,223
Interest on long-term debt ²	26,328,594	31,130,392	29,033,988	28,839,306
Bond issuance costs and fees	663,861	233,964	180,785	535,898
Total function 70	<u>44,463,862</u>	<u>46,085,026</u>	<u>46,338,313</u>	<u>48,754,427</u>
81 Facilities acquisition/construction	56,093,964	61,558,174	33,014,692	29,255,048
Total function 80	<u>56,093,964</u>	<u>61,558,174</u>	<u>33,014,692</u>	<u>29,255,048</u>
95 Payments to JJAEP	91,036	64,752	86,526	56,430
97 Payments to TIF	1,414,723	1,010,907	1,742,264	3,100,836
99 Intergovernmental Charges	535,803	531,534	519,552	520,707
Total function 90	<u>2,041,562</u>	<u>1,607,193</u>	<u>2,348,342</u>	<u>3,677,973</u>
Total expenditures	<u>409,032,460</u>	<u>417,134,330</u>	<u>371,409,513</u>	<u>381,980,813</u>
As restated	<u>\$ 409,032,460</u>	<u>\$ 417,134,330</u>	<u>\$ 371,409,513</u>	<u>\$ 381,980,813</u>
Debt service as a percentage of noncapital expenditures	12.8%	13.3%	13.6%	13.9%

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

Notes:

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

² Bond issuance costs and fees were not split until 2006.

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 195,714,227	\$ 198,653,525	\$ 197,401,989	\$ 200,221,263	\$ 199,797,948	\$ 200,765,138
5,300,771	4,988,675	5,526,231	5,504,998	5,330,043	5,410,461
8,456,104	9,182,998	7,969,790	9,020,339	9,281,871	9,066,158
209,471,102	212,825,198	210,898,010	214,746,600	214,409,862	215,241,757
5,026,844	4,583,961	5,016,246	5,183,399	5,227,105	5,527,490
19,002,786	19,658,156	19,783,704	20,127,642	19,832,979	19,927,818
24,029,630	24,242,117	24,799,950	25,311,041	25,060,084	25,455,308
14,402,200	15,195,030	15,879,307	15,488,239	15,296,284	15,493,457
584,539	1,591,463	1,499,289	1,547,947	1,535,770	1,528,468
2,679,805	2,891,635	3,116,593	3,076,661	3,200,964	3,190,606
6,327,776	5,240,723	6,005,258	6,982,666	8,337,203	12,836,911
18,468,763	21,441,982	21,770,990	21,909,340	19,983,800	20,340,593
5,959,930	6,324,888	6,261,632	6,320,974	6,657,455	6,220,574
48,423,013	52,685,721	54,533,069	55,325,827	55,011,476	59,610,609
7,996,682	7,038,599	7,380,628	7,399,101	7,352,690	7,420,674
7,996,682	7,038,599	7,380,628	7,399,101	7,352,690	7,420,674
21,707,212	22,166,761	23,605,883	23,849,262	24,908,521	24,960,391
3,647,381	3,192,050	3,434,715	3,406,129	3,663,243	4,040,839
4,533,127	4,065,945	4,855,841	5,893,963	5,308,629	7,008,988
29,887,720	29,424,756	31,896,439	33,149,354	33,880,393	36,010,218
1,810,100	1,775,912	2,271,083	1,964,314	1,884,851	1,878,956
1,810,100	1,775,912	2,271,083	1,964,314	1,884,851	1,878,956
17,901,432	22,133,623	28,884,818	27,860,000	28,230,000	28,720,000
28,633,014	24,989,938	25,751,096	18,811,331	18,335,258	17,854,470
150,754	1,147,082	1,895,655	226,110	147,775	14,550
46,685,200	48,270,643	56,531,569	46,897,441	46,713,033	46,589,020
14,841,570	6,679,429	16,547,033	12,528,765	7,122,345	28,277,832
14,841,570	6,679,429	16,547,033	12,528,765	7,122,345	28,277,832
116,850	173,772	15,882	42,900	21,162	11,322
2,182,197	6,465,553	8,945,883	11,010,364	13,382,139	15,380,261
534,086	538,945	568,476	583,498	599,317	624,457
2,833,133	7,178,270	9,530,241	11,636,762	14,002,618	16,016,040
385,978,150	390,120,645	414,388,022	408,959,205	405,437,352	436,500,414
<u>\$ 385,978,150</u>	<u>\$ 390,120,645</u>	<u>\$ 414,388,022</u>	<u>\$ 408,959,205</u>	<u>\$ 405,437,352</u>	<u>\$ 436,500,414</u>
12.7%	12.5%	14.0%	12.0%	11.9%	11.5%

