Annual Comprehensive Financial Report

of the

DENTON INDEPENDENT SCHOOL DISTRICT

for the
Fiscal Year Ended June 30, 2026

Prepared by:
The Finance Department

1307 N. Locust Street · Denton, Texas 76201


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

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Introductory Section

DENTON INDEPENDENT SCHOOL DISTRICT
Office of Administrative Services
P.O. Box 2387
Denton, Texas 76202

November 10, 2026

To the Board of Trustees and the Citizens of the Denton
Independent School District:

The Annual Comprehensive Financial Report (ACFR) of the Denton Independent School District ("DISD" or the "District") for the year ended June 30, 2026, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the DISD. Included are all disclosures necessary to enable the reader to gain an understanding of the District's financial activities.

The DISD is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Information relating to this single audit, including the schedule of expenditures of federal awards, findings and recommendations and independent auditors' reports on internal controls and compliance with applicable laws and regulations, is included in the single audit section.

This report includes all funds of the Denton Independent School District. The DISD maintains a fully accredited early childhood through grade twelve program and is accredited by both the Texas Education Agency and AdvancED. The District provides a full range of services. These services include general education for grades pre-kindergarten through twelve, special education for students from birth through twenty-one years of age, accelerated education for students requiring remediation, a variety of technical courses and several elective and advanced placement courses for those students who wish additional experiences or challenges.

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

GOVERNING BODY

The seven members of the Board of Trustees serve - without compensation - a three-year term of office. On a rotating basis, two or three places are filled during annual elections held in May. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the District.

Regular meetings are held monthly in the District's administration building. Special meetings and study sessions are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts and by the will of the people as expressed in school Board elections. Board decisions are based on a majority vote of the quorum present. Generally, the Board adopts policies, sets direction for curriculum, employs the Superintendent, and oversees the operations of the District and its schools. Besides general Board business, Trustees are charged with numerous statutory regulations including appointing the tax assessor/collector, calling trustee and other school elections, and canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, and acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions and adopting and amending the annual budget.

ECONOMIC CONDITION AND OUTLOOK

The Denton Independent School District is in the city of Denton, in Denton County in North Central Texas and encompasses approximately 180 square miles. While the major portion of the District boundaries includes the 97.411 square miles of the City of Denton, all or part of the following additional cities, communities or major developments in Denton County comprise the 180 square miles: Argyle, Aubrey, Bartonville, Copper Canyon, Corinth, Cross Roads, Cross Oaks Ranch, Double Oak, Lantana, Little Elm, Oak Point, Paloma Creek, Pecan Creek, Prosper, Providence, Robson Ranch, Savannah, Shady Shores, and Union Park. According to the North Central Texas Council of Governments, Denton County's population grew by 2.9% from 2025 to 2026. During the same period, the City of Denton experienced a 4.2% increase, reaching a population of 166,258 in 2026 compared to 159,518 in 2025. Denton boasts a diverse labor pool comprising both skilled and professional workers. As of June 30, 2026, the U.S. Bureau of Labor Statistics reported an available workforce of 94,007 in the City of Denton, with an unemployment rate of 4.5%.

Denton is located 38 miles northwest of Dallas and 36 miles northeast of Fort Worth. Denton businesses have easy access to air, rail, and highways. The area has four airports: Alliance Airport, Dallas/Fort Worth International Airport, Dallas Love Field, and Denton Municipal Airport. The Kansas City Southern and Union Pacific railroads also provide service to Denton. The Denton County Transportation Authority (DCTA) provides public transportation within the City of Denton and between Denton and Dallas. Transportation offerings include passenger rail via the A-Train (connects to Dallas Area Rapid Transit rail in Carrollton), bus service via Connect, and a commuter vanpool program.

Denton is home to two universities and one college: The University of North Texas, Texas Woman's University and North Central Texas College. This access to higher education enhances the quality of life in Denton. These three institutions are a major source of public employment for Denton and the surrounding area. In the private sector, more than 100 private companies distribute, manufacture, produce goods and provide employment to area residents.

Although Denton ISD has been a fast-growth district, student enrollment growth has plateaued somewhat, and the District has experienced an overall decline in total student enrollment in 2025-2026 for the first time in many years. The District develops its budget based on projected student enrollment and state aid, which is determined by attendance. For the year ended June 30, 2026, total enrollment was 33,177, with an average daily attendance rate of 93.37%. Enrollment for the 2026–2027 school year is projected at 33,163.

