





Irving ISD Fall 2020 FIRST Report

Financial Integrity Rating System of Texas

Irving ISD Fall 2020 FIRST Report

Financial Integrity Rating System of Texas

- The state's school financial accountability rating system, known as the School Financial Integrity Rating System of Texas (FIRST), ensures that Texas public schools are held accountable for the quality of their financial management practices and that they improve those practices.
- For Fall 2020: IISD Rated: Superior (96/100 Passing = 60)
- For Fall 2020: Ratings based on 2018-2019 data (8/31/2019 Audit)



Irving ISD Fall 2020 FIRST Report Financial Integrity Rating System of Texas

- **15 Indicators**
- **Selected Financial Data**
- **Superintendent's Contract**

Irving ISD Fall 2020 FIRST Report Financial Integrity Rating System of Texas

Key Financial Staff

| Superintendent and Board of Trustees | | |
|--------------------------------------|---------------|----------------|
| Randy Randle | Irving ISD | Trustee |
| Nuzhat Hye | Irving ISD | Trustee |
| Pamela Campbell | Irving ISD | Trustee |
| Tony Grimes | Irving ISD | Trustee |
| A.D. Jenkins | Irving ISD | Trustee |
| Michael Kelley | Irving ISD | Trustee |
| Dr. Rosemary Robbins | Irving ISD | Trustee |
| Magda Hernandez | Irving ISD | Superintendent |
| IISD Board Finance Committee | | |
| Finance Committee | A.D. Jenkins | IISD Trustee |
| Finance Committee | Mrs. Campbell | IISD Trustee |
| Finance Committee | Mr. Grimes | IISD Trustee |

Irving ISD Fall 2020 FIRST Report Financial Integrity Rating System of Texas

Key Financial Advisors

| ISD Financial Advisor and Bond Attorney | | |
|--|-------------|-----------------------------|
| Financial Advisor | Derek Honea | RBC Capital Markets, Dallas |
|  | | |
| Bond Attorney | Rob Collins | Bracewell, Dallas |
|  | | |

Irving ISD Fall 2020 FIRST Report Financial Integrity Rating System of Texas

Key Financial Staff

| IISD Business Staff | | |
|---------------------|------|---|
| Gary Micinski | IISD | CFO |
| Fernando Natividad | IISD | Assistant Chief of Finance & Federal Programs |
| Steve Franks | IISD | Director of Business Services |
| Mahdia Lalee | IISD | Accounting Supervisor |
| Jerome Pilgrim | IISD | Purchasing Director |
| Cher Elzy | IISD | Tax Collector |

**Irving ISD Fall 2020 FIRST Report
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Other Key Finance Personnel

| | | |
|-----------------------------|------------------|---|
| Claire Wootton, CPA | External Auditor | Weaver and Tidwell, L.L.P., Dallas |
| Sara Dempsey, CPA (Partner) | External Auditor | Weaver and Tidwell, L.L.P., Dallas |
| Depository | | Chase Bank |
| Underwriters | | Banks & Financiers (Support Bond Sales) |
| Business Office Staff | | IISD |
| Tax Office Staff | | IISD |
| Purchasing Staff | | IISD |
| IISD, Internal Audit | | Special Projects/ Student Activity |

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Indicators

- (1) * Was the audit (Audited Financial Statements (AFS)) completed and submitted to TEA on time?
- (2a) * Was there an **unmodified** audit opinion?
- (2b) Any material weaknesses in internal controls?
 - material weakness (Rated later)
 - significant deficiencies (no affect on rating)
- (3) * All DEBT AND BOND payments timely.
- (4) * Timely payments to pension fund, IRS, and other governmental agencies.

Supervision of
these is largely
under the
supervision of
Director of
Business Services

* Automatic Failure



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Indicators

- (5) Indicator not used
- (6) 90 days cash on hand? (134 actual) Do we need a fund balance??????????
 - Cash Flow
 - Special Projects
 - One-time Purchase
 - Offset to Inventories
 - Budget buffer
 - Insurance Reserve
 - Reduce Tax Rate
 - Credit rating for new or refunding bonds for potential lower interest rates
 - Ratings
 - Underlying Rating

DATE ISSUED: 12/11/2014
LDU 2014.12
CE(LOCAL)-X

Fund Balance

The District shall strive to maintain a minimum general operating fund balance equal to at least the sum of three months (i.e., 25 percent) of total budgeted general operating fund expenditures.

