Agenda of Regular Meeting

The Board of Trustees
Allen Independent School District

A Regular Meeting of the Board of Trustees of the Allen Independent School District will be held on Monday, October 26, 2026, beginning at 6:30 PM in the Professional Learning & Auxiliary Services Building, 610 E. Bethany Drive, Allen, TX 75002.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the order shown.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. **PRELIMINARY BUSINESS**
   - A. Call to Order
   - B. Announcement by President that a quorum is present, that the meeting has been duly called, and that notice of the meeting has been duly posted for time and manner as required by law.
   - C. Pledge of Allegiance 4
   - D. Recognition 5
   - E. Gifts, Donations and Bequests 7
   - F. Public Participation 9
     1. Public Testimony
     2. Public Comment
2. **UPDATES**
   - A. Early Childhood Program Update 12
   - B. District-Wide Intruder Detection Audit Report Findings 50
3. **CONSENT**
   - A. Consent Agenda 52
     1. Minutes 53
        - a. September 28, 2026 Regular Meeting 54
        - b. October 5, 2026 Workshop 59
     2. Texas Association of School Boards (TASB) Energy Cooperative Membership 61
     3. 2026-27 Budget Amendments 73
     4. 2026 Certified Tax Roll 76
4. **ACTION**
   - A. Annual Comprehensive Financial Report for Fiscal Year 2025-2026 82
   - B. Consider an order authorizing the issuance of unlimited tax school building bonds; appointing a pricing officer and delegating to the pricing officer the authority to approve the sale of the bonds; establishing certain parameters for the approval of such 184

matters; levying an annual ad valorem tax for the payment of the bonds; and enacting other provisions relating to the subject.

C. Total Construction Cost Including GMP for Green Elementary School Renovation 223

5. **OTHER REPORTS - INFORMATION ONLY**
   A. Monthly Financial Reports 226
      1. Year to Date Revenue and Expenditures by Fund 227
      2. Construction Report 230
6. **OTHER BOARD BUSINESS**
   A. TASA/TASB txEDCON 2026 Conference Update 236
   B. Advocacy Committee Update 237
   C. Superintendent's Update 238
   D. Calendar Updates 239
7. **CLOSED SESSION PER TEXAS GOVERNMENT CODE**
   A. Pursuant to Section 551.071, private Consultation with Board's Attorney regarding the procedures for the Level Three appeal filed by Katie Fargen in accordance with Board Policies FNG (LEGAL) and FNG (LOCAL). 240

      Pursuant to Sections 551.071 and 551.074, conduct the Level Three appeal hearing for the appeal filed by Ms. Katie Fargen in accordance with Board Policies FNG (LEGAL) and FNG (LOCAL).

      Pursuant to Section 551.071, private consultation with Board's Attorney regarding the Level Three appeal filed by Ms. Katie Fargen in accordance with Board Policies FNG (LEGAL) and FNG (LOCAL).
8. **OPEN SESSION**
   A. Reconvene from Closed Session for Action Relative to Items Considered During Closed Session
      1. Consider and take possible action regarding the Level Three appeal filed by Ms. Katie Fargen in accordance with Board Policies FNG (LEGAL) and FNG (LOCAL).
9. **CLOSED SESSION PER TEXAS GOVERNMENT CODE**
   A. Pursuant to Texas Government Code Section 551.071, private consultation with the Board's attorney when the Board seeks the advice of its attorney in person, or by phone. 241 242
      Pursuant to Texas Government Code Section 551.074, deliberation regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
      1. Discuss and consider all matters concerning Superintendent Search
   B. Private Consultation with the Board's Attorney (Sec. 551.071) 243
   C. Personnel Matters (Sec. 551.074) 244
   D. Property Matters (Sec. 551.072) 245
   E. Security Devices or Security Audits (Sec. 551.076) 246
   F. School Children; School District Employees; Disciplinary Matter or Complaint (Sec. 551.082) 247

G. School Board: Personally Identifiable Information about Public School Student (Sec. 551.0821) 248

10. **OPEN SESSION**
    A. Reconvene from Closed Session for Action Relative to Items Considered During Closed Session
        1. Consider and take possible action regarding Superintendent Search
        2. Consider and take possible action regarding Security Devices or Security Audits
    B. Adjournment

Taxpayer Impact Statement

(Pursuant to Texas Government Code 551.043(c)(2))

Fiscal Year (Tax Year)*	Median-Valued Homestead**	Tax Rate per $100 of Value	Estimated Property Tax Bill
FY 2025-2026 (TY 2025)	$366,181	Adopted 2025 Tax Rate: $1.1258	$4,122.46
FY 2026-2027 (TY 2026)	$369,332***	Adopted 2026 Tax Rate $1.1037	$4,076.31

Notes:
*Remember that the tax year begins on January 1; tax year 2026 began on January 1, 2026.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Pledge of Allegiance

ADMINISTRATOR RESPONSIBLE: David Hicks, Assistant Superintendent for Communications and Community Engagement

SOAR 2030 STRATEGIC VISION: Goal 1 – Culture of Excellence.

LEGAL REVIEW: N/A

Authority for this Action: N/A

Summary / Background Information:

Pledge of Allegiance

The Pledge of Allegiance will be led by students from Ereckson Middle School.

Administrative Recommendation: None

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Recognition

ADMINISTRATOR RESPONSIBLE: David Hicks, Assistant Superintendent for Communications and Community Engagement

SOAR 2030 STRATEGIC VISION: Goal 1 – Culture of Excellence

LEGAL REVIEW: N/A

Authority for this Action: N/A

Summary / Background Information:

Allen ISD and the Board of Trustees Celebrate National First Responder Day

Allen ISD and the Board of Trustees extend their gratitude to our nation's first responders, especially the brave men and women who serve the City of Allen Police Department and the City of Allen Fire Department, during the celebration of National First Responders Day.

Allen ISD is grateful for the police officers, SROs, firefighters, paramedics, EMTs, dispatch officers and more who help keep our community a safe and vibrant place to live, work, and learn.

Students in the Special Services Program helped design buttons and cards to recognize our first responders. Each button and card was handcrafted in the students' workshops and classrooms, and their work reflects their appreciation for those who serve our community. These students build independence and job-related skills through real-world experiences, and the creation of these special gifts is a perfect example of how they work to hone their skills.

Thank you again to our brave first responders.

Allen FFA Ranked Among Top Ten Percent Nationally with Three-Star Honors

The Allen FFA chapter recently earned a Three-Star ranking in the 2026 National Chapter Award Program. This prestigious honor places the local program in the top 10 percent of chapters across the country. The rating represents the highest level of achievement awarded by the National FFA Organization.

The national program recognizes outstanding chapters that actively deliver educational growth and hands-on opportunities for all members. Allen FFA demonstrated excellence by meeting rigorous quality standards and executing a comprehensive Program of Activities. The FFA program is led by advisors Stacy Schertz and Grant Brill.

Administrative Recommendation: None

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Gifts, Donations, and Bequests

ADMINISTRATOR RESPONSIBLE: Kim McLaughlin, Acting Superintendent

SOAR 2030 STRATEGIC VISION: N/A

LEGAL REVIEW: N/A

Authority for this Action: Board Policy CDC (Local), Gifts from the Public

The Board may accept any bequest or gift of money or property on behalf of the District. The gift shall become the sole property of the District for its use and disposition. All gifts shall be given to the District. At the discretion of the Superintendent or designee, the gift may be used in a particular school.

CRITERIA FOR ACCEPTANCE

The Superintendent or designee shall examine and evaluate offers of gifts to the District and may recommend acceptance to the Board when the gifts:

1. Have a purpose consistent with District purposes.
2. Place no restrictions on the school program.
3. Do not conflict with policies or actions of the Board or public law.
4. Do not require extensive District maintenance.

Summary / Background Information:

Donations listed may include monetary donations, grants, and gifts.

- Allen High School Student Council received:
  - $1,645.34 from K&G Men's Company to be used toward homecoming and prom
  - $1,500 from the Allen Band Booster Association to be used towards the 2026 Escadrille hype video

- Athletics received:
  - $13,790.13 from the Hit Squad Volleyball Booster Club to be used towards the team's travel
  - $2,493 from Dave Stock Photography to be used towards the athletic program

- Chandler Elementary received a $500 Donor's Choose Gift Card from the Cotton Bowl Foundation to be used towards supplies for music classes.

- Community Services/Strategic Initiatives received:

- food from Layne's Chicken valued at $2,000 for the Heart@Work tailgate staff appreciation event
- advertising valued at $1,000 for the Heart@Work staff appreciation fund

- The Foundation for Allen Schools awarded the following prize winners for their annual employee drive:
  - Lindsey Elementary - $1,200
  - Boyd Elementary - $1,200
  - Anderson Early Childhood - $600

- Health Services received 25 vouchers for free eye exams and eye glasses valued at $12,500 from allenEYE.

- Kerr Elementary received:
  - $500 from Scott & Ashley Houck to be used towards the Principal's discretionary account
  - $1,725 from the Kerr PTA to be used towards the 5th grade Sky Ranch trip

- Norton Elementary received $3,000 from the Norton PTA to be used towards school-wide support.

- Olson Elementary received $510 from the Olson PTA to be used towards the 5th grade Sky Ranch field trip.

- Reed Elementary received $250 from Melissa Miller to be used towards campus needs.

- The STEAM Center received a $300 gift card from HEB to be used towards the purchase of mini pumpkins for the Fall Fest.

- Vaughan received $495 from an anonymous donor to be used to help sponsor the 5th grade Sky Ranch field trip.

Administrative Recommendation:

The administration recommends acceptance of these donations.

Proposed Motion:

"Move to accept the donations as presented by staff."

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING:	October 26, 2026
DOCUMENT TITLE:	Board Meeting Public Participation BED(LEGAL) and BED(LOCAL)
ADMINISTRATOR RESPONSIBLE:	Board President
SOAR 2030 STRATEGIC VISION:	N/A
LEGAL REVIEW:	N/A

Authority for this Item: BED (LEGAL) and BED (LOCAL)

BED (LEGAL)
Board meetings are held to transact the business of the District. So that citizens have the opportunity to be informed concerning those transactions, meetings are open to the public, except when closed meetings are conducted as permitted by the Open Meetings Act. The Board may create a limited public forum for the purpose of hearing comments from the public so long as: 1) the Board does not discriminate against speech on the basis of viewpoint; 2) any restrictions are reasonable in light of the purpose served by the forum; and 3) the Board provides alternative paths for expressing categories of protected speech that are excluded from the forum. *Fairchild v. Liberty Indep. Sch. Dist., 597 F.3d 747 (5th Cir. 2010)*

A board may adopt reasonable rules regarding the public's right to address the board under these provisions, including rules that limit the total amount of time that a member of the public may address the board on a given item.

BED (LOCAL)
Audience participation at a Board meeting is limited to the portion of the meeting designated to receive Public Comment and Public Testimony in accordance with this policy. At all other times during a Board meeting, the audience shall not enter into discussion or debate on matters being considered by the Board, unless requested by the presiding officer.

Public Testimony

Public Testimony means a person who wishes to comment regarding an item on the agenda posted with notice of any open meeting of the Board. At monthly regular Board meetings and at all other Board meetings open to the public, including Board workshops and/or work sessions, public participation shall be limited to items on the agenda posted with notice of such meeting, in the form of public testimony. Individuals shall be allowed to address the Board regarding an item on the agenda posted with notice of any open meeting of the Board before the Board's consideration of the agenda item, provided that such individuals follow the procedures and requirements stipulated in this policy.

Public Comment

Public Comment means a person who wishes to comment on matters related to the District's business other than Public Testimony. Public Comment shall be limited to the monthly Regular Board meetings and shall not be allowed at any other Board meeting open to the public.

Procedures and Requirements

Individuals who wish to participate during the portion of the meeting designated for public comment and public testimony shall timely register with the Superintendent or designee and shall abide by the registration and time limits stated in policy. Registration shall be done prior to the Board meeting following one of the approved methods stated in Board Policy BED (LOCAL).

The Board shall follow the procedures for timing of speakers, meeting management, complaints, and disruption as outlined in Board Policy BED (LOCAL).

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ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Early Childhood Program Update

ADMINISTRATOR RESPONSIBLE: Jennifer Wilhelm,
Assistant Superintendent of Learner Services
Stephanie Logan,
Director of Federal and Special Programs

SOAR 2030 STRATEGIC VISION: Goal 3 – Empowered Learning

LEGAL REVIEW: N/A

Summary / Background Information:

The presentation will include an update on Allen ISD's Early Childhood Program.

Administrative Recommendation:

Report only.

Early Childhood Program Update

Anderson Early Childhood School ~ October 2026

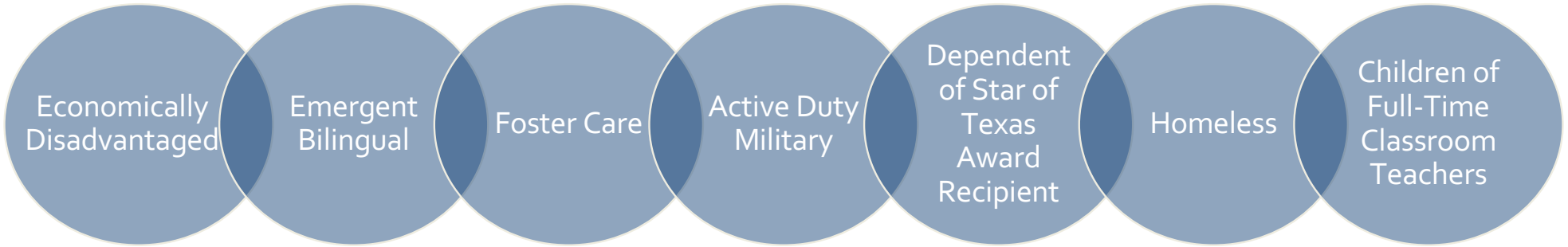
Early Childhood Services and Enrollment

Early Childhood Services

Prekindergarten	Early Childhood Special Education (ECSE)
Instructional opportunities for eligible students to acquire knowledge and skills through intentional play and exploration experiences, which lay a foundation for future learning	Specially designed instruction for eligible students ages 3 to 5 in accordance with the Individuals with Disabilities Education Act (IDEA)

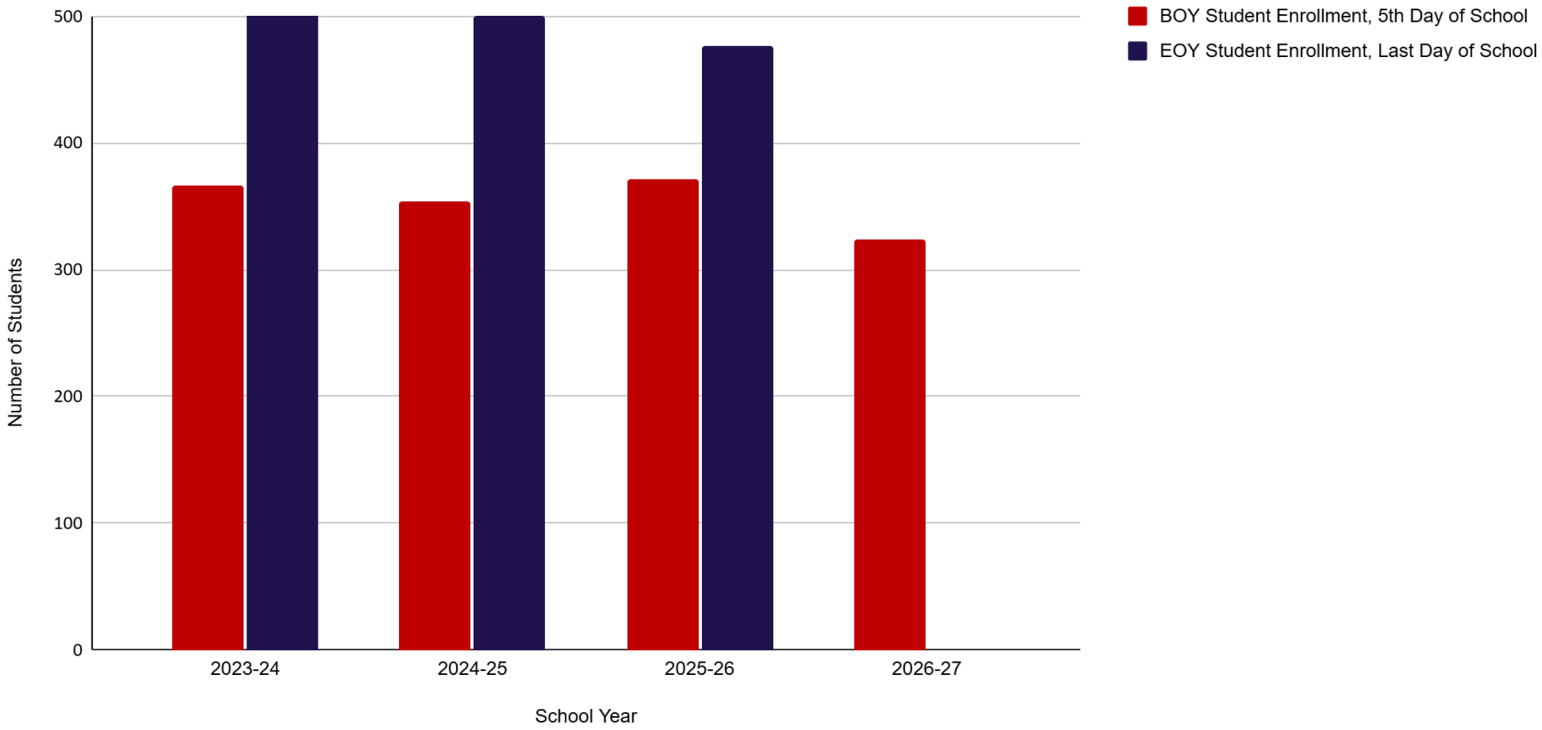
Prekindergarten Eligibility

The prekindergarten program is available to students who are 4 years old by September 1st, reside within Allen ISD school boundaries, and meet one or more of the following eligibility criteria established by the Texas Legislature:



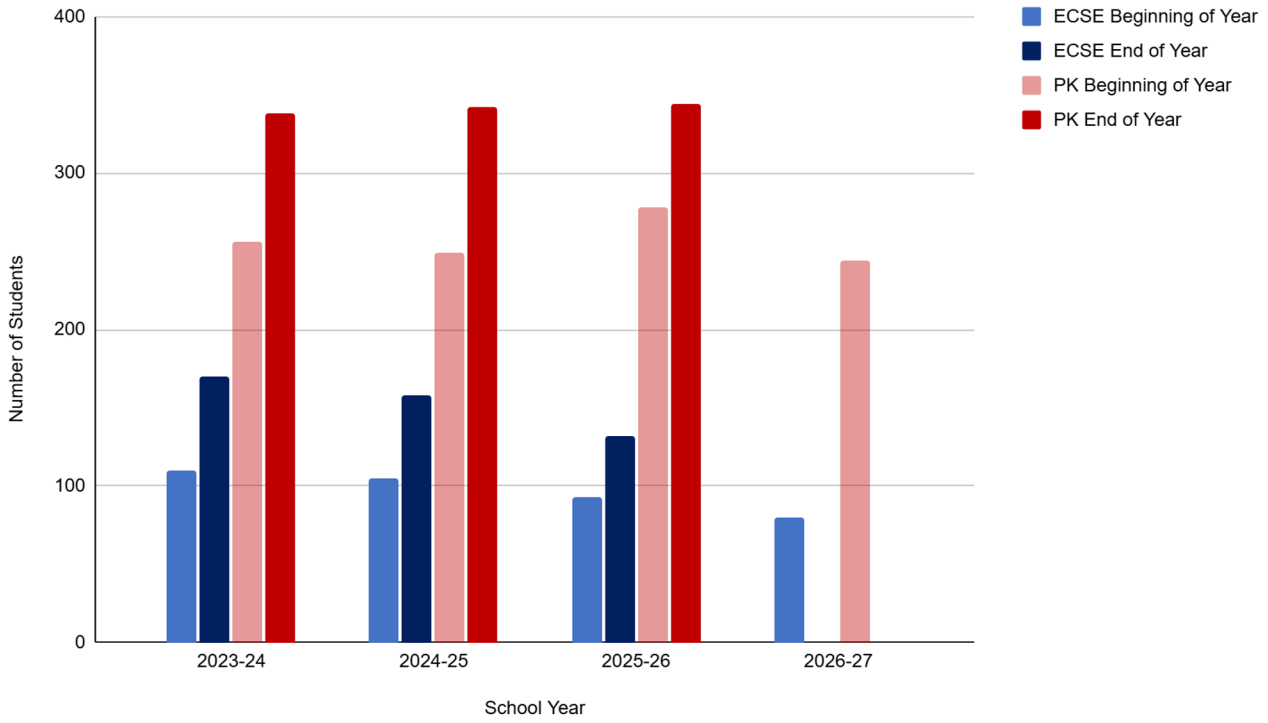
Early Childhood Enrollment Trends

Beginning of Year to End of Year



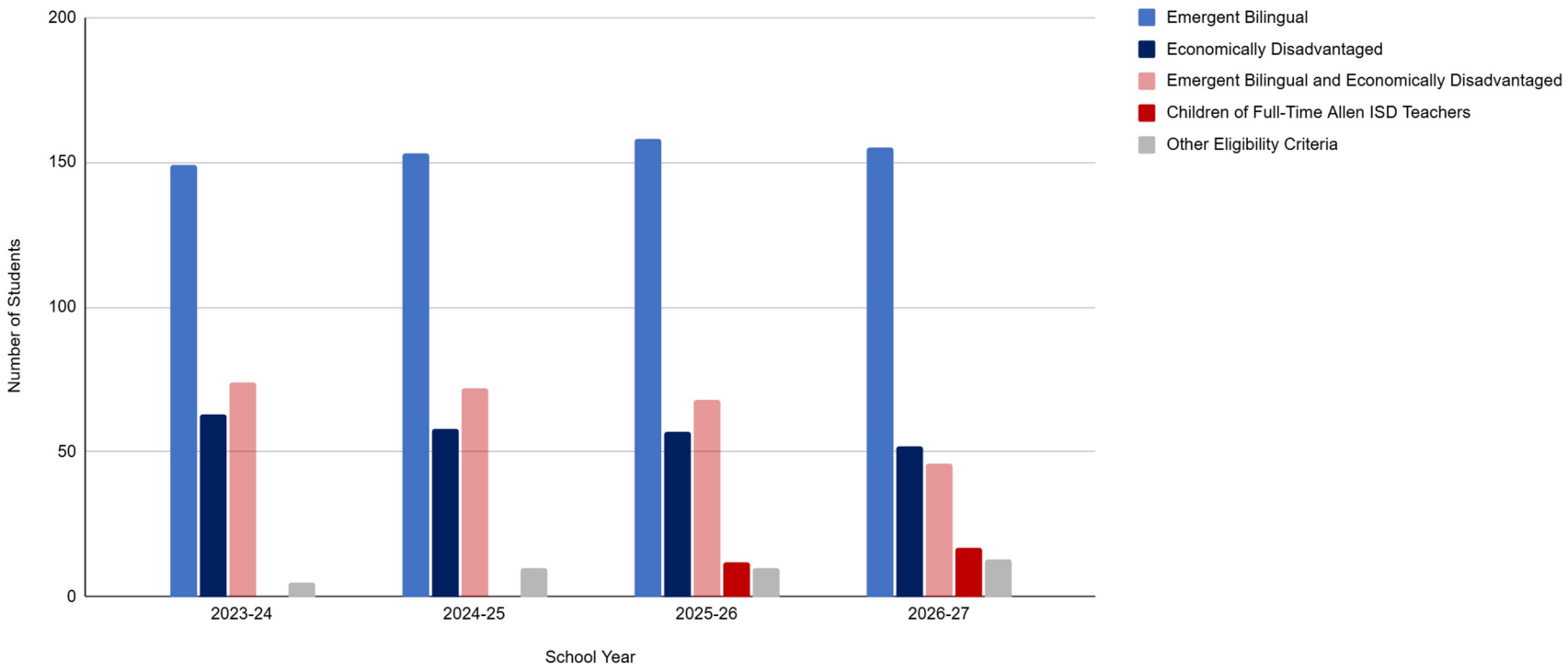
Early Childhood Enrollment Trends

By Program Participation



Prekindergarten Enrollment Trends

By Eligibility, 1st Quarter



Intentional Design: Learning with Purpose

Eagles Begin Here

At Anderson Early Childhood School, our purpose is to provide a strong foundation that sparks a life-long love of learning and promotes independence, kindness, and compassion in our youngest learners.



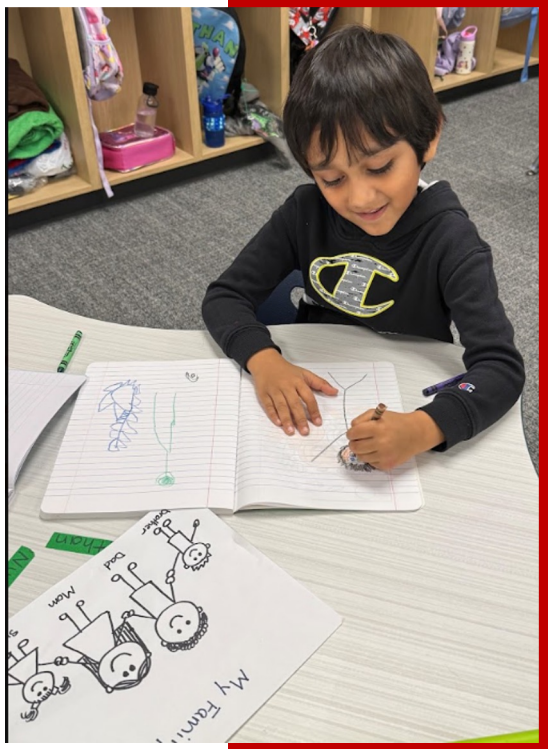
Welcome Eaglets!



Areas of Focus in Early Childhood Learning

- Literacy, Math, Science, Social Studies
- Experiential Learning
- Active Learning ~ Art, Gym, Music & Movement
- Outdoor Play
- Social Development Connected to School Readiness
- Family-Style Dining
- Rest Time

Building Language and Literacy Skills







Building Language and Literacy Skills





Building Early Numeracy Skills







Experiential Learning

Blue Planet Adventures



Cosmic Discoveries



Eco Garden



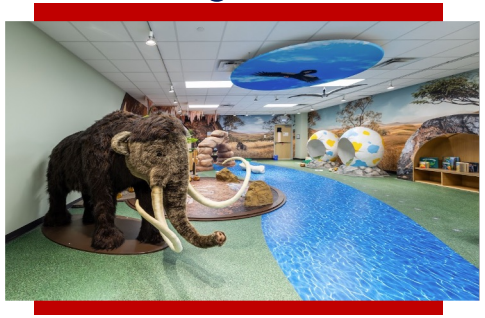
Exploring Texas



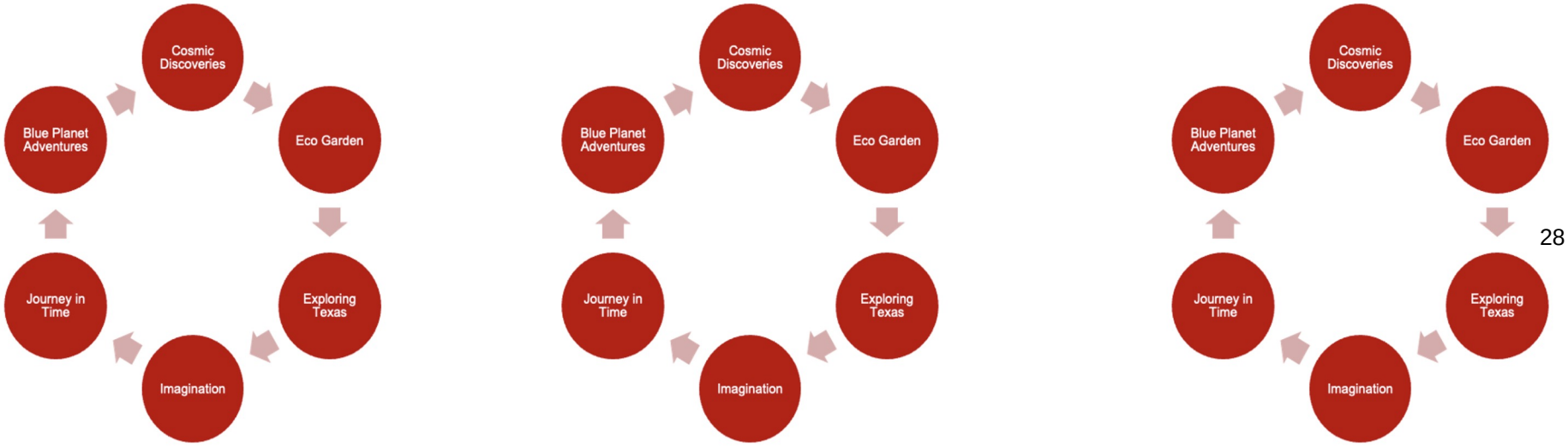
Imagination



Journey in Time



Experiential Learning



Literacy







Literacy







Numeracy





Numeracy







Numeracy







Dramatic Play







Dramatic Play







Building Knowledge Networks





Building Knowledge Networks







Active Learning



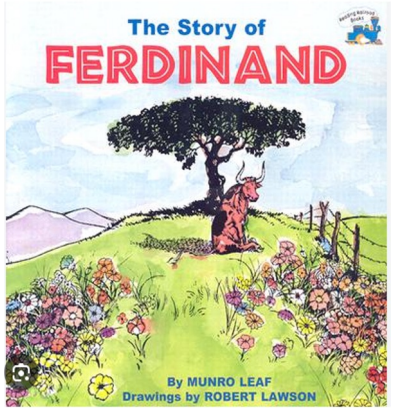


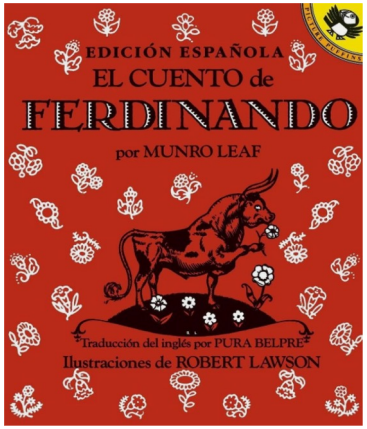




Art




The Story of
FERDINAND
By MUNRO LEAF
Drawings by ROBERT LAWSON


EDICIÓN ESPAÑOLA
EL CUENTO de
FERDINANDO
por MUNRO LEAF
Traducción del inglés por PURA BELPRÉ
Ilustraciones de ROBERT LAWSON

Gym







Music and Movement







Outdoor Play







Family-Style Dining





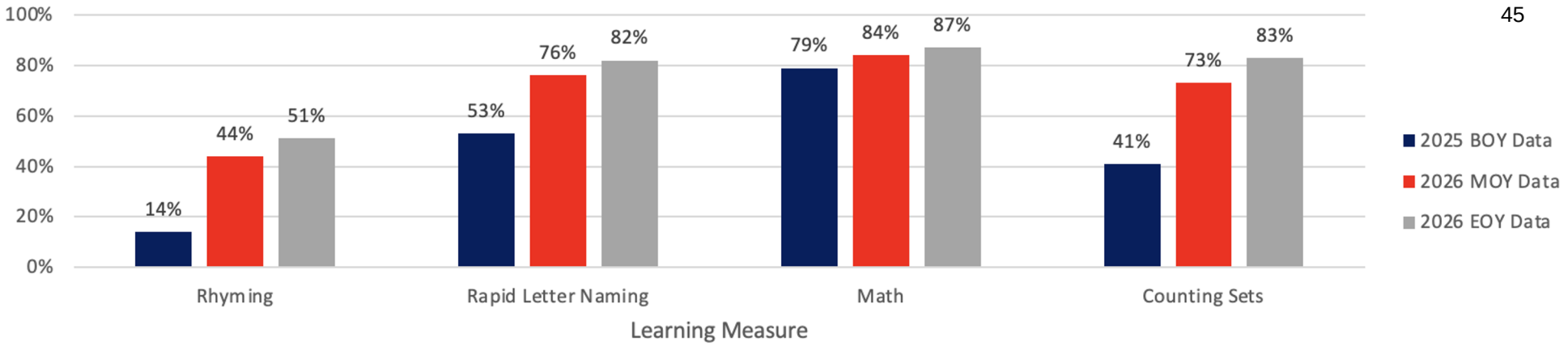




Progress on Early Learning Outcomes

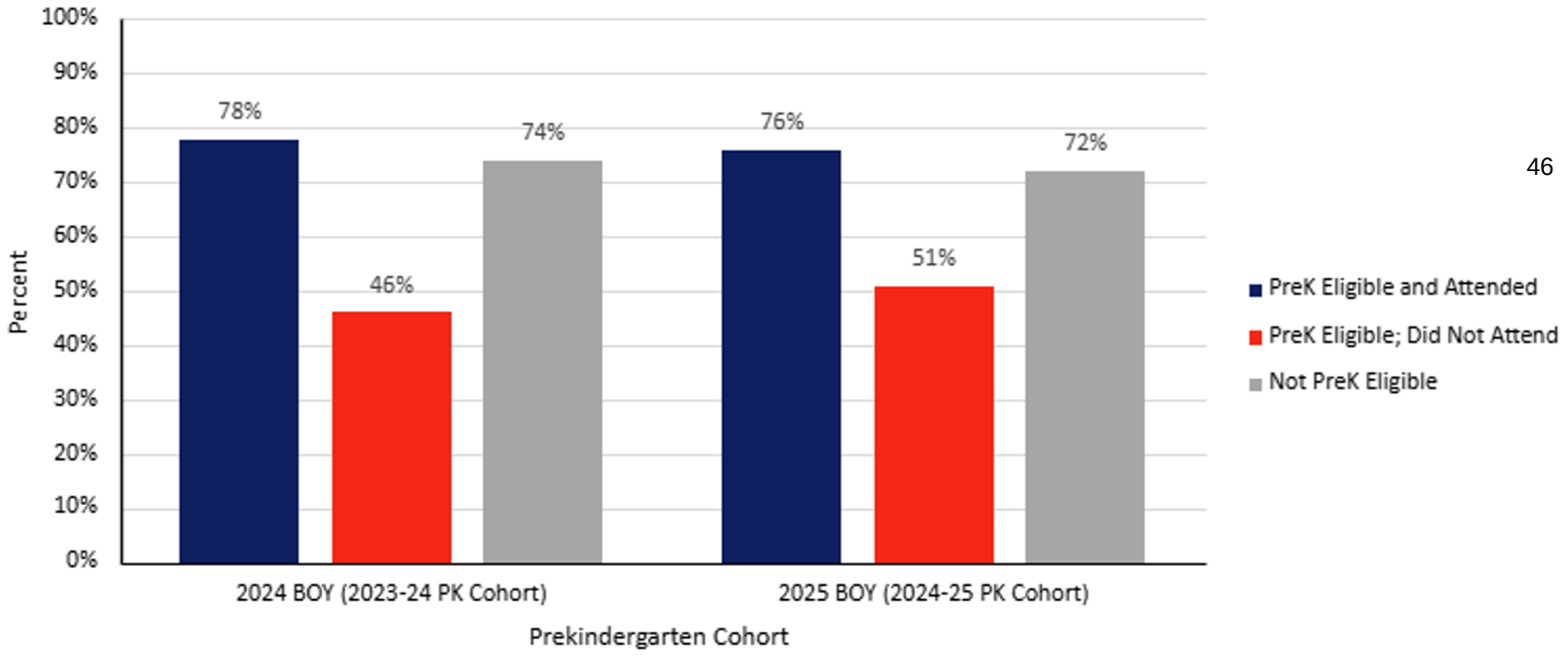
Prekindergarten & Early Childhood Special Education

Percent of Students Who are “On Track” in the Assessed Learning Measures



Kindergarten Readiness

Percent of Kindergarten Students Scoring At or Above Benchmark



Kindergarten Signing Day




FULL DAY PRE-K REGISTRATION
2026-2027 SCHOOL YEAR
ELIGIBILITY INCLUDES CHILDREN OF FULL-TIME CLASSROOM TEACHERS IN ALLEN ISD
Allen ISD offers full-day prekindergarten for students who are four years old by September 1, 2026, and meet at least one of the state's eligibility criteria.
The program is designed to provide early-learning experiences and promote kindergarten readiness.
IMPORTANT DATES IN 2026
MARCH 5 Pre-K Informational Parent Meeting
Anderson Early Childhood School | 5-6 p.m.
APRIL 1 Pre-K Registration Begins
AUGUST 13 First Day of School
SEPTEMBER 1 Student Must be Four by this Date

Early Childhood Program Update

Anderson Early Childhood School ~ October 2026

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING:	October 26, 2026
DOCUMENT TITLE:	District-Wide Intruder Detection Audit Report Findings
ADMINISTRATOR RESPONSIBLE:	Clint Cypert, Executive Director of Operations for Support Services
SOAR STRATEGIC VISION:	Goal 1 – Culture of Excellence
LEGAL REVIEW:	N/A

Authority for this Action: Governor's Directive

Summary / Background Information:

The top priority of Allen Independent School District and the State of Texas is keeping students and staff safe every day. The Texas Education Agency recently conducted an Intruder Detection Audit at one or more of our campuses. The audits test whether a campus is accessible to an unauthorized individual. This audit, conducted as part of Governor Abbott's school safety directives for all school systems, seeks to help districts identify how campuses can improve safety for students, such as ensuring exterior doors are locked. The audit provides us with an opportunity to create a safer learning environment for our students and staff.