The 89th Texas Legislature allocated $1B annually to fund school choice initiatives through the passage of Senate Bill 2, which established the state's Education Savings Account (ESA) program, allowing parents to use taxpayer dollars to fund private school tuition, homeschooling resources, or other approved educational expenses. While supporters argue this decision empowers parents with more control over their children's education, this funding mechanism will necessarily siphon both student enrollment and much-needed resources from the traditional public school system. While it remains to be seen what the ultimate long-term impact may be to public schools, this program coupled with other economic and political factors is already having an immediate impact on public schools across the State. Simultaneously, the public Charter School system continues to expand across the State, representing another publicly funded system which is generally not held to the same State standards of governance and operations as traditional public schools.

While student enrollment has begun to moderate somewhat in Denton Independent School District in recent years, Denton ISD continues to be the district of choice in Denton County, one of the fastest growing counties in the nation. In spite of ongoing funding and operational challenges, Denton ISD has a stable future and will continue to contribute to the economic vitality of the communities it serves by providing specialized and high-quality education to all the students it serves.

One new program that Denton ISD is offering this year is an opportunity for students to take advantage of its exceptional educational programs, either fully remote or through a hybrid model of both remote and in-person coursework. This program will offer students locally, as well as from across the State, the chance to become or remain Denton ISD students through online learning opportunities, either fully or in part. A significant number of students at all levels have taken advantage of this program in its first year, and the District anticipates that this program will continue to grow in enrollment in the years to come.

The school district's facilities are in excellent condition, supported by a comprehensive maintenance plan that continues to enhance operations across all campuses. The average age of instructional campuses within the District is 23.31 years. Twenty-one of the twenty-eight elementary campuses have been constructed since 2001. Among the fifteen secondary campuses, eleven were built after 2001, and both early childhood campuses were also constructed during this period.

To support the District's ongoing facility needs and long-term educational priorities, several reconstruction and new construction projects are planned over the next several years.

In 2025-26, the total tax rate for the school district is $1.2069 per $100 of property valuation. This rate consists of two components: maintenance and operations ($0.7269), which fund the daily operations of the District, and debt service ($0.48), which covers the principal and interest on general obligation long-term debt.

MAJOR FISCAL INITIATIVES

The Denton Independent School District (Denton ISD) continues to meet and exceed the standards of the Texas Accountability System as outlined by the Texas Education Agency (TEA). Located in one of the country's fastest-growing areas, the District continues to enroll new students in the District each year and anticipates student enrollment growth in the years to come based on local housing and economic growth

indicators.

Denton ISD voters approved a Voter Tax Ratification Election (VATRE) in November 2025. This measure provided additional Maintenance & Operations funding for the district to address teacher and staff support, safety and security, and student programs and enrichment. The VATRE resulted in a higher Maintenance & Operations Tier 1 tax rate. Denton ISD's Board of School Trustees adopted the total tax rate of $1.2069 for 2025-2026 at a meeting on August 12, 2025. This rate can be compared to the District's tax rate of $1.54 from the 2018-19 school year, a decrease of more than $0.33.

As part of an ongoing effort to practice great financial stewardship, Denton ISD has saved a combined $339,343,173 by refinancing bonds since 2005. The District has also received the highest possible Financial Integrity Rating System of Texas (FIRST) by the Texas Education Agency (TEA) for 23 consecutive years.

All schools in Denton ISD are accredited by the Texas Education Agency. In addition, the comprehensive and special high schools are accredited through AdvanceED. The District and Board of Trustees are committed to providing the best educational programs possible in the critical areas of Science, Technology, Engineering, Arts and Math. These content areas and the Board's expectation of excellence are embedded in their goals and are monitored at each meeting of the Board of Trustees.

One of the many areas of strong academic commitment is evident with the District's K-12 International Baccalaureate Programme (IB), an elite universal educational program. Denton ISD is one of a handful of districts nationwide to offer IB programs at the full continuum. The IB program is offered at two elementary schools, one middle school, and one high school, each of which are independently assessed and evaluated on a regular basis to ensure they meet their incredibly high academic international standards. To serve our 33,177 students, Denton ISD employs 4,420 educators and staff. Of those, 28.4 percent have 11 or more years of experience in education and 18 percent have more than 20 years of experience.

Parent and community engagement is keeping pace with the growing numbers of families that are moving to Denton County. Members of the Parent-Teacher Association (PTA) number more than 9,802. Our students come from families that natively speak 57 languages in addition to English, signifying the District's rich diversity and our commitment to multi-lingual education.

Denton ISD's continued student enrollment growth has driven a robust building and construction program. The District has built 31 additional campuses since 2000. Multiple projects and upgrades for the District's facilities that are 40 or more years old are currently underway.