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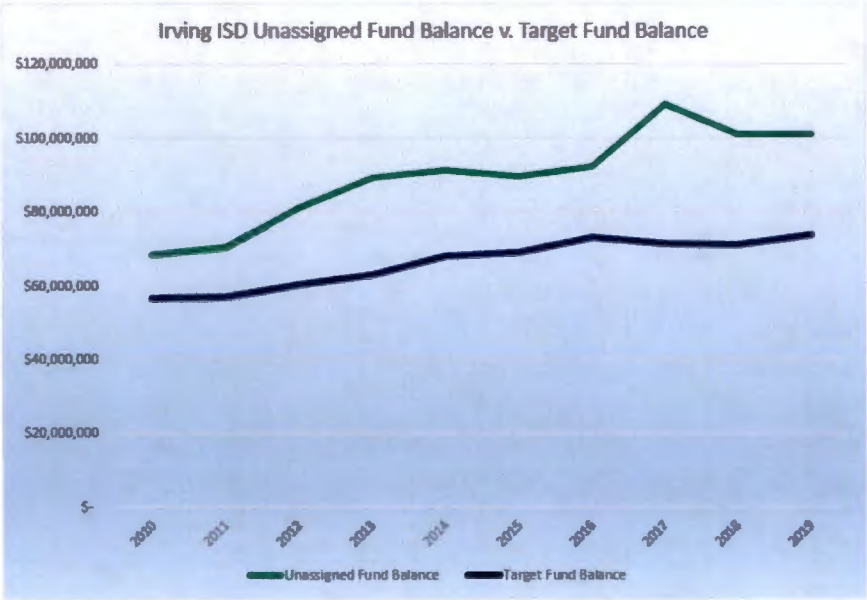
How much should the IISD have in reserve?

| Irving ISD CE (Local) Fund Balance Calculation as of 12/2/2020 | | | |
|--|-----------|-------------------------|----------------------|
| A | | Unassigned Fund Balance | \$ 101,124,114 |
| B | | Budget Net of TIF | \$ 294,806,156 |
| C | | Target Reserve Percent | 25% |
| D | = [B X C] | Target Reserve Dollars | <u>\$ 73,701,539</u> |
| E | = [A - D] | Balance | <u>\$ 27,422,575</u> |

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| | S&P Global Ratings | |
|---------------------------------------|--------------------|----------|
| Highest Quality (Lowest Default Risk) | AAA | ← PSF |
| High Grade / High Quality | AA+ | ← IRVING |
| | AA | |
| | AA- | |
| Upper Medium Grade | A+ | |
| | A | |
| | A- | |
| Minimum Investment Grade | BBB+ | |
| | BBB | |
| | BBB- | |
| Speculative Grade | BB (+,-) | |
| | B (+,-) | |
| Highly Speculative Grade | CCC (+,-) | |
| | CC | |
| | C | |
| Imminent Default or In Default | SD | |
| | D | |

When issuing bonds the rating of the ISD can mean a huge difference in interest costs.

Moody's Interim June 24, 2020 -The notable credit factors include a **robust financial position**, an extensive tax base, a mid-ranged pension liability, a sizable debt burden, but a somewhat weak wealth and income profile.

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Summary of Bondholders

Top Irving ISD Reported Bondholders

- The list below shows the current top 25 reported bondholders of Irving ISD debt.
- The Inflows / Outflows reflects the difference between Q2 2020 and Q3 2019 reported values; **red** values reflect funds that have divested, **green** reflects those funds that have invested.