Irving Independent School District

Other Financing Sources and Uses and Net Change in Fund Balances

Last Ten Fiscal Years (Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Excess of revenues over (under) expenditures	\$ (68,788,493)	\$ (67,378,669)	\$ (22,105,167)	\$ (31,502,786)
Other Financing Sources (Uses)				
Proceeds from sale of bonds	58,485,000	21,640,000	13,985,000	-
Premium or (discount) on bonds issued	1,717,427	-	1,509,190	6,487,601
Proceeds from sale of refunding bonds	-	-	-	66,145,000
Sale of real or personal property	57,216	174,537	1,660,871	304,732
Extraordinary Other Uses	-	-	-	-
Transfers in	-	-	4,479,121	489,118
Transfers out	-	-	(4,479,121)	-
Insurance recoveries	-	-	7,268,016	9,654,036
Payments to escrow agents	-	-	-	(72,703,808)
Total other financing sources (uses)	<u>\$ 60,259,643</u>	<u>\$ 21,814,537</u>	<u>\$ 24,423,077</u>	<u>\$ 10,376,679</u>
Net change in fund balances	<u>\$ (8,528,850)</u>	<u>\$ (45,564,132)</u>	<u>\$ 2,317,910</u>	<u>\$ (21,126,107)</u>

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

Fiscal Year					
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ (11,977,857)	\$ (706,731)	\$ (19,072,398)	\$ 9,006,730	\$ 5,453,565	\$ (1,225,243)
-	-	-	-	-	-
5,165,908	8,319,033	54,633,023	2,334,052	1,114,581	-
4,685,000	60,010,000	218,640,000	20,105,000	8,885,000	-
148,857	668,453	25,711	-	40,907	123,016
-	2,764,638	-	-	-	-
487,672	-	364,551	19,161,450	36,995,556	35,340,431
-	-	(364,551)	(19,267,854)	(36,995,556)	(35,548,963)
2,061,466	20,108	-	-	-	-
(9,860,181)	(67,764,023)	(271,383,944)	(22,217,635)	(9,878,443)	-
<u>\$ 2,688,722</u>	<u>\$ 4,018,209</u>	<u>\$ 1,914,790</u>	<u>\$ 115,013</u>	<u>\$ 162,045</u>	<u>\$ (85,516)</u>
<u>\$ (9,289,135)</u>	<u>\$ 3,311,478</u>	<u>\$ (17,157,608)</u>	<u>\$ 9,121,743</u>	<u>\$ 5,615,610</u>	<u>\$ (1,310,759)</u>

Irving Independent School District**Exhibit S-8**Appraised Value and Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Fiscal Year	APPRAISED VALUE ¹			Total Estimated Taxable Value	Total Direct Rate ²
	Residential or Real Property	Personal Property	Less: Exemptions		
2010	8,181,587,045	1,762,119,040	457,840,080	9,485,866,005	1.391
2011	7,809,445,097	1,694,159,892	457,911,177	9,045,693,812	1.425
2012	7,658,082,224	1,704,481,030	447,722,042	8,914,841,212	1.465
2013	7,770,689,855	1,727,551,530	438,181,976	9,060,059,409	1.465
2014	7,968,927,106	1,815,107,590	476,189,436	9,307,845,260	1.465
2015	8,540,194,076	1,851,556,660	515,944,674	9,875,806,062	1.435
2016	9,196,806,320	1,970,652,639	739,431,169	10,428,027,790	1.445
2017	10,063,104,220	2,159,669,550	764,944,147	11,457,829,623	1.445
2018	10,815,368,840	2,176,647,460	871,988,604	12,120,027,696	1.431
2019	12,177,326,684	2,266,360,810	1,085,482,216	13,358,205,278	1.305

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
2010	1.020	0.405	1.425	0.576	0.355
2011	1.040	0.425	1.465	0.599	0.430
2012	1.040	0.425	1.465	0.599	0.465
2013	1.040	0.425	1.465	0.599	0.500
2014	1.040	0.425	1.465	0.594	0.505
2015	1.040	0.395	1.435	0.594	0.520
2016	1.170	0.275	1.445	0.594	0.520
2017	1.170	0.275	1.445	0.594	0.453
2018	1.170	0.261	1.431	0.594	0.446
2019	1.170	0.231	1.401	0.594	0.455

Source: Appropriate government entities' tax departments

Note:

¹ Includes levies for operating and debt service costs.