Denton ISD opened Anita Reeves Elementary and Fred Hill Elementary in August 2025 as Denton ISD's twenty-seventh and twenty-eighth elementary campuses. These new campuses were designated as STEM (Science, Technology, Engineering, and Mathematics) campuses. These programs focus on specific, special topics. Students can grow their artistic talents, explore cutting-edge advancements, and develop skills to compete with a global workforce. Each program has its own set of requirements and academic path to completion, giving families the freedom to decide which path is right for their child. Through demonstrated steadfast leadership, partnership with the 18 communities we serve and consistent vision, our organization continues to empower lifelong learners who will become engaged citizens that positively impact their local and global community.

DISTRICT ACCOMPLISHMENTS

Denton ISD's quest for excellence extends beyond the classroom. The District offers top academic, artistic, athletic, and technological programs.

- Six Denton ISD students had their artwork selected for display in the prestigious Visual Arts Advocacy exhibition at the 2025 Texas Association of School Administrators (TASA) and Texas Association of School Boards (TASB) convention, which showcased artwork from ninety-five districts across the state. These talented students represent Denton ISD's strong commitment to fostering creativity and highlighting the role of the arts in developing well-rounded learners.
- A Ryan High School student was selected as UIL State Mariachi Outstanding Performer on her instrument, guitarrón, due to her superior artistry, technique, and musicianship.
- Five Denton ISD students representing Braswell High School and Denton High School achieved state championship success in track and field.
- Ten students representing Braswell High School, Denton High School, Guyer High School, and Ryan High School were selected for All-State Band, Choir, Orchestra, and Jazz honors through the Texas Music Educators Association.
- Eight Denton ISD students representing Harpool Middle School, Myers Middle School, and Strickland Middle School earned the distinguished Platinum medal in the Junior Visual Arts Scholastic Event (VASE). This prestigious event had nearly 15,000 entries from across Texas.
- The Ryan High School girls' basketball team won the Class 5A Division I state championship for the second year in a row.
- Two students from Guyer High School and Ryan High School were selected for Texas Dance Educator's Association All-State Dance team and performed at the TDEA Convention in Houston.
- Denton ISD celebrated three outstanding students who were named semifinalists in the 2026 National Merit Scholarship Program, an honor awarded to fewer than one percent of high school seniors nationwide.
- A Braswell High School senior won her third consecutive 6A Cross Country state championship title, becoming the first female athlete in Texas to win three straight individual cross-country titles in the UIL's largest classification.
- LaGrone Academy hosted Manufacturing Day in partnership with Denton Economic Development, which connected students with leading employers to explore career pathways in advanced manufacturing and related industries. Manufacturing Day exemplifies Denton ISD's commitment to providing students with meaningful opportunities to discover their interests and develop skills for life after graduation.

Other honors and recognitions that have been bestowed on Denton ISD staff include:

- The counseling departments of Rodriguez Middle School and Hodge Elementary School were named the recipients of the CREST Award which recognizes top counseling staff in the state by the Texas School Counselor Association. CREST stands for Counselors Reinforcing Excellence for Students in Texas and is a program that focuses on ten areas that leave the greatest impact school counselors have on the achievement, career aspirations, personal gains, and social aspects of students' lives. The program helps counselors evaluate their current counseling guidelines and techniques while also promoting their services to students and parents. This marks the fifteenth consecutive year at least one or more Denton ISD campus has received the prestigious CREST award.
- Bell Elementary and Cheek Middle School were named 2025–2027 National PTA Schools of Excellence in recognition of their commitment to strengthening family-school partnerships. This

marks the second time Bell Elementary has received the distinction and the first time for Cheek Middle School. The National PTA Schools of Excellence program recognizes schools that implement best practices in family engagement to foster strong partnerships among families, schools, and communities.

- Denton ISD was awarded the 2026 Best Communities for Music Education for the 20th consecutive year by the National Association of Music Merchants (NAMM). Now in its 27th year, the Best Communities for Music Education designation is awarded to school districts that demonstrate outstanding achievement to provide music access and education to all students.
- Denton ISD has been named a 2025 District of Distinction by the Texas Art Education Association (TAEA), placing the district among the top eight percent of visual arts programs statewide. This honor recognizes districts that provide exemplary visual arts programming, foster student creativity, support social-emotional learning, and build strong connections between students, schools, and the community.

RELEVANT FINANCIAL POLICIES

The District's financial policies address accounting and fiscal operations of the District with emphasis on asset management, operating reserves, and fund balances. The District's financial policies are reviewed annually to comply with internal accounting issues, Federal and State laws, and the governing body's directives.

The Board and administration of the Denton ISD are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Denton Independent School District reports a significant amount of data to the State of Texas through the state's Public Education Information Management System (PEIMS). The state then uses this data in compiling its Texas Academic Performance Report. The state also produces a summary of this data in the form of a School Report Card. The data covers such items as "per pupil" revenues and expenditures for each campus and district, a comparison of district and campus test scores, various demographic information, and a comparison of each campus with forty peer group members of similar socio-economic and ethnic demographics. The Texas Academic Performance Report is used to rate campuses and school districts with various levels of accreditation depending upon district and campus test scores. This system functions in a similar capacity to "Service Efforts and Accomplishments."