Top 25 Irving ISD Bondholders

| Rank | Bondholder | 2019 _Q3 | 2019 _Q4 | 2020 _Q1 | 2020 _Q2 | Inflows / Outflows |
|------------------------------------|---|------------------|------------------|------------------|------------------|-----------------------|
| 1 | State Farm Investment Management Corporation | \$27,910 | \$39,080 | \$39,080 | \$39,080 | \$11,170 |
| 2 | The Travelers Indemnity Company | 28,090 | 28,090 | 28,090 | 28,090 | 0 |
| 3 | Auto-Owners Insurance Company | 16,905 | 16,905 | 16,155 | 16,155 | (750) |
| 4 | BlackRock Advisors, LLC | 7,150 | 7,150 | 6,900 | 6,900 | (250) |
| 5 | Neuberger Berman Investment Advisers, LLC | 1,660 | 3,405 | 3,485 | 3,530 | 1,870 |
| 6 | Cincinnati Financial Corp. (Asset Management) | 3,375 | 3,375 | 3,375 | 3,375 | 0 |
| 7 | Markel-Gayner Asset Management Corporation | 3,000 | 3,000 | 3,000 | 3,000 | 0 |
| 8 | Old Republic Asset Management | 3,000 | 3,000 | 3,000 | 3,000 | 0 |
| 9 | Bessemer Investment Management, LLC | 2,455 | 2,455 | 2,455 | 2,455 | 0 |
| 10 | American National Registered Investment Advisor, Inc. | 2,000 | 2,000 | 2,000 | 2,000 | 0 |
| 11 | Nuveen Asset Management, LLC | 840 | 1,840 | 1,840 | 1,840 | 1,000 |
| 12 | The Vanguard Group, Inc. | 11,155 | 11,155 | 7,640 | 1,750 | (9,405) |
| 13 | Country Trust Bank (Investment Advisor) | 1,500 | 1,500 | 1,500 | 1,500 | 0 |
| 14 | Capital Research & Management Company (U.S.) | 2,490 | 0 | 0 | 1,350 | (1,140) |
| 15 | Robert W. Baird & Company, Inc. | 1,250 | 1,250 | 1,250 | 1,250 | 0 |
| 16 | Heritage Property & Casualty Insurance Company | 1,200 | 1,200 | 1,200 | 1,200 | 0 |
| 17 | Loyd Insurance Company | 1,000 | 1,000 | 1,000 | 1,000 | 0 |
| 18 | Asset Allocation & Management Company, LLC | 1,505 | 1,505 | 550 | 550 | (955) |
| 19 | Loomis Sayles & Company, L.P. | 235 | 235 | 375 | 225 | (10) |
| 20 | Caprin Asset Management, LLC | 300 | 200 | 200 | 200 | (100) |
| 21 | MT Asset Management, LLC | 110 | 110 | 110 | 110 | 0 |
| 22 | Asset Preservation Advisors, Inc. | 240 | 40 | 40 | 60 | (180) |
| 23 | Clark Capital Management Group, Inc. | 55 | 55 | 55 | 55 | 0 |
| 24 | City National Rochdale, LLC | 50 | 50 | 50 | 50 | 0 |
| 25 | J.P. Morgan Investment Management, Inc. | 0 | 0 | 0 | 50 | 50 |
| Top 25 Reported Bondholders | | \$117,475 | \$128,600 | \$123,350 | \$118,775 | \$1,300 |

Per Amount represented in \$000s

Source: IFRSO portfolios as of December 3, 2020. Based on investor reporting and disclosure filings for 2020 Q2. Outflows reflect bonds matured, redeemed or sold.

RBC Capital Markets

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Indicators

- | | | |
|------|--|----------------------------------|
| (7) | Current Assets / Current Liabilities > 3 | (IISD = 2.9554 or 2% low = 8/10) |
| (8) | What IISD owes / What IISD owns < 0.60 | (IISD = 0.618 or 3% high = 8/10) |
| (9) | Revenue exceeded expenditures | |
| (10) | Did District have enough funds to meet the required debt payment | |
| (11) | Administrative Cost Ratio < 0.08555 | (0.0604) |
| (12) | 15% or more decline in students in enrollment/staff over 3 years | |

| | <u>2016-2017</u> | <u>2018-2019</u> | <u>Difference</u> |
|--------------------|------------------|------------------|-------------------|
| Students | 34,792 | 33,464 | (1,328) |
| Staff | 4,134 | 4,027 | (107) |
| Students per Staff | 8.416 | 8.310 | |
| Allowed | | 7.154 | |

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Indicators

| | | |
|------|--|---|
| (13) | Was PEIMS (data reporting to TEA) < 3% | Reported: \$321,721,291 Difference: \$344 (0.00%) Allowed Difference: \$9,651,638 |
| (14) | Any material noncompliance issues | No |
| (15) | Was an "adjusted repayment" schedule needed? | No, the ISD adjusts to actual estimated |

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Indicators

| | | |
|------|--|---|
| (13) | Was PEIMS (data reporting to TEA) < 3% | Reported: \$321,721,291 Difference: \$344 (0.00%) Allowed Difference: \$9,651,638 |
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| (15) | Was an "adjusted repayment" schedule needed? | No, the ISD adjusts to actual estimated |