We are working closely with our district's School Safety & Security Committee to ensure that we are training all our staff and securing our doors for the protection of everyone on our campuses. The support from the state in conducting the Intruder Detection Audits is just one of the many actions we are taking to ensure our schools are safe. We know that this work does not end, and we appreciate the Board's support.

We acknowledge that parents and community members are likely very interested in the details of the audit results; however, it is in the best interest of the students that we do not share this information with the broader public as it could lead to compromising important campus security information. Specific details of the Intruder Detection Audit will be discussed in the executive session and with the Safety and Security Committee. Allen ISD is committed to providing a safe and secure learning environment for our students and staff.

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ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Consent Agenda

ADMINISTRATOR RESPONSIBLE: Kim McLaughlin, Acting Superintendent

SOAR 2030 STRATEGIC VISION: N/A

LEGAL REVIEW: N/A

Authority for this Action: Local District practice of grouping routine matters which do not require individual discussion.

Consent Agenda

- Minutes
  - September 28, 2026 Regular Meeting
  - October 5, 2026 Workshop
- Texas Association of School Boards (TASB) Energy Cooperative Membership
- 2026-27 Budget Amendments
- 2026 Certified Tax Roll

Proposed Motion: “Move to approve the consent agenda as presented by staff.”

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Minutes

ADMINISTRATOR RESPONSIBLE: Kim McLaughlin, Acting Superintendent

SOAR 2030 STRATEGIC VISION: N/A

LEGAL REVIEW: N/A

Authority for this Action: Board Policy BE (Legal) and BE (Local)

BE (Legal)
The Board shall prepare and keep minutes or make a tape recording of each open meeting. The minutes shall state the subject matter of each deliberation and indicate each vote, order, decision, or other action taken. The minutes and tapes are public records and shall be available for public inspection and copying on request to the Superintendent or designee. *Government Code 551.021, 551.022*

BE (Local)
Board action shall be carefully recorded by the secretary or clerk; when approved, these minutes shall serve as the legal record of official Board actions. The written minutes of all meetings shall be approved by vote of the Board and signed by the President and the Secretary of the Board.

The official minutes of the Board shall be retained on file in the office of the Superintendent and shall be available for examination during regular office hours.

Summary/Background Information:

The following Minutes are submitted:

- September 28, 2026 Regular Meeting
- October 5, 2026 Workshop

Administrative Recommendation:

The administration recommends approval of these Minutes.

Proposed Motion:

“Move to approve the Minutes as presented by staff.”

ALLEN INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES

DATE:	September 28, 2026	**NATURE OF BUSINESS:**	Regular
TIME:	6:30 P.M.		
MEMBERS PRESENT:	Dr. Polly Montgomery, Dr. Bill Parker (arrived at 7:03 PM), John Holley, Veronica Yost, Amanda Campbell and Becca Kinnea		
MEMBERS ABSENT:	Sarah Mitchell		
MEETING PLACE:	Professional Learning Facility 610 E. Bethany Dr. Allen, TX 75002	President _____ Secretary _____	

NATURE OF BUSINESS

Call to Order. Announcement by the President that a quorum is present, that the meeting has been duly called, and that notice of the meeting has been duly posted for time and manner as required by law.

The Pledge of Allegiance was led by students from Chandler Elementary School.

The board recognized the following individuals and groups:

Students in Special Services Program Create Buttons for First Responder Day

Students in the Special Services Program helped design buttons and cards to recognize City of Allen first responders for First Responders Day on October 28, 2026.

Each button and card was handcrafted in the student workshops and classrooms, and their work reflects their appreciation for those who serve our community.

The teachers who lead these wonderful programs are Sohail Marey, Lisa Trees, and Adam Wright.

25 Seniors Earn National Merit Semifinalist Recognition

Twenty-five Allen High School seniors have been recognized as Semifinalists in the 2027 National Merit Scholarship Program. These students are among 16,000 Semifinalists nationwide who qualified to compete for more than 6,700 National Merit Scholarships worth nearly $24 million.

Finalists will be announced in February 2027. Congratulations to all the Semifinalists for earning this distinguished academic honor.

DRAFT

The Allen High School 2027 National Merit Semifinalists are:

- Neha Abin
- Oishik Arif
- Devaj Shourya Bhogireddi
- Edison Chen
- Sophia D'Silva
- Alexandre Elie-Dit-Cosaque
- Lisa Gu
- Heike Hughes
- Danielle Hwang
- Ryan John
- Arohi Joshi-Gadre
- Yeonwoo Lee
- Chuyao Lin
- Chloe Minor
- Norah Nasim
- Nihal Pathuri
- Ryder Perez
- Zaina Qureshi
- Hiruka Ratnayake
- Mark Sajdak
- Sahil Shah
- Isabel Sheng
- Satvika Upperla
- Lincoln Weger
- Lucas Wu

Allen ISD Teachers and Staff Receive More Than $134,000 in Educational Grant Awards

The Foundation For Allen Schools announced that it will fund 84 educational grants for the 2026-27 school year in Allen ISD, totaling $134,565.

Examples of this year’s grants include:

- Anderson Early Childhood School, “Centergize - Look Outside” - $1,600
- Cheatham Elementary School, “Little Bots, Big Brains” - $2,820
- Curtis Middle School, “Career Quest: A Future of Possibilities” - $340
- Dillard Special Achievement Center, “Eagle Creations” - $1,000
- Allen High School, “The Cognitive Lab - Problem Solving Stations” - $1,200

DRAFT

- Special Services, “Building Strong Foundations: District-Wide Motor Lab Support for Special Education Students” - $1,000

Donations were acknowledged. Motion by John Holley. Seconded by Amanda Campbell. Motion carried 5 to 0 to accept the donations as presented by staff. All those in favor: Montgomery, Holley, Yost, Campbell and Kinnear. None opposed.

No one addressed the Board during Public Testimony.

Jacob Luce, a non-resident of Allen, addressed the Board during Public Comment to state he is running for office to become the next Mayor or Councilmember in the City of McKinney and would like to establish the Collin County Coalition.

Dr. Bill Parker arrived to the meeting at 7:03 PM.

Sheryl Stewart, Director of Accountability and Assessment, presented the 2026 Accountability Results which included the Allen ISD 2026 A-F Accountability Ratings information.

Brent Benningfield, Assistant Superintendent of Operations, and Brian Neely, Executive Director of Operations for Planning, Construction, and Maintenance provided an update to the board regarding the district’s construction projects.

The Consent Agenda was acknowledged.

- Minutes
    a) August 24, 2026 Regular Meeting
    b) September 14, 2026 Annual Board Training and Workshop
- Board Operating Procedures
- District and Campus Performance Objectives 2026-2027
- Agreement for the Purchase of Attendance Credits
- Library Materials Proposed for Purchase
    a) Proposed Titles for Elementary Campus Collections
    b) Proposed Titles for Middle School Campus Collections
    c) Proposed Titles for Lowery Freshman Center Campus Collection
    d) Proposed Titles for Allen High School Campus Collection
- Student Travel Services - Allen High School Band
- Construction Manager-At-Risk Services for Cross District Erosion Control

Motion by Becca Kinnear. Seconded by Amanda Campbell. Motion carried 6 to 0 to approve the Consent Agenda as presented by staff. All those in favor: Montgomery, Parker, Holley, Yost, Campbell and Kinnear. None opposed.

Dr. Kyle Penn, Assistant Superintendent of Business & Technology, presented a proposal for the Board of Trustees’ Legislative Priorities for the 90th Texas Legislative Session.

DRAFT

Motion by John Holley. Seconded by Dr. Bill Parker. Motion carried 6 to 0 for the Board to adopt the Legislative Priorities as presented. All those in favor: Montgomery, Parker, Holley, Yost, Campbell and Kinnear. None opposed.

Dr. Theresa Taylor, Executive Director of Special Services, presented an application for the approval of a Remote Homebound Instruction Waiver to provide instruction exclusively through a virtual format for an eligible regular education student.

Motion by Becca Kinnear. Seconded by John Holley. Motion carried 6 to 0 to approve the filing of the Remote Homebound Instruction Waiver for the identified eligible student for the 2026–2027 school year. All those in favor: Montgomery, Parker, Holley, Yost, Campbell and Kinnear. None opposed.

Dr. Nelson Orta discussed the iPad Device Refresh for Specialized Instructional Needs.

Motion by Veronica Yost. Seconded by Amanda Campbell. Motion carried 6 to 0 approve an expenditure at a not-to-exceed amount of $715,000 for the purchase of 1,100 iPads, funded through the Allen ISD Student Device Bond Program. All those in favor: Montgomery, Parker, Holley, Yost, Campbell and Kinnear. None opposed.

Monthly financial reports were acknowledged.

Dr. Bill Parker provided a brief update on behalf of the Audit Committee.

Kim McLaughlin, Acting Superintendent, shared a brief update regarding the district along with a video highlighting the Culture of Excellence.

Upcoming calendar events were reviewed.

Dr. Montgomery, Board President, announced the board would enter into closed session at 9:19 P.M. under the following topics:

7.D.2 Property Matters (Sec. 551.072)
7.D.3 Personnel Matters - Pursuant to Texas Government Code Section 551.074, deliberation regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee
a. Deliberation regarding Superintendent search
b. Deliberation regarding Board Goals

The board began closed session at 9:26 P.M. and ended closed session at 10:23 P.M.

The board reconvened to open session at 10:27 P.M. for action relative to items considered during closed session.

The following action was taken:

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Motion by Amanda Campbell. Seconded by Becca Kinnear. Motion carried 6 to 0 to adopt the Board Goals for 2026-2027 as discussed by the Board. All those in favor: Montgomery, Parker, Holley, Yost, Campbell and Kinnear. None opposed.

Having no further business before the board, a motion was made by John Holley and seconded by Veronica Yost to adjourn the meeting at 10:28 P.M.

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ALLEN INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES

DATE: October 5, 2026 **NATURE OF BUSINESS:** Workshop

TIME: 6:31 P.M.

MEMBERS PRESENT: Dr. Polly Montgomery, Dr. Bill Parker, John Holley, Sarah Mitchell, Veronica Yost, Amanda Campbell and Rebecca Kinnear

MEMBERS ABSENT: None

MEETING PLACE: Professional Learning Facility
610 E. Bethany Dr., Allen 75002

President _____

Secretary _____

NATURE OF BUSINESS

Call to Order. Announcement by the President that a quorum is present, that the meeting has been duly called, and that notice of the meeting has been duly posted for time and manner as required by law.

There were no speakers for Public Testimony.

At 6:32 P.M. Board President, Dr. Polly Montgomery, announced the board would enter closed session under agenda item:

2. **OTHER BOARD BUSINESS**

A. Closed Session Per Texas Government Code

3.Personnel Matters - Pursuant to Texas Government Code Section 551.074, deliberation regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, or to hear a complaint or charge against an officer or employee.

a. Deliberation regarding Superintedent seach

The board entered executive session at 6:37 P.M.

The board adjourned the closed session at 7:55 P.M. and reconvened to open session at 7:57 P.M. for action relative to items considered during closed session. No action was taken.

Having no further business before the Board, a motion was made by John Holley and seconded by Veronica Yost to adjourn the meeting. Motion carried unanimously to adjourn the meeting

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at 7:58 P.M. All those in favor: Montgomery, Parker, Holley, Yost, Mitchell, Campbell and Kinnear. All those opposed: None.

DRAFT

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING:	October 26, 2026
DOCUMENT TITLE:	Texas Association of School Boards (TASB) Energy Cooperative Membership
ADMINISTRATOR RESPONSIBLE:	Dr. Kyle Penn, Assistant Superintendent of Business and Technology Cedric Brown, Director of Purchasing
SOAR 2030 STRATEGIC VISION:	Goal 1 – Culture of Excellence
LEGAL REVIEW:	N/A

Authority for this Action: CH (Legal), Purchasing and Acquisition

Summary / Background Information:

Allen Independent School District seeks approval to participate in the TASB Energy Cooperative through an Interlocal Participation Agreement. Participation in the cooperative will provide the District access to a fixed-rate fuel program for the purchase of unleaded gasoline and diesel fuel from awarded cooperative vendors. Under this program, the District may lock in fuel rates for a specified period through fuel purchase agreements, helping to reduce the impact of market volatility and providing greater budget predictability.

The cooperative leverages the combined purchasing power of participating entities to secure competitive fuel pricing and offers contract terms that may extend beyond standard industry contract lengths. The program provides flexible fuel purchasing options designed to meet the District's operational needs while supporting cost-effective procurement practices.

Based on the District's projected fuel usage, overall fuel expenditures will be determined by the quantity of fuel purchased and the market-based pricing available through the cooperative's awarded vendors at the time fuel agreements are executed. Fuel costs are not fixed by participation in the cooperative itself; rather, pricing will be based on current market fuel rates when the District elects to lock in pricing under a fuel purchase agreement. Utilizing the cooperative provides access to competitively sourced pricing and the opportunity to secure favorable rates that align with budgetary and operational objectives.

There is no annual membership fee associated with participation in the TASB Energy Cooperative. The only requirement for participation is Board approval of the Interlocal Participation Agreement. The cooperative has been included in the District's annual Cooperative Purchasing Management Fees Report with a $0.00 annual membership fee.

Administrative Recommendation:

Approve participation in the TASB Energy Cooperative through the Interlocal Participation Agreement to provide Allen ISD access to fixed-rate fuel purchasing opportunities and related cooperative procurement benefits.

Proposed Motion:

"**Move to approve participation in the Texas Association of School Boards (TASB) Energy Cooperative through the Interlocal Participation Agreement, which shall automatically renew for successive one-year terms unless terminated in accordance with the agreement."**

TASB ENERGY COOPERATIVE

INTERLOCAL PARTICIPATION AGREEMENT

This Interlocal Participation Agreement ("Agreement") is made and entered into by and between TASB Energy Cooperative ("Energy Cooperative"), an administrative agency of cooperating local governments, acting on its own behalf and the behalf of all participating local governments, and the undersigned local government of the State of Texas ("Energy Cooperative Member" or "Member").

I. RECITALS

WHEREAS, a local government entity is authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, to agree with other local government entities to form a cooperative; and

WHEREAS, the Energy Cooperative is further authorized as a local purchasing cooperative organization as set forth in Section 271.101, *et seq.*, of the Texas Local Government Code; and

WHEREAS, the purpose of this Agreement is to facilitate compliance with state procurement requirements, to identify qualified vendors of electricity, transportation fuel and other types of energy products, commodities, and services (collectively "energy services"), to relieve the burdens of the governmental purchasing function, and to realize the various potential economies, including administrative cost savings, for Energy Cooperative Members; and

WHEREAS, the Energy Cooperative has contracted with the Texas Association of School Boards, Inc. ("TASB"), a Texas nonprofit corporation, to administer energy services-related programs for Energy Cooperative Members;

NOW THEREFORE, in consideration of the mutual covenants, promises and obligations contained herein, the undersigned Energy Cooperative Member and the Energy Cooperative agree as follows.

II. TERMS AND CONDITIONS

1. **Definitions.** As used throughout this Agreement, the following terms shall have the meanings set forth below unless otherwise indicated in this Agreement, regardless of whether initial capitalization or italics are used consistently. Further, the below terms may be described differently in other documents, but substance shall prevail over form in such instances.

   "Aggregation Pool" means an aggregation in which the requirements of a member of the Energy Cooperative for certain energy services are joined with the requirements of other members of the Energy Cooperative to create a purchasing unit for the purchase of those energy services.

   "Energy Services Agreement" means a form purchase, sales, supply or other agreement between an energy services vendor and the Energy Cooperative Member to sell and purchase energy services, the terms of which may have been negotiated between TASB, as administrator of the Energy Cooperative, and the vendor.

"Energy Services Vendor" means a vendor authorized by the Energy Cooperative to sell energy services to an Energy Cooperative Member. Without limiting the generality of this definition, the term includes a retail electric provider ("REP"), an entity certified by the Texas Public Utility Commission to sell electricity to retail customers in Texas.

"Letter of Commitment" means an agreement executed by the Energy Cooperative Member committing the Member to join a specific Aggregation Pool and/or purchase energy services from the Energy Services Vendor awarded by the Energy Cooperative and establishing the terms applicable to such purchase.

2. **Adopt Charter Interlocal Cooperation Agreement**. The Energy Cooperative Member, by the execution or acceptance of this Agreement, hereby adopts and approves the Charter Interlocal Agreement effective as of January 16, 2008, which agreement is incorporated herein by reference (and is available from the Energy Cooperative upon request). The Charter Interlocal Agreement established the Energy Cooperative as an administrative agency of its collective participants, and the Energy Cooperative Member agrees to become a participant or additional party to that Charter Interlocal Agreement.

3. **Term**.

(a) The initial term of this Agreement shall commence on the date it is executed by both parties and shall automatically renew for successive one-year terms unless sooner terminated in accordance with the provisions of this Agreement.

(b) If the Energy Cooperative Member is an existing Member that joined the Energy Cooperative by executing a participation agreement which authorized amendment upon the Energy Cooperative providing 60 days prior notice, then this Agreement will be deemed an **Amendment by Notice**, which will be effective on the 65th day after the date the Energy Cooperative Member is sent notice of this document. In addition, this Agreement will continue to automatically renew for successive one-year terms on the anniversary date of the Energy Cooperative Member's initial term (not the effective date of the Amendment by Notice), unless the Agreement is sooner terminated in accordance with the provisions herein.

4. **Services**. The Energy Cooperative, through its administrator, TASB, shall provide the Energy Cooperative Member with opportunities to procure energy services through programs established by the Energy Cooperative, including the electricity aggregation and the fixed-rate transportation fuel programs, pursuant to the terms and conditions that the Energy Cooperative establishes for the Member's participation in such programs. As a general matter, with respect to the establishment and administration of such programs:

(a) The Energy Cooperative shall require that TASB, from time to time, (i) conduct a competitive procurement process, using any means permitted by Texas law, to recommend to the Energy Cooperative the selection of one or more Energy Services Vendors to serve members of the Energy Cooperative; and (ii) negotiate with such Vendor(s) the terms of an Energy Services Agreement for the purchase of energy services by members of the Energy Cooperative. The Energy Cooperative, through TASB, may offer the Energy Cooperative Member the opportunity to participate in an Aggregation Pool with other members of the Energy Cooperative to purchase energy services, or it

may arrange for the purchase of energy services by the Energy Cooperative Member individually and not as part of an Aggregation Pool.

(b) Neither the Energy Cooperative nor TASB shall be responsible for addressing customer service issues relating to the Energy Cooperative Member's energy services that occur under any Energy Services Agreement. The Energy Cooperative Member shall resolve such issues directly with the Energy Services Vendor or, in the case of electricity, its local utility or the REP.

5. **Obligations of Energy Cooperative Member.** The Energy Cooperative Member agrees to perform the following obligations:

(a) When requested by the Energy Cooperative or TASB from time to time, the Energy Cooperative Member shall execute a Letter of Commitment and such other documentation as the Energy Cooperative may require for the Member to participate in an Aggregation Pool. If the Energy Cooperative Member fails to execute such Letter of Commitment or other documentation as required, the Energy Cooperative Member will not be allowed to participate in the Aggregation Pool.

(b) If the Energy Cooperative Member is not participating in an Aggregation Pool and if executable energy services pricing provided by the Energy Cooperative or its administrator, TASB, is acceptable to the Energy Cooperative Member, then the Energy Cooperative Member will execute the Energy Services Agreement to purchase such energy services.

6. Termination.

(a) **By the Energy Cooperative Member**. This Agreement may be terminated by the Energy Cooperative Member at any time by giving 30 days prior written notice to the Energy Cooperative, provided any amounts owed to the Energy Cooperative and any Energy Services Vendor have been fully paid. Notwithstanding the foregoing, this Agreement shall continue in effect during the term specified in any Letter of Commitment, Energy Services Agreement, or other contractual obligation which the Energy Cooperative Member has with the Energy Services Vendor, TASB or the Energy Cooperative under an Energy Cooperative program.

(b) **By the Energy Cooperative.** The Energy Cooperative may terminate this Agreement by:

(1) Giving 10 days notice by certified mail to the Energy Cooperative Member if the Energy Cooperative Member breaches this Agreement; or

(2) Giving 30 days notice by certified mail to the Energy Cooperative Member with or without cause. Notwithstanding the foregoing, this Agreement shall continue in effect during the term specified in a Letter of Commitment or other existing contractual obligation.

(c) **Termination Procedure.** If the Energy Cooperative Member terminates its participation under this Agreement or breaches this Agreement, or if the Energy Cooperative terminates participation of the Energy Cooperative Member, the Energy Cooperative Member shall bear the full financial responsibility for its commitments to Energy Services Vendors under or through this Agreement. In

addition, the Energy Cooperative Member agrees that it will not be entitled to any funds from the Energy Cooperative after it terminates its participation.

7. **Aggregation Fees.** The Energy Cooperative Member agrees that the Energy Cooperative and its administrator, TASB, shall be fairly compensated for the services provided under and through this Agreement. Therefore, it is agreed that the Energy Cooperative and/or TASB is authorized to receive payment, directly or indirectly, of aggregation, administrative or service fees (collectively "Aggregation Fees") from Energy Services Vendors. The amount of such Aggregation Fees shall be disclosed in the Letter of Commitment, Energy Services Agreement, or any other contract which binds the Energy Cooperative Member to the purchase of energy services. The Energy Cooperative Member understands and agrees that such Aggregation Fees may be included in the price of energy services the Cooperative Member pays the Energy Services Vendor. Further, the Energy Cooperative Member affirmatively disclaims any rights to such Aggregation Fees, acknowledging that all such fees are the property of the Energy Cooperative and/or TASB. Similarly, in no event shall the Energy Cooperative Member be directly responsible for payment of Aggregation Fees.

8. **Distribution.** At the sole discretion of the Energy Cooperative Board of Trustees ("Board"), the Energy Cooperative may issue a distribution to Energy Cooperative Members under a plan developed by the Board. The Energy Cooperative Member acknowledges that a distribution is generally not contemplated, never guaranteed, and depends on the overall financial condition of the Energy Cooperative.

9. **Administration.** The Energy Cooperative may enter into contracts with others, including non-profit associations, for the administration, operation, sponsorship and endorsement of the energy services programs established by the Energy Cooperative as provided for in this Agreement. The Energy Cooperative Member acknowledges and agrees that the Energy Cooperative has contracted with TASB as administrator for the Energy Cooperative and that such relationship is authorized by Section 791.013 of the Texas Government Code.

III. GENERAL PROVISIONS

1. **Amendment by Notice.** The Board may amend this Agreement, provided that prior written notice is sent to the Energy Cooperative Member at least 60 days prior to the effective date of any change described in such amendment and provided that the Energy Cooperative Member does not terminate its participation in the Energy Cooperative before the expiration of said 60 days.

2. **Authorization to Participate and Compliance with Local Policies.** The Energy Cooperative Member represents and warrants that its governing body has duly authorized its participation in the Energy Cooperative and that the Energy Cooperative Member will comply with all state and local laws and policies pertaining to purchasing of energy services, including without limitation electricity, through its membership in the Energy Cooperative.

3. **Bylaws.** The Energy Cooperative Member agrees to abide by the Bylaws of the Energy Cooperative, as they may be amended, and any and all written policies and procedures established by the Energy Cooperative.

4. **Cooperation and Access.** The Energy Cooperative Member agrees that it will cooperate in compliance with any reasonable requests for information and/or records made by the Energy Cooperative. The Energy Cooperative reserves the right to audit the relevant records of any Energy Cooperative Member. Any breach of this provision shall be considered material and shall make the Agreement subject to termination on 10 days written notice to the Energy Cooperative Member.

5. **Coordinator.** The Energy Cooperative Member agrees to appoint a program coordinator for each energy services program in which the Member participates. The coordinator shall have express authority to represent and bind the Energy Cooperative Member, and the Energy Cooperative will not be required to contact any other individual regarding program matters. Any notice to or any agreements with the coordinator shall be binding upon the Energy Cooperative Member. The Energy Cooperative Member reserves the right to change the coordinator as needed by giving written notice to the Energy Cooperative. Such notice is not effective until actually received by the Energy Cooperative.

6. **Fiscal Responsibility.**

   (a) The Energy Cooperative Member is not responsible for the payment of any sum of money to the Energy Cooperative, TASB, or an Energy Services Vendor solely by reason of the Member's execution of this Agreement. A payment obligation for the Member will only arise under the terms and provisions of a Letter of Commitment, Energy Services Agreement, or other separate contractual document entered into by the Member.

   (b) The Energy Cooperative Member hereby warrants that all payments, fees, and disbursements required of it hereunder shall be made from current revenues budgeted and available to the Member.

7. **Defense and Prosecution of Claims.** The Energy Cooperative Member authorizes the Energy Cooperative to regulate the commencement, defense, intervention, or participation in a judicial, administrative, or other governmental proceeding or in an arbitration, mediation, or any other form of alternative dispute resolution, or other appearances of the Energy Cooperative in any litigation, claim or dispute which arises from the services provided by the Energy Cooperative on behalf of its members, collectively or individually. Neither this provision nor any other provision in this Agreement will create a legal duty for the Energy Cooperative to provide a defense or prosecute a claim; rather, the Energy Cooperative may exercise this right in its sole discretion and to the extent permitted or authorized by law. The Energy Cooperative Member shall reasonably cooperate and supply any information necessary or helpful in such prosecution or defense. Subject to specific revocation, the Energy Cooperative Member hereby designates the Energy Cooperative to act as a class representative on its behalf in matters arising out of this Agreement. However, nothing herein shall preclude the Energy Cooperative Member from pursuing, either independently or in conjunction with the Energy Cooperative, a claim against an Energy Services Vendor with whom the Member has a contractual agreement that was entered into through an Energy Cooperative program.

8. **Governance.** The Board will govern the Energy Cooperative in accordance with its Bylaws.

9. Jurisdiction/Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and, to the extent permitted by law, venue for all disputes arising under this Agreement shall lie in Travis County, Texas.

10. Legal Authority. The Energy Cooperative Member represents and warrants to the Energy Cooperative the following:

(a) It is a political subdivision of the state of Texas and it meets the definition of "Local Government" or "State Agency" under the Interlocal Cooperation Act ("Act"), Chapter 791 of the Texas Government Code.

(b) The functions and services to be performed under this Agreement will be limited to "Administrative Functions" as defined in the Act, which includes purchasing.

(c) It possesses the legal authority to enter into this Agreement and can allow the Agreement to automatically renew or be amended without subsequent action of its governing body.

(d) Purchases made under this Agreement will satisfy all procedural procurement requirements that the Energy Cooperative Member must meet under all applicable local policy, regulation, or state law.

(e) All requirements – local or state – for a third party to approve, record or authorize this Agreement have been met.

11. Disclaimer. THE ENERGY COOPERATIVE, AND ITS ENDORSER(S) AND SERVICING CONTRACTOR (TASB), DO NOT WARRANT THAT THE OPERATION OR USE OF SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. NEITHER THE ENERGY COOPERATIVE NOR ITS ENDORSER(S) OR SERVICING CONTRACTOR CAN CONTROL THE DELIVERY OF ENERGY SERVICES, INCLUDING WITHOUT LIMITATION THE DELIVERY OR FLOW OF ELECTRICITY OR FUEL, AND NEITHER SHALL HAVE ANY LIABILITY FOR ANY DAMAGES OR CONSEQUENCES THAT MAY OCCUR IF ENERGY SERVICES ARE INTERRUPTED OR NOT TIMELY DELIVERED FOR ANY REASON.

THE ENERGY COOPERATIVE AND ITS ENDORSER(S) AND SERVICING CONTRACTOR HEREBY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN REGARD TO ANY INFORMATION, PRODUCT OR SERVICE FURNISHED UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE PARTIES AGREE AND ACKNOWLEDGE THAT THE CUSTOMER PROTECTION RULES ADOPTED BY THE TEXAS PUBLIC UTILITY COMMISSION (AS CONTAINED IN PUC SUBSTANTIVE RULES 25.471 ET. SEQ.) DO NOT APPLY TO THIS AGREEMENT AND THE ENERGY COOPERATIVE MEMBER WAIVES SUCH CUSTOMER PROTECTION RULES TO THE FULLEST EXTENT PERMITTED BY LAW.

12. Limitation of Liability. Without waiver of the disclaimer or other limitation of liability in this Agreement, the parties agree as follows:

(a) Neither party waives any immunity from liability afforded under law.