Overlapping Rates ¹							
City of Grand Prairie	City of Dallas	Dallas County	Dallas County Community College	Dallas County Hospital	Dallas County Flood Control	Dallas County Schools	Dallas County Utility and Reclamation
0.670	0.797	0.228	0.099	0.274	2.836	0.005	2.050
0.670	0.797	0.243	0.100	0.271	2.900	0.010	2.122
0.670	0.797	0.243	0.119	0.271	3.050	0.010	1.840
0.670	0.797	0.243	0.125	0.271	2.750	0.010	1.791
0.670	0.797	0.243	0.125	0.276	2.750	0.010	1.983
0.670	0.797	0.243	0.124	0.286	2.650	0.010	1.590
0.670	0.797	0.243	0.124	0.286	2.250	0.009	1.590
0.670	0.783	0.243	0.123	0.279	2.250	0.009	1.295
0.670	0.780	0.243	0.124	0.279	2.000	0.010	1.249
0.670	0.777	0.243	0.124	0.279	1.800	-	1.111

Irving Independent School District
 Principal Property Tax Payers
 Current Year and Nine Years Ago (Unaudited)

Exhibit S-10

	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ¹	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ²
Agre Williams Square	\$ 225,896,270	1	1.7%			0.0%
AG PCPI Urban Towers	137,199,640	2	1.0%			0.0%
Las Colinas Irving	112,120,000	3	0.8%			0.0%
PPF AMLI	111,286,720	4	0.8%			0.0%
Texas Utilities	104,835,000	5	0.8%	81,330,650	4	0.9%
AVR Hidden Ridge I LLC	81,828,520	6	0.6%			0.0%
San Mar Corporation	80,340,450	7	0.6%			0.0%
Lake Carolyn Reit LLC	79,950,000	8	0.6%			0.0%
Bre Las Colinas LLC	75,392,480	9	0.6%			0.0%
Verizon	74,515,330	10	0.6%	221,966,850	1	2.3%
TIAA	-		0.0%	153,182,510	2	1.6%
BF Las Colinas LP	-		0.0%	86,687,980	3	0.9%
Dr. Pepper Bottling Co.	-		0.0%	74,714,850	5	0.8%
SP Millennium Center LP	-		0.0%	73,559,000	6	0.8%
Owens Corning	-		0.0%	59,210,790	7	0.6%
SP4	-		0.0%	57,497,080	8	0.6%
Equastone	-		0.0%	53,884,620	9	0.6%
Frito Lay Inc.	-		0.0%	48,111,960	10	0.5%
	<u>\$ 1,083,364,410</u>		<u>8.1%</u>	<u>\$ 910,146,290</u>		<u>9.6%</u>

Source: Dallas Central Appraisal District

Note:

¹Total appraised taxable value for 2019 = \$13,358,205,278

²Total appraised taxable value for 2010 = \$9,485,866,005



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
2010	131,200,729	127,266,070	97.00%
2011	128,508,240	124,473,002	96.86%
2012	126,932,410	125,164,250	98.61%
2013	129,608,617	128,579,225	99.21%
2014	133,509,350	132,829,508	99.49%
2015	139,082,613	136,448,528	98.11%
2016	147,746,423	146,065,624	98.86%
2017	162,102,609	160,305,584	98.89%
2018	169,627,666	167,602,097	98.81%
2019	182,531,008	180,268,628	98.76%

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%.

<u>Collections other than Current Year</u>	<u>Total Collections to Date³</u>	
<u>Delinquent Taxes</u>	<u>Amount</u>	<u>Percentage of Total Collections to Tax Levy</u>
883,375	128,149,445	97.67%
1,928,590	126,401,592	98.36%
1,186,096	126,350,346	99.54%
1,001,456	129,580,681	99.98%
937,831	133,767,339	100.19%
(1,092,647)	135,355,881	97.32%
(19,273)	146,046,351	98.85%
685,256	160,990,840	99.31%
(309,075)	167,293,023	98.62%
613,277	180,881,906	99.10%

Irving Independent School DistrictOutstanding Debt By Type¹

Last Ten Fiscal Years (Unaudited)

Exhibit S-12

Governmental Activities					
Fiscal Year	General Obligation Bonds	Contractual Obligations	Total Primary Government	Percentage of Personal Income ²	Per Capita ²
2010	619,719,179	-	619,719,179	11.17%	2,900
2011	624,900,837	-	624,900,837	11.37%	2,880
2012	621,492,018	-	621,492,018	10.92%	2,840
2013	600,739,284	-	600,739,284	10.17%	2,721
2014	595,590,237	-	595,590,237	9.73%	2,623
2015	575,787,804	-	575,787,804	9.44%	2,519
2016	548,208,687	-	548,208,687	8.89%	2,373
2017	517,484,320	-	517,484,320	7.44%	2,205
2018	484,133,205	-	484,133,205	6.65%	2,039
2019	449,855,021	-	449,855,021	5.80%	1,817

Source: Dallas Central Appraisal District**Notes:**¹ Details of the District's outstanding debt can be found in the notes to the financial statements.² See Schedule S-16 for personal income and population data.