Irving ISD Fall 2020 FIRST Report Financial Integrity Rating System of Texas

Primary Financial Factors of IISD

(A) Bond Portfolio Restructuring

| Refund Series | Bond Par | Savings (PV) |
|---------------|----------------|---------------|
| 2013 | \$ 66,405,000 | \$ 7,117,432 |
| 2014 | \$ 4,685,309 | \$ 1,447,444 |
| 2015 | \$ 60,107,202 | \$ 7,065,003 |
| 2015A | \$ 139,297,695 | \$ 33,266,932 |
| 2016 | \$ 83,565,000 | \$ 11,814,711 |
| 2016A | \$ 20,185,000 | \$ 3,391,732 |
| 2017 | \$ 9,270,000 | \$ 721,512 |
| 2019 | \$ 42,765,000 | \$ 4,831,799 |
| | \$ 426,280,206 | \$ 69,656,565 |

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Primary Financial Factors of IISD

(A) Bond Portfolio Restructuring

| Taxable Value | x | Tax Rate/100 | = Taxes |
|--|----|----------------|-----------------------------|
| Taxable Value Estimate = \$15,936,442,841 | | | |
| Tax Rate = 100 x taxes collected / Taxable Value | | | |
| Tax Rate = | \$ | 69,656,565 | 100 |
| | | 15,936,442,841 | |
| Tax Rate Saved = | \$ | 0.4371 | |
| 2020 Tax Rate = | | 0.2603 | (Potential Equivalent Only) |
| Time Savings | | 1.6792 | (Actual will be spread out) |

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(A) Bond Portfolio

Primary Financial Factors of IISD

Irving Independent School District
Outstanding Unlimited Tax Debt by Principal and Interest



\$3M Decrease – 2.5% @ 25 Years
(\$55 M Estimate)

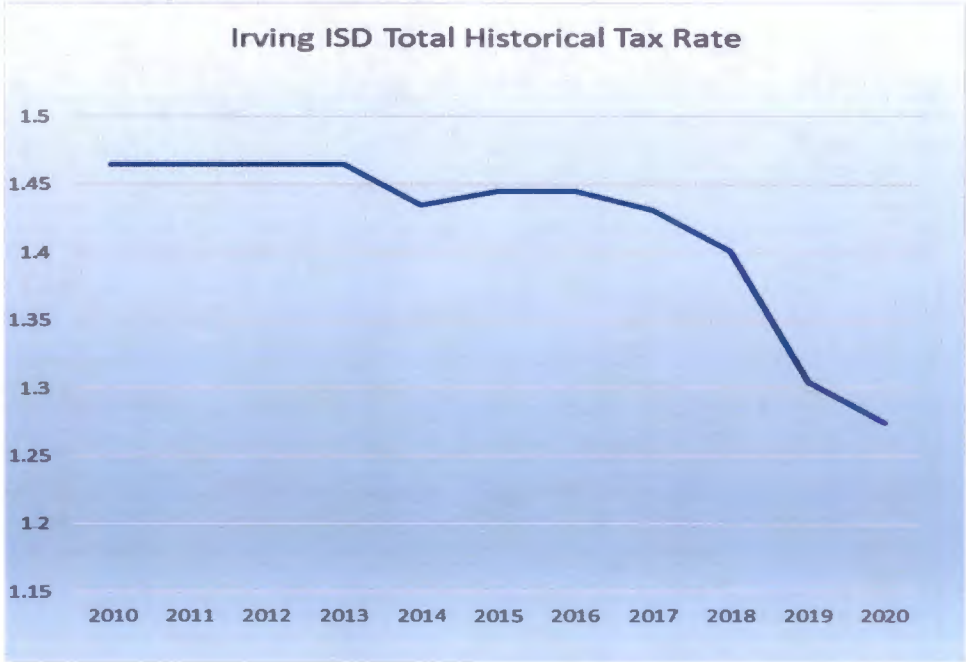
\$15M Decrease – 2.5% @ 25 Years
(\$275 M Estimate)

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Primary Financial Factors of IISD

(B) Tax Rate

| Tax Year | Total Rate |
|----------|------------|
| 2010 | 1.465 |
| 2011 | 1.465 |
| 2012 | 1.465 |
| 2013 | 1.465 |
| 2014 | 1.435 |
| 2015 | 1.445 |
| 2016 | 1.445 |
| 2017 | 1.4314 |
| 2018 | 1.4011 |
| 2019 | 1.3051 |
| 2020 | 1.2751 |