Two factors that impact the District significantly are the tax rate and property value. In 2025-2026 the maintenance and operations tax rate was $0.7269 and the debt service tax rate was $0.48 for a total rate of $1.2069. The District's certified property values increased 10.97% for 2024-2025 and 1.76% for 2025-2026. The certified property values for 2025-2026 increased by $3,936,384,078 or 12.59%.

Single Audit. As a recipient of federal, state, and local financial assistance, the District is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management and the audit staff of the District.

As part of the District's single audit, tests were made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance awards, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the year ended June 30, 2026, provided no instances of material weaknesses in the internal control structure and no instances of noncompliance that are required to be reported under Government Auditing Standards.

Budgetary Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's governing body. Activities of the general fund, child nutrition fund and debt service fund are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund and function. Budgetary control is enhanced by an encumbrance accounting system that includes an on-line purchasing system for all campuses and departments. The purchasing system will not allow a purchase exceeding legally appropriated budgetary amounts. Outstanding encumbrances at the end of a fiscal year generally are rolled forward into the subsequent fiscal period with the subsequent budget amended accordingly. As demonstrated by the statements and schedules included in the financial section of this report, the school district continues to meet its responsibility for sound financial management.

INDEPENDENT AUDIT

State law and District policy require an annual audit by independent certified public accountants. The District's Board of Trustees selected the accounting firm of Hankins, Eastup, Deaton, Tonn, Seay and Scarborough LLC. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act of 1984 as amended in 1996 and the Uniform Guidance. The auditors' report on the basic financial statements, combining and individual fund statements, and schedules are in the financial section of this report.

AWARDS

The District has historically been recognized by the Government Finance Officers Association (GFOA) with the Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Reports. Due to delays in the submission process resulting from the federal government shutdown in November 2025, the District was granted an extension to submit its FY2025 Annual Comprehensive Financial Report. As a result, the GFOA's review and determination had not been completed as of the date of publication of this report. The District remains committed to maintaining the highest standards of financial reporting, transparency, and accountability.

The Association of School Business Officials International (ASBO) awards its Certificate of Excellence in Financial Reporting (COE) to governmental entities whose annual comprehensive financial report has been judged to meet the standards required for this award. The ASBO award program is intended to help governmental units prepare reports in such a format and with such content as to greatly enhance the ability of users of these reports (trustees, citizens, management, regulatory agencies, investors, etc.) to better understand the District's activity.

The Denton Independent School District has received the ASBO Certificate of Excellence Award for its annual comprehensive financial report for forty-two consecutive years. We believe this report may also qualify for this award and we are submitting it to ASBO to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business office. Each member of the department has sincere appreciation for the contributions made in the preparation of this report. Without the leadership and support of the Board of Trustees of the Denton Independent School District, the preparation of this report would not have been possible.

Respectfully submitted,

Dr. Susannah O'Bara

Superintendent

Dr. Jeremy Thompson

Deputy Superintendent

Jennifer Stewart

Chief Financial Officer

Vicki Garcia

Executive Director of Financial Services

Julie Simpson

Director of Finance

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Denton Independent School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2025