Irving Independent School District

Direct and Overlapping Governmental Activities Debt
August 31, 2018 (Unaudited)

Exhibit S-13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Direct and Overlapping Debt
City of Irving	\$ 456,815,000	47.39%	\$ 216,484,629
Irving Flood Control District # 1	4,925,000	93.60%	4,609,800
City of Grand Prairie	245,945,000	0.61%	1,500,265
City of Dallas	2,060,812,115	20.00%	412,162,423
Dallas County	151,495,000	4.84%	7,332,358
Dallas County Community College	182,800,000	4.84%	8,847,520
Dallas County Hospital	671,290,000	4.84%	32,490,436
Dallas County Flood Control	23,355,000	39.31%	9,180,851
Dallas County Schools	36,801,240	4.84%	1,781,180
Dallas County Utility and Reclamation	183,635,000	49.42%	90,752,417
Subtotal, overlapping bonded debt			785,141,878
Irving Independent School District direct debt	\$ 449,855,021	100.00%	\$ 449,855,021
Total direct and overlapping debt			\$ 1,234,996,899
Ratio of (net) general bonded debt to the estimated actual property value			3.37%

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

Notes:

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

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

Irving Independent School District

Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 948,586,601	\$ 904,569,381	\$ 891,484,121	\$ 906,005,941
Total net debt applicable to limit	605,099,127	624,900,837	621,492,018	600,739,284
Legal debt margin	<u>\$ 343,487,474</u>	<u>\$ 279,668,544</u>	<u>\$ 269,992,103</u>	<u>\$ 305,266,657</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>63.79%</u>	<u>69.08%</u>	<u>69.71%</u>	<u>66.31%</u>

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

Legal Debt Margin Calculation for Fiscal Year 2019:

Assessed value	<u>\$ 13,358,205,278</u>
Debt limit (10% of assessed value)	<u>\$ 1,335,820,528</u>
Debt applicable to limit	<u>(449,855,021)</u>
Legal debt margin	<u><u>\$ 885,965,507</u></u>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 930,784,526	\$ 987,580,606	\$ 1,042,802,779	\$ 1,145,782,962	\$ 1,212,002,770	\$ 1,335,820,528
595,590,237	575,827,393	542,765,501	517,484,320	484,133,205	449,855,021
<u>\$ 335,194,289</u>	<u>\$ 411,753,213</u>	<u>\$ 500,037,278</u>	<u>\$ 628,298,642</u>	<u>\$ 727,869,565</u>	<u>\$ 885,965,507</u>
<u>63.99%</u>	<u>58.31%</u>	<u>52.05%</u>	<u>45.16%</u>	<u>39.94%</u>	<u>33.68%</u>

Irving Independent School District**Exhibit S-15**

Ratio of Net Bonded Debt to Assessed Value and Per Capita
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Population¹	Assessed Value²	Total Bonded Debt Outstanding³	Less Debt Service Funds	Net Bonded Debt Outstanding	Ratio of net Bonded Debt Assessed Value	Net Bonded Debt Per Capita
2010	213,700	9,485,866,005	619,719,179	14,620,052	605,099,127	6.38%	2,832
2011	216,970	9,045,693,812	624,900,837	13,614,669	611,286,168	6.76%	2,817
2012	218,850	8,914,841,212	621,492,017	14,450,968	607,041,049	6.81%	2,774
2013	220,750	9,060,059,409	600,739,282	12,567,151	588,172,131	6.49%	2,664
2014	227,030	9,307,845,260	595,590,237	15,495,011	580,095,226	6.23%	2,555
2015	228,610	9,875,806,062	575,827,393	14,519,439	561,307,954	5.68%	2,455
2016	231,040	10,428,027,790	542,765,501	6,766,016	535,999,485	5.14%	2,320
2017	234,710	11,457,829,623	517,484,320	6,909,698	510,574,622	4.46%	2,175
2018	237,490	12,120,027,696	484,133,205	5,751,972	478,381,233	3.95%	2,014
2019	247,615	13,358,205,278	449,855,021	16,572,259	433,282,762	3.24%	1,750

Source:

¹ See Exhibit S-16 for population data.