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Primary Financial Factors of IISD

(C) Close out old bond issue

(D) Buy-America-Bonds

(E) Long-Term Construction Fund (Package 1) (Fund 616 \$2,471,734 @ 12/4/2020)

(F) Long-Term Technology Fund (Fund 620 \$3,845,672 @ 12/4/2020)

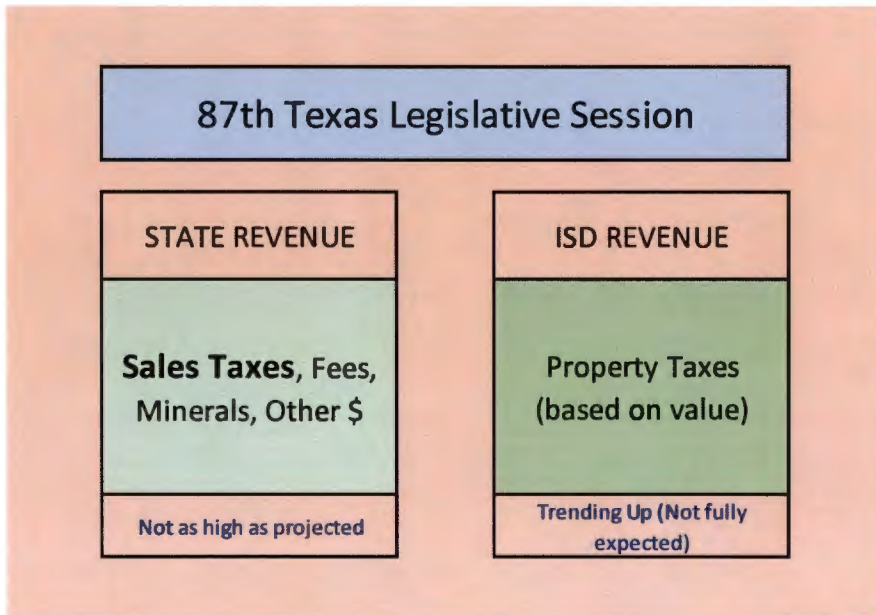
(F) TIF (Jim Scrivner IISD Contact) - Approximately \$8M balance / Separate fund to be created

(G) Transportation

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Primary Financial Factors of IISD

(D) Future State Funding



From HillCo Partners, "the burden on the Foundation School Program (FSP) is lower than anticipated due to higher-than-expected property tax revenues, which were caused by increasing property values."

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Disclosures

Reimbursements Received by the Superintendent and Board Members for Fiscal Year 2019

| For the Twelve-month Period August 31, 2019 | | | | | |
|--|---------------------------------|-----------------------------------|------------------------------|------------------------------|--------------------------------|
| Description of Reimbursements | Superintendent Dr. Jose Para | Superintendent Magda Hernandez | Board Member Steven Jones | Board Member Randy Randle | Board Member Nell Anne Hunt |
| Meals | 29.32 | 516.11 | 97.49 | 166.31 | 77.40 |
| Lodging | 222.10 | 2,994.37 | 1,299.57 | 1,008.68 | |
| Transportation | 247.29 | 2,471.41 | | 549.55 | |
| Motor Fuel | | | | | |
| Other | | 3,172.18 | | 2,000.00 | 2,000.00 |
| Total | 498.71 | 9,154.08 | 1,397.06 | 3,724.54 | 2,077.40 |

| For the Twelve-month Period August 31, 2019 | | | | | |
|--|------------------------------|----------------------------|---------------------------------|-----------------------------|----------------------------------|
| Description of Reimbursements | Board Member A.D. Jenkins | Board Member Nuzhat Hye | Board Member Pamela Campbell | Board Member Tony Grimes | Board Member Rosemary Robbins |
| Meals | 169.40 | 78.22 | 77.40 | 77.40 | 77.40 |
| Lodging | 1,096.84 | 810.29 | | | |
| Transportation | 583.55 | 227.81 | | | |
| Motor Fuel | | | | | |
| Other | 1,000.00 | 425.00 | 1,425.00 | 1,000.00 | 1,425.00 |
| Total | 2,849.79 | 1,541.32 | 1,502.40 | 1,077.40 | 1,502.40 |

Note – The spirit of the rule is to capture all “reimbursements” for fiscal year 2019, regardless of the manner of payment, including direct pay, credit card, cash, and purchase order. Reimbursements to be reported per category include:

Meals – Meals consumed off the school district’s premises, and in-district meals at area restaurants (excludes catered meals for board meetings).