(b) In regard to any lawsuit or formal adjudication arising out of or relating to this Agreement, neither party shall be liable to the other under any circumstance for special, incidental, consequential, or exemplary damages.

(c) The maximum amount of damages recoverable will be limited to the amount of fees which the Energy Cooperative, its servicing contractor, or endorser(s) received, directly or indirectly, as a direct result of the Energy Cooperative Member's purchase activity within 24 months of when the lawsuit or action was filed. Energy Services Vendors in an Energy Cooperative program are not governed by this provision.

(d) In the event of a lawsuit or formal adjudication the prevailing party will be entitled to recover reasonable attorney's fees that are equitable and just.

13. Limitation of Rights. Except as otherwise expressly provided in this Agreement, nothing in this Agreement, is intended to confer upon any person, other than the parties hereto, any benefits, rights, or remedies under or by reason of this Agreement.

14. Entirety and Effect on Prior Agreements. Upon taking effect as provided for herein, this Agreement, together with the Energy Cooperative's Bylaws and Charter Interlocal Agreement, represents the complete understanding of the Energy Cooperative and the Energy Cooperative Member. The terms of this Agreement shall control and take precedence over all prior agreements; provided, however, that the terms of a prior agreement between the Energy Cooperative and the Member will govern the Member's participation in any Aggregation Pool or purchase established under such prior agreement.

15. Notice. Unless otherwise provided in this Agreement, any written notice to the Energy Cooperative shall be made by first class mail, postage prepaid, and delivered to Executive Director, Texas Association of School Boards, Inc., P.O. Box 400, Austin, Texas 78767-0400. The Energy Cooperative Member shall designate a general contact person, and notices to the Member that involve general matters may be made by first class mail, postage prepaid, and delivered to such contact person or the Member's chief executive officer (e.g., superintendent, city manager, county judge or mayor). Notices regarding specific Energy Cooperative programs may be made by first class mail, postage prepaid, and delivered to the program coordinator designated by the Member.

16. Severability. If any portion of this Agreement shall be declared illegal or held unenforceable for any reason, the remaining portions shall continue in full force and effect.

17. Signatures/Counterparts. The failure of a party to provide an original, manually executed signature to the other party will not affect the validity, enforceability or binding effect of this Agreement because either party may rely upon a facsimile or imaged signature as if it were an original. Furthermore, this

Agreement may be executed in several separate counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

18. Warranty. By the execution and delivery of this Agreement, the undersigned individuals warrant that they have been duly authorized by all requisite administrative action required to enter into and perform the terms of this Agreement.

WHEREFOR, the parties, acting through their duly authorized representatives, accept this Agreement.

TASB ENERGY COOPERATIVE

By: _____ Date: _____
Dan Troxell, Ph.D., Secretary

TO BE COMPLETED BY ENERGY COOPERATIVE MEMBER:

_____
(Name of Local Government)

By: _____ Date: _____
Signature of authorized representative

_____
Printed name and title of authorized representative

General Contact for the Energy
Cooperative Member: _____
Name

_____
Mailing Address

_____
City
Texas, _____
(zip)

_____
Telephone

_____
Fax

_____
Email

BOARD RESOLUTION

of

_____

(Name of Local Government)

TASB Energy Cooperative

WHEREAS, the above-named entity, (hereinafter "Energy Cooperative Member") desires to participate in a local government cooperative purchasing program pursuant to the authority granted by Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act ("Act"), and has elected to be an Energy Cooperative Member in the TASB Energy Cooperative (hereinafter "Energy Cooperative"), a local government purchasing energy cooperative program created by local governments in accordance with and pursuant to the Act and Section 271.101, *et seq*., of the Texas Local Government Code; and

WHEREAS, the Energy Cooperative Member is of the opinion that participation in the Energy Cooperative's purchasing program will be highly beneficial through the efficiencies and potential savings to be realized; and

WHEREAS, the Energy Cooperative Member has reviewed the Interlocal Participation Agreement ("Agreement") and seeks to adopt such Agreement in order to become a member of, and participate in, the Energy Cooperative;

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Trustees hereby adopts the above-referenced Agreement as presented, thereby becoming a member of the TASB Energy Cooperative; and

2. The Board of Trustees authorizes its Board President, Superintendent or the Superintendent's designee to execute the Interlocal Participation Agreement which includes the adoption and approval of the Charter Interlocal Agreement previously executed and adopted by two or more local governments.

PASSED AND ADOPTED at a meeting of the Board as of the following date:

_____.

_____

President, Board of Trustees

ATTEST:

_____

Secretary, Board of Trustees

TASB Energy Cooperative Electricity Purchasing Program
Required Disclosure Statement

The TASB Energy Cooperative ("Cooperative") electricity purchasing program is available to local governmental entities located in areas of Texas with retail electric competition who have executed an Interlocal Participation Agreement with the Cooperative ("Cooperative Members"). The Cooperative is administered by the Texas Association of School Boards, Inc. The regulations of the Public Utility Commission of Texas require that TASB disclose the following information to Cooperative Members that seek to purchase electricity through the Cooperative's purchasing program:

1. Texas Association of School Boards, Inc. ("TASB") is registered with the Public Utility Commission of Texas as an electricity aggregator (Registration No. EL020123) and as an electricity broker (Registration No. BR190573). TASB's mailing address is 12007 Research Blvd., Austin, Texas 78759.

2. TASB is not affiliated with any electric utility or any retail electric provider ("REP").

3. TASB serves as the administrator for the Cooperative. In that role, TASB assists the Cooperative in the selection of a REP for the Cooperative's electricity purchasing program. The Cooperative and TASB are not responsible for addressing customer service issues relating to the electric service a Cooperative Member receives from the selected REP. The Cooperative receives an administrative fee from the selected REP, a portion of which is paid to TASB to compensate TASB for the administrative services it provides to the Cooperative.

4. The Cooperative electricity purchasing program is a voluntary program and a Cooperative Member is given the opportunity, but is not required, to purchase electricity from the selected REP. No specific action is required for a Cooperative Member to end its participation in the Cooperative electricity purchasing program; provided, however that a Cooperative Member who has executed a retail electricity service agreement with the selected REP has a contractual obligation under that agreement to purchase electricity from that REP until the end of the specified contract term.

5. Any questions related to the Cooperative's electricity purchasing program or TASB's administration of the program may be addressed to Brian A. Bolinger, Associate Executive Director, TASB Business Services, at 800-580-8272 or Brian.Bolinger@tasb.org. Inquiries or complaints related to the brokerage services provided by TASB may be addressed to the Public Utility Commission of Texas, Customer Protection Division at 888-782-8477 or at customer@puc.texas.gov.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: 2026-27 Budget Amendments

ADMINISTRATOR RESPONSIBLE: Dr. Kyle Penn
Assistant Superintendent Business & Technology

SOAR 2030 STRATEGIC VISION: Goal 1 – Culture of Excellence

LEGAL REVIEW: N/A

Authority for this Action **CE (LOCAL) Budget Amendments**

The budget shall be amended when a change is made increasing any one of the functional spending categories or increasing revenue object accounts and other resources.

Background:

This budget amendment recognizes multiple items:

- An increase to revenue due to property value audits of previous year increasing state aid
- An increase in revenue due to a payment from 25-26 arriving after start of fiscal year and allowed to be booked to this year
- Adjustments to multiple functions that could potentially need funds as the year progresses, primarily influenced by increases in fuel
- This amendment balances the budget. Any savings on the expense side will be a surplus for the budget.

Administrative Recommendation:

Recommend approval of the 2026-27 budget amendment

Proposed Motion:

“Move to approve the 2026-27 budget amendments as recommended by administration.”

Allen Independent School District
General Fund
2026-2027 Budget Amendment
Revision #1

	Object / Function Code	Code Description	2026-27 Adopted Budget	Cumulative Prior Amendments	Budget Amendment #1 Oct - 2026	Notes	2026-27 Amended Budget	Change from Adopted Budget	% Increase (Decrease)
REVENUE									
Local	5711	Current Year Taxes	$165,660,770				$165,660,770	$0	0.0
	5712	Prior Year Taxes	500,000				500,000	0	0.0
	5716	Taxes - Rollback	5,000				5,000	0	0.0
	5719	Penalties & Interest	550,000				550,000	0	0.0
	5737	Summer School Tuition	162,000				162,000	0	0.0
	5742	Interest Income	3,900,000				3,900,000	0	0.0
	5743	Facility Rental Income	500,000				500,000	0	0.0
	5745	Insurance Recovery	150,000				150,000	0	0.0
	5749	Miscellaneous Revenue	1,220,000				1,220,000	0	0.0
	5752	Athletic Activity	868,200				868,200	0	0.0
		TOTAL	**$173,515,970**	**$0**	**0**		**$173,515,970**	**$0**	**0.0**
State									
	5811	Per Capita Funds	$8,500,000		2,800,000	(1)	$11,300,000	$2,800,000	32.9
	5812	Foundation School Revenue	26,871,401		3,500,000	(1)	30,371,401	3,500,000	13.0
	5831	TRS On-Behalf (Book Entry Only)	10,728,599				10,728,599	0	0.0
		TOTAL	**$46,100,000**	**$0**	**6,300,000**		**$52,400,000**	**$6,300,000**	**13.7**
Federal	5929	Indirect Costs	$15,000				$15,000	$0	0.0
	5931	SHARS / MAC	$0				$0		
	5939	Other Revenue - State Agencies	250,000				250,000	0	0.0
	5949	Other Revenue - Federal Agencies	1,000,000				1,000,000	0	0.0
		TOTAL	**$1,265,000**	**$0**	**0**		**$1,265,000**	**$0**	**0.0**
		TOTAL REVENUE	**$220,880,970**	**$0**	**6,300,000**		**$227,180,970**	**$6,300,000**	**2.9**
EXPENDITURES									
	11 - Instruction		$128,277,832				$128,277,832	0	0.0
	12 - Instructional & Media Resources		2,169,327				2,169,327	0	0.0
	13 - Curriculum & Staff Development		5,500,273				5,500,273	0	0.0
	21 - Instructional Administration		2,717,415				2,717,415	0	0.0
	23 - School Administration		11,468,586				11,468,586	0	0.0
	31 - Guidance and Counseling		11,375,610				11,375,610	0	0.0
	32 - Social Work Services		161,745				161,745	0	0.0
	33 - Health Services		2,332,521		50,000	(1)	2,382,521	50,000	2.1
	34 - Transportation		6,848,747		860,530	(1)	7,709,277	860,530	12.6
	35 - Student Nutrition		5,000				5,000	0	0.0
	36 - Co-Curricular Activities		6,160,699		75,000	(1)	6,235,699	75,000	1.2
	41 - General Administration		6,907,039				6,907,039	0	0.0
	51 - Plant Maintenance and Operations		24,793,161				24,793,161	0	0.0
	52 - Security and Monitoring		5,468,637				5,468,637	0	0.0
	53 - Data Processing and Technology Services		6,038,098				6,038,098	0	0.0
	61 - Community Education		10,750				10,750	0	0.0
	71 - Debt Service		0				0	0	0.0
	81 - Facilities Acquisition & Construction		0				0	0	0.0
	91 - Intergovernmental/Purchase of WADA		4,200,000				4,200,000	0	0.0
	93 - Payments to Fiscal Agents		0				0	0	0.0
	95 - Payments to JJAEP		10,000				10,000	0	0.0
	99 - Tax Administration and Collections		1,750,000				1,750,000	0	0.0
	TOTAL		**$226,195,440**	**$0**	**985,530**		**$227,180,970**	**$985,530**	**0.4**

Allen Independent School District
General Fund
2026-2027 Budget Amendment
Revision #1

Object / Function Code	Code Description	2026-27 Adopted Budget	Cumulative Prior Amendments	Budget Amendment #1 Oct - 2026	Notes	2026-27 Amended Budget	Change from Adopted Budget	% Increase (Decrease)
NET REVENUE OVER (UNDER)		**($5,314,470)**	**$0**	**5,314,470**		**$0**	**$5,314,470**	**(100.0)**
OTHER SOURCES		1,500,000	0	(1,500,000)	(1)	0	0	
OTHER USES		0	0			0	0	
NET REVENUE/SOURCES OVER (UNDER)		**($3,814,470)**	**$0**	**3,814,470**		**$0**	**$5,314,470**	**(139.3)**

Revision #1 - October

1) Increase for 25-26 additional Foundation School Program revenue - $2,800,000
Increase state aid due to prior year property value audit - $3,500,000
Add $860,530 to Function 34 Transportation for increase fuel, McKinney Vento transport & labor costs related to extra-curricular events
Add $50,000 to Function 33 Health Services
Add $75,000 to Function 36 for increase cost of transporting students to extracurricular events
Remove Transfer In entry from other sources due to increase in expected revenue - ($1,500,000)

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: 2026 Certified Tax Roll

ADMINISTRATOR RESPONSIBLE: Dr. Kyle Penn, Asst. Supt. Business & Technology

STRATEGIC PLAN REFERENCE: Goal 1- Culture of Excellence

LEGAL REVIEW: N/A

Authority for this Action: **CCG (LEGAL)**

By August 1 or as soon thereafter as practicable, the district's assessor shall submit to the board the district's appraisal roll, showing the total appraised, assessed, and taxable values of all property and the total taxable value of new property. By August 1 or as soon thereafter as practicable, a district's collector shall certify to the board the anticipated collection rate for the current year. (*Tax Code 26.04(b))*

The assessor shall enter the amount of tax determined as provided by this section in the appraisal roll and submit it to the governing body of the unit for approval. The appraisal roll with amounts of tax entered as approved by the governing body constitutes the unit's tax roll. (*Tax Code 26.09(a), (e))*

Summary / Background Information:

The County Tax Assessor/Collector applies the tax rate to the appraised values, creating the final tax roll. The appraised roll valued at $24,404,502,030 along with the amounts of tax levy due totaling $256,421,047.63 constitutes the district's tax roll for the 2026-2027 fiscal year.

Administrative Recommendation:

Approve the Certified Tax Roll as recommended by the Allen ISD administration.

Proposed Motion:

"Move to approve the following 2026 Tax Roll Resolution adopting the appraisal roll totaling $24,404,502,030 with the amount of tax levy due totaling $256,421,047.63".

ALLEN ISD BOARD OF TRUSTEES
CERTIFIED TAX ROLL RESOLUTION

WHEREAS, Section 26.09 of the Property Tax Code requires approval by the governing body of the Allen Independent School District of the appraisal roll with tax amounts entered by the assessor, for the year 2026, and

WHEREAS, such roll was presented to the Allen Independent School District's Trustees on October 26, 2026, and appears in all things correct as under the applicable laws of Texas and

WHEREAS, said Trustees voted in open session to approve said roll,

IT IS HEREBY RESOLVED by the Trustees that the appraisal roll valued at $24,404,502,030 with the amount of tax levy due totaling $256,421,047.63 for the 2026-2027 fiscal year is approved and is the tax roll for the Allen Independent School District.

DULY PASSED on this 26th day of October 2026.

FOR _____

AGAINST _____

_____ _____

President, Board of Trustees
Allen Independent School District

Date

_____ _____

Secretary, Board of Trustees
Allen Independent School District

Date

SCOTT GRIGG
TAX ASSESSOR COLLECTOR
COLLIN COUNTY
2300 Bloomdale Road, Ste. 2366
P.O. Box 8046
McKinney, TX 75070-8046
(972) 547-5020
FAX (214) 491-4808
Email: **sgrigg@co.collin.tx.us**

October 1, 2026

Kim McLaughlin, Acting Superintendent
Allen Independent School District
P.O. Box 13
Allen, TX 75013

Dear Ms. McLaughlin,

Attached is the 2026 Tax Roll Summary for Allen Independent School District.

Submission of the 2026 Tax Roll to your governing body for approval, in accordance with *Texas Property Tax Code*, Section 26.09, will constitute the 2026 Tax Roll for Allen Independent School District.

Please provide my office a copy of your ordinance approving the Tax Roll at your earliest convenience. While this is a formality in the Texas Property Tax Code, we do want to fulfill the requirements of the law and do appreciate your cooperation.

Please feel free to reach out to me if I can be of any assistance or answer any questions.

Sincerely,

Scott Grigg

Scott Grigg, CFE, CTOP, PCC, PCAC

SG:jd

cc: Dr. Kyle Penn

2026 TAX ROLL SUMMARY 39 - ALLEN ISD

	Amount		Count
NUMBER OF ACCOUNTS			40,071
MARKET VALUES			
ROLLCODE: PERSONAL			
Personal	$2,734,793,858		
ROLLCODE: REAL			
Agriculture	$89,477,326		
Improvement	$13,522,694,963		
Improvement Non-Home Site	$7,849,682,808		
Land	$5,280,321,430		
Land Ag Land	$81,316		
Land Non-Home Site	$2,104,359,125		
TOTAL MARKET VALUE		**$31,581,410,826**	
DEFERRALS			
Ag	$89,477,326		52
TOTAL DEFERRALS		**$89,477,326**	
EXEMPTIONS			
145(b) - Single Situs Single Owner	$183,397,656		3,081
145(d) - Multiple Situs Leases	$400,040		14
145(d1) - Multiple Situs Consignment	$1,474,615		21
145(f) - Single Situs Related Business	$1,465,957		24
23.231 Circuit Breaker Limitation	$46,301,607		346
Absolute Exemption	$19,122,499		4
Absolute Exemption , XN , XN	$0		1
Animal Feed	$37,261		1
Autos , XO , PPV , XO , PPV	$112,754,113		28
Cap Adjustment , XT , XT	$127,079,088		2,376
Child Care Facility	$0		1
Disabled	$21,460,794		365
Disabled Veteran	$166,696,024		909
Economic Development , XL , XL	$750,506		4
Fire Destroyed Homestead	$1,241,691		2
Freeport	$230,283,188		20
Homestead	$3,493,373,970		25,236
Miscellaneous , XV , XV	$2,258,161,878		1,154
Over 65	$419,387,536		7,119
Pollution Control	$347,974		13
Private Schools , XJ , XJ	$0		1
Qualified Veteran Surviving Spouse	$1,120,436		2
Solar/Wind	$1,314,637		47
Surviving Spouse Disabled Person	$1,260,000		22
Youth Developemnt , XI , XI	$0		1
TOTAL EXEMPTIONS		**$7,087,431,470**	
GRAND TOTAL FOR DEFERRALS AND EXEMPTIONS		**$7,176,908,796**	
TOTAL MARKET VALUE		**$31,581,410,826**	
TAXABLE VALUE		**$24,404,502,030**	
TAX RATE		**1.103700**	

2026 TAX ROLL SUMMARY 39 - ALLEN ISD

ROLLCODE: PERSONAL			
Levy		$24,272,701.52	3,195
ROLLCODE: REAL			
Levy		$232,148,346.11	36,876
	TOTAL LEVY	**$256,421,047.63**	
LEVY LOST DUE TO FROZEN		**$12,931,445.30**	
OTHER LOST LEVY		**$0.00**	
TOTAL LOST LEVY		**$12,931,445.30**	

Calculation Analysis

	Calc Levy	- Tax Amount	= Diff.	Market Value	Exemption	Taxable Value
Frozen	25,228,585.08	12,297,139.78	12,931,445.30	3,716,770,728	1,430,951,694	2,285,819,034
DV100 (Excl. Frozen)	27,560.14	27,560.14	0.00	163,770,043	125,427,860	38,342,183
Prorated (Excl. Frozen	0.00	0.00	0.00	0	0	0
Other	244,096,347.71	244,096,347.71	0.00	27,700,870,055	5,620,529,242	22,080,340,813
Total	269,352,492.93	256,421,047.63	12,931,445.30	31,581,410,826	7,176,908,796	24,404,502,030
DV100 (Incl. Frozen)	2,034.35	1,109.56	924.79	50,397,437	31,119,657	19,277,780
Prorated (Incl. Frozen	0.00	0.00	0.00	0	0	0

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ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Annual Comprehensive Financial Report for Fiscal Year 2025-2026

ADMINISTRATOR RESPONSIBLE: Dr. Kyle Penn, Asst. Supt. Business & Technology

SOAR 2030 STRATEGIC VISION: Goal 1-Culture of Excellence

LEGAL REVIEW: N/A

Authority for this Action: **CFC (LEGAL)**

The board shall have its district fiscal accounts audited annually at district expense by a certified or public accountant holding a permit from the State Board of Public Accountancy. The audit must be completed following the close of each fiscal year. The independent audit must meet at least the minimum requirements and be in the format prescribed by the State Board of Education (SBOE), subject to review and comment by the state auditor.

A copy of the annual audit report, approved by the board, shall be filed with TEA not later than the 150th day after the end of the fiscal year.

Summary / Background Information:

Hankins, Eastup, Deaton, Tonn, Seay, and Scarborough, a firm of licensed certified public accountants, has prepared the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2026. Scott Scarborough, lead auditor, will present the audit at the board meeting. The entire audit process was completed in a timely manner and is free of any material weaknesses or findings related to the financial statements. Allen ISD continues to be a low-risk auditee.

Administrative Recommendation:

Allen ISD administration recommends approval of the Annual Comprehensive Financial Report for the 2025-2026 fiscal year.

Proposed Motion:

"Move to approve the Annual Comprehensive Financial Report for the 2025-2026 fiscal year ending June 30, 2026."

ALLEN INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2026

ALLEN INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2026

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ALLEN INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2026

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86

CERTIFICATE OF BOARD

Allen Independent School District	Collin	043-901
Name of School District	County	Co. - Dist. Number

87

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended June 30, 2026, at a meeting of the Board of Trustees of such school district on the _____ day of _____, 2026.

Signature of Board Secretary	Signature of Board President

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Members:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

HANKINS, EASTUP, DEATON, TONN, SEAY & SCARBOROUGH
A Limited Liability Company
CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977

TEL. (940) 387-8563
FAX (940) 383-4746

Independent Auditor's Report

Board of Trustees
Allen Independent School District
Allen, Texas

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Allen Independent School District (the "District" as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2026, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financials section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with general accepted auditing standards and *Government*

Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the Teacher Retirement System schedules listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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 combining and individual nonmajor fund financial statements, the required TEA schedules listed in the table of contents, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements, the required TEA schedules, and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated September 24, 2026, on our consideration of the District's internal control over financial reporting and on our tests of the 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 the effectiveness of Allen Independent School District's 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.

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas

September 24, 2026

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ALLEN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2026
(UNAUDITED)

As management of Allen Independent School District (the "District"), we offer readers of the District's financial statements this management discussion and analysis (MD&A). This MD&A provides a narrative overview and summary of the financial activities of the District for the year ended June 30, 2026, and its purpose is to help readers understand what the financial statements and notes in this financial report say about the District's financial health and how it changed since last year. We encourage readers to consider the information presented here in conjunction with the independent auditors' report and the District's Basic Financial Statements, which are listed in the table of contents.

Overview of the Financial Statements

This overview is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information intended to furnish additional detail to support the basic financial statements.

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. The government-wide financial statements include the District's governmental activities, business-type activities, and discretely presented component units, if applicable.

The *Statement of Net Position* presents financial information on all of the District's assets, liabilities and deferred inflows/outflows of resources, with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well such as changes in the District's average daily attendance, its property tax base, and the condition of the District's facilities.

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 when the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported for some items that will result in cash flows in future periods (e.g., uncollected taxes or unused compensated absences).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (i.e., *governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (i.e., *business-type* activities). The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students outside the District and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (*program revenues*), and revenues provided by the taxpayers or by TEA in equalization funding processes (*general revenues*). The governmental activities of the District include functions like instruction, guidance and counseling, transportation, food service, extracurricular, general administration and other functional activities. The business-type activities of the District include athletic concessions, Kid's Club, and the Eagle Edge High School Store. During fiscal year 2026, the District had no discretely presented component units.

The government-wide financial statements are listed in the table of contents.

Fund Financial Statements. As the name implies, *fund financial statements* disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted. *Funds* are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local

governments, uses fund accounting to help ensure and demonstrate compliance with finance-related legal requirements and restrictions. All of the funds of the District can be divided into three fund categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions as reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus exclusively on *near-term inflows and outflows of financial resources*. Such information is useful in evaluating a government's near-term financing requirements.

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 gain a better understanding of the long-term impact of a government'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 a comparison between *governmental funds* in the fund financial statements and *governmental activities* in the government-wide financial statements. The primary difference is that fund financial statements do not include the long-term assets and liabilities that are included in the government-wide financial statements.

The District maintains different *types* of governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the *general fund*, *debt service fund*, and *capital projects fund*, each of which are considered to be major funds of different fund types. Data from other nonmajor governmental funds are combined into a single, aggregated presentation in the fund financial statements. Individual fund data for each of these nonmajor governmental funds is provided in combining statements as supplementary information.

The basic governmental fund financial statements are listed in the table of contents.

Proprietary Funds. There are two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for the cost of worker's compensation. Because these services predominantly benefit governmental rather than business-type functions, they are included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements are listed in the table of contents.

Fiduciary Funds. Fiduciary funds are used to account for resources for which the District acts as a trustee or custodian. Resources held in fiduciary funds are *not* available to support the District's own programs and therefore are *not* reported in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds. The District maintains two fiduciary funds—one for a trust funds and one as a custodial fund for student activities. The student activity fund is used to report resources held as a custodian for stand-alone student groups.

The fiduciary fund financial statements are listed in the table of contents.

Notes to the Financial Statements. Notes to the financial statements provide additional information that is necessary to acquire a more complete understanding of the data provided in the basic financial statements. The District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as legal or financial contingencies).

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. In addition to this MD&A, the District

presents various schedules related to budget to actual comparisons for the General Fund and schedules that provide information about the District's participation in the Teacher Retirement System retirement and health care plans.

Required supplementary information is listed in the table of contents.

Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented as supplementary information immediately following the required supplementary information.

Supplementary information is listed in the table of contents.

Required Texas Education Agency (TEA) Schedules. Additional schedules are provided that are required by the TEA to be included in this report. These consist of a schedule of delinquent taxes receivable, and a use of funds report that reports the expenditures of certain specific programs funded by the State. This sections also includes the budgetary comparison schedules for the Child Nutrition Fund and the Debt Service Fund.

Types of Information in the Financial Statements

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All of the District's financial statements, except for the governmental fund financial statements, use the *economic resources measurement focus and accrual basis of accounting*. In other words, they include all the typical short-term and long-term elements of financial statements:

- Assets – resources the District controls, from short-term assets like cash to long-term assets like buildings and equipment.
- Liabilities – amounts the District owes, from short-term liabilities such as salaries payable to long-term liabilities such as outstanding debt and net amounts owed to employees from Teacher Retirement System benefit plans.
- Deferred outflows of resources and deferred inflows of resources – flows of economic resources that occur during the year, or occurred in prior years, that will be recognized as expenses and revenues in future years in accordance with generally accepted accounting principles.
- Revenues and expenses – inflows and outflows of economic resources, respectively, recognized in the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report the sources, uses and balances of current financial resources. The governmental funds do not report long-term assets, such as capital assets, or long-term liabilities, but they do report the flows of current financial resources related to those long-term items. For example, in governmental funds, proceeds from issuing bonds and the repayment of bond principal are recorded as current sources and uses of financial resources, not as the incurrence or repayment of long-term liabilities as would be the case in financial statements that use the accrual basis of accounting.

More detail about the measurement focuses and bases of accounting can be found in the first note to the financial statements, which is a summary of significant accounting policies.

Financial Summary and Analysis

As noted earlier, net position in the government-wide financial statements serves as a useful indicator of a government's overall financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $263,501,427 at the close of the most recent fiscal year, an increase of $54,963,363 from the previous year due to current year operations.

Table I
NET POSITION

	Governmental Activities		*Business-type Activities*		*Total Government*	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Current assets	$ 293,048,111	$ 379,390,951	$ 7,258,708	$ 6,364,978	$ 300,306,819	$ 385,755,929
Capital assets	873,250,740	787,071,731	-	-	873,250,740	787,071,731
Total assets	1,166,298,851	1,166,462,682	7,258,708	6,364,978	1,173,557,559	1,172,827,660
Deferred outflows of resources	42,014,589	45,519,356	-	-	42,014,589	45,519,356
Total assets and deferred outflows of resources	$ 1,208,313,440	$ 1,211,982,038	$ 7,258,708	$ 6,364,978	$ 1,215,572,148	$ 1,218,347,016
Long-term liabilities	$ 816,955,442	$ 915,809,597	$ -	$ -	$ 816,955,442	$ 915,809,597
Other liabilities	87,085,914	50,070,476	184,629	99,470	87,270,543	50,169,946
Total liabilities	904,041,356	965,880,073	184,629	99,470	904,225,985	965,979,543
Deferred inflows of resources	47,844,736	43,829,409	-	-	47,844,736	43,829,409
Net position	256,427,348	202,272,556	7,074,079	6,265,508	263,501,427	208,538,064
Total liabilities, deferred outflows, and net position	$ 1,208,313,440	$ 1,211,982,038	$ 7,258,708	$ 6,364,978	$ 1,215,572,148	$ 1,218,347,016

The largest component of the District's total assets is its investment in capital assets (i.e., land, buildings, furniture and equipment, vehicles and right-to-use assets). The District uses these capital assets to provide a variety of services to its students. As physical and intangible assets, these assets are not available for future spending.

Governmental Activities. Current assets decreased $86 million from the prior year, due primarily to spending cash (bond proceeds) for capital projects. Capital assets, net of depreciation/amortization, increased $86 million, such that total assets remained relatively constant.

Long-term liabilities decreased $86.9 million from the prior year, due primarily to the repayment of bond principal during the fiscal year and a significant reduction in the District's net pension and OPEB liabilities at fiscal year-end. The District's short-term liabilities increased $25 million from the prior year, due primarily to an increase in construction retainages at fiscal year-end.

The changes in deferred outflows and inflows of resources are due primarily to changes in the actuarial calculations of the District's net pension and OPEB liabilities, which creates amounts that are deferred and recognized as expenses or reductions to expenses over time as specified by generally accepted accounting principles.

Business-type Activities. Fund balances of the District's business-type activities increased approximately $800,000 due to profits generated by the District's Kid's Club.

The District's overall net position increased $55 million from the prior year due to fiscal 2026 operations. The reasons for this significant increase are discussed in the analysis of changes in net position on the next page.

Table II
CHANGES IN NET POSITION

	Governmental Activities		*Business-type Activities*		*Total Government*	
	Year Ended June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2026	Year Ended June 30, 2025	Year Ended June 30, 2026	Year Ended June 30, 2025
Revenues						
Program revenues:						
Charges for services	$ 8,150,007	$ 15,736,543	$ 4,900,756	$ 4,778,131	$ 13,050,763	$ 20,514,674
Operating grants and contributions	35,218,485	38,890,640			35,218,485	38,890,640
General revenues:						
Property taxes	243,452,970	239,295,306			243,452,970	239,295,306
State aid	45,062,373	45,756,122			45,062,373	45,756,122
Investment earnings	13,637,655	10,945,529			13,637,655	10,945,529
Other	6,540,459	-			6,540,459	-
Total revenues	352,061,949	350,624,140	4,900,756	4,778,131	356,962,705	355,402,271
						97
Expenses						
Instruction, curriculum and media services	154,644,285	160,438,365			154,644,285	160,438,365
					-	-
Instructional and school leadership	15,843,101	17,006,389			15,843,101	17,006,389
Student support services	24,606,731	26,059,623			24,606,731	26,059,623
Child nutrition	9,370,979	10,768,763			9,370,979	10,768,763
Extracurricular activities	14,495,406	15,113,752			14,495,406	15,113,752
General administration	7,529,702	8,384,448			7,529,702	8,384,448
Plant maintenance, security and data processing	49,379,031	47,433,854			49,379,031	47,433,854
Community service		6,921			-	6,921
Debt service - interest expense	17,267,387	17,852,049			17,267,387	17,852,049
Intergovernmental charges	5,820,535	5,089,470			5,820,535	5,089,470
Enterprising activities			3,042,185	3,111,583	3,042,185	3,111,583
Total expenses	298,957,157	308,153,634	3,042,185	3,111,583	301,999,342	311,265,217
Transfers in (out)	1,050,000	448,835	(1,050,000)	(448,835)		
Increase (decrease) in net position	$ 54,154,792	$ 42,919,341	$ 808,571	$ 1,217,713	$ 54,963,363	$ 44,137,054

Governmental Activities. The District's net position of Governmental Activities increased $66.2 million during the 2026 fiscal year. This increase is due primarily to three main factors that positively impacted the District's financial outcomes as compared to the previous year:

- A $9.2 million decrease in total expenses during the fiscal year.
- An overall increase in total revenues despite reductions in charges for services, operating grants, and state aid.
- A transfer of $1,050,000 from the Kid's Club to the Capital Projects Fund during the fiscal year.

Property taxes remain the largest source of District revenue, accounting for 69% of total District revenues. State aid and operating grants account for another 23% of total District revenues. The remaining 8% of District revenues come from a variety of sources including investment earnings on operating reserves and bond proceeds until expended on capital projects.