² See Exhibit S-8 for assessed value.

³ Details of the District's outstanding debt can be found in the notes to the financial statements.

Irving Independent School District
 Demographic and Economic Statistics
 Last Ten Calendar Years (Unaudited)

Exhibit S-16

Period Ending	Population ¹	Personal Income ² (thousands of dollars)	Per Capita Personal Income ² (dollars)	Unemployment Rate ³
2010	212,250	5,510,859	25,964	6.45%
2011	213,700	5,548,507	25,964	7.98%
2012	216,970	5,494,548	25,324	7.86%
2013	218,850	5,693,602	26,016	6.58%
2014	220,750	5,905,946	26,754	5.79%
2015	227,030	6,122,999	26,970	4.90%
2016	228,610	6,096,800	26,669	3.60%
2017	231,040	6,166,771	26,691	3.52%
2018	234,710	6,953,988	29,628	3.20%
2019	237,490	7,281,918	30,662	3.11%

Sources:

¹ North Central Texas Council of Governments.

² City of Irving CAFR, 'Demographic and Economic Statistics.'

³ Texas Labor Market Information

Irving Independent School District
 Principal Employers
 Current Year and Nine Years Ago (Unaudited)

Exhibit S-17

<u>Employer</u>	2019 ¹			2010 ²		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Citigroup, Inc.	6,500	1	2.98%	5,000	1	4.84%
Irving ISD	4,114	2	1.89%	4,299	2	4.16%
Verizon Communications				3,000	4	2.91%
City of Irving	2,117	3	0.97%			
Irving Mall (WP Glimcher)	2,100	4	0.96%			
CHRISTUS Health	2,000	5	0.92%			
YRC Freight	1,941	6	0.89%	1,941	8	1.88%
Baylor Scott & White Medical Center	1,907	7	0.87%	1,165	10	1.13%
Allstate Insurance Company	1,768	8	0.81%	2,000	6	1.94%
Pioneer Natural Resources	1,750	9	0.80%			
Microsoft Corp - Las Colinas	1,500	10	0.69%	1,200	9	1.16%
Associates First Capital Corp				4,000	3	3.87%
Citicorp Credit Company				2,684	5	2.60%
Central Freight Lines				2,000	7	1.94%
Total	<u>25,697</u>		<u>11.79%</u>	<u>27,289</u>		<u>26.43%</u>

Source(s):

¹ Irving - Las Colinas Chamber of Commerce

² Irving ISD 2010 CAFR



Irving Independent School District
 Full-Time Equivalent District Employees By Type
 Last Ten Fiscal Years (Unaudited)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Teachers	2,428.4	2,421.0	2,280.8	2,304.0
Professional Support				
Associate School Psychologist	8.2	8.8	8.8	9.0
Counselor	78.0	79.0	79.5	79.5
Educational Diagnostician	35.5	33.5	29.5	32.5
Librarian	30.0	29.0	27.0	27.0
Occupational Therapist	5.0	6.0	6.0	5.5
Physical Therapist	2.0	2.0	2.0	2.0
School Nurse	36.0	36.0	35.0	36.0
Speech Therapist/Speech- Language Pathologist	29.3	28.0	26.6	30.3
Teacher Facilitator	6.0	7.0	5.0	37.9
Campus Professional Personnel	12.3	56.8	37.0	51.0
Non-Campus Professional Personnel	81.0	81.0	76.0	80.0
Total Professional Support	<u>323.3</u>	<u>367.1</u>	<u>332.4</u>	<u>390.7</u>
Campus Administration				
Assistant Principal	83.0	81.0	69.0	69.0
Instructional Officer	13.0	0.0	0.0	0.0
Principal	37.0	38.0	38.0	38.0
Teacher Supervisor	1.0	38.0	32.0	30.0
Athletic Director	1.0	1.0	1.0	1.0
Total Campus Administration	<u>135.0</u>	<u>158.0</u>	<u>140.0</u>	<u>138.0</u>
Central Administration				
Assistant/Assoc/Deputy Superintendent	4.0	4.0	6.0	7.0
Superintendent	1.0	1.0	1.0	1.0
Instructional Program Director or Exec Director	35.0	13.0	13.0	13.0
Business Manager	1.0	1.0	1.0	1.0
Tax Assessor &/or Collector	1.0	1.0	1.0	1.0
Director of Personnel/HR	1.0	1.0	1.0	2.0
Total Central Administration	<u>43.0</u>	<u>21.0</u>	<u>23.0</u>	<u>25.0</u>
Educational Aides				
Educational Aides	448.4	431.8	381.0	387.5
Interpreter	0.0	4.0	0.0	4.0
Total Educational Aides	<u>448.4</u>	<u>435.8</u>	<u>381.0</u>	<u>391.5</u>
Auxiliary Staff	<u>923.9</u>	<u>999.3</u>	<u>707.0</u>	<u>707.0</u>
Total All Full-Time Equivalent Employees	<u><u>4,302.0</u></u>	<u><u>4,402.2</u></u>	<u><u>3,864.2</u></u>	<u><u>3,956.2</u></u>