Lodging - Hotel charges

Transportation - Airfare, car rental (can include fuel on rental), taxis, mileage reimbursements, leased cars, parking and tolls

Motor fuel – Gasoline.

Other - Registration fees, telephone/cell phone, internet service, fax machine, and other reimbursements (or on-behalf of) to the superintendent and board member not defined above.

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Disclosures

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2019

| | |
|---|---------------|
| For the Twelve-Month Period Ended August 31, 2019 | |
| Name(s) of Entity(ies) | |
| None | \$0.00 |
| | |
| | |
| | |
| Total | \$0.00 |

Note – Compensation does not include business revenues from the superintendent’s livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues). Revenues generated from a family business that have no relationship to school district business are not to be disclosed.

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Disclosures

Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2019

| | | | | | |
|--|---------------------------------|-----------------------------------|------------------------------|------------------------------|--------------------------------|
| For the Twelve-month Period August 31, 2019 | Superintendent Dr. Jose Para | Superintendent Magda Hernandez | Board Member Steven Jones | Board Member Randy Randle | Board Member Nell Anne Hunt |
| Summary Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | | |
|--|------------------------------|----------------------------|---------------------------------|-----------------------------|----------------------------------|
| For the Twelve-month Period August 31, 2019 | Board Member A.D. Jenkins | Board Member Nuzhat Hye | Board Member Pamela Campbell | Board Member Tony Grimes | Board Member Rosemary Robtins |
| Summary Total | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported under the applicable school official.



**Irving ISD Fall 2020 FIRST Report
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**Questions or
Comments**



Irving ISD Fall 2020 FIRST Report
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Texas Education Agency 2020 FIRST Report



Irving ISD Fall 2020 FIRST Report
Financial Integrity Rating System of Texas

Texas Education Agency 2018-2019 FIRST Report

Irving ISD Fall 2020 FIRST Report

Financial Integrity Rating System of Texas



Financial Integrity Rating System of Texas

2019-2020 RATINGS BASED ON SCHOOL YEAR 2018-2019 DATA - DISTRICT STATUS DETAIL

| | |
|---------------------------------|--|
| Name: IRVING ISD(057912) | Publication Level 1: 8/6/2020 9:26:37 AM |
| Status: Passed | Publication Level 2: 8/6/2020 11:17:34 AM |
| Rating: A = Superior | Last Updated: 8/6/2020 11:17:34 AM |
| District Score: 96 | Passing Score: 60 |

| # | Indicator Description | Updated | Score |
|-----|---|-----------------------------|-------|
| 1 | <u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u> | 3/30/2020 12:58:00 PM | Yes |
| 2 | Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A, or to both indicators 2.A and 2.B. | | |
| 2.A | <u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u> | 3/30/2020 12:58:00 PM | Yes |
| 2.B | <u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)</u> | 3/30/2020 12:58:00 PM | Yes |
| 3 | <u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (if the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u> | 3/30/2020 12:58:01 PM | Yes |

Irving ISD Fall 2020 FIRST Report Financial Integrity Rating System of Texas

| | | | |
|----|---|-----------------------------|------------------------|
| 4 | <u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?</u> | 3/30/2020 12:58:01 PM | Yes |
| 5 | This indicator is not being scored. | | |
| | | | 1 Multiplier Sum |
| 6 | <u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)</u> | 3/30/2020 12:58:02 PM | 10 |
| 7 | <u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u> | 3/30/2020 12:58:02 PM | 8 |
| 8 | <u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? If the school district's increase of students in membership over 5 years was 7 percent or more, then the school district passes this indicator. See ranges below.</u> | 3/30/2020 12:58:02 PM | 8 |
| 9 | <u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?</u> | 3/30/2020 12:58:03 PM | 10 |
| 10 | <u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u> | 3/30/2020 12:58:04 PM | 10 |
| 11 | <u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u> | 3/30/2020 12:58:04 PM | 10 |
| 12 | <u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)</u> | 3/30/2020 12:58:06 PM | 10 |

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| | | | |
|----|---|-----------------------------|------------------------|
| 13 | <u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?</u> | 3/30/2020 12:58:08 PM | 10 |
| 14 | <u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u> | 3/30/2020 12:58:08 PM | 10 |
| 15 | <u>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</u> | 3/30/2020 12:58:08 PM | 10 |
| | | | 96 Weighted Sum |
| | | | 1 Multiplier Sum |
| | | | 96 Score |