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

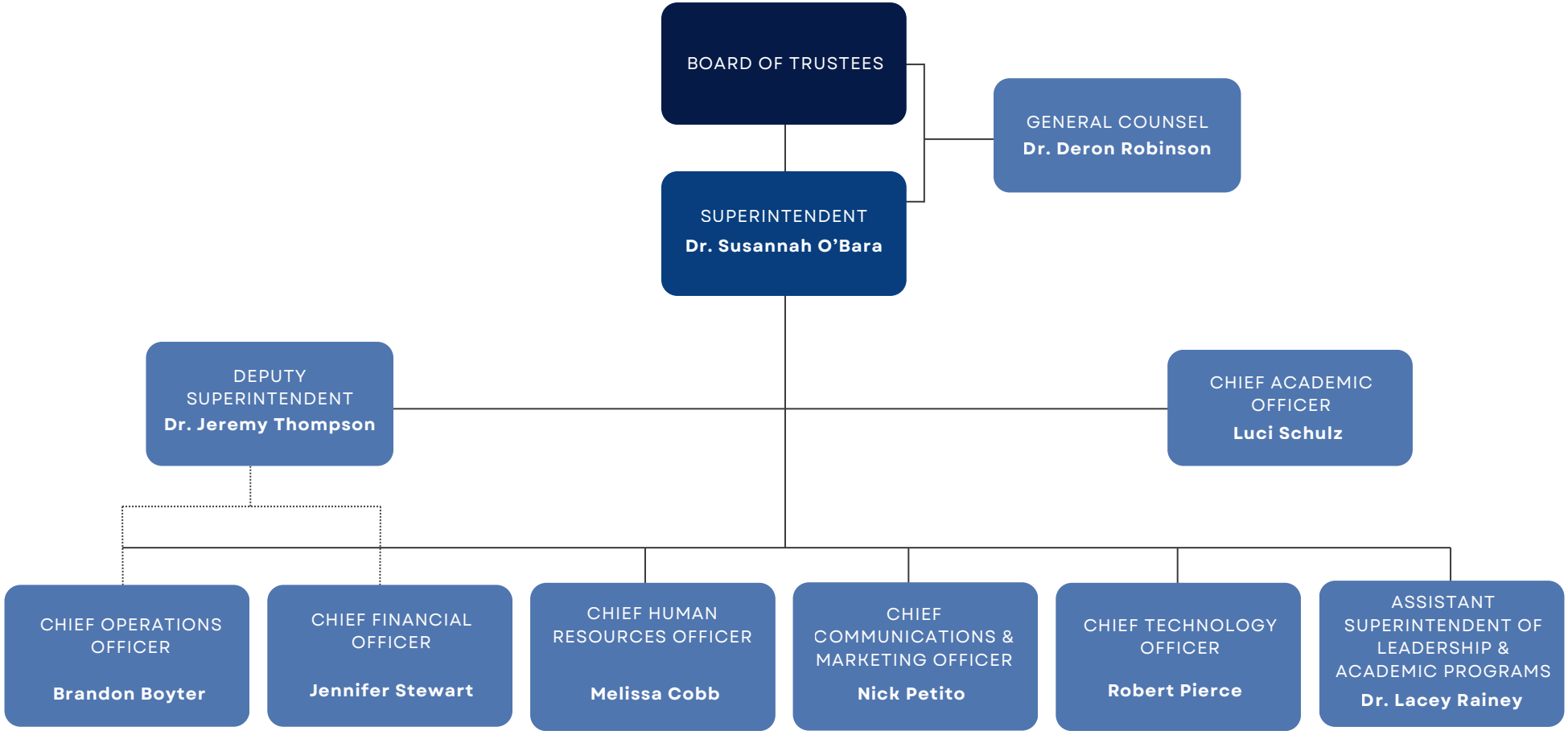
Lynn Knight
President

James M. Rowan, CAE, SFO
CEO/Executive Director


TM

DENTON
INDEPENDENT SCHOOL DISTRICT

2026-2027 ORGANIZATIONAL CHART



DENTON INDEPENDENT SCHOOL DISTRICT

ELECTED OFFICIALS

BOARD OF TRUSTEES

Name	Term Expires	Occupation
Ms. Barbara Burns, President	May 2027	Retired Educator
Ms. Tanya Wright, Vice President	May 2028	Vice President of Operations
Ms. Sheryl English, Secretary	May 2027	Real Estate Professional
Ms. Anita Martinez-Strickland, Member	May 2029	Retired
Dr. Buddy Dunworth, Member	May 2028	Retired Educator
Mr. Greg Petolick, Member	May 2029	Adjunct Professor
Mr. Charles Stafford, Member	May 2028	Real Estate Professional

DENTON INDEPENDENT SCHOOL DISTRICT

APPOINTED OFFICIALS

Name	Title	Years in District
Dr. Susannah O'Bara	Superintendent	33 years
Dr. Jeremy Thompson	Deputy Superintendent	2.5 years
Dr. Deron Robinson	General Counsel	6 years
Ms. Luci Schulz	Chief Academic Officer	3 years
Mr. Nick Petito	Chief Communications & Marketing Officer	1 year
Ms. Jennifer Stewart	Chief Financial Officer	13 years
Ms. Melissa Cobb	Chief Human Resources Officer	new to DISD
Mr. Brandon Boyter	Chief Operations Officer	4 years
Mr. Robert Pierce	Chief Technology Officer	11 years
Dr. Lacey Rainey	Assistant Superintendent- School Leadership & Academic Programs	12 years

DENTON INDEPENDENT SCHOOL DISTRICT

Consultants and Advisors

ARCHITECTS

VLK Architects, Inc.
1320 Hemphill Street, Suite 400
Fort Worth, Texas 76104

Corgan Associates, Inc.
401 North Houston Street
Dallas, Texas 75202

Pfluger Architects, Inc.
209 E. Riverside Drive
Austin, Texas 78704

AUDIT FIRM

Hankins, Eastup, Deaton, Tonn, Seay & Scarborough
A Limited Liability Company
902 N. Locust Street
Denton, Texas 76201