Source: District records from the Fall PEIMS submission

Full-time-Equivalent Employees

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
2,351.3	2,351.7	2,284.0	2,283.4	2,261.9	2,220.8
10.6	9.2	9.6	10.5	10.9	10.0
85.0	87.4	88.3	87.8	89.3	88.6
31.4	36.4	39.9	39.7	38.4	37.9
32.0	32.9	29.0	29.0	28.8	26.9
5.6	5.6	5.5	7.0	7.0	7.0
2.0	3.0	3.0	3.0	2.9	3.0
35.9	38.0	38.0	39.0	37.9	37.5
34.9	35.1	38.4	36.9	36.9	38.7
40.7	78.4	76.8	85.7	87.0	84.4
83.8	75.1	75.0	77.2	59.4	58.8
78.9	92.0	93.4	95.7	75.8	74.2
<u>440.8</u>	<u>493.1</u>	<u>496.9</u>	<u>511.5</u>	<u>474.3</u>	<u>467.0</u>
65.0	71.9	70.2	72.9	73.0	74.0
0.0	0.0	0.0	0.0	0.0	0.0
36.9	37.0	37.0	37.0	37.0	37.0
33.0	36.9	37.7	37.0	37.0	33.0
1.0	1.0	1.0	1.0	1.0	2.0
<u>135.9</u>	<u>146.8</u>	<u>145.9</u>	<u>147.9</u>	<u>148.0</u>	<u>146.0</u>
5.7	4.0	4.0	4.0	4.9	6.0
0.6	1.0	1.0	1.0	1.0	1.0
12.0	12.9	13.0	12.0	52.8	36.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	3.0	3.0	3.0	3.0	3.0
1.7	2.0	2.0	2.0	3.0	3.0
<u>22.0</u>	<u>23.9</u>	<u>24.0</u>	<u>23.0</u>	<u>65.7</u>	<u>50.0</u>
403.5	426.1	437.4	446.1	460.0	459.7
8.3	9.5	8.5	8.0	7.9	6.0
<u>411.8</u>	<u>435.6</u>	<u>445.9</u>	<u>454.1</u>	<u>467.9</u>	<u>465.7</u>
<u>721.3</u>	<u>732.0</u>	<u>709.9</u>	<u>717.1</u>	<u>676.7</u>	<u>680.4</u>
<u><u>4,083.1</u></u>	<u><u>4,183.1</u></u>	<u><u>4,106.6</u></u>	<u><u>4,137.0</u></u>	<u><u>4,094.5</u></u>	<u><u>4,029.9</u></u>

Irving Independent School District
 Operating Statistics
 Last Ten Fiscal Years (Unaudited)

Exhibit S-19

Fiscal Year	Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2010	33,798	229,344,297	6,786	(0.58)%	2,012.0	16.8	78.1%
2011	34,289	229,927,733	6,706	(1.18)%	2,013.0	17.0	80.5%
2012	34,851	243,870,930	6,998	4.35 %	2,280.8	15.3	81.5%
2013	35,114	257,769,548	7,341	4.92 %	2,304.0	15.2	81.3%
2014	35,403	276,784,658	7,818	6.49 %	2,351.3	15.1	80.5%
2015	35,191	288,104,156	8,187	4.72 %	2,351.7	15.0	76.9%
2016	34,929	307,995,593	8,818	7.71 %	2,284.0	15.3	77.2%
2017	34,792	305,606,427	8,784	(0.39)%	2,018.0	17.2	77.2%
2018	33,971	308,520,704	9,082	3.39 %	2,261.9	15.0	73.5%
2019	33,464	321,721,613	9,614	5.86 %	2,220.8	15.1	72.5%

Source: District records

Irving Independent School District
Capital Asset Information
Last Ten Fiscal Years (Unaudited)