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DETERMINATION OF RATING

| | | |
|--|--|--------|
| A. | Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is F for Substandard Achievement regardless of points earned. | |
| B. | Determine the rating by the applicable number of points. (Indicators 6-15) | |
| | A = Superior | 90-100 |
| | B = Above Standard | 80-89 |
| | C = Meets Standard | 60-79 |
| | F = Substandard Achievement | <60 |
| <p>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</p> | | |

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

THE **TEXAS EDUCATION AGENCY**
 1701 NORTH CONGRESS AVENUE · AUSTIN, TEXAS, 78701 · (512) 463-9734



**Irving ISD Fall 2020 FIRST Report
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End of
Texas Education Agency
2020 FIRST Report



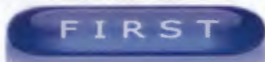
**Irving ISD Fall 2020 FIRST Report
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Texas Education Agency 2019 FIRST Report (Last year's
report is included as an attachment)

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RATING YEAR **2018-2019** DISTRICT NUMBER **district #** Select An Option Help Home



Financial Integrity Rating System of Texas

2018-2019 RATINGS BASED ON SCHOOL YEAR 2017-2018 DATA - DISTRICT STATUS DETAIL

| | |
|---------------------------------|--|
| Name: IRVING ISD(057912) | Publication Level 1: 8/7/2019 3:33:27 PM |
| Status: Passed | Publication Level 2: 8/8/2019 2:06:12 PM |
| Rating: A = Superior | Last Updated: 8/8/2019 2:06:12 PM |
| District Score: 98 | Passing Score: 60 |

| # | Indicator Description | Updated | Score |
|-----|---|----------------------------|-------|
| 1 | <u>Was the complete annual financial report (AFR) and data submitted to the TFA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u> | 8/5/2019 11:05:35 PM | Yes |
| 2 | Review the AFR for an unmodified opinion and material weaknesses. The school district must pass 2.A to pass this indicator. The school district fails indicator number 2 if it responds "No" to indicator 2.A, or to both indicators 2.A and 2.B. | | |
| 2.A | <u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u> | 8/5/2019 11:05:35 PM | Yes |
| 2.B | <u>Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)</u> | 8/5/2019 11:05:35 PM | Yes |
| 3 | <u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (= person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u> | 8/5/2019 11:05:36 PM | Yes |

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| | | | |
|----|---|----------------------------|------------------------|
| 4 | <u>Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?</u> | 8/5/2019 11:05:36 PM | Yes |
| 5 | This indicator is not being scored. | | |
| | | | 1 Multiplier Sum |
| 6 | <u>Was the number of days of cash on hand and current investments in the general fund for the school district sufficient to cover operating expenditures (excluding facilities acquisition and construction)? (See ranges below.)</u> | 8/5/2019 11:05:36 PM | 10 |
| 7 | <u>Was the measure of current assets to current liabilities ratio for the school district sufficient to cover short-term debt? (See ranges below.)</u> | 8/5/2019 11:05:37 PM | 10 |
| 8 | <u>Was the ratio of long-term liabilities to total assets for the school district sufficient to support long-term solvency? (If the school district's change of students in membership over 5 years was 7 percent or more, then the school district passes this indicator.) (See ranges below.)</u> | 8/5/2019 11:05:37 PM | 8 |
| 9 | <u>Did the school district's general fund revenues equal or exceed expenditures (excluding facilities acquisition and construction)? If not, was the school district's number of days of cash on hand greater than or equal to 60 days?</u> | 8/5/2019 11:05:38 PM | 10 |
| 10 | <u>Was the debt service coverage ratio sufficient to meet the required debt service? (See ranges below.)</u> | 8/5/2019 11:05:38 PM | 10 |