Total District expenses for Governmental Activities totaled $299 million during the 2026 fiscal year. The

largest components of those annual expenditures are instructional services, plant maintenance, and student services. General administration expenditures were only 3% of total expenditures during the 2026 fiscal year.

Business-type Activities. Even after the $1,050,000 transfer from the Kid's Club to the Capital Projects Fund, the net position of Business-type Activities (i.e., Kid's Club, athletic concessions, and Eagle Edge High School Store) still increased by $808,571.

Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to help ensure and demonstrate compliance with legal requirements, bond covenants, and restrictions of financial resources provided for specific purposes. The District reports three major funds individually in the governmental fund financial statements: General Fund, Debt Service Fund, and Capital Projects Fund.

As of June 30, 2026, the end of the District's fiscal year, the District's governmental funds reported combined fund balances of $221,118,827, a decrease of $113,262,644 from the prior year due to expenditures on ongoing capital projects. Approximately 35% of total governmental fund balances constitutes *committed, assigned and unassigned fund balances*, which are available for spending at the District's discretion. The remainder of governmental fund balances is *nonspendable or restricted* to indicate that it is not available for discretionary spending because it is already restricted to pay debt service or the completion of capital projects.

General Fund. The general fund is the chief operating fund of the District. As of June 30, 2026, the unassigned fund balance of the general fund was $50,158,046. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 22% of total general fund expenditures, which approximates the commonly accepted benchmark of 25% that is normally associated with general fund balances.

The fund balance of the District's general fund increased by $359,905 during the 2026 fiscal year. As noted earlier, a key factor related to this change is sound budgetary control that produced positive expenditure budget variances that totaled $4.3 million.

Debt Service Fund. As of June 30, 2026, the debt service fund balance was $37,437,449, all of which is restricted for the payment of debt service on general obligation bonds. The fund balance of the District's debt service fund increased by $1.4 million during the 2026 fiscal year due primarily to a $1.7 million overall positive budgetary expenditure variance.

Capital Projects Fund. As of June 30, 2026, the capital projects fund balance was $103,709,556, all of which is restricted for the completion of planned capital projects. The fund balance in the capital projects fund decreased $116 million during the 2026 fiscal year due to the expenditure of bond proceeds for ongoing construction projects. Although these and other capital expenditures reduce fund balance, they create new capital assets that are included in the District's government-wide Statement of Net Position.

Analysis of Enterprise Funds

As noted earlier, the District has three enterprise funds: athletic concessions, Kid's Club, and the Eagle Edge High School Store. Collectively, the net position of these activities as of June 30, 2026, totaled $7.1 million, due primarily to the strong operating performance of Kid's Club. The net position of enterprise funds increased by $808,571 after transferring $1,050,000 from Kid's Club to the capital projects fund.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets. As of June 30, 2026, the District's investment in capital assets (net of depreciation/amortization) for its governmental activities was $873,250,740; the District is invested in a broad range of capital assets including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of $86.2 million and reflects a substantial amount of capital projects activity during the 2026 fiscal year. Over $200 million of capital

projects remain in progress as of June 30, 2026.

	Governmental Activities	
	2026	2025
Land	$ 38,925,209	$ 38,925,209
Construction in progress	200,298,135	91,616,187
Building and improvements	595,403,846	621,656,003
Furniture and equipment	29,142,065	24,948,404
Right-to-use assets	9,481,484	9,925,928
Total	$ 873,250,740	$ 787,071,731

Additional information about the District's capital assets is presented in Note 4 of this report

Long-term Financing. As of June 30, 2026, the District had total long-term financing of $717,468,008, consisting primarily of unlimited tax school building bonds, unlimited tax refunding bonds, bond premiums, and loans payable. During the current year, long-term financings decreased $87.4 million as a result of scheduled principal payments and two refunding bond issues that occurred during the fiscal year.

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	Governmental Activities	
	2026	2025
Bonded indebtedness	$ 661,129,039	$ 736,868,999
Bond premiums	68,338,969	66,437,194
Notes payable	-	1,517,187
Total	$ 729,468,008	$ 804,823,380

School building bonds and refunding bonds constitute direct obligations of the District and are payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, against all taxable property located within the District. The District's underlying rating for unlimited tax bonds is "AA" by S&P, but it is considered AAA as a result of guarantees by the Texas Permanent School Fund Guarantee Program.

Additional information about the District's long-term liabilities is presented in Note 5 of this report.

Currently Known Facts, Decisions or Conditions

The District is aware of the following items that will impact future finances and were considered in developing the 2026-27 annual operating budget:

- Although HB3 increased state aid and lowered property tax rates, the funding formula still relies heavily on student attendance.
- At the end of the 2025 legislative session, House Bill 2 (HB2) passed providing additional funding for public schools with most of the dollars earmarked for specific purposes such as teacher pay raises and special education. The basic allotment saw only a minimal increase of $55 per student. Because much of the new state funding came with restrictions, school districts were left with very limited discretionary resources to address locally identified program needs and general inflation.
- For fiscal 2027, the Board adopted a total tax rate of $1.1037 per $100 of assessed property valuation ($0.7137 for maintenance and operations and $0.3900 for interest and sinking fund requirements for debt service).
- For fiscal 2027, the District's Board adopted a $3.8 million deficit operating budget for the general fund.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for

additional financial information should be directed to the District's Finance Department at the following address: 612 E. Bethany Drive, Allen, Texas 75002.

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BASIC FINANCIAL STATEMENTS

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ALLEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2026

EXHIBIT A-1

Data Control Codes		1	2 Primary Government	3
		Governmental Activities	Business Type Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	$ 281,811,737	$ 7,258,687	$ 289,070,424
1220	Property Taxes - Delinquent	3,357,555	-	3,357,555
1230	Allowance for Uncollectible Taxes	(167,878)	-	(167,878)
1240	Due from Other Governments	6,854,729	-	6,854,729
1267	Due from Fiduciary Funds	8,517	-	8,517
1290	Other Receivables, Net	370,196	-	370,196
1300	Inventories	188,669	-	188,669
1410	Prepayments	624,539	-	624,539
1490	Other Current Assets	48	21	69
	Capital Assets:			
1510	Land	38,925,209	-	38,925,209
1520	Buildings, Net	595,403,846	-	595,403,846
1530	Furniture and Equipment, Net	29,142,065	-	29,142,065
1550	Right-to-Use Leased Assets, Net	9,481,484	-	9,481,484
1580	Construction in Progress	200,298,135	-	200,298,135
1000	Total Assets	1,166,298,851	7,258,708	1,173,557,559
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred Charge for Refunding	12,919,190	-	12,919,190
1705	Deferred Outflow Related to TRS Pension	15,765,824	-	15,765,824
1706	Deferred Outflow Related to TRS OPEB	13,329,575	-	13,329,575
1700	Total Deferred Outflows of Resources	42,014,589	-	42,014,589
LIABILITIES				
2110	Accounts Payable	4,326,750	29,634	4,356,384
2140	Interest Payable	10,769,516	-	10,769,516
2150	Payroll Deductions and Withholdings	1,414,243	1,086	1,415,329
2160	Accrued Wages Payable	20,710,473	104,181	20,814,654
2180	Due to Other Governments	9,905,796	-	9,905,796
2200	Accrued Expenses	25,700,320	2,587	25,702,907
2300	Unearned Revenue	2,258,816	47,141	2,305,957
	Noncurrent Liabilities:			
2501	Due Within One Year: Loans, Note, Leases, etc.	63,744,389	-	63,744,389
	Due in More than One Year:			
2502	Bonds, Notes, Loans, Leases, etc.	668,262,950	-	668,262,950
2540	Net Pension Liability (District's Share)	63,689,770	-	63,689,770
2545	Net OPEB Liability (District's Share)	33,258,333	-	33,258,333
2000	Total Liabilities	904,041,356	184,629	904,225,985
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflow Related to TRS Pension	7,356,292	-	7,356,292
2606	Deferred Inflow Related to TRS OPEB	40,488,444	-	40,488,444
2600	Total Deferred Inflows of Resources	47,844,736	-	47,844,736
NET POSITION				
3200	Net Investment in Capital Assets and Right-to-Use Lease	272,411,477	-	272,411,477
	Restricted:			
3820	Restricted for Federal and State Programs	1,804,626	-	1,804,626
3850	Restricted for Debt Service	27,772,902	-	27,772,902
3900	Unrestricted	(45,561,657)	7,074,079	(38,487,578)
3000	Total Net Position	$ 256,427,348	$ 7,074,079	$ 263,501,427

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

ALLEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Data Control Codes		1	Program Revenues 3	4
		Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:				
	GOVERNMENTAL ACTIVITIES:			
11	Instruction	$ 146,317,190	$ 147,392	$ 15,953,504
12	Instructional Resources and Media Services	2,354,505	-	138,882
13	Curriculum and Instructional Staff Development	5,972,590	-	1,308,275
21	Instructional Leadership	2,720,458	-	362,607
23	School Leadership	13,122,643	-	900,550
31	Guidance, Counseling, and Evaluation Services	14,076,970	-	2,925,358
32	Social Work Services	150,914	-	4,348
33	Health Services	2,352,039	-	553,467
34	Student (Pupil) Transportation	8,026,808	-	472,269
35	Food Services	9,370,979	6,084,127	3,396,482
36	Extracurricular Activities	14,495,406	812,235	1,240,150
41	General Administration	7,529,702	-	399,038
51	Facilities Maintenance and Operations	26,103,842	1,106,253	271,443
52	Security and Monitoring Services	5,871,068	-	954,166
53	Data Processing Services	17,404,121	-	243,328
61	Community Services	-	-	10,527
72	Debt Service - Interest on Long-Term Debt	15,314,744	-	6,084,091
73	Debt Service - Bond Issuance Cost and Fees	1,952,643	-	-
91	Contracted Instructional Services Between Schools	3,889,798	-	-
93	Payments Related to Shared Services Arrangements	247,171	-	-
95	Payments to Juvenile Justice Alternative Ed. Prg.	8,250	-	-
99	Other Intergovernmental Charges	1,675,316	-	-
	[TG] Total Governmental Activities:	298,957,157	8,150,007	35,218,485
	BUSINESS-TYPE ACTIVITIES:			
01	Concessions	407,402	484,655	-
02	Kid's Club	2,577,241	4,335,827	-
03	Eagle Edge HS Store	57,542	80,274	-
	[TB] Total Business-Type Activities:	3,042,185	4,900,756	-
	[TP] TOTAL PRIMARY GOVERNMENT:	$ 301,999,342	$ 13,050,763	$ 35,218,485

Data Control Codes	General Revenues:
	Taxes:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants
IE	Investment Earnings
MI	Miscellaneous Local and Intermediate Revenue
FR	Transfers In (Out)
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
	Primary Government	
Governmental Activities	Business-type Activities	Total
$ (130,216,294)	$ -	$ (130,216,294)
(2,215,623)	-	(2,215,623)
(4,664,315)	-	(4,664,315)
(2.357.851)	-	(2.357.851)
(12,222,093)	-	(12,222,093)
(11,151,612)	-	(11,151,612)
(146,566)	-	(146,566)
(1,798,572)	-	(1,798,572)
(7,554,539)	-	(7,554,539)
109.630	-	109.630
(12,443,021)	-	(12,443,021)
(7,130,664)	-	(7,130,664)
(24,726,146)	-	(24,726,146)
(4,916,902)	-	(4,916,902)
(17,160,793)	-	(17,160,793)
10,527	-	10,527
(9.230.653)	-	(9.230.653)
(1,952,643)	-	(1,952,643)
(3,889,798)	-	(3,889,798)
(247,171)	-	(247,171)
(8,250)	-	(8,250)
(1,675,316)	-	(1,675,316)
(255,588,665)	-	(255,588,665)
-	77,253	77,253
-	1,758.586	1,758.586
-	22,732	22,732
-	1,858,571	1,858,571
(255,588,665)	1,858,571	(253,730,094)
159,185,655	-	159,185,655
84,267,315	-	84,267,315
45,062,373	-	45,062,373
13,637,655	-	13,637,655
6.540.459	-	6.540.459
1,050,000	(1,050,000)	-
309,743,457	(1,050,000)	308,693,457
54,154,792	808,571	54,963,363
202,272,556	6,265,508	208,538,064
$ 256,427,348	$ 7,074,079	$ 263,501,427

ALLEN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2026

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects
	ASSETS			
1110	Cash and Cash Equivalents	$ 101,804,299	$ 34,937,267	$ 132,080,099
1220	Property Taxes - Delinquent	2,263,936	1,093,619	-
1230	Allowance for Uncollectible Taxes	(113,197)	(54,681)	-
1240	Due from Other Governments	2,689,819	2,500,182	-
1260	Due from Other Funds	1,310,727	-	-
1290	Other Receivables	370,196	-	-
1300	Inventories	21,326	-	-
1410	Prepayments	624,539	-	-
1490	Other Current Assets	-	-	-
1000	Total Assets	$ 108,971,645	$ 38,476,387	$ 132,080,099
	LIABILITIES			
2110	Accounts Payable	$ 101,167	$ -	$ 3,351,655
2150	Payroll Deductions and Withholdings Payable	1,337,595	-	-
2160	Accrued Wages Payable	19,945,945	-	-
2170	Due to Other Funds	968,366	-	-
2180	Due to Other Governments	9,905,796	-	-
2200	Accrued Expenditures	650,187	-	25,018,888
2300	Unearned Revenue	293,469	-	-
2000	Total Liabilities	33,202,525	-	28,370,543
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	2,150,739	1,038,938	-
2600	Total Deferred Inflows of Resources	2,150,739	1,038,938	-
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	21,326	-	-
3430	Prepaid Items	624,539	-	-
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	103,709,556
3480	Retirement of Long-Term Debt	-	37,437,449	-
	Committed Fund Balance:			
3545	Other Committed Fund Balance	3,814,470	-	-
	Assigned Fund Balance:			
3590	Other Assigned Fund Balance	19,000,000	-	-
3600	Unassigned Fund Balance	50,158,046	-	-
3000	Total Fund Balances	73,618,381	37,437,449	103,709,556
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 108,971,645	$ 38,476,387	$ 132,080,099

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

Other Funds	Total Governmental Funds
$ 8,654,784	$ 277,476,449
-	3,357,555
-	(167,878)
1,664,728	6,854,729
4,429	1,315,156
-	370,196
167,343	188,669
-	624,539
48	48
$ 10,491,332	$ 290,019,463
$ 24,328	$ 3,477,150
76,648	1,414,243
764,528	20,710,473
1,302,210	2,270,576
-	9,905,796
4,831	25,673,906
1,965,347	2,258,816
4,137,892	65,710,960
-	3,189,677
-	3,189,677
167,343	188,669
-	624,539
1,804,626	1,804,626
-	103,709,556
-	37,437,449
4,381,471	8,195,941
-	19,000,000
-	50,158,046
6,353,440	221,118,826
$ 10,491,332	$ 290,019,463

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ALLEN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

EXHIBIT C-2

Total Fund Balances - Governmental Funds		$ 221,118,826
1	The District uses an internal service fund to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	4,423,211
2	Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	1,339,762,286
3	Accumulated depreciation is not reported in the fund financial statements.	(466,511,547)
4	Bonds payable are not reported in the fund financial statements.	(661,128,999)
5	Bond premiums on outstanding bonds payable are not recognized in the fund financial statements.	(68,338,969)
6	Accrued compensated abscences are not reported in the fund financial statements.	(2,539,371)
7	The deferred charge on bond refundings is not recognized in the fund financial statements.	12,919,190
8	Property tax revenue reported as unavailable revenue in the fund financial statements is recognized as revenue in the government-wide financial statements.	3,189,677
9	Interest on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(10,769,516)
10	Included in the items related to government-wide long-term debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 and 71 in the amount of $63,689,770, Deferred Inflows of Resources related to TRS in the amount of $7,356,292 and Deferred Outflows of Resources related to TRS in the amount of 15,765,824. This results in a decrease in Net Position in the amount of $55,280,238.	(55,280,238)
11	Included in the items related to governmnet-wide long-term debt is the recognition of the District's proportionate share of the net Other Post-Employment Benefit (OPEB) liability required by GASB 75 in the amount of $33,258,333, a Deferred Resource Inflow related to TRS OPEB in the amount of $40,488,444, and a Deferred Resource Outflow related to TRS OPEB in the amount of $13,329,575. This results in a net decrease in Net Position in the amount of $60,417,202.	(60,417,202)
29	**Net Position of Governmental Activities**	$ 256,427,248

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

ALLEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects
	REVENUES:			
5700	Total Local and Intermediate Sources	$ 167,418,385	$ 85,697,508	$ 8,087,293
5800	State Program Revenues	56,936,720	6,084,091	111,657
5900	Federal Program Revenues	387,384	-	-
5020	Total Revenues	224,742,489	91,781,599	8,198,950
	EXPENDITURES:			
	Current:			
0011	Instruction	126,848,457	-	-
0012	Instructional Resources and Media Services	2,134,280	-	-
0013	Curriculum and Instructional Staff Development	4,947,904	-	-
0021	Instructional Leadership	2,636,931	-	-
0023	School Leadership	11,269,923	-	-
0031	Guidance, Counseling, and Evaluation Services	11,275,709	-	-
0032	Social Work Services	151,083	-	-
0033	Health Services	2,341,663	-	-
0034	Student (Pupil) Transportation	7,007,799	-	82,122
0035	Food Services	183	-	-
0036	Extracurricular Activities	5,848,281	-	-
0041	General Administration	7,046,279	-	-
0051	Facilities Maintenance and Operations	24,987,956	-	2,143,965
0052	Security and Monitoring Services	4,715,015	-	-
0053	Data Processing Services	5,686,813	-	7,619,660
0061	Community Services	3,954	-	-
	Debt Service:			
0071	Principal on Long-Term Liabilities	1,517,188	60,829,935	-
0072	Interest on Long-Term Liabilities	106,626	29,465,919	-
0073	Bond Issuance Cost and Fees	-	1,952,643	-
	Capital Outlay:			
0081	Facilities Acquisition and Construction	106,451	-	115,535,991
	Intergovernmental:			
0091	Contracted Instructional Services Between Schools	3,889,798	-	-
0093	Payments to Fiscal Agent/Member Districts of SSA	247,171	-	-
0095	Payments to Juvenile Justice Alternative Ed. Prg.	8,250	-	-
0099	Other Intergovernmental Charges	1,675,316	-	-
6030	Total Expenditures	224,453,030	92,248,497	125,381,738
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	289,459	(466,898)	(117,182,788)
	OTHER FINANCING SOURCES (USES):			
7911	Capital Related Debt Issued	-	219,814,935	-
7915	Transfers In	70,446	-	1,050,000
7916	Premium or Discount on Issuance of Bonds	-	20,477,517	-
8911	Transfers Out (Use)	-	-	-
8949	Other (Uses)	-	(238,383,997)	-
7080	Total Other Financing Sources (Uses)	70,446	1,908,455	1,050,000
1200	Net Change in Fund Balances	359,905	1,441,557	(116,132,788)
0100	Fund Balance - July 1 (Beginning)	73,258,476	35,995,893	219,842,344
3000	Fund Balance - June 30 (Ending)	$ 73,618,381	$ 37,437,450	$ 103,709,556

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

	Other Funds	Total Governmental Funds
$	11,334,195	$ 272,537,381
	6,639,772	69,772,240
	7,508,794	7,896,178
	25,482,761	350,205,799
	7,049,734	133,898,191
	44	2,134,324
	920,602	5,868,506
	169,278	2,806,209
	91,148	11,361,071
	1,989,582	13,265,291
	-	151,083
	-	2,341,663
	25,757	7,115,678
	8,523,560	8,523,743
	4,859,288	10,707,569
	25,485	7,071,764
	-	27,131,921
	689,155	5,404,170
	-	13,306,473
	-	3,954
	-	62,347,123
	-	29,572,545
	-	1,952,643
	-	115,642,442
	-	3,889,798
	-	247,171
	-	8,250
	-	1,675,316
	24,343,633	466,426,898
	1,139,128	(116,221,099)
	-	219,814,935
	35,204	1,155,650
	-	20,477,517
	(105,650)	(105,650)
	-	(238,383,997)
	(70,446)	2,958,455
	1,068,682	(113,262,644)
	5,284,758	334,381,471
$	6,353,440	$ 221,118,827

ALLEN INDEPENDENT SCHOOL DISTRICT EXHIBIT C-4
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

Total Net Change in Fund Balances - Governmental Funds	$ (113,262,644)
The District uses an internal service fund to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net loss of the internal service fund is reported with governmental activities. The net effect of this consolidation is to increase net position.	533,212
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The effect of reclassifying the current year capital asset additions is to increase net position.	122,422,665
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(36,243,657)
Current year long-term debt principal payments on bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.	303,089,574
Current year payment of accreted interest net of current year interest accretion on capital appreciation bonds payable is not recognized in the fund financial statements, but is shown as a decrease in long-term debt in the government-wide financial statements.	80,909
The decrease in accrued compensated absences is not recognized in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements.	558,127
Interest expense on outstanding debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due.	1,240,527
Revenues from property taxes are reported as unavailable revenue in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible amounts, in the government-wide financial statements.	130,628
Current year amortization of the premium on bonds payable is not recognized in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements.	11,932,023
Current year amortization of the deferred charge on bond refundings is not recognized in the fund financial statements, but is shown as a reduction of the deferred charge in the government-wide financial statements.	(1,354,113)
The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS contributions made after the measurement date of 8/31/2025 caused the change in the ending net position to increase by $6,247,582. These contributions were replaced with the District's pension expense for the year of $5,759,421, which caused a decrease in the change in net position. The net effect of these is to increase the change in net position by $488,161.	488,161
The implementation of GASB 75 required that certain expenditures be de-expended and recorded as	4,831,832

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

deferred resource outflows. TRS OPEB contributions made after the measurement date of 8/31/2025 but during the current fiscal year caused the ending net position to increase in the amount of $1,248,928. These contributions were replaced with the District's negative OPEB expense for the year of $3,582,904, which caused an increase in the change in net position. The net effect of these is to increase the change in net position by $4,831,832.	
Bond proceeds and bond premiums are recorded as long-term debt in the government-wide financial statements and decrease current year net position.	(240,292,452)
Change in Net Position of Governmental Activities	$ 54,154,792

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

EXHIBIT D-1

ALLEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2026

	Business-Type Activities - Total Enterprise Funds	Governmental Activities - Internal Service Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 7,258,687	$ 4,335,288
Due from Other Funds	-	963,937
Other Current Assets	21	-
Total Assets	7,258,708	5,299,225
LIABILITIES		
Current Liabilities:		
Accounts Payable	29,634	849,600
Payroll Deductions and Withholdings Payable	1,086	-
Accrued Wages Payable	104,181	-
Accrued Expenses	2,587	26,414
Unearned Revenues	47,141	-
Total Liabilities	184,629	876,014
NET POSITION		
Unrestricted Net Position	7,074,079	4,423,211
Total Net Position	$ 7,074,079	$ 4,423,211

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

ALLEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES:		
Local and Intermediate Sources	$ 4,733,595	$ 1,147,978
State Program Revenues	167,161	-
Total Operating Revenues	4,900,756	1,147,978
OPERATING EXPENSES:		
Payroll Costs	2,355,069	-
Professional and Contracted Services	138,986	-
Supplies and Materials	157,747	-
Other Operating Costs	387,158	614,766
Capital Outlay	3,225	-
Total Operating Expenses	3,042,185	614,766
Operating Income (Loss)	1,858,571	533,212
NONCAPITAL SUBSIDIES:		
Transfers Out	(1,050,000)	-
Total Noncapital Subsidies	(1,050,000)	-
Operating Income (Loss) and Noncapital Subsidies	808,571	533,212
Change in Net Position	808,571	533,212
Total Net Position - July 1 (Beginning)	6,265,508	3,889,999
Total Net Position - June 30 (Ending)	$ 7,074,079	$ 4,423,211

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

ALLEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities:		
Cash Received from User Charges	$ 4,885,375	$ 1,157,999
Cash Payments to Employees for Services	(2,264,117)	-
Cash Payments for Suppliers	(87,969)	-
Cash Payments for Other Operating Expenses	(589,580)	(726,387)
Net Cash Provided by Operating Activities	1,943,709	431,612
Cash Flows from Non-Capital Financing Activities:		
Transfers Out	(1,050,000)	-
Net Increase in Cash and Cash Equivalents	893,709	431,612
Cash and Cash Equivalents at Beginning of Year	6,364,978	3,903,676
Cash and Cash Equivalents at End of Year	$ 7,258,687	$ 4,335,288
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating Income:	$ 1,858,571	$ 533,212
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Due from Other Funds	-	(17,430)
Decrease (increase) in Other Current Assets	(21)	-
Increase (decrease) in Payables & Accrued Expenses	69,778	(84,170)
Increase (decrease) in Unearned Revenues	15,381	-
Net Cash Provided by Operating Activities	$ 1,943,709	$ 431,612

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

EXHIBIT E-1

ALLEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2026

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	$ -	$ 373,499
Other Receivables	23,441	-
Other Current Assets	-	1,103
Total Assets	23,441	$ 374,602
LIABILITIES		
Accrued Wages Payable	5,080	-
Due to Other Funds	8,517	-
Accrued Expenses	-	188
Total Liabilities	13,597	188
NET POSITION		
Unrestricted Net Position	9,844	374,414
Total Net Position	$ 9,844	$ 374,414

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

ALLEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Earnings from Temporary Deposits	$ 235	$ 9,559
Miscellaneous Additions	181,132	655,162
Total Additions	181,367	664,721
DEDUCTIONS:		
Payroll Costs	181,131	-
Other Deductions	-	689,819
Total Deductions	181,131	689,819
Change in Fiduciary Net Position	236	(25,098)
Total Net Position - July 1 (Beginning)	9,608	399,512
Total Net Position - June 30 (Ending)	$ 9,844	$ 374,414

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Allen Independent School District (the "District") is a public educational agency operating under the applicable rules and regulations of the State of Texas. The District's financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governmental units in conjunction with the Texas Education Agency's 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. The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

The Board of Trustees, a seven-member group elected by registered voters of the District, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the District. The board of trustees is elected by the public. The trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (Agency) or to the State Board of Education are reserved to the trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards.

The District's basic financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, Allen Independent School District has no component units.

B. BASIS OF PRESENTATION

The government-wide financial statements (the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. The effect of interfund activity within the governmental and business-type activities columns has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that rely to a significant extent on fees and charges for support.

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

Fund Financial Statements:

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following major governmental funds:

1. **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 in the General Fund. 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.

2. **Debt Service Fund** - This fund is established to account for the 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. Any unused debt service fund balances are transferred to the General Fund after all related debt obligations have been met.

3. **Capital Projects Fund** - This fund is established to account for proceeds from the sale of bonds and other resources to be used for Board authorized acquisition, construction, renovation, furnishings 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.

Additionally, the District reports the following fund types:

1. **Special Revenue Funds** - These funds are established to account for federally financed expenditures legally restricted for specified purposes. In many special revenue funds, any unused balances are returned to the grantor at the close of specified project periods. For funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.

2. **Enterprise Funds** - The District utilizes enterprise funds to account for District activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities. The District uses these funds to account for its after-school program, concessions and a school store because these activities are self-supporting and do not require subsidies from the general fund.

3. **Internal Service Funds** - The District utilizes Internal Service Funds to account for revenues and expenses related to services provided to parties inside the District on a cost reimbursement basis. This fund facilitates distribution of support costs to the users of support services. The District has an internal service fund for its workers compensation plan.

4. **Fiduciary Funds** - The District reports Private-purpose Trust Funds and its Custodial Funds as Fiduciary Funds. Custodial Funds are custodial in nature and account for activities of student and employee groups. Fiduciary Funds use the accrual basis of

accounting to recognize assets, liabilities, revenues and expenses. Custodial Funds exist with the explicit approval of and are subject to revocation by the Board.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; *basis of accounting* refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements, proprietary fund financial statements, and fiduciary fund financial statements are reported using the economic resources measurement focus and the *accrual basis* of accounting. The economic resources measurement focus means all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (both current or non-current) are included on the statement of net position, and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time a liability is incurred.

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Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the *modified accrual basis* of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. A 60-day availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Financial information provided by the Teacher Retirement System of Texas (TRS) has been prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This information has been used to measure the District's net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the TRS pension plan.

Financial information provided by the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This information has been used to measure the District's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the TRS-Care Plan.

Revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred in accordance with grant requirements. Funds received but unearned are recorded as deferred revenues, and funds expended but not yet reimbursed are reported as earned revenue and receivables.

Revenues from external investment pools are based on fair value of purchased units. Fair value is the amount at which a financial instrument can be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Most investments are reported at amortized cost when the investments have remaining maturities of one year or less at time of purchase. External investment pools are permitted to report short-term debt investments at amortized cost, provided the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to ninety days.

In accordance with the FASRG, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. The District's accounting system uses a standard chart of accounts and financial statement reporting codes; the code structure is specified in an appendix to the TEA FASRG.

D. BUDGETARY CONTROL

Formal budgetary accounting is employed for all required Governmental Fund Types as outlined in TEA's FASRG and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level of expenditure within each organization to which responsibility for controlling operations is assigned. 122

The official school budget is prepared for adoption for required Governmental Fund Types prior to June 20 of the preceding fiscal year for the subsequent fiscal period beginning July 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given. The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the board unless the intent is to cross fund, function or increase overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level of expenditure.

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

A reconciliation of fund balances for both appropriated budget and nonappropriated budget special revenue funds is as follows:

	June 30, 2026 Fund Balance
Appropriated Budget Funds - Food Service Special Revenue Fund	$1,959,863
Nonappropriated Budget Funds	4,393,577
All Special Revenue Funds	$6,353,440

E. ENCUMBRANCE ACCOUNTING

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are recorded for purchase orders and executed contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance—a commitment to expend resources. Appropriations lapse on June 30 and encumbrances outstanding at that time are either canceled or included in the subsequent year's budget. The District had no material encumbrances outstanding as of June 30, 2026.

F. INVENTORIES AND PREPAID ITEMS

The consumption method is used to account for inventories of paper and other supplies. Under this method, consumables are charged to expenditures when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements.

G. INTERFUND RECEIVABLES AND PAYABLES

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Short-term amounts owed between funds are classified as "Due to/from other funds". Long-term interfund loans are classified as "Advances to/from other funds" and are offset by a fund balance reserve account.

H. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance of capital assets are recorded as expenses when incurred. Renewals and betterments are capitalized as they extend the useful lives of capital assets. Interest is not capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of $10,000 or more and over one-year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and Improvements	15-50 Years
Vehicles	7-12 Years
Equipment	5-15 Years

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A *deferred outflow of resources* is a consumption of a government's net assets (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, the deferred charge on a bond refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows for refunding reported in the government-wide financial statements as of June 30, 2026, is $12,919,190.

Deferred outflows of resources for pensions - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of differences between expected and actual actuarial calculations. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date is recognized as a reduction of the net pension liability in the next fiscal year. Other pension related deferred outflows are amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan, which is currently approximately 5.6120 years.

Deferred outflows reported for deferred pension expenses as of June 30, 2026, is $15,765,824.

Deferred outflows of resources for OPEB - Reported in the government-wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of differences between expected and actual investment earnings and changes in proportionate share. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date is recognized as a reduction of the net OPEB liability in the next fiscal year. Other OPEB related deferred outflows are amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the OPEB plan, which is currently approximately 9.4638 years.

Deferred outflows reported for deferred OPEB expense as of June 30, 2026, is $13,329,575.

A *deferred inflow of resources* is an acquisition of a government's net assets (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available to fund current expenditures. The District reports property taxes that are unavailable as deferred inflows of resources in the fund financial statements.

Deferred inflows of resources pertaining to property taxes reported in governmental funds as of June 30, 2026, is $3,189,677.

Deferred inflows of resources for pensions - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between projected and actual earnings on pension plan investments and other differences between projected and actual actuarial calculations. These amounts are amortized over a closed 5-year period.

Deferred inflows reported for deferred pension gains as of June 30, 2026, is $7,356,292

Deferred inflows of resources for OPEB - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from differences between expected and actual experience and changes in assumptions. These amounts are amortized over the average expected remaining service life (AERSL) of all members (9.4638 years for the 2025 measurement year).

Deferred inflows reported for deferred OPEB gains as of June 30, 2026, is $40,488,444.

J. CASH EQUIVALENTS

Investments are considered to be cash equivalents if they are highly liquid and have a maturity of three months or less when purchased.

K. NET POSITION

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciations reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent bond proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

L. LONG-TERM OBLIGATIONS

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In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are recorded and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources of capital. 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.

M. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 2026, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage during the past three fiscal years.

N. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

O. COMPENSATED ABSENCES

A liability for compensated absences that employees have earned and carry-forward to future fiscal years has been accrued in the government-wide financial statements in accordance with GASB Statement No. 101, "Compensated Absences." Measurement of the liability includes salary-related payments that are directly and incrementally associated with the leave.