OFFICIAL DEPOSITORY

PNC Bank
729 Fort Worth Drive
Denton, Texas 76201

BOND ATTORNEYS

McCall, Parkhurst & Horton L.L.P.
717 North Harwood Suite 900
Dallas, Texas 75201-6587

DELINQUENT TAX COLLECTION ATTORNEY

Sawko & Burroughs, P.C.
1172 Bent Oaks Drive
Denton, Texas 76210

FISCAL AGENT

BOK Financial Securities, Inc.
333 W Campbell Road, Suite 350
Richardson, Texas 75080

ADVISORY SERVICES

Meeder Public Funds
6125 Memorial Drive
Dublin, Ohio 43017

Financial Section

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

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DENTON, TX 76202-0977

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Independent Auditor's Report

Denton Independent School District
Denton, Texas

Opinions

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 the Denton Independent School District as of and for the year ended June 30, 2026 and the related notes to the financial statements, which collectively comprise Denton Independent School 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 Denton Independent School 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 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 Denton Independent School District and to meet our other ethical responsibilities in accordance with the 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 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 Denton Independent School 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 generally 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 Denton Independent School 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 Denton Independent School 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 and the Teacher Retirement System schedules 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 Denton Independent School 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and required TEA schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 10, 2026 on our consideration of Denton Independent School 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 Denton 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 Denton Independent School District's internal control over financial reporting and compliance.



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

November 10, 2026

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

As management of Denton Independent School District, we offer readers of the District's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis 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 why it changed since last year. We encourage readers to consider the information presented here in conjunction with the independent auditors' report on page 15, and the District's Basic Financial Statements that begin on page 29.

Overview of the Financial Statements

This discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consists of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the governmental activities, the business-type activities and the District's 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 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 or 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 as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (ie, uncollected taxes and earned but unused compensated absences).

Both government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*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 from 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 instructional, guidance and counseling, transportation, food service, extracurricular, general administration and other activities. The business-type activities of the District consist of stadium concessions activities. During fiscal year 2026, the District had no discretely presented component units. The government-wide financial statements can be found pages 29 through 31 of this report.

Fund Financial Statements. As their name implies, the *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. A *fund* is a grouping of related accounts that is 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 ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be 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 may better understand the long-term impact of the 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 this comparison between *governmental funds* and *governmental activities*.

The District maintains thirty-six 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. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 32 through 38 of this report.

Proprietary Funds. The District maintains 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. The District uses enterprise funds to account for its stadium concessions operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its print shop, workers compensation, self-funded HCT, healthcare trust fund, device insurance and SBITA activities. Because these services predominantly benefit governmental rather than business-type functions they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the stadium concessions operations, which as the only enterprise fund is considered to be a major fund of the District. The six internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 40 through 42 of this report.

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 one fiduciary fund. The student activity fund is used to report resources held as a custodian for student groups.

The fiduciary fund financial statements can be found on pages 43 and 44 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the 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 certain contingencies). The notes to the financial statements can be found on pages 45 through 79 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. The District presents a budgetary comparison schedule for the General Fund, as well as various schedules related to the District's participation in the Teacher Retirement System retirement and health care plans, in this section. Required supplementary information can be found immediately after the notes to the financial statements on page 81 through 91 of this report.

Supplementary Information. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented in this section immediately following the required supplementary information. This sections also presents a budgetary comparison schedule for the Child Nutrition Fund and the Debt Service Fund. The supplementary information can be found on pages 94 through 113 of this report.

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 discloses the expenditure activity in one program area funded by the State.

Types of Information in the Financial Statements

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 comprehensively report all types of financial statement elements:

- 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 for pensions.
- Deferred outflows of resources and deferred inflows of resources – flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- Revenues and expenses – inflows and outflows of economic resources, respectively, related to the current year.

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as school building bonds, but they do report the flows of current financial resources related to those long-term items; for example, the proceeds from issuing bonds or selling equipment, as well as principal and interest payments on bonds and spending on the construction of a school building.

More detail about the measurement focuses and bases of accounting can be found in the first note to the financial statements, the summary of significant accounting policies, beginning on page 45.

Financial Summary and Detailed Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $211,767,475 at the close of the most recent fiscal year, an increase of $44,191,692 from the previous year due to current year operations. Net position increased $254,668 from a restatement to the beginning of year net position.