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| | | | |
|----|---|----------------------------|------------------------|
| 11 | <u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u> | 8/5/2019 11:05:39 PM | 10 |
| 12 | <u>Did the school district not have a 15 percent decline in the students to staff ratio over 3 years (total enrollment to total staff)? (If the student enrollment did not decrease, the school district will automatically pass this indicator.)</u> | 8/5/2019 11:05:40 PM | 10 |
| 13 | <u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?</u> | 8/5/2019 11:05:41 PM | 10 |
| 14 | <u>Did the external independent auditor indicate the AFR was free of any instance(s) of material noncompliance for grants, contracts, and laws related to local, state, or federal funds? (The AICPA defines material noncompliance.)</u> | 8/5/2019 11:05:41 PM | 10 |
| 15 | <u>Did the school district not receive an adjusted repayment schedule for more than one fiscal year for an over allocation of Foundation School Program (FSP) funds as a result of a financial hardship?</u> | 8/5/2019 11:05:41 PM | 10 |
| | | | 98 Weighted Sum |
| | | | 1 Multiplier Sum |
| | | | 96 Score |

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98 Score

DETERMINATION OF RATING

| | | |
|--|--|--------|
| A. | Did the district answer 'No' to Indicators 1, 3, 4, or 2.A? If so, the school district's rating is F for Substandard Achievement regardless of points earned. | |
| B. | Determine the rating by the applicable number of points. (Indicators 6-15) | |
| | A = Superior | 90-100 |
| | B = Above Standard | 80-89 |
| | C = Meets Standard | 60-79 |
| | F = Substandard Achievement | <60 |
| <p>No Rating = A school district receiving territory that annexes with a school district ordered by the commissioner under TEC 13.054, or consolidation under Subchapter H, Chapter 41. No rating will be issued for the school district receiving territory until the third year after the annexation/consolidation.</p> | | |

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.texas.gov

THE TEXAS EDUCATION AGENCY
1701 NORTH CONGRESS AVENUE - AUSTIN, TEXAS, 78701 - (512) 463-9734

FIRST 3.9.1.0

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Disclosures Outside Compensation Financial Integrity Rating System of Texas Fall 2019

Outside Compensation and/or Fees Received by the Superintendent for Professional Consulting and/or Other Personal Services in Fiscal Year 2018

| For the Twelve-Month Period Ended August 31, 2018 | |
|---|--------|
| Name(s) of Entity(ies) | |
| None | \$0.00 |
| | |
| | |
| | |
| Total | \$0.00 |

Note – Compensation does not include business revenues from the superintendent's livestock or agricultural-based activities on a ranch or farm. Report gross amount received (do not deduct business expenses from gross revenues) Revenues generated from a family business that have no relationship to school district business are not to be disclosed

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Disclosures Gifts Received

Financial Integrity Rating System of Texas

Fall 2019

Gifts Received by the Executive Officer(s) and Board Members (and First Degree Relatives, if any) in Fiscal Year 2019

| For the Twelve-Month Period August 31, 2018 | Superintendent Dr. Jose Para | Board Member Larry Stipes | Board Member Randy Randle | Board Member Randy Necessary | Board Member Steven Jones |
|--|---------------------------------|------------------------------|------------------------------|---------------------------------|------------------------------|
| Summary Amounts | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| For the Twelve-Month Period August 31, 2018 | Board Member Nell Anne Hunt | Board Member Dinesh Mali | Board Member A.D. Jenkins | Board Member Nughat Hye |
|--|--------------------------------|-----------------------------|------------------------------|----------------------------|
| Summary Amounts | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Note – An executive officer is defined as the superintendent, unless the board of trustees or the district administration names additional staff under this classification. Gifts received by first degree relatives, if any, will be reported under the applicable school official.

Note: The ISD had not received the return gift/transaction questions from Mr. Mali as of the date of this report, however, there are no known reportable transactions of which the ISD is aware.

**Irving ISD Fall 2020 FIRST Report
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**Disclosures
Business Transactions
Financial Integrity Rating System of Texas
Fall 2019**

Business Transactions Between School District and Board Members for Fiscal Year 2018

| | | | | | |
|--|---------------------------------|------------------------------|------------------------------|---------------------------------|------------------------------|
| For the Twelve-Month Period August 31, 2018 | Superintendent Dr. Jose Para | Board Member Larry Stipes | Board Member Randy Randle | Board Member Randy Necessary | Board Member Steven Jones |
| Summary Amounts | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

| | | | | |
|--|--------------------------------|-----------------------------|------------------------------|----------------------------|
| For the Twelve-Month Period August 31, 2018 | Board Member Neil Anne Hunt | Board Member Dinesh Mali | Board Member A.D. Jenkins | Board Member Nuzhat Hye |
| Summary Amounts | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Note - The summary amounts reported under this disclosure are not to duplicate the items reported in the summary schedule of reimbursements received by board members.



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**END
of REPORT**