NOTE 2. FUND BALANCES

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

Fund Balance Classifications. The governmental fund financial statements present 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 amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified inventories and prepaid items as being nonspendable as these items are not expected to be converted to cash.

- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital project resources are restricted for future capital outlay. The fund balance of certain grant programs are restricted for those grant programs.

- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. The Board of Trustees have committed resources as of June 30, 2026, for campus activities, local grants, and the General Fund approved deficit budget for the 2026-27 fiscal year.

- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or through the Board of Trustees delegating this responsibility to other individuals in the District. Under the District's adopted policy, only the Board of Trustees may assign amounts for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has assigned General Fund balance as of June 30, 2026, for capital improvement and possible future legislative changes.

- Unassigned: This classification includes all amounts not included in other spendable classifications; it is the residual fund balance of the General Fund. The General Fund is the only fund that reports an unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

The details of fund balances included in the Governmental Funds Balance Sheet are described below:

General Fund

The General Fund has unassigned fund balance of $50,158,046 as of June 30, 2026. Inventories of $21,326 and prepaid items of $624,539 are considered non-spendable fund balances. The General Fund has $19,000,000 of fund balance assigned for capital improvements and possible future legislative changes and $3,814,470 of fund balance committed to balancing its 2026-27 operating budget.

Debt Service Fund

The Debt Service Fund has restricted funds of $37,437,449 as of June 30, 2026, consisting primarily of property tax collections that are restricted for debt service payments on bonded debt.

Capital Projects Fund

The Capital Projects Fund has restricted funds of $103,709,556 as of June 30, 2026, consisting primarily of remaining bond proceeds that are restricted for construction and other capital expenditures.

Other Funds

Nonspendable fund balances in other funds pertain to food service inventories ($167,343 as of June 30, 2026). Fund balances restricted by federal grant restriction ($1,804,626 as of June 30, 2026) pertain to the District's child nutrition programs. Committed fund balances in other funds $4,381,471) pertain the campus activities, local grants, and non-program food services.

NOTE 3. DEPOSITS AND INVESTMENTS

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities 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.

1. Cash Deposits:

   As of June 30, 2026, the carrying amount of the District's deposit checking accounts and interest-bearing demand accounts was $14,707,065 and the bank balance was $17,453,801. The District's cash deposits as of June 30, 2026, were entirely covered by FDIC insurance, by pledged collateral, or by letters of credit held by the District's agent bank in the District's name. During the year ended June 30, 2026, District deposits were fully collateralized throughout the year.

2. Investments:

   The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and the establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for a portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations

of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the District has adopted a deposit and investment policy. That policy addresses the following risks:

a. Custodial Credit Risk - Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2026, the District's cash deposits totaled $17,453,801. This entire amount was either collateralized with securities held by the District's agent, letters of credit or covered by FDIC insurance. Thus, the District's deposits are not exposed to custodial credit risk as of June 30, 2026.

b. Custodial Credit Risk - Investments: For an investment, this is the risk that in the event of the failure of a counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2026, the District held investments in two public funds investment pools. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

c. Credit Risk: This is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for all investment pools at year-end was AAAm (Standard & Poor's).

d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for each investment pool is less than 90 days.

e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. As of June 30, 2026, the District was not exposed to foreign currency risk.

f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the District's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5% or more in the securities of a single issuer. The District's investments in public funds investment pools are not subject to the concentration risk.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAAm or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-

like pool is one that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

The District's cash and investments as of June 30, 2026, are shown below:

	Fair Market Value	Weighted Average Maturity (Days)
Governmental Activities:		
Cash and deposits	$ 7,285,816	N/A
Investments		
Local Government Investment Pools		
TexStar	3,782,518	48
Lone Star	270,743,403	26
Total Investments	274,525,921	
Total Governmental Activities	281,811,737	
Business Type Activities:		
Cash and deposits	7,258,687	N/A
Investments		
Local Government Investment Pools		
TexStar	-	48
Lone Star	-	26
Total Investments	-	
Total Business Type Activities	7,258,687	
Custodial Funds		
Cash and deposits	162,562	N/A
Investments		
Local Government Investments Pools		
TexStar	205,013	48
Lone Star	5,924	26
Total Investments	210,937	
Total Custodial Funds	373,499	
Total	$ 289,443,923	

The amount of interest earned on the District's cash and investments for the fiscal year ended June 30, 2026, was $13,647,449.

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2026, was as follows:

	Balance July 1	Additions	Disposals	Balance June 30
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 38,925,209	$ -	$ -	$ 38,925,209
Construction in progress	91,616,187	108,681,948		200,298,135
Total capital assets not being depreciated	130,541,396	108,681,948	-	239,223,344
Capital assets being depreciated/amortized:				
Buildings and improvements	1,003,533,589			1,003,533,589
Furniture and equipment	72,563,047	13,740,717	(1,298,411)	85,005,353
Right-to-use leased assets	12,000,000			12,000,000
Total capital assets being depreciated/amortized	1,088,096,636	13,740,717	(1,298,411)	1,100,538,942
Less accumulated depreciation for:				
Buildings and improvements	(381,877,586)	(26,252,157)		(408,129,743)
Furniture and equipment	(47,614,643)	(9,547,055)	1,298,411	(55,863,288)
Right-to-use leased assets	(2,074,072)	(444,444)		(2,518,516)
Total accumulated depreciation/amortization	(431,566,301)	(36,243,656)	1,298,411	(466,511,546)
Total capital assets being depreciated, net	656,530,335	(22,502,939)	-	634,027,396
Total capital assets, net	$ 787,071,731	$ 86,179,009	$ -	$ 873,250,740

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Depreciation expense was charged as a direct expense to the following programs:

Governmental activities:	
Instruction	$ 15,534,991
Instructional Resources & Media Services	264,187
Curriculum & Instructional Staff Development	234,931
School Leadership	2,039,907
Guidance, Counseling & Evaluation Services	1,181,079
Health Services	63,917
Student (Pupil) Transportation	1,041,705
Food Services	960,521
Extracurricular Activities	3,992,581
General Administration	590,439
Facilities Maintenance and Operations	1,411,291
Security and Monitoring Services	919,108
Data Processing Services	8,009,000
Total depreciation expense-Governmental activites	$ 36,243,656

NOTE 5. LONG-TERM DEBT AND OTHER LONG-TERM LIABILITIES

Long-term debt includes general obligation bonds, the premiums received on those bonds, and loans payable. All long-term debt represents transactions in the District's governmental activities. Other long-term liabilities include accrued compensated absences, the District's net pension liability, and the District's net OPEB liability for retiree health care.

The District has entered into a continuing disclosure agreement to provide Annual Reports and Material Event Notices to the State Information Depository of Texas (SID), which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors in the District's bonds to analyze the financial condition and operations of the District.

The following is a summary of the changes in the District's long-term debt and other long-term liabilities for the year ended June 30, 2026:

	Original Issue	Interest Rate	7/1/2025 Balance	Additions	Retired/ Refunded	6/30/2026 Balance	Due Within One Year
Bonded Indebtedness:							
2014 Refunding Bonds	$ 21,710,000	4%	$ 1,120,000	$ -	$ 1,120,000	$ -	$ -
2015 Refunding Bonds	8,710,000	4%	2,540,000		2,540,000		
2016A Refunding Bonds	26,670,000	5%	6,005,000		6,005,000		
2016 Refunding Bonds	146,530,000	2.5% - 5%	73,765,000		51,530,000	22,235,000	
2016 Building Bonds	146,660,000	5%	138,475,000		128,475,000	10,000,000	
2017A Refunding Bonds	38,774,999	4% - 5%	30,415,000		1,205,000	29,210,000	1,275,000
2017 Building Bonds	89,605,000	3% - 5%	65,575,000		60,575,000	5,000,000	-
2018 Refunding Bonds	8,389,490	4%	5,205,000		160,000	5,045,000	165,000
2019 Refunding Bonds	49,499,968	2.554% - 4%	43,265,000		795,000	42,470,000	825,000
2021 Refunding Bonds	65,245,811	1.5% - 4%	20,654,039			20,654,039	154,039
2021 Building Bonds	107,085,000	2% - 5%	90,435,000		1,670,000	88,765,000	1,825,000
2022 Building Bonds	87,520,000	4% - 5%	44,530,000		150,000	44,380,000	355,000
2025 Refunding Bonds	9,999,935	4.35%		9,999,935	9,999,935		
2025A Refunding Bonds	209,815,000	4% - 5%		209,815,000	3,765,000	206,050,000	49,540,000
2025 Building Bonds	214,885,000	4.375% - 5%	214,885,000		27,565,000	187,320,000	9,365,000
Total Bonded Indebtedness			736,868,999	219,814,935	295,554,935	661,129,039	63,504,039
Bond Premiums			66,437,194	20,477,517	18,575,742	68,338,969	
Accreted Interest Payable			80,909		80,909	-	
Loans Payable			1,517,187		1,517,187	-	
Compensated Absences			3,097,498		558,127	2,539,371	240,350
Net Pension Liability			65,953,732		2,263,962	63,689,770	
Net OPEB Liability			41,854,078		8,595,745	33,258,333	
Total Other Long-term Debt			178,940,598	20,477,517	31,591,672	167,826,443	240,350
Total Long-term Debt			$ 915,809,597	$ 240,292,452	$ 327,146,607	$ 828,955,482	$ 63,744,389

Note: The increase or decrease to compensated absences is presented as a net change.

Presented below is a summary of general obligation bond requirements to maturity:

General Obligation Bonds	Principal	Interest	Total
2027	$ 63,504,039	$ 30,114,669	$ 93,618,708
2028	22,570,000	25,561,108	48,131,108
2029	21,915,000	24,768,332	46,683,332
2030	20,975,000	23,888,286	44,863,286
2031	22,255,000	23,050,932	45,305,932
2032-2036	130,350,000	99,897,138	230,247,138
2037-2041	166,175,000	69,600,478	235,775,478
2042-2046	114,380,000	36,270,330	150,650,330
2047-2051	99,005,000	11,134,173	110,139,173
	$ 661,129,039	$ 344,285,446	$1,005,414,485

General obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the District. General obligation bonds require the District to compute at

the time taxes are levied the rate of tax required to provide a fund to pay interest and principal at maturity. The District is in compliance with this requirement.

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions as of June 30, 2026.

NOTE 6. COMPENSATED ABSENCES

Certain employees of the District may request annual reimbursement for unused local leave to a maximum of two days per school year by submitting his or her written request in accordance with administrative procedures. Leave is reimbursed at a rate established by the Board.

An employee who retires from the District is eligible for reimbursement for state and local leave under the condition that the employee's retirement is voluntarily and the employee has at least ten TRS creditable years of service with the District. The employee pays for each day of state and local leave to a maximum of 30 days at a rate established by the Board. If the employee is reemployed with the District, days for which the employee received payment are not be available to that employee. The rate established by the Board remains in effect until the Board adopts a new rate. Any changes to the rate are applied at the beginning of the school year following the adoption of the rate change.

A liability for compensated absences that employees have earned and carry-forward to future fiscal years has been accrued in the government-wide financial statements in accordance with GASB Statement No. 101, "Compensated Absences." Measurement of the liability includes salary-related payments that are directly and incrementally associated with the leave. The District has accrued $2,539,371 for compensated absences as a liability in the District's government-wide financial statements.

NOTE 7. DEFERRED CHARGES ON BOND REFUNDINGS

In August 2025, the District issued $9,999,935 (par value) of refunding bonds with bond premiums totaling $257,962 to advance refund $10,000,000 (par value) of Series 2017 building bonds by paying $10,053,129 of District funds into an irrevocable escrow account. Net present value debt service savings from the refunding were $522,500. The effective yield on the refunding bonds was 4.35%. The refunded bonds were redeemed with funds from the escrow account during the 2026 fiscal year.

In November 2025, the District issued $209,815,000 (par value) of refunding bonds with bond premiums totaling $20,219,555 to advance refund $224,725,000 (par value) of building and refunding bonds by paying $228,330,867 of District funds into an irrevocable escrow account. Net present value debt service savings from the refunding were $23,717,871. The refunding bonds bear interest at 4% to 5%. The refunded bonds were redeemed with funds from the escrow account during the 2026 fiscal year.

The District's deferred charges on bond refundings are as follows:

Balance – June 30, 2025	$14,899,570
Refunded	(3,228,754)
Current period additions	2,602,487
Current period amortization	(1,354,113)
Balance – June 30, 2026	$12,919,190

NOTE 8. LEASE AGREEMENT

The District has a long-term lease agreement with Collin County Community College for the right to use certain facilities on the College's campus. The District was required to prepay the entire lease liability prior to the commencement of the lease term and therefore no lease liability exists. The lease asset is being amortized over 27 years, which is the life of the lease agreement. There were no variable payments required by the lease agreement.

NOTE 9. PROPERTY TAXES

Property taxes are considered measurable and available when collected during the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 on the assessed (appraised) property values listed as of the prior January 1 for all real and business personal property located in the District 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 February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2025-26 fiscal period was based was $22,857,958,800. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

The tax rates assessed for the period ended June 30, 2026, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were $0.7358 and $0.39 per $100 valuation, respectively, for a total of $1.1258 per $100 valuation.

Current tax collections for the period ended June 30, 2026, were 99.3% of the 2025-26 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 June 30, 2026, property taxes and penalty and interest receivable, net of estimated uncollectible taxes, totaled $2,150,739 and $1,038,938 for the General and Debt Service Funds, respectively.

Property taxes are recorded as receivables and unavailable revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected.

NOTE 10. INTERFUND BALANCES AND ACTIVITIES

Interfund receivables and payables as of June 30, 2026, represented short-term advances between funds. These amounts are expected to be repaid in less than one year from June 30, 2026.

Fund	Due from Other Funds	Due to Other Funds
Major Governmental Funds:		
General Fund:		
Non-Major Special Revenue Funds	$1,302,210	$ 4,429
Proprietary Funds	8,517	963,937
Total Major Governmental Funds	1,310,727	968,366
Nonmajor Governmental Funds:		
Special Revenue Funds:		
General Fund	4,429	1,302,210
Total Nonmajor Governmental Funds	4,429	1,302,210
Proprietary Funds:		
General Fund	963,937	-
Fiduciary Funds:		
General Fund	-	8,517
Total	$2,279,093	$2,279,093

During the year ended June 30, 2026, the District transferred $70,446 from the Child Nutrition Fund to the General Fund for utilities and $35,204 from the Non-Program Food Services Special Revenue Fund to the Child Nutrition Fund to fund outstanding student balances. In addition, Enterprise Funds transferred $1,050,000 to the Capital Projects Fund during the fiscal year.

NOTE 11. DEFINED BENEFIT PENSION PLAN

Plan Description. The District participates in a multiple-employer, cost-sharing, 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position. Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at attention Finance Division, P.O. Box 149676, Austin, TX, 78714-0185; or by calling 1-800-223-8778.

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 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 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. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the system during the fiscal year. Employee contribution rates are set in state statute, Texas Government Code 825.402.

Contribution Rates

Member	8.25%
Non-Employer Contributing Entity (State)	8.25%
Employers	8.25%
Employer Contributions	$ 6,245,319

Member Contributions	13,099,932
NECE On-behalf Contributions	9,188,077

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

As the non-employer contributing entity (NECE) for public education, 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 that are paid by the employers. Employers (public 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 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.

In addition to the employer contributions listed above, there is a surcharge an employer is subject to.

- All public schools, charter schools, and regional education service centers must contribute 2.0 percent of the member's salary beginning in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions. The total pension liability in the August 31, 2025, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2024, rolled forward to August 31, 2025
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2024	5.23%
Inflation	2.30%
Salary Increases including inflation	3.20% to 9.20% including inflation
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

Effective with the measurement date of August 31, 2025, the salary increase assumption was modified to reflect anticipated changes in future contribution levels resulting from the enactment of House Bill 2 (HB2) by the 2025 Texas Legislature. Except for the change in salary increase assumption, the actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2024. For a full description of these assumptions, please see the actuarial valuation report dated November 21, 2024.

Discount Rate. A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2026 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2025 (page 56 of the 2025 TRS ACFR) are summarized below:

Table 3.A.1: Asset Allocations

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
All Country	39.00 %	4.14 %	2.18 %
USA	0.00	3.85	0.00
Non-US Developed	5.00	4.60	0.31
Emerging Markets	1.00	4.71	0.07
Private Equity	12.00	6.80	1.19
Stable Value			
Government Bonds - Nominal	10.00	2.59	0.33
Government Bonds - Real	6.00	1.97	0.13
Absolute Return*	0.00	3.91	0.00
Stable Value Hedge Funds	5.00	1.68	0.09
Real Return			
Real Estate	15.00	4.60	0.86
Energy, Natural Resources & Infrastructure	6.00	4.86	0.36
Commodities	0.00	2.96	0.00
Risk Parity	5.00	4.38	0.26
Asset Allocation Leverage			
Cash	2.00	0.51	0.01
Asset Allocation Leverage	(6.00)	0.81	(0.05)
Inflation Expectation			2.30
Volatility Drag****			(0.71)
Expected Return	100.00 %		7.33 %

*Absolute Return includes Credit Sensitive Investments.

**Target allocations are based on the FY2025 policy model.

***Capital Market Assumptions (CMA) come from Meketa Investment Group's 2025 CMAs

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used in measuring the Net pension liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	$102,44,811	$63,689,770	$31,268,488

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. On August 31, 2025, the District reported a liability of $63,689,770 for its proportionate share of the TRS 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.	$ 63,689,770
State's proportionate share that is associated with District	97,324,656
Total	$161,014,426

The net pension liability was measured as of August 31, 2024, and rolled forward to August 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2024, through August 31, 2025.

On August 31, 2025, the employer's proportion of the collective net pension liability was 0.1011788176% which was an increase (decrease) of (6.29%) from its proportion measured as of August 31, 2024. 137

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation. The 2025 Texas Legislature passed HB2, which modified the future compensation structure for active employees covered by the System. As a result, a new salary increase assumption was adopted for determining the Net Pension Liability as of the August 31, 2025, measurement date. All other actuarial assumptions and methods remain the same as used in the determination of the prior year's Net Pension Liability. There have been no changes to the benefit provisions since the prior valuation.

The amount of pension expense recognized by the District in the reporting period was $5,759,421. For the year ended August 31, 2025, the District recognized pension expense of $9,035,292 and revenue of $9,035,292 for support provided by the State.

On August 31, 2025, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 3,821,212	$ 223,162
Changes in actuarial assumptions	6,107,989	-
Difference between projected and actual investment earnings	-	2,894,408
Changes in proportion and difference between employer contributions and the proportionate share of contributions	547,192	4,238,722
Contributions paid to TRS subsequent to the measurement date of the net pension liability	5,289,431	-
Total	$15,765,824	$7,356,292

The District recognized $5,289,431 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2026. The other amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year ended August 31	Pension Expense Amount
2026	$5,794,401
2027	(107,874)
2028	(2,425,915)
2029	(449,293)
2030	308,782
Thereafter	-

NOTE 12. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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 benefit OPEB plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. 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. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position. Detail information about TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public and 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 non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes including automatic COLAs.

The 88th Legislature amended the Texas Insurance Code Chapter 1575 via Senate Bill 1854 allowing TRS to offer coverage for dental and vision care to retirees. In accordance with Chapter 1575.1601, TRS established the TRS-Care Dental and TRS-Care Vision plans. TRS-Care Dental and TRS-Care Vision are optional plans that are available to retirees who are eligible for TRS-Care. This includes their dependents, surviving spouses, and surviving dependent children. Retirees do not have to be enrolled in TRS-Care medical and pharmacy plans to be eligible for TRS-Care Dental and TRS-Care Vision. The first enrollment period for the plans began in October 2024 and coverage started in January 2025.

The General Appropriations Act passed by the 88th Legislature included funding to maintain TRS-Care premiums at their current level through 2025. Also, the 86th Legislature passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at $381,400,000 as of August 31, 2025.

The premium rates for retirees are reflected in the following table:

Retiree Type	Medicare	Non-Medicare	TRS-Care Dental	TRS-Care Vision
Retiree or Surviving Spouse	$ 75	$ 200	$ 41.64	$ 6.89
Retiree and Spouse	280	689	83.29	13.79
Retiree or Surviving Spouse and Children	408	408	87.45	15.57
Retiree and Family	613	999	129.93	24.08

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 participating employers are based on active employee compensation. The TRS Board does not have the authority to set or amend contribution rates.

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Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of salary. Section 1575.204 establishes a public school 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 employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2025. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates

Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/Private Funding Remitted by Employers	1.25%
Employer Contributions	$1,248,504
Member Contributions	1,032,113
NECE On-behalf Contributions	3,222,020

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to regardless of whether they participate in the TRS-Care OPEB program. When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of $535 per retiree.

Actuarial Assumptions. The actuarial valuation was performed as of August 31, 2024. Update procedures were used to roll forward the total OPEB liability to August 31, 2025. The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2024, TRS pension actuarial valuation that was rolled forward to August 31, 2025.

The active mortality rates were based on PUB (2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2024, rolled forward to August 31, 2025
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	5.23%
Aging Factors	Based on a Society of Actuaries' 2013 Study
Expenses	Third-party administrative expenses related to the delivery of Healthcare benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.20% to 9.20% including inflation
Healthcare Trend Rates	4.25% over 14 years
Election Rates	25% participation rate after age 65; 62% prior to age 65

Discount Rate. A single discount rate of 5.23 percent was used to measure the total OPEB liability. This was an increase of 1.36 percent in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

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The source of the municipal bond rate is the Bond Buyer's "20-Bond GO Index" as of August 31, 2025, using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (x%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (4.23%)	Discount Rate (5.23%)	1% Increase in Discount Rate (6.23%)
District's proportionate share of the net OPEB liability:	$39,058,429	$33,258,333	$28,478,646

Healthcare Trend Rate Sensitivity Analysis. The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the net OPEB liability:	$27,499,968	$33,258,333	$40,569,759

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. On August 31, 2025, the District reported a liability of $33,258,333 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 collective net OPEB liability	$33,258,333
State's proportionate share that is associated with District	44,124,534
Total	$77,382,867

The net OPEB liability was measured as of August 31, 2024, and rolled forward to August 31, 2025, 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 OPEB relative to the contributions of all employers to the plan for the period September 1, 2024, through August 31, 2025.

On August 31, 2025, the employer's proportion of the collective net OPEB liability was .1334213901%, which was an increase (decrease) of (3.25%) from its proportion measured as of August 31, 2024.

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 (TOL) since the prior measurement period:

- The single discount rate changed from 3.87 percent as of August 31, 2024, to 5.23 percent as of August 31, 2025
- The salary increase rates were revised to match those used in the pension valuation, and the health care trend rates were reset to reflect the plan's anticipated experience.

Changes of Benefit Terms Since the Prior Measurement Date. There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was ($3,582,904).

For the year ended August 31, 2025, the District recognized OPEB expense of $5,098,231 and revenue of $5,098,231 for support provided by the State. 141

On August 31, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 6,506,633	$19,807,237
Changes in actuarial assumptions	4,112,675	13,660,085
Difference between projected and actual investment earnings	-	204,544
Changes in proportion and difference between employer contributions and the proportionate share of contributions	1,662,864	6,816,578
Contributions paid to TRS subsequent to the measurement date of the net pension liability	1,047,403	n/a
Total	$13,329,575	$40,488,444

The District recognized $1,047,403 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2026. The other amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Year Ended August 31	OPEB Expense Amount
2026	($5,048,850)
2027	(6,433,761)
2028	(5,858,807)
2029	(3,975,454)
2030	(3,473,050)
Thereafter	(3,416,349)

NOTE 13. MEDICARE PART D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance

Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the year ended June 30, 2026, the contribution made on behalf of the District was $1,294,808.

NOTE 14. HEALTH CARE

During the period ended June 30, 2026, employees of Allen Independent School District were covered by the TRS-Active Care health insurance plan (the Plan). The District contributed $340 per month per employee to the Plan and employees, at their option, authorized payroll withholdings to pay any additional contribution and contributions for dependents. All contributions were paid to a fully insured plan.

NOTE 15. WORKERS COMPENSATION

Beginning September 1, 1993, the District established its self-funded worker's compensation program. Through its historical review of the worker's compensation self-insurance program, the District projected a liability of $849,601 as of June 30, 2026, for the ultimate loss reserve of the fund.

The District currently purchases an Excess Workers' Compensation and Employer's Liability Indemnity Policy from Midwest Employees Casualty Company. The policy has a self-insured retention of $450,000 per occurrence. The limits of statutory for workers' compensation and $1,000,000 for employer's liability. The District does not purchase aggregate excess insurance. Claims administration is provided by TASB Risk Management Fund.

The accrued liability for worker's compensation self-insurance of $849,601 includes incurred but not reported claims. Because actual claim liabilities depend on such complex factors, the process used in computing the liability does not necessarily result in an actual amount.

Changes in the balances of claims liability amount in fiscal years 2026 and 2025 are as follows:

	2026	2025
Unpaid claims, July 1	$ 930,215	$ 1,468,690
Incurred claims (including IBNR)	216,934	(228,796)
Claim payments	297,548	(309,679)
Unpaid claims, June 30	$ 849,601	$ 930,215

NOTE 16. 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, Per Capita, Existing Debt Allotment, and Instruction Facilities Allotment Programs. Amounts due from federal and state governments in the governmental funds as of June 30, 2026, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from Other Governments.

Fund	State Entitlements	Federal Government	Local Governments	Total
General	$2,689,819	$ -	$ -	$2,689,819
Debt Service	2,500,182	-	-	2,500,182
Special Revenue	-	1,664,728	-	1,664,728
Total	$6,790,060	$1,243,463	$ -	$6,854,729

NOTE 17. LITIGATION AND CONTINGENCIES

The District participates in numerous state and Federal grant programs that are governed by rules and regulations of the grantor agencies. Costs charged to grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with rules and regulations governing the grants, refunds of grant funds could be required. In the opinion of the District, however, there are no significant contingent liabilities relating to noncompliance with rules and regulations governing grant programs; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 18. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources in the fund-basis financial statements consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	$ 158,493,553	$ -	$83,975,155	$ -	$ 242,468,708
Food Sales	-	6,084,126	-	-	6,084,126
Investment Income	4,166,171	190,042	1,475,445	7,621,958	13,453,616
Penalties, interest and other tax related income	606,726	-	246,908	-	853,634
Co-curricular student activities	776,145	4,352,346	-	-	5,128,491
Other	3,375,790	707,681	-	465,335	4,548,806
Total	$ 167,418,385	$11,334,195	$85,697,508	$ 8,087,293	$ 272,537,381

NOTE 19. GENERAL FUND FEDERAL SOURCE REVENUES

The following federal revenue sources are reported in the District's general fund:

Program or Source	ALN	Amount
SHARS	N/A	$387,076
Carl Perkins	84.048A	308
		$387,384

NOTE 20. UNEARNED REVENUE

Unearned revenue as of June 30, 2026, consisted of the following:

	General Fund	Special Revenue Funds	Debt Service Fund	Total
Student Account Balances	$ -	$ 443,808	$ -	$ 443,808
Athletic Receipts	293,469	-	-	293,469
State/Federal Grant Funds	-	1,508,951	-	1,508,951
Local Grant Funds	-	12,588	-	12,588
	$ 293,469	$1,965,347	$ -	$2,258,816

NOTE 21. CONSTRUCTION COMMITTMENTS

As of June 30, 2026, the District had entered into $132.1 million of contracts for construction and renovations throughout the District. As of June 30, 2026, there was $103.7 million of remaining costs under those contracts. The projects are to be paid from the Capital Projects Fund.

NOTE 22. SUBSEQUENT EVENTS

Management has reviewed events subsequent to June 30, 2026, through September 24, 2026, which is the date the financial statements were available to be issued. No subsequent events were identified that were required to be recorded or disclosed in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

Data Control Codes		Budgeted Amounts		Variance with Original Budget - over (under)	Actual Amounts, GAAP	Variance with Final Budget over (under)
		Original	Final	Final Budget	Basis	Actual Amounts
	REVENUES:					
5700	Total Local and Intermediate Sources	$ 178,343,175	$ 175,343,175	$ (3,000,000)	$ 167,418,385	$ (7,924,790)
5800	State Program Revenues	46,957,701	53,276,386	6,318,685	56,936,720	3,660,334
5900	Federal Program Revenues	90,000	90,000	-	387,384	297,384
5020	Total Revenues	225,390,876	228,709,561	3,318,685	224,742,489	(3,967,072)
	EXPENDITURES:					
	Current:					
0011	Instruction	132,104,013	127,879,013	4,225,000	126,848,457	1,030,556
0012	Instructional Resources and Media Services	2,183,641	2,183,641	-	2,134,280	49,361
0013	Curriculum and Instructional Staff	5,724,722	5,299,722	425,000	4,947,904	351,818
0021	Instructional Leadership	2,675,175	2,690,175	(15,000)	2,636,931	53,244
0023	School Leadership	11,790,994	11,540,994	250,000	11,269,923	271,071
0031	Guidance, Counseling, and Evaluation Services	10,968,951	11,328,951	(360,000)	11,275,709	53,242
0032	Social Work Services	167,086	167,086	-	151,083	16,003
0033	Health Services	2,427,340	2,427,340	-	2,341,663	85,677
0034	Student (Pupil) Transportation	6,171,631	7,471,631	(1,300,000)	7,007,799	463,832
0035	Food Services	5,000	5,000	-	183	4,817
0036	Extracurricular Activities	6,075,969	6,275,969	(200,000)	5,848,281	427,688
0041	General Administration	6,644,938	7,144,938	(500,000)	7,046,279	98,659
0051	Facilities Maintenance and Operations	24,391,941	25,216,941	(825,000)	24,987,956	228,985
0052	Security and Monitoring Services	5,179,938	5,229,938	(50,000)	4,715,015	514,923
0053	Data Processing Services	6,088,151	5,962,151	126,000	5,686,813	275,338
0061	Community Services	12,500	13,500	(1,000)	3,954	9,546
	Debt Service:					
0071	Principal on Long-Term Liabilities	-	1,518,374	(1,518,374)	1,517,188	1,186
0072	Interest on Long-Term Liabilities	-	106,626	(106,626)	106,626	-
	Capital Outlay:					
0081	Facilities Acquisition and Construction	337,571	237,571	100,000	106,451	131,120
	Intergovernmental:					
0091	Contracted Instructional Services Between	4,000,000	4,000,000	-	3,889,798	110,202
0093	Payments to Fiscal Agent/Member Districts of	-	250,000	(250,000)	247,171	2,829
0095	Payments to Juvenile Justice Alternative Ed.	10,000	10,000	-	8,250	1,750
0099	Other Intergovernmental Charges	1,750,000	1,750,000	-	1,675,316	74,684
6030	Total Expenditures	228,709,561	228,709,561	-	224,453,030	4,256,531
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,318,685)	-	3,318,685	289,459	289,459
	OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	-	-	70,446	70,446
1200	Net Change in Fund Balances	(3,318,685)	-	3,318,685	359,905	359,905
0100	Fund Balance - July 1 (Beginning)	73,258,476	73,258,476	-	73,258,476	-
3000	Fund Balance - June 30 (Ending)	$ 69,939,791	$ 73,258,476	$ 3,318,685	$ 73,618,381	$ 359,905

ALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

A. Budgets and Budgetary Accounting

The District adopts annual appropriations-type budgets for the General Fund, Child Nutrition Fund, and the Debt Service Fund as required by law using the same method of accounting as for financial reporting. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial-type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed project-length budgets and external monitoring through the submission of periodic reimbursement reports.

Legally, expenditures may not exceed budgeted appropriations at the function or activity level. Expenditure requests that would require an increase in total budgeted appropriations must be approved by the Trustees through a formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available plus estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund during the fiscal year ended June 30, 2026.

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The administrative level at which responsibility for control of budgeted appropriations is assigned is at the organizational level within each function of operations. The finance department monitors and reviews expenditure requests submitted by the various organizational heads (principals and department heads) throughout the year to ensure proper spending compliance. No public funds of the District can be expended other than as provided in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types by June 30, 2025. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Variances between the original budget and the final budget and the final amended budget and actual revenues in the General Fund and Debt Service Fund were caused primarily by state-legislated property tax compression and expanded homestead exemptions, which removed taxable value from the local roles. The additional homestead exemption did not occur until later in the fiscal year. This, however, increased state aid to the District. Under the Texas Foundation School Program (FSP), decreases in local tax collections cause a corresponding increase in state funding. For expenditures in the General Fund, the positive variance in instruction expenditures was due primarily to cost savings associated with vacant positions during the fiscal year. In the Debt Service Fund, the budget variances were cause by an unbudgeted bond refunding to achieve long-term interest savings.

The District exceeded its debt service fund budget in one functional expenditure category: principal payments on bonded indebtedness by $8,467,406 although the total debt service fund expenditure budget had a positive variance of $1,746,911.

ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2026

	FY 2026 Plan Year 2025	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023
District's Proportion of the Net Pension Liability (Asset)	0.10117882%	0.10797188%	0.108965019%
District's Proportionate Share of Net Pension Liability (Asset)	$ 63,689,770	$ 65,953,732	$ 74,848,455
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	97,324,656	95,210,323	113,495,979
Total	$ 161,014,426	$ 161,164,055	$ 188,344,434
District's Covered Payroll	$ 156,168,902	$ 156,306,200	$ 153,067,058
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	40.78%	45.20%	39.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.20%	77.51%	73.15%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement date. For example, the amounts for FY 2026 are for the measurement date of August 31, 2025, etc..

FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016
0.111746892%	0.110220331%	0.106657995%	0.117920568%	0.114026075%	0.106167375%	0.101613369%
$ 66,341,256	$ 28,069,218	$ 57,123,846	$ 61,298,798	$ 62,762,719	$ 33,946,607	$ 38,398,181
101,678,416	47,546,539	103,804,327	97,775,841	105,596,613	61,698,653	73,943,016
$ 168,019,672	$ 75,615,757	$ 160,928,173	$ 159,074,639	$ 168,359,332	$ 95,645,260	$ 112,341,197
$ 147,904,846	$ 145,436,790	$ 143,374,698	$ 137,411,360	$ 130,974,119	$ 122,559,402	$ 116,994,996
44.85%	19.30%	39.84%	44.61%	47.92%	27.70%	32.82%
75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%

ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025	2024
Contractually Required Contribution	$ 6,245,319	$ 4,959,613	$ 5,971,204
Contribution in Relation to the Contractually Required Contribution	(6,245,319)	(4,959,613)	(5,971,204)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 158,787,054	$ 156,145,815	$ 156,117,617
Contributions as a Percentage of Covered Payroll	3.93%	3.18%	3.82%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

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2023	2022	2021	2020	2019	2018	2017
$ 5,692,420	$ 5,109,233	$ 4,625,328	$ 4,396,617	$ 4,092,384	$ 3,777,900	$ 2,007,888
(5,692,420)	(5,109,233)	(4,625,328)	(4,396,617)	(4,092,384)	(3,777,900)	(2,007,888)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 153,338,827	$ 146,648,316	$ 144,773,421	$ 142,967,115	$ 136,252,403	$ 129,650,770	$ 121,572,783
3.71%	3.48%	3.19%	3.08%	3.00%	2.91%	1.65%

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ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2026

	FY 2026 Plan Year 2025	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.13342139%	0.137897743%	0.140775049%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 33,258,333	$ 41,854,078	$ 31,165,210
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	44,124,534	52,442,592	37,605,616
Total	$ 77,382,867	$ 94,296,670	$ 68,770,826
District's Covered Payroll	$ 156,168,902	$ 156,306,200	$ 153,067,058
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	21.30%	26.78%	20.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.26%	13.70%	14.94%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. For example, the amounts for FY 2026 are for the measurement date of August 31, 2025, etc.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.147449872%	0.146458434%	0.147822462%	0.152307268%	0.149103205%	0.136665027%
$ 35,305,405	$ 56,495,563	$ 56,193,994	$ 72,027,973	$ 74,448,595	$ 59,430,493
43,067,048	75,691,464	75,511,257	95,709,064	115,388,685	99,252,737
$ 78,372,453	$ 132,187,027	$ 131,705,251	$ 167,737,037	$ 189,837,280	$ 158,683,230
$ 147,904,846	$ 145,436,790	$ 143,374,698	$ 137,411,360	$ 130,974,119	$ 122,559,402
23.87%	38.85%	39.19%	52.42%	56.84%	48.49%
11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

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ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2026

	2026	2025	2024
Contractually Required Contribution	$ 1,248,504	$ 1,233,559	$ 1,244,344
Contribution in Relation to the Contractually Required Contribution	(1,248,504)	(1,233,559)	(1,244,344)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 158,787,054	$ 156,145,815	$ 156,117,617
Contributions as a Percentage of Covered Payroll	0.79%	0.79%	0.80%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

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2023	2022	2021	2020	2019	2018
$ 1,227,101	$ 1,192,645	$ 1,139,225	$ 1,122,110	$ 1,072,358	$ 971,485
(1,227,101)	(1,192,645)	(113,922)	(1,122,110)	(1,072,358)	(971,485)
$ -	$ -	$ 1,025,303	$ -	$ -	$ -
$ 153,338,827	$ 146,648,316	$ 144,773,421	$ 142,967,115	$ 136,252,403	$ 129,650,770
0.80%	0.81%	0.79%	0.78%	0.79%	0.75%

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ALLEN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2026

PENSION LIABILITY

Changes of benefit terms:

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

Changes of assumptions:

The 2025 Texas Legislature passed HB2, which modified the future compensation structure for active employees covered by the System. As a result, a new salary increase assumption was adopted for determining the Net Pension Liability as of the August 31, 2025, measurement date. All other actuarial assumptions and methods remain the same as used in the determination of the prior year's Net Pension Liability. There have been no changes to the benefit provisions since the prior valuation. 156

OPEB LIABILITY

Changes of benefit terms:

There were no significant changes in benefit terms since the prior measurement date.

Changes of assumptions:

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

- The discount rate changed from 3.87 percent as of August 31, 2024, to 5.23 percent as of August 31, 2025.
- Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.
- The salary increase rates were revised to match those used in the pension valuation, and the health care trend rates were reset to reflect the plan's anticipated experience.

COMBINING SCHEDULES

ALLEN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2026

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ -	$ -
1240	Due from Other Governments	256,182	1,032,239	-	41,487
1260	Due from Other Funds	-	4,429	-	-
1300	Inventories	-	-	-	-
1490	Other Current Assets	-	-	-	-
1000	Total Assets	$ 256,182	$ 1,036,668	$ -	$ 41,487
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ -	$ -
2150	Payroll Deductions and Withholdings Payable	5,397	16,027	-	-
2160	Accrued Wages Payable	78,355	262,749	-	-
2170	Due to Other Funds	172,430	757,892	-	41,487
2200	Accrued Expenditures	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	256,182	1,036,668	-	41,487
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ 256,182	$ 1,036,668	$ -	$ 41,487

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support	397 Advanced Placement Incentives
$ 2,439,426	$ -	$ -	$ -	$ -	$ -	$ -	$ -
3,223	73,492	146,649	80,726	30,730	-	-	-
-	-	-	-	-	-	-	-
155,237	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 2,597,886	$ 73,492	$ 146,649	$ 80,726	$ 30,730	$ -	$ -	$ -
$ 983	$ -	$ -	$ -	$ -	$ -	$ -	$ -
39,096	-	2,647	261	964	-	-	-
217,378	-	48,947	8,534	10,289	-	-	-
70,446	73,492	95,055	71,931	19,477	-	-	-
510	-	-	-	-	-	-	-
309,610	-	-	-	-	-	-	-
638,023	73,492	146,649	80,726	30,730	-	-	-
155,237	-	-	-	-	-	-	-
1,804,626	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,959,863	-	-	-	-	-	-	-
$ 2,597,886	$ 73,492	$ 146,649	$ 80,726	$ 30,730	$ -	$ -	$ -

ALLEN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2026

Data Control Codes		410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	473 Foundation Grants
	ASSETS				
1110	Cash and Cash Equivalents	$ 1,508,951	$ 2,766	$ 4,278,161	$ 12,882
1240	Due from Other Governments	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1300	Inventories	-	-	-	-
1490	Other Current Assets	-	-	48	-
1000	Total Assets	$ 1,508,951	$ 2,766	$ 4,278,209	$ 12,882
	LIABILITIES				
2110	Accounts Payable	$ -	$ 2,766	$ 19,204	$ 294
2150	Payroll Deductions and Withholdings Payable	-	-	1	-
2160	Accrued Wages Payable	-	-	62,522	-
2170	Due to Other Funds	-	-	-	-
2200	Accrued Expenditures	-	-	4,294	-
2300	Unearned Revenue	1,508,951	-	-	12,588
2000	Total Liabilities	1,508,951	2,766	86,021	12,882
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	4,192,188	-
3000	Total Fund Balances	-	-	4,192,188	-
4000	Total Liabilities and Fund Balances	$ 1,508,951	$ 2,766	$ 4,278,209	$ 12,882

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474 Other Local Grants	491 Non Program Food Services	Total Nonmajor Governmental Funds
$ 62,213	$ 350,385	$ 8,654,784
-	-	1,664,728
-	-	4,429
-	12,106	167,343
-	-	48
$ 62,213	$ 362,491	$ 10,491,332
$ -	$ 1,081	$ 24,328
-	12,255	76,648
-	75,754	764,528
-	-	1,302,210
-	27	4,831
-	134,198	1,965,347
-	223,315	4,137,892
-	12,106	167,343
-	-	1,804,626
62,213	127,070	4,381,471
62,213	139,176	6,353,440
$ 62,213	$ 362,491	$ 10,491,332

ALLEN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

Data Control Codes		211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	671,738	2,906,429	43,097	41,487
5020	Total Revenues	671,738	2,906,429	43,097	41,487
	EXPENDITURES:				
	Current:				
0011	Instruction	404,401	584,484	-	41,487
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	30,346	326,268	-	-
0021	Instructional Leadership	-	169,278	-	-
0023	School Leadership	91,148	-	-	-
0031	Guidance, Counseling, and Evaluation Services	131,843	1,814,642	43,097	-
0034	Student (Pupil) Transportation	14,000	11,757	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
6030	Total Expenditures	671,738	2,906,429	43,097	41,487
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	-	-
0100	Fund Balance - July 1 (Beginning)	-	-	-	-
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ -	$ -

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support	397 Advanced Placement Incentives
$ 3,509,909	$ -	$ -	$ -	$ -	$ -	$ -	$ -
171,126	-	-	-	-	6,600	890	2,817
2,938,116	127,492	383,728	311,936	84,771	-	-	-
6,619,151	127,492	383,728	311,936	84,771	6,600	890	2,817
-	120,774	22,000	191,970	18,102	6,110	890	-
-	-	-	-	-	-	-	-
-	6,718	361,728	119,966	66,669	490	-	2,817
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,945,332	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5,945,332	127,492	383,728	311,936	84,771	6,600	890	2,817
673,819	-	-	-	-	-	-	-
35,204	-	-	-	-	-	-	-
(70,446)	-	-	-	-	-	-	-
(35,242)	-	-	-	-	-	-	-
638,577	-	-	-	-	-	-	-
1,321,286	-	-	-	-	-	-	-
$ 1,959,863	$ -	$ -	$ -	$ -	$ -	$ -	$ -

ALLEN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

Data Control Codes		410 State Instructional Materials	429 Other State Special Revenue Funds	461 Campus Activity Funds	473 Foundation Grants
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ 4,956,506	$ 138,735
5800	State Program Revenues	5,659,427	694,799	15,278	52
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	5,659,427	694,799	4,971,784	138,787
	EXPENDITURES:				
	Current:				
0011	Instruction	5,659,427	-	-	-
0012	Instructional Resources and Media Services	-	44	-	-
0013	Curriculum and Instructional Staff Development	-	5,600	-	-
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	4,689,550	138,787
0041	General Administration	-	-	25,485	-
0052	Security and Monitoring Services	-	689,155	-	-
6030	Total Expenditures	5,659,427	694,799	4,715,035	138,787
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	256,749	-
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	-	-	256,749	-
0100	Fund Balance - July 1 (Beginning)	-	-	3,935,439	-
3000	Fund Balance - June 30 (Ending)	$ -	$ -	$ 4,192,188	$ -

474 Other Local Grants	491 Non Program Food Services	Total Nonmajor Governmental Funds
$ 65,220	$ 2,663,825	$ 11,334,195
-	88,783	6,639,772
-	-	7,508,794
65,220	2,752,608	25,482,761
89	-	7,049,734
-	-	44
-	-	920,602
-	-	169,278
-	-	91,148
-	-	1,989,582
-	-	25,757
-	2,578,228	8,523,560
30,951	-	4,859,288
-	-	25,485
-	-	689,155
31,040	2,578,228	24,343,633
34,180	174,380	1,139,128
-	-	35,204
-	(35,204)	(105,650)
-	(35,204)	(70,446)
34,180	139,176	1,068,682
28,033	-	5,284,758
$ 62,213	$ 139,176	$ 6,353,440

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REQUIRED TEA SCHEDULES

ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2026

Last 10 Years Ended June 30		(1) Tax Rates Maintenance	(2) Tax Rates Debt Service	(3) Assessed/Appraised Value for School Tax Purposes
2017	and prior years	Various	Various	$ Various
2018		1.140000	0.430000	12,506,678,202
2019		1.140000	0.410000	13,892,478,066
2020		1.048900	0.410000	14,976,013,108
2021		1.022500	0.410000	15,781,402,098
2022		0.996800	0.410000	16,864,608,334
2023		0.940400	0.390000	19,236,624,445
2024		0.751200	0.390000	20,568,058,825
2025		0.735800	0.390000	22,436,591,533
2026		0.735800	0.390000	22,857,958,800
1000	Totals for Fiscal Year Ending June 30, 2026			
8000	Total Taxes Refunded Under Section 26.1115, Tax Code			

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(10) Beginning Balance 7/1/25	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/26	(99) Taxes Refunded Under Section 26.1115c
$ 270,033	$	$ 4,993	$ 2,943	$ (36,991)	$ 225,106	
100,285		708	267	(117)	99,193	
107,058		3,955	1,422	(115)	101,566	
235,769		3,312	1,294	(111)	231,052	
163,589		26,288	10,541	(9,077)	117,683	169
280,608		28,657	11,787	(91,509)	148,655	
334,191		52,471	22,876	(67,788)	191,056	
353,019		(36,500)	(18,950)	(223,474)	184,995	
1,375,499		(143,277)	(95,689)	(1,295,716)	318,749	
	252,235,683	158,552,946	84,038,664	(7,904,573)	1,739,500	
$ 3,220,051	$ 252,235,683	$ 158,493,553	$ 83,975,155	$ (9,629,471)	$ 3,357,555	

$ 128,169

ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2026

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Variance with Original Budget - over (under) Final Budget	Actual Amounts, GAAP Basis	Variance with Final Budget - Over (under) Actual Amounts
	REVENUES:					
5700	Total Local and Intermediate Sources	$ 3,180,000	$ 3,180,000	$ -	$ 3,509,909	$ 329,909
5800	State Program Revenues	89,000	89,000	-	171,126	82,126
5900	Federal Program Revenues	3,063,875	3,063,875	-	2,938,116	(125,759)
5020	Total Revenues	6,332,875	6,332,875	-	6,619,151	286,276
	EXPENDITURES:					
	Current:					
0035	Food Services	6,046,311	6,046,311	-	5,945,332	100,979
6030	Total Expenditures	6,046,311	6,046,311	-	5,945,332	100,979
1100	Excess of Revenues Over Expenditures	286,564	286,564	-	673,819	387,255
	OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	-	-	35,204	35,204
7961	Transfers Out (Use)	-	-	-	(70,446)	(70,446)
7080	Total Other Financing Sources (Uses)	-	-	-	(35,242)	(35,242)
1200	Net Change in Fund Balances	286,564	286,564	-	638,577	352,013
0100	Fund Balance - July 1 (Beginning)	1,321,286	1,321,286	-	1,321,286	-
3000	Fund Balance - June 30 (Ending)	$ 1,607,850	$ 1,607,850	$ -	$ 1,959,863	$ 352,013

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ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2026

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Variance with Original Budget - Over (Under) Final Budget	Actual Amounts, GAAP Basis	Variance with Final Budget - Over (Under) Actual Amounts
	REVENUES:					
5700	Total Local and Intermediate Sources	$ 88,197,879	$ 88,197,879	$ -	$ 85,697,508	$ (2,500,371)
5800	State Program Revenues	500,000	5,797,529	5,297,529	6,084,091	286,562
5020	Total Revenues	88,697,879	93,995,408	5,297,529	91,781,599	(2,213,809)
	EXPENDITURES:					
	Debt Service:					
0071	Principal on Long-Term Liabilities	47,065,000	61,000,000	(13,935,000)	60,829,935	170,065
0072	Interest on Long-Term Liabilities	32,398,018	30,000,000	2,398,018	29,465,919	534,081
0073	Bond Issuance Cost and Fees	9,234,861	2,995,408	6,239,453	1,952,643	1,042,765
6030	Total Expenditures	88,697,879	93,995,408	(5,297,529)	92,248,497	1,746,911
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(466,898)	(466,898)
	OTHER FINANCING SOURCES (USES):					
7911	Capital Related Debt Issued	-	219,814,936	219,814,936	219,814,935	(1)
7916	Premium or Discount on Issuance of Bonds	-	20,477,517	20,477,517	20,477,517	-
8949	Other (Uses)	23,838,399	(238,383,99	(262,222,39	(238,383,99	-
7080	Total Other Financing Sources (Uses)	23,838,399	1,908,456	(21,929,943)	1,908,455	(1)
1200	Net Change in Fund Balances	23,838,399	1,908,456	(21,929,943)	1,441,557	(466,899)
0100	Fund Balance - July 1 (Beginning)	35,995,893	35,995,893	-	35,995,893	-
3000	Fund Balance - June 30 (Ending)	$ 59,834,292	$ 37,904,349	$ (21,929,943)	$ 37,437,450	$ (466,899)

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ALLEN INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2026

Data Codes		Responses
	Bilingual Education Allotment Programs	
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	$1,583,060
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	$778,501

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FEDERAL AWARDS SECTION

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Members:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

HANKINS, EASTUP, DEATON, TONN, SEAY & SCARBOROUGH
A Limited Liability Company
CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST
P.O. BOX 977
DENTON, TX 76202-0977

TEL. (940) 387-8563
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Allen Independent School District
Allen, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Allen Independent School District (the "District"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report dated September 24, 2026.

Report on 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 District'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 or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on 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*.

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.

Hankins Eastup Deaton Tonn Seay & Scarborough

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas

September 24, 2026

Members:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Allen Independent School District
Allen, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Allen Independent School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Allen Independent School District's major federal programs for the year ended June 30, 2026. Allen Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Allen Independent School District (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 June 30, 2026.

Basis for Opinion on Each Major Federal Program

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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit. 178

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Hankins Eastup Deaton Tonn Seay & Scarborough

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC
Denton, Texas

September 24, 2026

ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2026

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified

2. Internal control over financial reporting:
   Material weakness(es) identified: None
   Significant deficiency(ies) identified that are not considered to be material weaknesses: None

3. Noncompliance which is material to the financial statements: None

4. Internal controls over major federal programs:
   Material weakness(es) identified: None
   Significant deficiency(ies) identified that are not considered to be material weaknesses: None

5. Type of auditor's report on compliance for major federal programs: Unmodified

6. Did the audit disclose findings which are required to be reported in accordance with 2 CFR 200.516(a)? No

7. Major programs include:

10.553	School Breakfast Program
10.555	National School Lunch Program – Cash Assistance
10.555	National School Lunch Program – Non-Cash Assistance

8. Dollar threshold used to distinguish between Type A and Type B programs: $1,000,000

9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Findings and Questioned Costs Related to Federal Awards

None

IV. Other Findings

None

ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF STATUS OF PRIOR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2026

Not applicable.

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ALLEN INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2026

None required.

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ALLEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2026

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal Assistance Listing No.	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through Texas Education Agency			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	S010A240043	$ 45,532
ESEA, Title I, Part A - Improving Basic Programs	84.010A	S010A250043	626,206
Total Assistance Listing Number 84.010			671,738
*IDEA - Part B, Formula	84.027A	H027A240008	139,212
*IDEA - Part B, Formula	84.027A	H027A250008	2,767,217
*IDEA - Part B, Discretionary	84.027A	H027A250008	41,487
Total Assistance Listing Number 84.027			2,947,916
*IDEA - Part B, Preschool	84.173A	H173A250004	43,097
Total Special Education Cluster (IDEA)			2,991,013
Title III, Part A - English Language Acquisition	84.365A	T365A240043	943
Title III, Part A - English Language Acquisition	84.365A	T365A250043	310,993
Total Assistance Listing Number 84.365			311,936
ESEA, Title II, Part A, Teacher Principal Training	84.367A	S367A240041	15,562
ESEA, Title II, Part A, Teacher Principal Training	84.367A	S367A250041	368,166
Total Assistance Listing Number 84.367			383,728
LEP Summer School	84.369A	S369A240045	17,091
Title IV, Part A	84.424A	S424A240045	17,910
Title IV, Part A	84.424A	S424A250045	49,770
Total Assistance Listing Number 84.424			67,680
Career and Technical - Basic Grant	84.048A	25E55EP000015-01	127,492
Total Passed Through Texas Education Agency			4,570,678
TOTAL U.S. DEPARTMENT OF EDUCATION			4,570,678
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Texas Department of Agriculture			
*School Breakfast Program	10.553	202626N109946	390,835
*National School Lunch Program - Cash Assistance	10.555	202626N109946	2,014,280
*National School Lunch Prog. - Non-Cash Assistance	10.555	202626N109946	533,001
Total Assistance Listing Number 10.555			2,547,281
Total Child Nutrition Cluster			2,938,116
Total Passed Through the Texas Department of Agriculture			2,938,116
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,938,116
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 7,508,794

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

ALLEN INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
YEAR ENDED JUNE 30, 2026

- For all Federal programs, the District uses the fund types specified in Texas Education Agency's ***Financial Accountability System Resource Guide***.

  - The General Fund is used to account for among other things resources provided by the School Health and Related Services (SHARS) Medicaid program.

  - Special Revenue Funds are used to account for resources restricted to specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Typically, unused balances, if any, are returned to the grantor at the close of specified project periods.

- The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. Federal grant funds are accounted for in Special Revenue Funds or, in some instances, in the General Fund which are Governmental Fund types. 183

  With this measurement focus, only current assets, current liabilities, and fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used in the Governmental Fund types. 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 fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent expenditures are made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until expended.

- The period of performance for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extends 90 days beyond the federal project period ending date, in accordance with provisions in Section H, Period of Performance of Federal Funds, 3 CFR Section 200.343 (b).

- ALN numbers for commodity assistance are the ALN numbers of the programs under which USDA donated the commodities.

- There was no indirect cost reimbursement for federal programs for this fiscal year.

- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	$7,508,794
SHARS Revenue reported in the General Fund	387,076
Carl Perkins	308
Total Federal Program Revenue	$7,896,178

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING:	October 26, 2026
DOCUMENT TITLE:	Consider an order authorizing the issuance of unlimited tax school building bonds; appointing a pricing officer and delegating to the pricing officer the authority to approve the sale of the bonds; establishing certain parameters for the approval of such matters; levying an annual ad valorem tax for the payment of the bonds; and enacting other provisions relating to the subject.
ADMINISTRATOR RESPONSIBLE:	Kyle Penn, Assistant Superintendent of Business and Technology
SOAR 2030 STRATEGIC VISION:	Goal 1 – Culture of Excellence
LEGAL REVIEW:	McCall, Parkhurst & Horton L.L.P.

Authority for this Action: **CCA (LEGAL) - Bond Issues**

The board may issue bonds for:

1. The construction, acquisition, and equipment of school buildings in the district;
2. The acquisition of property or the refinancing of property under a contract entered under the Public Property Finance Act (Local Government Code, Chapter 271, Subchapter A), regardless of whether payment obligations under the contract are due in the current year or a future year;
3. The purchase of the necessary sites for school buildings;
4. The purchase of new school buses;
5. The retrofitting of school buses with emergency, safety, or security equipment; and
6. The purchase or retrofitting of vehicles to be used for emergency, safety, or security purposes.

CCA (LOCAL) – Method of Sale

The District may sell bonds through a competitive sale, negotiated sale, or private placement, and may delegate to certain designated officers or District employees the ability to determine the final pricing and other details related to the sale of bonds. The District prefers a negotiated sale process unless specific conditions exist that warrant a different process. The District shall select one or more underwriters to manage the transaction depending on the size of the

transaction. Underwriters shall be selected through consultation with the District's financial advisor.

Summary / Background Information:

On November 5, 2024, the Allen ISD voters approved an authorization for the Allen ISD Board of Trustees to issue up to $442,140,046 in bonds to fund multiple capital projects. This parameter order is the second issuance of the 2024 bond an amount up to $100,000,000.

The Order Authorizing the Issuance of the Bonds contains certain parameters to allow Allen ISD the authority to go to market when certain conditions are met. The parameters are listed in Sections 1 and 2 of the Bond Order and consist of the following:

- Delegate as Pricing Officers: Superintendent and Chief Financial Officer;
- The aggregate original principal amount of the Bonds of all series issued pursuant to this Order shall not exceed $100,000,000;
- No Bond of any series shall mature after February 15, 2051;
- The true interest cost for any series of Bonds shall not exceed 6.00%;
- The delegation given to the Pricing Officer shall not have expired. The delegation made to the Pricing Officer shall expire if not exercised by the Pricing Officer on or prior to the date that is twelve months after the date of adoption of this Order.

A full copy of the Order Authorizing the Issuance of Bonds is included in the Board packet. Jeff Robert, the District’s financial advisor with Hilltop Securities, will be available to answer any questions at the regular meeting on October 26, 2026.

Administrative Recommendation:

Administration recommends that the Board of Trustees approve the Order authorizing the issuance of the bonds.

Proposed Motion:

“Move to adopt the Order authorizing the bonds.”

CERTIFICATE FOR ORDER

THE STATE OF TEXAS
COLLIN COUNTY
ALLEN INDEPENDENT SCHOOL DISTRICT

We, the undersigned officers of the Board of Trustees of the Allen Independent School District hereby certify as follows:

1. The Board of Trustees of the District convened in a regular meeting on October 26, 2026, at the regular designated meeting place, and the roll was called of the duly constituted officers and members of the Board, to wit:

Dr. Polly Montgomery, President	Dr. Bill Parker, Vice President
John Holley, Secretary	Sarah Mitchell
Veronica Yost	Becca Kinnear
Amanda Campbell	

and all of the above trustees were present at this meeting except _____, and a quorum was present. Whereupon, among other business the following was transacted at the Meeting: a written Order entitled

> ORDER AUTHORIZING THE ISSUANCE OF UNLIMITED TAX SCHOOL BUILDING BONDS; APPOINTING A PRICING OFFICER AND DELEGATING TO THE PRICING OFFICER THE AUTHORITY TO APPROVE THE SALE OF THE BONDS; ESTABLISHING CERTAIN PARAMETERS FOR THE APPROVAL OF SUCH MATTERS; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of the Board. It was then duly moved and seconded that the Order be passed; and, after due discussion, motion, carrying with it the passage of the Order, prevailed and carried, with all members of the Board shown present above voting "Aye," except as noted below:

NAYS: _____ ABSTENTIONS: _____

2. A true, full, and correct copy of the Order passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Order has been duly recorded in the Board's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of the Meeting pertaining to the passage of the Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Order would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and that the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given all as required by the Texas Government Code, Chapter 551.

3. The President of the Board of Trustees has approved and hereby approves the Order; and the President and the Secretary of the Board of Trustees hereby declare that their signing of this certificate shall constitute the signing of the attached and following copy of the Order for all purposes.

SIGNED AND SEALED ON OCTOBER 26, 2026.

_____
President, Board of Trustees

_____
Secretary, Board of Trustees

(SEAL)

ORDER AUTHORIZING THE ISSUANCE OF UNLIMITED TAX SCHOOL BUILDING BONDS; APPOINTING A PRICING OFFICER AND DELEGATING TO THE PRICING OFFICER THE AUTHORITY TO APPROVE THE SALE OF THE BONDS; ESTABLISHING CERTAIN PARAMETERS FOR THE APPROVAL OF SUCH MATTERS; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

STATE OF TEXAS
COLLIN COUNTY
ALLEN INDEPENDENT SCHOOL DISTRICT

WHEREAS, the bonds hereinafter authorized were duly and favorably voted at an election held in the Allen Independent School District (the "*Issuer*") on November 5, 2024 (the "*Election*") by which voters authorized the Issuer to issue bonds of the Issuer, in one or more series, in the aggregate principal amounts and for the purposes described in the proposition shown below:

ALLEN INDEPENDENT SCHOOL DISTRICT SPECIAL ELECTION
ALLEN INDEPENDENT SCHOOL DISTRICT PROPOSITION A

Shall the Board of Trustees of the Allen Independent School District be authorized to issue the bonds of the District, in one or more series, in the aggregate principal amount of $419,062,253 for the purpose of acquiring, constructing, renovating, improving and equipping school facilities consisting of safety and security infrastructure and technology; campus and facility upgrades, repairs and renovations; a new multi-purpose extra-curricular facility for fine arts, athletics and education; building technology infrastructure; and the purchase of school buses, transportation safety equipment and vehicles, with the bonds to mature, bear interest, and be issued and sold in accordance with law at the time of issuance; and shall the Board of Trustees be authorized to levy and pledge, and cause to be assessed and collected, annual ad valorem taxes, on all taxable property in the District, sufficient, without limit as to rate or amount, to pay the principal of and interest on the bonds?

ALLEN INDEPENDENT SCHOOL DISTRICT SPECIAL ELECTION
ALLEN INDEPENDENT SCHOOL DISTRICT PROPOSITION C

Shall the Board of Trustees of the Allen Independent School District be authorized to issue the bonds of the District, in one or more series, in the aggregate principal amount of $23,077,793 for the purpose of acquiring, replacing and updating instructional technology equipment, with the bonds to mature on or before five years from the date of issue¸ bear interest, and be issued and sold in accordance with law at the time of issuance; and shall the Board of Trustees be authorized to levy and pledge, and cause to be assessed and collected, annual ad

valorem taxes, on all taxable property in the District, sufficient, without limit as to rate or amount, to pay the principal of and interest on the bonds?

WHEREAS, the Issuer has previously issued its Unlimited Tax School Building Bonds, Series 2025 using $217,500,000 from Proposition A and $2,500,000 from Proposition C pursuant to the Election;

WHEREAS, the Board of Trustees hereby determines that bonds should be issued as the second installment of bonds voted at the Election in the amount not to exceed $100,000,000;

WHEREAS, the bonds hereafter authorized are being issued and delivered pursuant to Sections 45.001, 45.0011 and 45.003(b)(1) of the Texas Education Code, as amended, and Chapter 1371, Texas Government Code, as amended;

WHEREAS, the Issuer is an "Issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least $100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation;

WHEREAS, it is officially found, determined and declared that the meeting at which this Order has been adopted was open to the public, and public notice of the date, hour, place and subject of the meeting, including this Order, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF ALLEN INDEPENDENT SCHOOL DISTRICT:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS; DEFINITIONS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Bonds of the Issuer are hereby authorized to be issued and delivered, in one or multiple series, in the maximum aggregate principal amount of $100,000,000 issued pursuant to this Order with the proceeds to be used for the purposes described in Proposition A and Proposition C giving the District authority to issue the Bonds and to pay costs of issuance of the Bonds, with the limitations specified in the preamble to this Order.

(c) Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Order, the following term shall have the meaning specified below:

(i) "*Authorized Denomination*" means any integral multiple of $5,000 in principal amount or other amount described in the Pricing Certificate.

(ii) "*Bonds*" means the "Allen Independent School District Unlimited Tax School Building Bonds, Series 2026" and includes all Bonds initially issued and delivered pursuant to this Order and all substitute Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

(iii) "*Code*" means the Internal Revenue Code of 1986, as amended.

(iv) "*Dated Date*" means the Dated Date specified in the Pricing Certificate.

(v) "*Defeasance Securities*" means any securities and obligations now or hereafter authorized by Texas law that are eligible to discharge obligations such as the Bonds.

(vi) "*Delivery Date*" means the Delivery Date specified in the Pricing Certificate which is the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

(vii) "*Election*" means the election held in the Issuer on November 5, 2024 at which voters of the Issuer approved the issuance of unlimited tax bonds by the Issuer pursuant to Proposition A and Proposition C, as described in the preambles to this Order.

(viii) "*Event of Default*" means (i) the failure of the Issuer to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable or (ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, which failure materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

(ix) "*Interest and Sinking Fund*" means the special fund created and established in Section 8 of this Order to assure the timely availability of sufficient funds for the payment of debt service requirements on the Bonds.

(x) "*Issuer*" means Allen Independent School District.

(xi) "*Order*" means this Order adopted by the Board of Trustees of the Issuer authorizing the issuance, sale and delivery of the Bonds.

(xii) "*Paying Agent/Registrar*" means the entity named as the Paying Agent/Registrar in the Pricing Certificate.

(xiii) "*Pricing Certificate*" means a certificate of the Pricing Officer setting forth the terms of sale of each series of Bonds including the method of sale, principal amount, maturity dates, interest payment dates, dated date, interest rates, yields, redemption provisions and other matters related to the sale of the Bonds.

(xiv) "*Pricing Officer*" means the Acting Superintendent of Schools or Assistant Superintendent of Business & Technology each of whom is independently authorized to finalize the terms of sale of each series of Bonds by execution of the Pricing Certificate.

(xv) "*Project*" means the public purposes described in Proposition A and Proposition C.

(xvi) "*Purchaser*" means (i) if the Bonds are sold by negotiated sale, the underwriter or underwriting syndicate selected by the Pricing Officer, or (ii) if the Bonds are sold by competitive sale by soliciting public bids, the underwriter or underwriting syndicate awarded the Bonds by the Pricing Officer, or (iii) the bank who purchases the Bonds in a private placement transaction.