Table I
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2026	2025	2026	2025	2026
Current and other assets	$ 1,114,301,167	$ 991,187,017	$ 101,287	$ 135,855	$ 1,114,402,454	$ 991,322,872
Capital assets	1,892,466,445	2,190,467,289	21,950	23,320	1,892,488,395	2,190,490,609
Total assets	3,006,767,612	3,181,654,306	123,237	159,175	3,006,890,849	3,181,813,481
Deferred outflows of resources	175,987,933	153,149,001	-	-	175,987,933	153,149,001
Total assets and deferred outflows of resources	3,182,755,545	3,334,803,307	123,237	159,175	3,182,878,782	3,334,962,482
Long-term liabilities	2,766,821,828	2,863,237,266	-	-	2,766,821,828	2,863,237,266
Other liabilities	151,933,018	165,415,517	1,538	1,537	151,934,556	165,417,054
Total liabilities	2,918,754,846	3,028,652,783	1,538	1,537	2,918,756,384	3,028,654,320
Deferred inflows of resources	96,801,283	94,540,687	-	-	96,801,283	94,540,687
Total liabilities and deferred inflows of resources	3,015,556,129	3,123,193,470	1,538	1,537	3,015,557,667	3,123,195,007
Net Position:						
Net investments in capital assets	196,782,385	201,789,116	21,950	23,320	196,804,335	201,812,436
Restricted	151,627,419	148,490,625	-	-	151,627,419	148,490,625
Unrestricted	(181,210,388)	(138,669,904)	99,749	134,318	(181,110,639)	(138,535,586)
Total Net Position	$ 167,199,416	$ 211,609,837	$ 121,699	$ 157,638	$ 167,321,115	$ 211,767,475

By far the largest portion of the District's net position, $201,812,436, reflects its investment in capital assets (ie, land, buildings, furniture and equipment, vehicles and right-to-use assets), net of accumulated depreciation/amortization and less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide a variety of services to its students. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, $148,490,625, represents resources that are subject to external restrictions on how they may be used. This includes $3,458,971 of child nutrition funds restricted for use in food service operations, $145,017,407 of debt service funds consisting primarily of property tax collections that are restricted for debt service payments on bonded debt, and $14,247 of permanent fund corpus and earnings restricted for use on playground equipment.

At the end of the current fiscal year, the District's unrestricted net position was a deficit balance of $138,535,586. The deficit is caused primarily by a net of $197,320,398 in postemployment liabilities, deferred inflows of resources and deferred outflows of resources related to the District's participation in the Teacher Retirement System pension plan and healthcare plan for retirees.

Governmental Activities. Current and other assets decreased $123,079,582 from the prior year, due primarily to a $119,041,856 decrease in cash and investments. The District had significant construction projects ongoing during the current fiscal year that required the use of cash balances and decreased total cash and investments compared to the prior year. Capital assets, net of depreciation/amortization, increased $298,002,214 from the prior year as the result of substantial current year costs on ongoing construction projects.

Other liabilities increased $13,482,498 from the prior year, due primarily to a $9,619,082 increase in unearned revenue, which resulted from an excess payment by the State of EDA revenue in the debt service fund that will be earned in the subsequent fiscal year. Long-term liabilities consists of bonds, bond premiums, accreted interest, subscription-based IT arrangements, claims liabilities, compensated absences and postemployment benefit obligations. The increase of $96,415,438 in long-term liabilities was primarily the result of an additional building bond issuance in the current fiscal year of $195,340,000 less $62,627,488 of current year bond principal payments, offset by a $22,183,608 decrease in the net pension and OPEB liabilities.

Business-type Activities. The increase of $34,568 in current and other assets is due primarily to a $35,939 current year profit in the District's stadium concession operations. Net position of the business-type activities increased during the current fiscal year by the same amount.

The District's overall net position increased $44,191,692 from the previous year due to current year operations. Net position increased $254,668 from a restatement to the beginning of year net position from the recording of prior year subscription assets and liabilities discovered in the current fiscal year. The reasons for the $44,191,692 increase from current year operations are discussed in the following sections for governmental activities and business-type activities.