Exhibit S-20

<u>School</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Elementary										
Buildings	24	24	24	24	24	24	24	24	24	24
Square feet	2,023,104	2,024,334	2,024,334	2,025,940	2,025,940	2,027,517	2,027,517	2,027,517	2,027,517	2,027,517
Maximum Capacity	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Enrollment	17,431	17,751	18,120	18,178	18,406	17,912	17,912	17,912	16,585	15,945
Middle										
Buildings	7	8	8	8	8	8	8	8	8	8
Square feet	1,156,734	1,326,868	1,326,868	1,328,012	1,328,012	1,328,012	1,328,012	1,328,012	1,328,012	1,328,012
Maximum Capacity	7,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Enrollment	7,083	7,222	7,310	7,397	7,355	7,454	7,454	7,454	7,451	7,514
High										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,546,281	1,587,400
Maximum Capacity	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800	9,800
Enrollment	9,240	9,269	9,359	9,490	9,632	9,778	9,778	9,778	9,935	10,005
Administrative										
Buildings	9	9	9	9	9	9	9	9	9	9
Square feet	251,192	247,992	247,992	247,992	247,992	247,992	255,064	255,064	255,064	255,064
Transportation										
Buses (quantity) ¹	57	64	0	0	0	0	0	0	175 ²	175 ²
Athletics										
Football fields (quantity)	14	15	15	15	15	15	15	15	15	15
Soccer fields (quantity)	10	11	11	11	11	11	11	11	11	11
Running tracks (quantity)	9	11	11	11	11	11	11	11	11	11
Baseball/softball (quantity)	6	6	6	6	6	6	6	6	6	6
Playgrounds (quantity)	23	24	24	24	24	24	24	24	24	24

Source: District records

Note:

¹ Buses were titled under Dallas County Schools. Buses were sold to Dallas County Schools in 2012.

² Dallas County Schools dissolved in July 2018. As part of the dissolution, Irving ISD took ownership of buses due to the district.



Single Audit Reports



**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

Board of Trustees
Irving Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Irving Independent School District (the District), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 10, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Trustees
Irving Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 10, 2020

**Independent Auditor's Report on Compliance for Each Major
Federal Program and Report on Internal Control over Compliance in
Accordance with the Uniform Guidance**

Board of Trustees
Irving Independent School District

Report on Compliance for Each Major Federal Program

We have audited Irving Independent School District's (the District) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2019-001.

Board of Trustees
Irving Independent School District

The District's response to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plan. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 10, 2020

Irving Independent School District
 Schedule of Expenditures of Federal Awards
 For the Year Ended August 31, 2019

Exhibit K-1

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through State Department of Education:			
Texas Education For Homeless Children & Youth	84.196A	194600057110039	\$ 78,495
Title I Part A Improving Basic Programs	84.010A	18610101057912	9,063,637
Adult Ed English Literacy & Civics Awareness	84.002A	IISD-AEL1-2017	618,209
Special Education Cluster (IDEA):			
IDEA-B Formula	84.027A	196600010579126600	5,558,168
IDEA-B Preschool	84.173A	196610010579126610	123,492
IDEA-B Discretionary Deaf	84.027A	196600110579126673	111,770
Total Special Education Cluster (IDEA)			<u>5,793,430</u>
IDEA-C Early Childhood Intervention, Deaf	84.181A	193911010579123911	969
Carl D Perkins Basic Grant for Career & Technology	84.048A	19420006057912	450,752
Title II Part A- Supporting Effective Instruction	84.367A	19694501057912	1,184,019
Title IV, Part A, Subpart 1	84.424A	19680101057912	669,555
Title III Part A Limited English Proficiency	84.365A	19671001057912	1,038,819
LEP Summer School	84.369A	69551702	45,870
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>18,943,755</u>
<u>U.S. TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Texas Department of Health and Human Services:			
Medicaid	93.778	52907015700133	257,338
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>257,338</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Child Nutrition Cluster:			
Passed through State Department of Agriculture - Noncash assistance:			
USDA Donated Commodities	10.555	00057912	1,491,646
Passed through State Department of Education:			
National School Lunch	10.555	00057912	11,874,747
School Breakfast Program	10.553	00057912	5,574,243
Passed through State Department of Agriculture:			
Summer Feeding Program	10.559	00057912	-
Total Child Nutrition Cluster			<u>18,940,636</u>
Passed through State Department of Agriculture:			
Child & Adult Care Program	10.558	00057912	377,155
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>19,317,791</u>
<u>U.S. DEPARTMENT OF DEFENSE</u>			
Reserve Officer Training Corps	12.000	N/A	256,202
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>256,202</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 38,775,086</u>

The Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Irving Independent School District

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended August 31, 2019

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2019. The information in this schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District. The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 2. Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General Fund and certain Special Revenue funds in accordance with the Texas Education Agency's Financial Accountability System Resource Guide. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e. both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Pass-through entity identifying numbers are presented where available.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods. National School Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