(xvii) "*Registered Owner*" means the person or entity in whose name ownership of a Bond is registered, and the term includes beneficial owners of Bonds to whom the benefits of ownership of Bonds accrue notwithstanding that the Bonds may be held by, or registered in the name of, another person or entity.

(xviii) "*Registration Books*" means the books or records maintained by the Paying Agent/Registrar for the registration of the transfer, conversion and exchange of the Bonds.

Section 2. DELEGATION TO PRICING OFFICER; ESTABLISHMENT OF SALE PARAMETERS.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the Pricing Officer, is hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds, in one or multiple series and at the same time or different times, and carrying out the other procedures specified in this Order, including, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms, upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, naming a Paying Agent/Registrar, the method of sale of the Bonds, specifying the tax treatment of the Bonds under the Code, modifying the securities that are eligible as Defeasance Securities, and all other matters relating to the issuance, sale, and delivery of the Bonds, including obtaining the Permanent School Fund guarantee for the Bonds, if available, or bond insurance if the Permanent School Fund is not available and bond insurance is deemed beneficial to the Issuer.

(b) No series of Bonds shall be issued pursuant to this Order unless each of the following parameters are satisfied as specified in the Pricing Certificate:

(i) the aggregate original principal amount of the Bonds of all series issued pursuant to this Order shall not exceed $100,000,000;

(ii) no Bond of any series shall mature after February 15, 2051;

(iii) the true interest cost for any series of Bonds shall not exceed 6.000%;

(iv) the delegation given to the Pricing Officer shall not have expired. The delegation made to the Pricing Officer shall expire if not exercised by the Pricing Officer on or prior to the date that is twelve months after the date of adoption of this Order.

(c) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (b)(i) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds.

(d) The Bonds may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If a series of Bonds are sold by private placement, the Pricing Certificate shall so state, and the Pricing Certificate may conform this Order to such private placement, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the provisions relating to the undertaking of the Issuer in accordance with Rule 15c2-12 of the Securities and Exchange Commission (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information as permitted by applicable law).

(e) Notwithstanding the foregoing provisions, no series of Bonds shall be delivered unless prior to delivery, the Bonds have been rated by a national recognized statistical rating agency in one of the four highest rating categories for long term obligations, as required by Chapter 1371, Texas Government Code. The Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate.

(f) The Board of Trustees hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Bonds set forth in this Order is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate are required to be, in the Issuer's best interests, and the Pricing Officer is hereby authorized to make and include in the Pricing Certificate a finding to that effect.

Section 3. DESIGNATION, DATE, AUTHORIZED DENOMINATIONS, NUMBERS, INTEREST RATES AND MATURITIES OF BONDS.

(a) Each Bond issued pursuant to this Order shall be designated "ALLEN INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BOND, SERIES 2026," unless such series designation is changed in the Pricing Certificate. Except as specified in the Pricing Certificate, initially there shall be issued, sold and delivered hereunder fully registered Bonds, without interest coupons, dated the Dated Date, in Authorized Denominations, numbered consecutively R-1 upward, except that the initial Bond shall be numbered T-1 and be in the aggregate principal amount of the Bonds, with Bonds issued in replacement thereof being in the respective Principal Amounts as specified in the Pricing Certificate, payable to the respective Registered Owner thereof (with the Initial Bond being made payable to the Purchaser), or to the registered assignee or assignees of the Bonds.

(b) Interest on the Bonds shall accrue from the Dated Date or Delivery Date as specified in the Pricing Certificate and shall be payable on the dates in each of the years as specified in the

Pricing Certificate. The Bonds shall mature and be payable on the Maturity Dates and in the Principal Amounts, respectively, and shall bear interest in the manner provided, on the dates stated, and from the dates set forth, in the "Form of Bond" set forth in Exhibit A of this Order to their respective Maturity Dates or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 4. CHARACTERISTICS OF THE BONDS.

(a) The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar the Registration Books, and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. The Paying Agent/Registrar shall always maintain an office in the State of Texas or shall keep a copy of the Registration Books in the State of Texas.

(b) The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owners of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds shall be paid as provided in the "Form of Bond" set forth in Exhibit A of this Order. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the "Form of Bond" set forth in Exhibit A of this Order. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(c) Except as provided in (g) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the "Paying Agent/Registrar's Authentication Certificate", and no such Bond shall be deemed to be issued or outstanding unless such "Paying Agent/Registrar's Authentication Certificate" is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing transfer and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and the Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Texas Government Code, Chapter 1201, Subchapter D, the duty of transfer and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the "Paying

Agent/Registrar's Authentication Certificate", the transferred and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds that initially were issued and delivered pursuant to this Order, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(d) The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Order. The Paying Agent/ Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(e) The Bonds (i) shall be issued in fully-registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be transferred and assigned, (iii) may be exchanged for other Bonds, (iv) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 45 days prior to any such redemption date), (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the "Form of Bond" set forth in Exhibit A of this Order.

(f) The Issuer covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Bonds under this Order, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 45 days written notice to the Paying Agent/Registrar, to be effective not later than 30 days prior to the next principal or interest payment date after such notice. If the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Order. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Order, and a certified copy of this Order shall be delivered to each Paying Agent/Registrar.

(g) The Initial Bond issued and delivered pursuant to this Order are not required to be, and shall not be, authenticated by the Paying Agent/ Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond issued under this Order the Paying Agent/Registrar shall execute the "Paying Agent/Registrar's Authentication Certificate" in the form set forth in the "Form of Bond." The Initial Bond delivered on the closing date shall have

attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Order, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which Comptroller's Registration Certificate shall be evidence that the Initial Bond have been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller. Except as described above, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless and until there appears on such Bond the "Paying Agent/Registrar's Authentication Certificate" substantially in the form provided in this Order, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the "Paying Agent/Registrar's Authentication Certificate" on all of the Bonds.

(h) On the Delivery Date, one Initial Bond representing the entire principal amount of the Bonds (the "Initial Bond") , payable in stated installments to the initial purchaser or its designee, executed by manual or facsimile signature of the President and Secretary of the Board of Trustees of the Issuer, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC (as defined below) on behalf of the initial purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity.

Section 5. BOOK-ENTRY-ONLY SYSTEM. The Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and The Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the law of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the Issuer accepts, but in no way verifies, such representations. Immediately upon initial delivery of the Bonds that are payable to the initial purchaser, the Paying Agent/Registrar shall cancel such Bonds, and substitute Bonds shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. It is expected that DTC will hold the Bonds on behalf of the initial purchasers and their respective participants. So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system that will identify ownership of the Bonds in Authorized Denominations, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The Issuer is not responsible or liable for any function of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The Issuer does not

represent, nor does it in any respect covenant that the initial book-entry system establishment with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Order, substitute Bonds will be duly delivered as provided in this Order, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds. The President of the Board of Trustees of the Issuer or the Pricing Officer are hereby authorized to execute a "DTC Letter of Representation" in the form provided by DTC to evidence the Issuer's intent to establish the book-entry system.

Section 6. REDEMPTION PROVISIONS.

(a) Optional Redemption. The Bonds may be subject to optional redemption prior to maturity on the dates and at the redemption prices as set forth in the Pricing Certificate. The Pricing Officer is hereby delegated to make such modifications to the provisions of this section in the Pricing Certificate as are necessary to complete the sale and delivery of the Bonds.

(b) Notice of Redemption. At least thirty days prior to the date fixed for any redemption of Bonds, or portions thereof, prior to maturity, the Issuer shall cause written notice of such redemption to be sent by United States mail, first class, postage prepaid, to each Registered Owner of a Bond to be redeemed, in whole or in part, at the address of the Registered Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice. All notices of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner.

(c) Firm Banking and Financial Arrangements. By the date fixed for any prior redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof that are to be redeemed. If written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that are to be redeemed shall automatically be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond having the same maturity date, bearing interest at the same rate, in an Authorized Denomination, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer.

(d) Selection of Bonds, for Redemption. If less than all Bonds of the same maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall randomly select by lot the Bonds within such maturity to be redeemed.

(e) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such

notice of redemption, such notice shall state that the redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 7. FORM OF BOND. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Bonds initially issued and delivered pursuant to this Order, shall be, respectively, substantially in the form provided in Exhibit A, with such appropriate variations, omissions, or insertions as are permitted or required by this Order. The Form of Bond as it appears in Exhibit A shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate but it is not required for the Form of Bond to reproduced as an exhibit to the Pricing Certificate.

Section 8. TAX LEVY; PERFECTION OF SECURITY INTEREST; APPROPRIATION.

(a) The special Interest and Sinking Fund is hereby created solely for the benefit of the Bonds, and the Interest and Sinking Fund shall be established and maintained by the Issuer at an official depository bank of the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer and shall be used only for paying the interest on and principal of the Bonds. All ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Bonds or interest thereon are outstanding and unpaid, the governing body of the Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Bonds as such principal matures; and the tax shall be based on the latest approved tax rolls of the Issuer, with full allowance being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer for each year while any of the Bonds or interest thereon are outstanding and unpaid; and the tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, without limit as to rate or amount.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the ad valorem taxes granted by the Issuer under this section, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the Issuer under this section is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce

Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in the pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

(c) In order to pay any debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 9. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Order, except to the extent provided in subsection 9(d), when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable.

(b) At such time as a Bond shall be deemed to be a Defeased Bond, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Order, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 9(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the Registered Owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(c) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may

contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 9(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Order.

(e) In the event that the Issuer elects to defease less than all the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 10. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the Registered Owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the Registered Owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond

shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Bonds duly issued under this Order.

(e) Authority for Issuing Replacement Bonds. In accordance with Tex. Gov't Code Ann. Chapter 1201, Subchapter D, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3 of this Order for Bonds issued in conversion and exchange for other Bonds.

Section 11. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL OPINION; ENGAGEMENT OF BOND COUNSEL; ATTORNEY GENERAL REVIEW FEE; CUSIP NUMBERS.

(a) The President of the Board of Trustees of the Issuer is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Order, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds.

(b) The obligation of the initial purchaser to accept delivery of the Bonds is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the initial purchaser.

(c) In accordance with the provisions of Section 1202.004, Texas Government Code in connection with the submission of the Bonds by the Attorney General of Texas for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Bonds, subject to a minimum of $750 and a maximum of $9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Bonds. The Issuer hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Bonds, made payable to the "Texas Attorney General," be promptly furnished to the Issuer's Bond Counsel, for payment to the Attorney General in connection with his review of the Bonds.

Section 12. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross

income" of the Registered Owner for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(i) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(ii) to take any action to assure that in the event that the "private business use" described in subsection (a)(i) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iii) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(iv) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(v) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with:

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.148 1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(vii) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(viii) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings" (within the meaning of section 148(f) of the Code) and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(ix) to assure that the Bonds are used for solely for new money construction projects.

(b) Rebate Fund. In order to facilitate compliance with subsection 12(a)(viii), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the Registered Owners. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of refunded obligations expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Pricing Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Procedures to Monitor Compliance with Tax Covenants. The District hereby adopts the procedures attached hereto as Exhibit B as a means of monitoring compliance with the federal tax covenants made herein.

(e) Official intent to reimburse costs of Projects. The Issuer will reimburse itself for the payment of expenditures in connection with the Projects and such reimbursement will be appropriate and consistent with the lawful objectives of the Issuer and, as such, the Issuer declares its intention to reimburse itself for such payments at such time as it issues the Bonds to finance the Project. All such costs to be reimbursed will be capital expenditures. No Bonds will

be issued by the Issuer in furtherance of this subsection after a date which is later than 18 months after the later of (1) the date the expenditures are paid or (2) the date on which the property, with respect to which such expenditures were made, is placed in service. No Bonds will be issued pursuant to this subsection more than three years after the date any expenditure which is to be reimbursed is paid.

Section 13. DISPOSITION OF PROJECT. The Issuer covenants that the property financed with the proceeds of the Bonds in accordance with the Election, as described in the recitals to this Order, will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of such bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 14. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Bonds or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 15. SALE OF BONDS AND APPROVAL OF OFFICIAL STATEMENT.

(a) The Bonds shall be sold and shall be delivered to the Purchaser subject to the parameters set forth in Section 2.

(b) The Bonds may be sold pursuant to a bond purchase agreement, notice of sale and bidding instructions or private placement agreement (collectively, the "Purchase Agreement") which the Pricing Officer is hereby authorized to execute and deliver and in which the Purchaser of the Bonds shall be designated. The Bonds shall initially be registered in the name of the Purchaser thereof as set forth in the Pricing Certificate.

(c) The Pricing Officer is hereby authorized, in the name and on behalf of the Issuer, to approve, distribute, and deliver a term sheet to solicit bids for the Bonds, a notice of sale and bidding instructions, a preliminary official statement or a final official statement relating to the Bonds to be used by the Purchaser in the marketing of the Bonds. The Issuer hereby approves the distribution of a Preliminary Official Statement and Official Statement in the reoffering of the Bonds by the Purchaser in final form, with such changes therein or additions thereto as the

Pricing Officer may deem advisable. The Pricing Officer is authorized to deem any Preliminary Official Statement final, within the meaning of Rule 15c2-12 issued by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as of its date, except for the omission of information specified in Section (b)(1) of Rule 15c2-12, as permitted by Section (b)(1) of Rule 15c2-12.

Section 16. INTEREST EARNINGS ON BOND PROCEEDS; ESTABLISHMENT OF CONSTRUCTION FUND.

(a) Interest Earnings. Interest earnings derived from the proceeds deposited to the Issuer's construction fund shall be retained therein and used for the purpose of constructing the Project, provided that after the completion of the Project, any amounts remaining therein shall be deposited to the Interest and Sinking Fund for the Bonds. It is further provided, however, that any interest earnings on bond proceeds that are required to be rebated to the United States of America pursuant to Section 12 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(b) Establishment of Construction Fund.

(i) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2026 Bonds Construction Fund" (or similar designation for series of Bonds issued after the first series pursuant to this Order) for use by the Issuer for payment of all lawful costs associated with the Project as hereinbefore provided. Proceeds of the Bonds shall be deposited into the Construction Fund as specified in the Pricing Certificate. Upon payment of all such Project costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 8 of this Order.

(ii) The Issuer may place proceeds of the Bonds (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the Project for which the Bonds are issued.

(iii) All deposits authorized or required by this Order shall be secured to the fullest extent required by law for the security of public funds.

Section 17. Method of Amendment. The Issuer hereby reserves the right to amend this Order subject to the following terms and conditions:

(a) Amendment without Consent. The Issuer may from time to time, without the consent of any Registered Owner (except as required by subsection (b) below), amend or supplement this Order in order to (i) cure any ambiguity, defect or omission in this Order that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Order and that shall not materially adversely affect the interests of the

Registered Owners, (iv) qualify this Order under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Order as shall not be inconsistent with the provisions of this Order and that shall not in the opinion of Bond Counsel materially adversely affect the interests of the Registered Owners.

(b) Amendment Requiring Consent. The Registered Owners of Bonds aggregating in a majority of the principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right to approve any amendment to this Order that may be deemed necessary or desirable by the Issuer; provided, however, the consent of the Registered Owners of 100% of the aggregate principal amount of then outstanding Bonds shall be required in order to amend the terms and conditions of this Order or the Bonds so as to:

(i) make any change in the maturity of any of the outstanding Bonds;

(ii) reduce the rate of interest borne by any of the outstanding Bonds;

(iii) reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;

(iv) modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or

(v) change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Order under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Bonds a copy of the proposed amendment and state whether consent of the Registered Owners is or is not required for such proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owners of a majority in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Order pursuant to the provisions of this Section, this Order shall be deemed to be modified and amended in accordance with such amendatory Order, and the respective rights, duties, and obligations of the Issuer and all Registered Owners of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent and shall be conclusive and binding upon all future Registered Owners of the same bond during such

period. Such consent may be revoked at any time after six months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the Registered Owners of a majority in aggregate principal amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Bonds, the Issuer shall rely solely upon the registration of the ownership of such bonds on the registration books kept by the Paying Agent/Registrar.

Section 18. FURTHER PROCEDURES. The President or Vice President and Secretary of the Board of Trustees of the Issuer, and the Acting Superintendent of Schools or Assistant Superintendent of Business & Technology of the Issuer shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Letter of Representations with DTC regarding the Book-Entry Only System, a Paying Agent/Registrar Agreement with the Paying Agent/Registrar, the Purchase Agreement between the Issuer and the Purchaser, all forms and documents necessary to ensure the interest on the Bonds is exempt from federal income taxation, and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order and the Bonds. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book Entry Only System and to the extent permitted by law, the Letter of Representation is hereby incorporated herein and its provisions shall prevail over any other provisions of this Order in the event of conflict. The President and Secretary of the Board of Trustees of the Issuer shall sign each Bond, including the Initial Bond, with their manual or facsimile signatures, and the official seal of the Issuer shall be duly impressed, or placed in facsimile, on each Bond. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 19. COMPLIANCE WITH RULE 15c2-12 (17 C.F.R. § 240.15c2-12).

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

(i) "Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

(ii) "MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

(iii) "Rule" means SEC Rule 15c2 12, as amended from time to time.

(iv) "SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The Issuer shall provide annually to the MSRB, in the electronic format prescribed by the MSRB, within the time provided in the Pricing Certificate, certain updated financial information and operating data pertaining to the Issuer, being the information described in the Pricing Certificate.

(c) Any financial information so to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the Issuer appended to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within such period, then the Issuer shall provide unaudited financial information within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(d) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any documents available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(e) Event Notices.

(i) Material Event Notices. The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

(A) non-payment related defaults;

(B) modifications to rights of Registered Owners;

(C) Bond calls;

(D) release, substitution, or sale of property securing repayment of the Bonds;

(E) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(F) appointment of a successor or additional trustee or the change of name of a trustee;

(G) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect Bondholders, if material.

(ii) Event Notices Without Regard to Materiality. The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, without regard to whether such event is considered material within the meaning of the federal securities laws:

(A) principal and interest payment delinquencies;

(B) unscheduled draws on debt service reserves reflecting financial difficulties;

(C) unscheduled draws on credit enhancements reflecting financial difficulties;

(D) substitution of credit or liquidity providers, or their failure to perform;

(E) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(F) tender offers;

(G) defeasances;

(H) rating changes;

(I) bankruptcy, insolvency, receivership or similar event of an obligated person;

(J) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(iii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(f) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give the notice required by subsection (e) hereof of any Bond calls and defeasance that cause the Issuer to no longer be such an "obligated person".

(ii) The provisions of this Section are for the sole benefit of the Registered Owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under the Order for purposes of any other provision of this Order. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Registered Owners and beneficial owners of the

Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 20. FACILITIES ALLOTMENT FUNDS; STATE ASSISTANCE FUNDS.

(a) In connection with the issuance of the Bonds, the Issuer may receive financial assistance from the Texas Education Agency in accordance with the instructional facilities allotment program established pursuant to Chapter 46, Texas Education Code, as amended (the "Program"). In each fiscal year in which the Issuer receives funding under the Program or any successor State funding program that provides a debt service subsidy for the Bonds and, in either case, that requires the Issuer to deposit such debt service subsidy into the Interest and Sinking Fund for the Bonds (such funds being collectively referred to herein as "Debt Subsidy Funds"), the Issuer shall deposit immediately upon receipt the Debt Subsidy Funds received to the credit of the Interest and Sinking Fund for the Bonds created pursuant to Section 8. Notwithstanding the requirements of Section 8, if Debt Subsidy Funds are actually on deposit in the Interest and Sinking Fund for the Bonds in advance of the time when ad valorem taxes are scheduled to be levied for any fiscal year, then the amount of ad valorem taxes that otherwise would have been required to be levied pursuant to Section 8 shall be reduced to the extent and by the amount of the Debt Subsidy Funds then on deposit in the Interest and Sinking Fund for the Bonds.

(b) To the extent that the Issuer demonstrates to the Texas Attorney General that the Issuer's ability to comply with the requirements of Section 45.0031, Texas Education Code, as amended, is contingent on receiving State assistance, the Issuer covenants, to the extent required, and for so long as required, to comply with the provisions of said Section 45.0031, and to not set a tax rate for a year until the Issuer has credited to the account of the Interest and Sinking Fund for the Bonds the amounts of State assistance received or to be received in accordance with the terms of said Section 45.0031.

Section 21. PERMANENT SCHOOL FUND GUARANTEE PROGRAM. The Issuer covenants to timely comply with all applicable requirements and procedures under Article VII, Section 5 of the Texas Constitution, Subchapter C of Chapter 45, Texas Education Code and the Rules of the State Board of Education relating to the guarantee of the principal and interest on the Bonds by the Texas Permanent School Fund. Upon defeasance of such Bonds prior to maturity in accordance with applicable law, the guarantee of the principal and interest on such Bonds by the Texas Permanent School Fund shall cease and no longer be available. In case of a default in the payment of principal or interest on the Bonds, and in accordance with Section 45.061, Texas Education Code, the Comptroller of Public Accounts of the State of Texas is authorized to withhold from the Issuer amounts equal to the amounts paid by the Permanent School Fund on account of such default, plus interest thereon, from the first state money payable

to the Issuer from the following sources and in the following order, to wit: foundation school fund, available school fund.

Section 22. INCONSISTENT PROVISIONS. All indentures, orders or resolutions, or parts thereof, that are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict and the provisions of this Order shall be and remain controlling as to the matters contained herein.

Section 23. GOVERNING LAW. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 24. SEVERABILITY. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Order would have been enacted without such invalid provision.

Section 25. REMEDIES FOR EVENTS OF DEFAULT.

(a) Remedies for Default. Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized legal representative thereof, including, but not limited to, a trustee for such Registered Owner, may proceed against the Issuer or the Board of Trustees of the Issuer, as appropriate, for the purpose of protecting and enforcing the rights of the Registered Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained in this Order, to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies. All such proceedings for remedy shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(b) Remedies are Not Exclusive.

(i) No remedy conferred or reserved in this Order is intended to be exclusive of any other available remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt service payments evidenced by the Bonds shall not be available as a remedy under this Order.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Order, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Order do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the Board of Trustees of the Issuer.

EXHIBIT A

FORM OF BOND

(a) The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Bonds initially issued and delivered pursuant to this Order, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Order and with the Bonds to be completed with information set forth in the Pricing Certificate. The Form of Bond as it appears in this Exhibit A shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate and may be reproduced as an exhibit to the Pricing Certificate.

The "[]" in this section are intentional

NO. R-

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL AMOUNT
$[__]

ALLEN INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BOND
SERIES 2026

INTEREST RATE	DELIVERY DATE	MATURITY DATE	CUSIP NO.
	[], 2026	February 15, []	

REGISTERED OWNER: []

PRINCIPAL AMOUNT: []

ON THE MATURITY DATE specified above, Allen Independent School District (the "Issuer"), in Collin County, Texas, being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (the "Registered Owner") the Principal Amount set forth above, and to pay interest thereon from the Delivery Date set forth above, [] and on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond

shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or the date fixed for its redemption prior to maturity, at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the Order authorizing the issuance of this Bond (the "Bond Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for thirty days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be fifteen days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for redemption and payment at the designated corporate trust office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Bonds shall be payable in the regular manner described above). The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar that is designated for payment of the Bonds is located are authorized by law or executive order to close, or the United States Postal Service is not open for business, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close, or the United States Postal Service is not open for business; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated [], 2026, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $[], with the proceeds of such being used for the purposes described in propositions giving the District authority to issue the Bonds and to pay costs of issuance of the Bonds.

THE BONDS SCHEDULED TO MATURE on February 15 in the years [] (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Bonds due February 15, 20[]

Mandatory Redemption Date: 2/15/20[]	Principal Amount: $,000
Mandatory Redemption Date: 2/15/20[]	Principal Amount: $,000
Mandatory Redemption Date: 2/15/20[]*	Principal Amount: $,000

* Stated Maturity

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

IN ADDITION TO THE FOREGOING MANDATORY REDEMPTION, ON FEBRUARY 15, 20[] OR ON ANY DATE THEREAFTER, the Bonds maturing on or after FEBRUARY 15, 20[] may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an Authorized Denomination), at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

AT LEAST THIRTY days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, the Issuer shall cause written notice of such redemption to be sent by United States mail, first class, postage prepaid, to each Registered Owner of a Bond to be redeemed, in whole or in part, at the address of the Registered Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof that are to be so redeemed. If such written notice of redemption is mailed and if due provision for such payment is made, all as provided above, the Bonds or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear or accrete interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such

payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in an Authorized Denomination, at the written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Order.

ALL BONDS OF THIS SERIES are issuable solely as fully-registered Bonds, without interest coupons in an Authorized Denomination. As provided in the Bond Order, this Bond, or any unredeemed portion hereof, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully-registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same Authorized Denomination as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any Authorized Denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring and exchanging any Bond or portion thereof shall be paid by the Issuer, but any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer or exchange as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange with respect to Bonds (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or, (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of an unredeemed balance of a Bond called for redemption in part.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly voted, authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; that this Bond is a general obligation of the Issuer, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this

Bond, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the Issuer, and have been pledged for such payment, without limit as to rate or amount.

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the Bond Order as provided therein, and under some circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Order, agrees to be bound by such terms and provisions, acknowledges that the Bond Order is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Order constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Trustees of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the Issuer and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)	(signature)
Secretary, Board of Trustees	President, Board of Trustees

(SEAL)

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

_____
Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Order described in the text of this Bond; and that this Bond has been issued in exchange for a

bond or bonds, or a portion of a bond or bonds of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

ASSIGNMENT
(Please type or print clearly)

For value received, the undersigned hereby sells, assigns and transfers unto:

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

_____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

_____
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

_____
NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF PSF CERTIFICATE

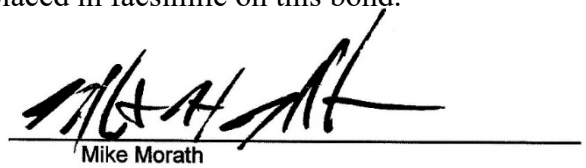
PSF CERTIFICATE

Under the authority granted by Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the Allen Independent School District of its Unlimited Tax School Building Bonds, Series 2026, dated [], 2026, in the principal amount of $[] is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program

administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency's Investment Procedure Manual and the Agency's commitment letter for the guarantee. Such disclosure agreement has been made with respect to the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the bonds.

In witness thereof I have caused my signature to be placed in facsimile on this bond.



Mike Morath
Commissioner of Education

(b) Insertions for the Initial Bond. The initial Bond shall be in the form set forth in paragraph (a) of this Form of Bond, except that:

(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(ii) the first paragraph shall be deleted and the following will be inserted:

"ALLEN INDEPENDENT SCHOOL DISTRICT (the "Issuer"), being a political subdivision located in Collin County, Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the dates, in the Principal Amounts and bearing interest at the per annum Interest Rates set forth in the following schedule:

Maturity Date	Principal Amount	Interest Rate
[]	[]	[]

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated based on a 360-day year of twelve 30-day months) from the Dated Date above at the respective Interest Rate per annum specified above. Interest is payable on [] and on each August 15 and February 15 thereafter to the date of payment of the Principal Amounts specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(iii) The initial Bond shall be numbered "T-1."

EXHIBIT B

WRITTEN PROCEDURES FOR FEDERAL TAX COMPLIANCE

These procedures, together with any federal tax certifications, provisions included in the order, ordinance or resolution (the "*Authorizing Document*") authorizing the issuance and sale of any tax-exempt debt such as the Bonds (the "*Obligations*"), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the "*Closing Documents*"), are intended to assist the Issuer in complying with federal guidelines related to the issuance of such Obligations.

I. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Issuer's Assistant Superintendent of Business & Technology (such officer, together with other employees of the Issuer who report to or such officer, is collectively, the "Responsible Person") will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person will:

1. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations must be entered into within 6 months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence to completion;

2. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within 3 years of the Issue Date;

3. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after 3 years from the Issue Date; and

4. To the extent that there are any unspent proceeds of the Obligations at the time the Obligations are refunded, or if there are unspent proceeds of the Obligations that are being refunded by a new issuance of Obligations, the Responsible Person shall continue monitoring the expenditure of such unspent proceeds to ensure compliance with federal tax law with respect to both the refunded Obligations and any Obligations being issued for refunding purposes.

Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

Procedures applicable to Escrow Accounts for Refunding Obligations. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:

1. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;

2. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and

3. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).

Procedures applicable to all Tax-Exempt Obligation Issues. For all issuances of Obligations, the Responsible Person will:

1. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the Project;

2. Ensure that the applicable information return (e.g., U.S. Internal Revenue Service ("IRS") Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;

3. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Internal Revenue Code of 1986, as amended, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired;

4. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period; and

5. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.

II. Private Business Use. Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Person will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the Project financed or refinanced with the proceeds of the Obligations does not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Person will:

1. Develop procedures or a "tracking system" to identify all property financed with Obligations;

2. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;

3. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public:

   a. has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the Project;

   b. has a right to use the output of the Project (e.g., water, gas, electricity); or

   c. has a right to use the Project to conduct or to direct the conduct of research;

4. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the Project or any other contractual right granting an intangible benefit;

5. Monitor and record whether, at any time the Obligations are outstanding, the Project, or any portion thereof, is sold or otherwise disposed of; and

6. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Authorizing Document related to the public use of the Project.

III. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the Project financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of Obligations, such records shall be maintained until the three (3) years after the refunding Obligations mature or are otherwise paid off. Such records can be maintained in paper or electronic format.

IV. Responsible Person. A Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the governing body of the Issuer whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking approval of the governing body to engage or utilize existing advisors and agents for such purposes.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING:	October 26, 2026
DOCUMENT TITLE:	Total Construction Cost Including GMP for Green Elementary School Renovation
ADMINISTRATOR RESPONSIBLE:	Brent Benningfield, Assistant Superintendent of Operations Brian Neely, Executive Director of Operations for Planning, Construction, and Maintenance
SOAR 2030 STRATEGIC VISION:	Goal 1 – Culture of Excellence
LEGAL REVIEW:	N/A

Authority for Action: CV (Local), CV (Legal), Facilities Construction

All District Contracts, except contracts for the purchase of produce or vehicle fuel, valued at $100,000 or more in the aggregate for each 12-month period, shall be made by the method that provides the best value for the District. For construction contracts valued at or above $250,000, the Superintendent shall submit the resulting contract to the Board for approval. Lesser expenditures for construction and construction-related materials or services shall be at the discretion of the Superintendent and consistent with law and policy. [See also CH and CBB (LEGAL)]

1. An interlocal contract. *Education Code 44.031(a)(4)* [See CH]
2. A method provided by Government Code Chapter 2269 for construction services. *Education Code 44.031(a)(5)*
    a. Competitive bidding. *Gov't Code 2269 Subch. C* [See CVA]
    b. Competitive sealed proposals. *Gov't Code 2269 Subch. D* [See CVB]
    c. Construction manager-agent method. *Gov't Code 2269 Subch. E* [See CVC]
    d. Construction manager-at-risk method. *Gov't Code 2269 Subch. F* [See CVD]
    e. Design-build method. *Gov't Code 2269 Subch. G* [See CVE]
    f. Job order contracting. *Gov't Code 2269 Subch. I* [See CVF]
3. The reverse auction procedure as defined by Government Code 2155.062(d). *Education Code 44.031(a)(6)* [See CH]

Education Code 44.031(a); Gov't Code Ch. 2269

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Background / Summary:

On Thursday October 8, 2026, Balfour Beatty Construction, LLC, Construction Manager at Risk, opened proposals from various sub-contractors for the Green Elementary School Renovation. Proposals were based on the Plans and Specifications prepared by Corgan Architects. The proposals were evaluated as to which sub-contractor would supply the best product, service, and price to the District. Based on the Proposals submitted, the Guaranteed Maximum Price (GMP) for the project will be $XX,XXX,XXX.

As part of the 2024 Bond Proposition A authorization of $419,062,253, approved by District voters, a budget of $320,386,083 was established for the renovation of Allen ISD school facilities.

A copy of the GMP for the Green Elementary School Renovation project prepared by Balfour Beatty Construction is attached.

Total Cost of Construction:

Balfour Beatty Construction GMP:	$	XX,XXX,XXX
Architectural Fees	$	X,XXX,XXX
Soft Costs	$	854,994
FF&E	$	1,200,000
Technology Equipment	$	271,050
Total Cost of Renovation inside proposition A:	**$**	**XX,XXX,XXX**

Completion or Implementation Timeline

Project will begin upon execution of contract and scheduled for completion on or prior to the start of the 2027-2028 school year.

Administrative Recommendation:

Administration recommends the presented total construction cost and GMP for the Green Elementary School Renovation:

Proposed Motion:

"Move to approve the Total Construction Cost of $XX,XXX,XXX including a GMP of $XX,XXX,XXX for the Green Elementary School Renovation."