Note 3. Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards programs per Exhibit K-1 and Federal revenues reported on Exhibit C-2:

Total expenditures of federal awards per Exhibit K-1	\$	38,775,086
SHARS		8,209,108
Federal interest subsidy		737,754
Total federal revenues per Exhibit C-2	\$	<u>47,721,948</u>

Irving Independent School District
 Schedule of Findings and Questioned Costs
 For the Year Ended August 31, 2019

Section 1. Summary of Auditor's Results

Financial Statements

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

Major Programs

- d. Internal control over major programs:
 - Material weakness(es) identified? Yes No
 - Significant deficiency(ies) identified? Yes None Reported
- e. An unmodified opinion was issued on compliance for major programs.
- f. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes No
- g. Identification of major programs:

84.010A 84.367A	Title I Part A Improving Basic Programs Title II Part A Supporting Effective Instruction
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- h. The dollar threshold used to distinguish between Type A and Type B programs: \$1,163,253
- i. Auditee qualified as a low-risk auditee? Yes No

Irving Independent School District

Schedule of Findings and Questioned Costs - Continued
For the Year Ended August 31, 2019

Section 2. Financial Statement Findings

None

Section 3. Federal Award Findings and Questioned Costs

Finding Number: 2019-001 – Activities Allowed or Unallowed, Allowable Cost Principles

Identification of Federal Program: 84.010A – Title I, Part A – Improving Basic Programs, Department of Education

Pass through entity: State Department of Education, No. 18610101057912

Type of Finding – Compliance Finding and Significant Deficiency in Internal Control over Compliance

Criteria

Each employee's payroll is coded to an account code based on the employee's position. This employee was split funded 50% each between Title I and General Fund. For federal grant drawdowns, the Grant Accountant runs a general ledger detail to include all expenditures coded to the grant's fund, including payroll. If any payroll, including benefits, are improperly coded, these expenditures could get charged to a grant when not eligible for grant reimbursement.

Condition

An employee's sick leave bank was paid 100% out of Title I funds, though their position was split funded 50% each Title I and General Fund.

Cause

The employee's payroll was correctly split funded between Title I and General Fund, based on the position, but the District improperly coded the sick leave bank payout, and was thus improperly included in the amount requested for reimbursement for Title I, thereby overcharging Title I.

Effect

The amount incorrectly coded to Title I (Fund 211) was \$578 for fiscal year August 31, 2019. The error was identified and corrected in the next reimbursement request.

Recommendation

We recommend the District establish a control over the sick leave bank payout process to review the employee's position coding to determine the proper accounts to which the payout should be coded.

Views of Responsible Officials and Planned Corrective Actions

Management agrees with the finding and has completed a corrective action plan.

Irving Independent School District

Schedule of Findings and Questioned Costs - Continued
For the Year Ended August 31, 2019

Section 4. Schedule of Prior Audit Findings and Questioned Costs

Finding 2018-001 – Significant Deficiency in Internal Control over Financial Reporting – Insufficient Year End Close Procedures

Person(s) Responsible

Gary Micinski, Chief Financial Officer
Steve Franks, Director of Business Operations

Corrective Action

The District implemented closing processes in order to perform year-end reconciliations that would identify and correct errors and misstatements.

Status – Corrected

Finding 2018-002 – Activities Allowed or Unallowed, Allowable Cost Principles

84.365A – Title III, Part A – Limited English Proficiency

Type of Finding – Compliance Finding and Significant Deficiency in Internal Control over Compliance

Person(s) Responsible

Gary Micinski, Chief Financial Officer
Steve Franks, Director of Business Operations

Corrective Action

The District established a control over the initial on-boarding process to review the account to which payroll is coded. In addition, the District's Federal Programs department established a process to review the employee roster of federally funded positions to ensure they are correct.

Status – Corrected



STEVEN FRANKS, CPA, CIA, RTSBA
Director of Business Operations

MAGDA HERNANDEZ
Superintendent

Finding 2019-001 – Activities Allowed or Unallowed, Allowable Cost Principles

84.010A – Title I, Part A – Improving Basic Programs

Type of Finding – Compliance Finding and Significant Deficiency in Internal Control over Compliance

Corrective Action Plan

The District will establish a control over the sick leave bank payout process to review the employee's position coding to determine the proper accounts to which the payout should be coded.

Person(s) Responsible

Gary Micinski, Chief Financial Officer

Steve Franks, Director of Business Operations

Anticipated Completion Date

August 31, 2020