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ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Monthly Financial Reports

ADMINISTRATOR RESPONSIBLE: Dr. Kyle Penn
Asst. Supt. Business & Technology

STRATEGIC PLAN REFERENCE: Goal 1 – Culture of Excellence

LEGAL REVIEW: N/A

Authority for Action:

District Information Items

Summary / Background Information:

The Financial Reports are attached. The following items are included:

1. Monthly Reports-
   a) YTD Revenue and Expenditures by Fund
   b) Monthly Construction Report

Administrative Recommendation:

The administrative staff prepares these financial reports for Board review only.

ALLEN INDEPENDENT SCHOOL DISTRICT
YTD REVENUES & EXPENDITURES REPORT
09/30/2026 (UNAUDITED)

GENERAL FUND

	03 MONTHS ENDING 09/30/2026 CURRENT YEAR 2026-27				03 MONTHS ENDING 09/30/2025 PRIOR YEAR 2025-26				
	Adopted Budget	Amended Budget	YTD Actual	Actual to Budget	Adopted Budget	Amended Budget	YTD Actual	Actual to Budget	Notes
REVENUES:									
5700 - Local	$ 173,515,970	$ 173,515,970	$ 1,465,222	1%	$ 178,343,175	$ 178,343,175	$ 2,023,252	1%	
5800 - State	46,100,000	46,100,000	12,351,707	27%	46,957,701	46,957,701	25,012,463	53%	
5900 - Federal	1,265,000	1,265,000	-	0%	90,000	90,000	-	0%	
Total Revenues	**$ 220,880,970**	**$ 220,880,970**	**$ 13,816,928**	**6%**	**$ 225,390,876**	**$ 225,390,876**	**$ 27,035,714**	**12%**	
EXPENDITURE SUMMARY BY FUNCTION:									
11 - Instructional	$ 128,277,832	$ 128,277,832	13,713,672	11%	$ 132,104,013	$ 132,104,013	13,349,116	10%	
12 - Instructional Resources and Media Services	2,169,327	2,169,327	231,665	11%	2,183,641	2,183,641	248,557	11%	
13 - Curriculum and Instructional Staff Development	5,500,273	5,500,273	1,090,667	20%	5,724,722	5,724,722	1,017,013	18%	
21 - Instructional Leadership	2,717,415	2,717,415	642,927	24%	2,675,175	2,675,175	620,591	23%	
23 - School Leadership	11,468,586	11,468,586	2,326,367	20%	11,790,994	11,790,994	2,318,699	20%	
31 - Guidance, Counseling and Evaluation	11,375,610	11,375,610	1,550,563	14%	10,968,951	10,968,951	1,581,895	14%	
32 - Social Work Services	161,745	161,745	107,622	67%	167,086	167,086	108,602	65%	
33 - Health Services	2,332,521	2,332,521	260,542	11%	2,427,340	2,427,340	261,769	11%	
34 - Student Transportation	6,848,747	6,848,747	1,414,879	21%	6,171,631	6,171,631	1,227,844	20%	
35 - Student Nutrition	5,000	5,000	-	0%	5,000	5,000	-	0%	
36 - Cocurricular/Extra Curricular Activities	6,160,699	6,160,699	1,158,996	19%	6,075,969	6,075,969	973,424	16%	
41 - General Administration	6,907,039	6,907,039	1,765,820	26%	6,644,938	6,644,938	1,771,578	27%	
51 - Plant Maintenance and Facility Services	24,793,161	24,793,161	8,347,314	34%	24,391,941	24,391,941	8,017,835	33%	
52 - Security and Monitoring Services	5,468,637	5,468,637	790,855	14%	5,179,938	5,179,938	620,256	12%	
53 - Data Processing Services	6,038,098	6,038,098	2,334,912	39%	6,088,151	6,088,151	2,309,209	38%	
61 - Community Services	10,750	10,750	372	3%	12,500	12,500	84	1%	
71 - Debt Services	-	-	-					0%	
81 - Facilities Acq. & Construction	-	-	-	0%	337,571	337,571	24,683	7%	
91 - Contracted Instructional Services between schools	4,200,000	4,200,000	-	0%	4,000,000	4,000,000	-	0%	
93 - PAYMENTS TO FISCAL AGENTS	-	-	-	0%				0%	
95 - Payments to Juvenile Justice Alternative Program	10,000	10,000	-	0%	10,000	10,000	-	0%	
99 - Other Intergovernmental Charges	1,750,000	1,750,000	412,320	24%	1,750,000	1,750,000	408,887	23%	
8900 - Other	-	-	-	0%	-	-	-	0%	
Total Expenditures	**$ 226,195,440**	**$ 226,195,440**	**$ 36,149,496**	**16%**	**$ 228,709,561**	**$ 228,709,561**	**$ 34,860,043**	**15%**	
Excess (Deficit) of Revenues Over Expenditures	**$ (5,314,470)**	**$ (5,314,470)**	**$ (22,332,567)**		**$ (3,318,685)**	**$ (3,318,685)**	**$ (7,824,329)**		
OTHER FINANCING RESOURCES:									
7900 - Transfers In	1,500,000	1,500,000	-		-	-	-		
8900 - Transfer Out	-	-	-		-	-	-		
Total Other Financing Resources	1,500,000	1,500,000	-		-	-	-		
NET CHANGE IN FUND BALANCE	**(3,814,470)**	**(3,814,470)**	**(22,332,567)**		**(3,318,685)**	**(3,318,685)**	**(7,824,329)**		
Beginning Fund Balance	**$ 73,618,380**	**$ 73,618,380**	**$ 73,618,380**		**$ 71,244,085**	**$ 71,244,085**	**$ 71,244,085**		
Ending Fund Balance	**$ 69,803,910**	**$ 69,803,910**	**$ 51,285,813**		**$ 67,925,400**	**$ 67,925,400**	**$ 63,419,756**		

Notes

ALLEN INDEPENDENT SCHOOL DISTRICT
YTD REVENUES & EXPENDITURES REPORT
09/30/2026 (UNAUDITED)

STUDENT NUTRITION	03 MONTHS ENDING 09/30/2026 CURRENT YEAR 2026-27				03 MONTHS ENDING 09/30/2025 PRIOR YEAR 2025-26				Notes
	Adopted Budget	Amended Budget	YTD Actual	Actual to Budget	Adopted Budget	Amended Budget	YTD Actual	Actual to Budget	
REVENUES:									
5700 - Local	$ 5,782,956	$ 5,782,956	$ 1,239,313	21%	$ 5,635,000	$ 5,635,000	$ 1,290,386	23%	
5800 - State	224,217	224,217	64,163	29%	180,000	180,000	66,900	37%	
5900 - Federal	2,579,586	2,579,586	456,078	18%	3,063,875	3,063,875	463,275	15%	
Total Revenues	**$ 8,586,759**	**$ 8,586,759**	**$ 1,759,554**	**20%**	**$ 8,878,875**	**$ 8,878,875**	**$ 1,820,561**	**21%**	
EXPENDITURE SUMMARY BY FUNCTION:									
35 - Student Nutrition/Food Services	8,586,759	8,586,759	1,360,006	16%	8,878,875	8,878,875	1,343,317	15%	
81 - Facilities Acquisition & Construction	-	-	-	0%	-	-	-	0%	
Total Expenditures	**$ 8,586,759**	**$ 8,586,759**	**$ 1,360,006**	**16%**	**$ 8,878,875**	**$ 8,878,875**	**$ 1,343,317**	**15%**	
Excess (Deficit) of Revenues Over Expenditures	**$ -**	**$ -**	**$ 399,548**		**$ -**	**$ -**	**$ 477,244**		
OTHER FINANCING RESOURCES:									
7900 - Transfers In									
8900 - Transfer Out	-	-	-	0%	-	-	-	0%	
Total Other Financing Resources	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
NET CHANGE IN FUND BALANCE	**-**	**-**	**399,548**	**-**	**-**	**-**	**477,244**	**-**	
Beginning Fund Balance	**$ 2,099,039**	**$ 2,099,039**	**$ 2,099,039**		**$ 1,321,286**	**$ 1,321,286**	**$ 1,321,286**		
Ending Fund Balance	**$ 2,099,039**	**$ 2,099,039**	**$ 2,498,587**		**$ 1,321,286**	**$ 1,321,286**	**$ 1,798,530**		

Notes:

ALLEN INDEPENDENT SCHOOL DISTRICT
YTD REVENUES & EXPENDITURES REPORT
09/30/2026 (UNAUDITED)

DEBT SERVICE	03 MONTHS ENDING 09/30/2026 CURRENT YEAR 2026-27				03 MONTHS ENDING 09/30/2025 PRIOR YEAR 2025-26				
	Adopted Budget	Amended Budget	YTD Actual	Actual to Budget	Adopted Budget	Amended Budget	YTD Actual	Actual to Budget	Notes
REVENUES:									
5700 - Local	$ 87,818,707	$ 87,818,707	$ (231,594)	0%	$ 88,197,879	$ 88,197,879	$ 582,213	1%	
5800 - State	6,800,000	6,800,000	-	0%	500,000	500,000	-	0%	
5900 - Federal	-	-	-	0%	-	-	-	0%	
Total Revenues	**$ 94,618,707**	**$ 94,618,707**	**$ (231,594)**	**0%**	**$ 88,697,879**	**$ 88,697,879**	**$ 582,213**	**1%**	
EXPENDITURE SUMMARY BY FUNCTION:									
71 - Debt Service	94,618,707	94,618,707	15,243,228	16%	88,697,879	88,697,879	11,038,127	12%	
Total Expenditures	**$ 94,618,707**	**$ 94,618,707**	**$ 15,243,228**	**16%**	**$ 88,697,879**	**$ 88,697,879**	**$ 11,038,127**	**12%**	
Excess (Deficit) of Revenues Over Expenditures	**$ -**	**$ -**	**$ (15,474,822)**		**$ -**	**$ -**	**$ (10,455,915)**		
OTHER FINANCING RESOURCES:									
7900 - Transfers In	$ -	-	15,563,612	0%	$ -	-		0%	
8900 - Transfer Out	$ -	$ -	$ (15,339,583)	0%	$ -	$ -		0%	
Total Other Financing Resources	**$ -**	**$ -**	**$ 224,029**		**$ -**	**$ -**	**$ -**		
NET CHANGE IN FUND BALANCE	**$ -**	**$ -**	**$ (15,250,793)**		**$ -**	**$ -**	**$ (10,455,915)**		
Beginning Fund Balance	**$ 37,437,449**	**$ 37,437,449**	**$ 37,437,449**		**$ 36,168,766**	**$ 36,168,766**	**$ 36,168,766**		
Ending Fund Balance	**$ 37,437,449**	**$ 37,437,449**	**$ 22,186,656**		**$ 36,168,766**	**$ 36,168,766**	**$ 25,712,851**		

Notes

ALLEN INDEPENDENT SCHOOL DISTRICT
MONTHLY CONSTRUCTION PROJECT REPORT
9/30/2026

$442 MILLION BOND AUTHORIZATION

BOND SALE	
658 FEBRUARY 2025	220,000,000
659 FUTURE SALE TBD	-
BONDS SOLD TO DATE	**220,000,000**
INTEREST EARNED	11,329,513
OTHER	-
TOTAL RESOURCES	**231,329,513**

PROJECT CODE	PROJECT NAME	ORIGINAL PROPOSED BUDGET	REVISED BUDGET	PRIOR PERIOD EXPENDITURES	CURRENT YEAR EXPENDITURES TO DATE	CURRENT YEAR ENCUMBRANCES TO DATE	BUDGET AVAILABLE	% OF PROJECT COMPLETION
A4A	A4A OLSON RENO	31,375,336	27,800,974	27,489,819	15,816	9,652	285,688	99%
A4B	A4B CURTIS RENO	53,404,348	31,650,542	18,126,450	11,475,785	1,811,793	236,515	94%
A4C	A4C AHS-MULTI-PURPOSE COMPLEX	39,849,171	34,869,463	19,710,839	3,921,885	7,741,441	505,172	68%
A4D	A4D CHEATHAM RENO	34,063,086	30,096,494	16,517,677	11,705,062	1,711,252	162,503	94%
A4E	A4E GREEN RENO	26,979,101	1,016,039	629,460	12,400	374,179	-	63%
A4F	A4F ANDERSON RENO	31,271,762	30,426,551	19,575,284	7,286,528	1,745,048	104,385	88%
A4G	A4G FORD RENO	53,973,782	956,958	15,258	357,402	584,298	-	39%
A4H	A4H NORTON RENO	33,658,055	-	-	-	-	-	0%
A4I	A4I LFC TENNIS COURT	2,153,544	1,999,235	1,999,235	-	-	-	100%
A4J	A4J PLAYGROUNDS	6,543,227	6,535,732	6,009,549	1,666	434,986	89,531	92%
A4K	A4K ROOFING	8,113,601	3,575,452	1,568,489	492,871	161,840	1,352,252	58%
A4L	A4L LANDSCAPE - IRRIGATION	2,396,849	1,306,684	1,306,684	-	-	-	100%
A4M	A4M CONCRETE - FOUNDATION	21,412,809	2,534,830	893,670	141,160	32,783	1,467,217	41%
A4N	A4N MEP SYSTEMS	8,004,656	1,673,901	388,672	391,662	246,755	646,812	47%
A4O	A4O FOOD SERVICE RENO	4,560,517	5,723,757	2,173,560	1,117,834	2,406,012	26,351	58%
A4P	A4P ATHLETIC COMPLEX REFRESH	13,657,899	11,962,101	8,269,829	1,828,303	1,735,984	127,985	84%
A4Q	A4Q VEHICLES AND SHOP EQUIPMENT	7,729,756	4,706,136	2,757,406	-	1,948,730	-	59%
A4R	A4R FIRE SAFETY	745,928	118,621	118,621	-	-	-	100%
A4S	A4S FACILITY SECURITY MONITORING	1,969,838	1,116,203	665,981	376,632	73,591	-	93%
A4T	A4T IP-BASED BELL PA - ALERT SYSTEMS	4,686,555	1,949,632	1,816,047	58,925	-	74,660	96%
A4U	A4U CAMPUS MEDIA STATIONS & PRINT DEVICES	11,849,520	692,281	692,281	-	-	(0)	100%
A4V	A4V CLASSROOM TECHNOLOGY DISPLAYS	11,543,876	5,575,047	4,498,690	707,004	329,113	40,241	93%
A4W	A4W NETWORK INFRASTRUCTURE UPS	5,592,094	2,877,204	1,927,127	571,738	188,724	189,615	87%
A4X	A4X DATA CENTER INFRASTRUCTURE	3,526,943	1,224,440	1,086,193	19,502	4,196	114,548	90%
C4A	C4A WIRELESS COMP DEVICES FOR STUDENTS	16,279,173	-	-		-	-	0%
C4B	C4B WIRELESS COMP DEVICES FOR STAFF	6,798,619	-	-			-	0%
	UNALLOCATED PROP A		205,256,954	-			205,256,954	0%
	UNALLOCATED PROP C		23,077,792	-			23,077,792	0%
	FUTURE SALE		(222,140,046)	-			(222,140,046)	0%
AUC	UNCOMMITTED PROP A		3,417,022	-			3,417,022	0%
I4A	ADMINISTRATIVE COST FOR ELECTION & MARKETING		315,102	315,102			-	100%
I4B	CONSTRUCTION MANAGEMENT PROGRAM		18,000	-	4,500	13,500	-	0%
I4P	PROJECT MANAGEMENT		1,747,090	885,390	197,326	-	664,374	62%
IUC	UNCOMMITTED INTEREST		9,249,321	-	-		9,249,321	0%
TOTAL $442 MILLION BOND		**442,140,046**	**231,329,513**	**139,437,312**	**40,683,999**	**21,553,879**	**24,948,891**	

ALLEN INDEPENDENT SCHOOL DISTRICT
MONTHLY CONSTRUCTION PROJECT REPORT
9/30/2026

$214 MILLION BOND AUTHORIZATION

BOND SALE	
656 FEBRUARY 2021	125,000,000
657 JUNE 2022	89,313,000
BONDS SOLD TO DATE	**214,313,000**
INTEREST EARNED	7,720,937
OTHER	82,870
TOTAL RESOURCES	**222,116,807**

PROJECT CODE	PROJECT NAME	ORIGINAL PROPOSED BUDGET	REVISED BUDGET	PRIOR PERIOD EXPENDITURES	CURRENT YEAR EXPENDITURES TO DATE	CURRENT YEAR ENCUMBRANCES TO DATE	BUDGET AVAILABLE	% OF PROJECT COMPLETION
A11	AHS G WING	16,291,267	16,527,436	16,527,436			(0)	100%
A12	AHS A AND K WINGS	19,082,525	13,683,857	13,683,857	-	-	-	100%
A13	AHS FINE ARTS H WING & FIRE LANE	9,830,774	11,916,833	11,916,833			-	100%
A15	ERECKSON MS RENO	45,662,414	41,236,424	41,236,424	-	-	(0)	100%
A16	BOON ES RENO	19,578,996	18,160,906	18,160,906		-	-	100%
A17	CHANDLER ES RENO	20,706,021	20,329,549	20,329,549			-	100%
A18	EVANS ES RENO	21,538,833	22,967,473	22,967,473		-	-	100%
A19	ES BREEZEWAY WATERPROOFING	1,821,312	42,800	42,800			-	100%
A21	LED LIGHTING AND UTILITY/MEP UPGRADES	2,377,545	3,063,686	3,063,686	-	-	-	100%
A22	DISTRICT WIDE CONCRETE	118,847	316,185	316,185		-	-	100%
A23	DISTRICT WATERPROOFING & ROOFING	1,320,568	1,296,862	1,296,862		-	-	100%
A24	AG SCIENCE FACILITY	4,697,962	4,068,490	4,068,490		-	-	100%
A25	HVAC REPLACEMENT & EFFICIENCEIS	1,185,746	1,224,738	1,224,738		-	-	100%
A27	WIRELESS NETWORK CONNECTIVITY	450,000	384,053	384,053	-	-	(0)	100%
A28	CAMPUS NETWORK EQUIPMENT	3,000,000	3,362,518	3,359,073	1,218	2,228	(0)	100%
A29	DATACENTER SERVER/STORAGE EQUIPMENT	500,000	485,475	485,475	-	-	-	100%
A31	VOIP SOLUTION	2,200,000	2,079,849	2,079,849		-	-	100%
A32	TE INFRA-IP-BELL/PA/CLOCK & MULTIMEDIA AV	9,500,000	11,634,200	11,490,675	2,612	-	140,913	99%
A33	DISTRICTWIDE PAINTING		999,532	596,947	228,567	33,756	140,263	83%
ABR	BUS RIDER SAFETY	450,000	450,000	273,241	66,747	5,946	104,066	76%
ACM	SECURITY CAMERA UPGRADES & ADDITIONS	827,860	828,742	797,848	-	30,895	-	96%
ACS	CELLULAR SIGNAL AMPLIFIERS FOR CELL SERVICE	1,700,000	686,534	686,534		-	-	100%
AFR	FIRST RESPONDER REPEATER	834,300	764,130	764,130	-	-	0	100%
ASB	NEW SCHOOL BUSES	3,290,704	3,265,200	3,265,200		-	-	100%
ASF	SECURITY DOOR/WINDOW FRAMES/FILM	726,275	670,825	670,825		-	-	100%
AVM	VEHICLE MAINTENANCE EQUIPMENT	120,000	156,957	156,957	-	-	-	100%
DPD	DESKTOP AND PRINT DEVICES	8,300,000	6,550,628	4,702,745	66,052	22,153	1,759,677	73%
DST	WIRELESS COMPUTER DEVICES FOR STAFF	4,700,000	4,700,000	4,685,442	2,150	-	12,408	100%
DSU	WIRELESS COMPUTER DEVICES FOR STUDENTS	12,000,000	13,749,372	13,628,317	119,900	-	1,155	100%
WAN	WAN PROJECT	1,500,000	1,416,942	1,416,942			-	100%
FUR	DISTRICTWIDE FURNITURE & EQUIPMENT		910,192.26	475,182	150,368	218,274	66,369	69%
	UNCOMMITTED PROP A		4,204,247	-			4,204,247	0%
	UNCOMMITTED PROP D		-	-			-	0%
BMS	CONSTRUCTION MANAGEMENT PROGRAM		90,000	90,000	-	-	-	100%
PAY	PROJECT MANAGEMENT		2,431,776	1,918,531	124,859	-	388,386	84%
TVS	AHS TV STUDIO		978,456	978,456		-	0	100%
A4A	OLSON RENO PRELIMINARY		-	-			-	0%
ROF	HAIL DAMAGE ROOF REPAIR DEDUCTIBLES 5-2023		2,777,032	2,777,032	-	-	-	100%
COP	COPIER LEASE		1,476,976	911,110	565,866	-	-	100%
FUL	FUEL		315,978	272,184	43,794	0	(0)	100%
	UNCOMMITTED INTEREST		1,911,954	-			1,911,954	0%
TOTAL $214 MILLION BOND		**214,311,949**	**222,116,807**	**203,603,322**	**1,372,133**	**313,251**	**8,729,437**	

ALLEN INDEPENDENT SCHOOL DISTRICT
MONTHLY CONSTRUCTION PROJECT REPORT
9/30/2026

LOCAL 616 CAPITAL PROJECTS

FUNDING TRANSFERS	16,253,643
INTEREST	384,245
TOTAL RESOURCES	**16,637,888**

PROJECT CODE	PROJECT NAME	ORIGINAL PROPOSED BUDGET	REVISED BUDGET	PRIOR PERIOD EXPENDITURES	CURRENT YEAR EXPENDITURES TO DATE	CURRENT YEAR ENCUMBRANCES TO DATE	BUDGET AVAILABLE	% OF PROJECT COMPLETION
453	ANNEX	6,120,345	6,085,942	6,085,942		-	-	100%
ZAY	REGION 10 /ZAYO	169,100	161,500	161,500			-	100%
0PK	PREKINDERGARTEN TRANSITION	150,000	231,860	231,860		-	-	100%
	FORD MS SUMMER PROJECT	22,031	20,900	20,900			-	100%
	FORK LIFT- MAINTENACE	28,948	28,948	28,948			-	100%
IST	BAND INSTRUMENTS	106,590	318,008	318,008	-	-	-	100%
153	ANDERSON DONATION FOR BALCKTOP	16,605	16,605	16,605			-	100%
153	GREEN DONATION FOR BALCKTOP	16,000	-	-			-	0%
	FIN OFFICE RENO		32,281	32,281			-	100%
BBL	BASEBALL LOCKER ROOM DONATION		19,173	19,173			-	100%
ESO	S WILLIAMS FIELD RENAMING		19,225	19,225			-	100%
SWG	SWAGIT		48,390	48,390			-	100%
920	TECH SECURITY		-	-			-	0%
BTL	TRI TECH BOYD TEACHER LOUNGE		20,000	20,000		-	-	100%
SCB	STADIUM SCOREBOARD		2,652,329	2,652,329		-	-	100%
DON	DONATIONS		39,585	39,585		-	0	100%
CAB	EVANS CABIN		24,851	24,851			-	100%
ROF *	ROOF REPAIR-HAIL DAMAGE MAY 2023		4,239,746	4,083,935	-	-	155,811	96%
GLF	GOLF		34,829	33,869	-	-	959	97%
HEB	LEASE REFUND		109,958	109,958			-	100%
WGT	WEIGHT ROOM EQUIPMENT		164,307	109,722	50,000	-	4,586	97%
FPS	FIRE SUPPRESSION/ALARM STADIUM		1,626,284	1,544,970	-	81,314	-	95%
CTG	CONTINGENCY		413,508	-			413,508	0%
WRS	WRESTLING		19,290	-		19,290	-	0%
IUC	UNCOMMITTED INTEREST		384,244.50	-			384,245	0%
TOTAL LOCAL CAPITAL PROJECTS		**6,629,619**	**16,711,763**	**15,602,050**	**50,000**	**100,605**	**959,109**	

ALLEN INDEPENDENT SCHOOL DISTRICT
MONTHLY CONSTRUCTION PROJECT REPORT
9/30/2026

TECHNOLOGY DEVICE REPAIR FUND 617

FUNDING TRANSFERS	801,155
TECHNOLOGY DEVICE FEES/REPAIRS	1,539,324
INTEREST	130,126
TOTAL RESOURCES	**2,470,606**

PROJECT CODES	PROJECT NAME	ORIGINAL PROPOSED BUDGET	REVISED BUDGET	PRIOR PERIOD EXPENDITURES	CURRENT YEAR EXPENDITURES TO DATE	CURRENT YEAR ENCUMBRANCES TO DATE	BUDGET AVAILABLE	% OF PROJECT COMPLETION	Retainage Expensed
SDR	DEVICE INSURANCE REPAIRS		875,074	90,000	-	-	785,074	10%	
ECF	EMERGENCY FCC GRANT		226,135	226,135			-	100%	
ECF	EMERGENCY FCC GRANT RELATED WARRANTIES		549,000	549,000			-	100%	
802/SDR	TECHNOLOGY		372,584	68,143	-	-	304,441	18%	
	CONTINGENCY		-	-			-	0%	
	PAYROLL		288,594	-	26,777		261,817	9%	
	UNCOMMITTED INTEREST		130,126	-			130,126	0%	
TOTAL TECHNOLOGY STUDENT DEVICE REPAIRS		**-**	**2,441,514**	**933,278**	**26,777**	**-**	**1,481,458**		**-**

ALLEN INDEPENDENT SCHOOL DISTRICT
MONTHLY CONSTRUCTION PROJECT REPORT
9/30/2026

LOCAL CAPITAL LAND SALE PROJECTS

618 LAND SALE January 31, 2023	3,936,628
TRANSFERS	91,226
INTEREST	90,965
TOTAL RESOURCES	**4,118,819**

PROJECT CODES	PROJECT NAME	ORIGINAL PROPOSED BUDGET	REVISED BUDGET	PRIOR PERIOD EXPENDITURES	CURRENT YEAR EXPENDITURES TO DATE	CURRENT YEAR ENCUMBRANCES TO DATE	BUDGET AVAILABLE	% OF PROJECT COMPLETION
L23	ATHLETIC RENOVATIONS	4,059,053	4,009,053	4,009,053		-	-	100%
			-	-			-	
			-	-			-	
				-			-	
			-	-			-	
			-	-			-	
			-	-			-	
			-	-			-	
			-	-			-	
			-	-			-	
			-	-			-	
			-	-			-	
			-	-			-	
			-	-			-	
			-	-			-	
	UNALLOCATED to Move to Local Capital 616		50,000	50,000	-		-	100%
	INTEREST to Move to Local Capital 616		59,766	59,531	-		235	100%
TOTAL LOCAL CAPITAL LAND SALE PROJECTS		**4,059,053**	**4,118,819**	**4,118,584**	**-**	**-**	**235**	

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ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: TASA/TASB txEDCON 2026 Conference Update

ADMINISTRATOR RESPONSIBLE: Board President

STRATEGIC PLAN REFERENCE: N/A

LEGAL REVIEW: N/A

Members of the Board may discuss the TASA/TASB txEDCON 2026 Conference which took place October 8 – October 11, 2026, in Houston, Texas.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Advocacy Committee Update

ADMINISTRATOR RESPONSIBLE: Board President

SOAR 2030 STRATEGIC VISION: N/A

LEGAL REVIEW: N/A

The Advocacy Committee may provide an update to the Board.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING:	October 26, 2026
DOCUMENT TITLE:	Superintendent's Update
ADMINISTRATOR RESPONSIBLE:	Kim McLaughlin, Acting Superintendent
SOAR 2030 STRATEGIC VISION:	Goal 1 – Culture of Excellence
LEGAL REVIEW:	N/A

Ms. McLaughlin may provide an update regarding district goals and other items.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Calendar Updates

ADMINISTRATOR RESPONSIBLE: Board President

STRATEGIC PLAN REFERENCE: N/A

LEGAL REVIEW: N/A

The board may review and discuss upcoming events.

October 29 - TRIAD Meeting, PLAS; 6:00 p.m.
October 30 - Allen Eagles Football vs. McKinney Boyd, Mckinney ISD Stadium; 7:00 p.m.
November 1 – Percussion Showcase, PAC: 6:30 p.m.
November 2 - Board Workshop, PLAS; 6:30 p.m.
November 3 – Lady Eagles Varsity Basketball vs. Plano East, AHS Gym; 6:30 p.m.
November 5 – Allen Eagles Football vs. Walnut Grove, Eagle Stadium; 7:00 p.m.
November 6 – Orchestra Middle School Region Concert, LFC Auditorium; 8:00 p.m.
November 7 – Orchestra Middle School Region Concert, LFC Auditorium; 8:00 p.m.
November 10 – 6th Grade Band Show and Tell Concert, FMS Gym; 6:00 p.m.
November 10 – Lady Eagles Varsity Basketball vs. Little Elm, AHS Gym; 730 p.m.
November 11 – National Honor Society Induction, PAC; 6:00 p.m.
November 11 – Curtis Fall Into Winter Band Concert, LFC Auditorium; 6:30 p.m.
November 12 – Ford Middle School Band Winter Concert; LFC Auditorium 6:00 p.m.
November 12 – Ereckson MS Theatre Musical – Mary Poppins JR. – EMS; 7:00 p.m.
November 13 – Ereckson MS Theatre Musical – Mary Poppins JR. – EMS; 7:00 p.m
November 13 – Men's Eagles Varsity Basketball vs Duncanville; AHS Gym; 7:30 p.m.
November 16 – Regular Board Meeting, PLAS; 6:30 p.m.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING:	October 26, 2026
DOCUMENT TITLE:	Pursuant to Section 551.071, private Consultation with Board's Attorney regarding the procedures for the Level Three appeal filed by Katie Fargen in accordance with Board Policies FNG (LEGAL) and FNG (LOCAL). Pursuant to Sections 551.071 and 551.074, conduct the Level Three appeal hearing for the appeal filed by Ms. Katie Fargen in accordance with Board Policies FNG (LEGAL) and FNG (LOCAL). Pursuant to Section 551.071, private consultation with Board's Attorney regarding the Level Three appeal filed by Ms. Katie Fargen in accordance with Board Policies FNG (LEGAL) and FNG (LOCAL).
ADMINISTRATOR RESPONSIBLE:	Board President
SOAR 2030 STRATEGIC VISION:	N/A
LEGAL REVIEW:	N/A

Authority for this Action: Texas Government Codes, Section 551.071 and 551.074

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ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Pursuant to Texas Government Code Section 551.071, private consultation with the Board's attorney when the Board seeks the advice of its attorney in person, or by phone.

Pursuant to Texas Government Code Section 551.074, deliberation regarding the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.

ADMINISTRATOR RESPONSIBLE: Board President

SOAR 2030 STRATEGIC VISION: N/A

LEGAL REVIEW: N/A

Authority for this Action: Texas Government Codes, Section 551.071 and 551.074

- Discuss and consider all matters concerning Superintendent Search

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Private Consultation with the Board's Attorney

ADMINISTRATOR RESPONSIBLE: Kim McLaughlin, Acting Superintendent

SOAR 2030 STRATEGIC VISION: N/A

LEGAL REVIEW: N/A

Authority for this Action: Texas Government Code, Section 551.071

The Board may meet with its attorney in Executive Session.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Personnel Matters

ADMINISTRATOR RESPONSIBLE: Kim McLaughlin, Acting Superintendent

SOAR 2030 STRATEGIC VISION: N/A

LEGAL REVIEW: N/A

Authority for this Item: Texas Government Code, Section 551.074

The Board may meet in Executive Session to discuss personnel.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Property Matters

ADMINISTRATOR RESPONSIBLE: Kim McLaughlin, Acting Superintendent

SOAR 2030 STRATEGIC VISION: N/A

LEGAL REVIEW: N/A

Authority for this Item: Texas Government Code, Section 551.072

Property matters may be discussed in Executive Session.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING: October 26, 2026

DOCUMENT TITLE: Security Devices or Security Audits

ADMINISTRATOR RESPONSIBLE: Kim McLaughlin, Acting Superintendent

STRATEGIC PLAN REFERENCE: N/A

LEGAL REVIEW: N/A

Authority for this Item: Texas Government Code, Section 551.076

The Board may discuss security devices or security audits in executive session.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING:	October 26, 2026
DOCUMENT TITLE:	School Children; School District Employees; Disciplinary Matters or Complaint
ADMINISTRATOR RESPONSIBLE:	Kim McLaughlin, Acting Superintendent
SOAR 2030 STRATEGIC VISION:	N/A
LEGAL REVIEW:	N/A

Authority for this Action: Texas Government Code, Section 551.082

The Board may meet in Executive Session to discuss students, district employees, disciplinary matters, or complaints.

ALLEN INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

DATE OF MEETING:	October 26, 2026
DOCUMENT TITLE:	School Board: Personally Identifiable Information about Public School Student
ADMINISTRATOR RESPONSIBLE:	Kim McLaughlin, Acting Superintendent
SOAR 2030 STRATEGIC VISION:	N/A
LEGAL REVIEW:	N/A

Authority for this Action: Texas Government Code, Section 551.0821

The Board may meet in Executive Session to discuss personally identifiable information about a public school student.