Table II
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2026	2025	2026	2025	2026
Revenues:						
Program Revenues:						
Charges for services	$ 13,808,525	$ 13,763,805	$ 209,741	$ 222,846	$ 14,018,266	$ 13,986,651
Operating grants and contributions	91,378,210	87,005,202	-	-	91,378,210	87,005,202
General Revenues:						
Maintenance and operations taxes	214,609,944	232,666,611	-	-	214,609,944	232,666,611
Debt service taxes	152,145,575	153,168,999	-	-	152,145,575	153,168,999
State aid - formula grants	84,885,126	113,701,632	-	-	84,885,126	113,701,632
Interest earnings	48,995,599	41,523,786	-	-	48,995,599	41,523,786
Miscellaneous	544,432	238,853			544,432	238,853
Loss on disposition of capital assets	(9,676,562)	(9,628,420)	-	-	(9,676,562)	(9,628,420)
Total Revenue	596,690,849	632,440,468	209,741	222,846	596,900,590	632,663,314
Expenses:						
Instruction, curriculum and media services	278,887,735	294,183,511	-	-	278,887,735	294,183,511
Instructional and school leadership	30,728,371	32,299,453	-	-	30,728,371	32,299,453
Student support services	39,115,056	43,528,576	-	-	39,115,056	43,528,576
Food services	24,071,546	23,368,671	-	-	24,071,546	23,368,671
Cocurricular activities	12,928,575	13,052,342	172,459	186,907	13,101,034	13,239,249
General administration	14,912,356	14,875,658	-	-	14,912,356	14,875,658
Plant maintenance, security and data processing	49,141,273	50,397,948	-	-	49,141,273	50,397,948
Community services	5,682,606	6,139,412	-	-	5,682,606	6,139,412
Debt services	89,062,380	107,076,535	-	-	89,062,380	107,076,535
Intergovernmental charges	3,201,320	3,362,609	-	-	3,201,320	3,362,609
Total Expenses	547,731,218	588,284,715	172,459	186,907	547,903,677	588,471,622
Increase in Net Position	48,959,631	44,155,753	37,282	35,939	48,996,913	44,191,692
Net Position - beginning of year	137,511,234	167,199,416	84,417	121,699	137,595,651	167,321,115
Restatements	(19,271,149)	254,668	-	-	(19,271,149)	254,668
Net Position - end of year	$167,199,716	$ 211,609,837	$ 121,699	$ 157,638	$167,321,415	$211,767,475

Governmental Activities. During the current fiscal year, net position for governmental activities increased $44,155,753 from the result of current year operations and $254,668 from a restatement, to an ending net position of $211,609,837. For years the District, along with other school districts in the State, has experienced significant financial pressure due to the State's failure to provide additional funding for public schools. The basic allotment per student had remained unchanged since 2019 until the current fiscal period, when it was raised a nominal amount. The District has responded by taking various actions, such as increasing rates for certain revenue sources, delaying certain nonrecurring expenses and reducing expenses related to non-essential ongoing programs where possible that has helped to neutralize the revenue pressures in governmental activities.

Revenues increased $35,749,619 from the prior year. Property taxes remain the largest source of revenue at $385,835,610 in the current fiscal year for the District. Property tax revenue increased $19,080,091 as the result of a 5 cent or 7.39% increase in the maintenance and operations tax rate in the current fiscal year due to

a successful VATRE election in which the citizens and taxpayers of the District approved the increase. State per capita and foundation revenue increased $28,816,506 or 33.95%. While the basic allotment per student increased only minimally, the State provided additional targeted funding in the current fiscal period for significant employee raises and other specific purposes. Investment earnings decreased $7,471,813 from the prior year. Virtually all of the decrease was a reduction in capital projects fund earnings due to smaller investment balances as the result of the construction project spending.

Expenses increased $40,553,497 during the current fiscal year, from $547,731,218 in the prior year to $588,284,715 in the current year. The largest functional increase was an $18,014,155 increase in debt services, as interest expense continues to rise each year due to increased levels of bonded debt. The majority of the remainder of the increase was the increase of $15,185,174 in the instructional area that reflects the impact of the teacher salary increases funded by the State beginning in the current fiscal period. All other functions increased nominally during the current fiscal period, with many of them also impacted by salary raises for employees in those functions.

In addition, during the current fiscal year the District recorded a $9,628,420 loss on the disposition of capital assets. The District demolished one old elementary school during the current year, in order to build a new campus on the same property to replace the retired facility. The school had basis remaining in its capital assets that was removed from the District's capital asset schedule.

Business-type Activities. For the District's business-type activities, which comprises the stadium concessions operations, the District reported an increase in net position of $35,939, to an ending net position of $157,638. This current year profit is comparable to the prior year profit of $37,282, with the volume of activity increasing slightly from the prior year. Revenues from concession sales increased $13,105 or 6.25% and expenses increased $14,448 or 8.38%. The ending net position represents approximately 10 months of concessions activity spending.

Detailed Analysis of Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes. The District reported three major funds individually in the governmental fund financial statements – the General Fund, the Debt Service Fund and the Capital Projects Fund.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $857,640,997, a decrease of $133,773,197 from the prior year. Approximately 12.4% of this total amount ($106,822,884) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is *nonspendable or restricted* to indicate that it is not available for new spending because it is already restricted to pay debt service ($145,017,407), food service ($3,150,782), or for capital projects ($598,021,881), or for playground equipment ($13,247), or already spent on prepaid items ($4,232,279), inventories ($381,517) or endowment principal ($1,000).

General Fund. The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $85,568,559, while total fund balance was $95,773,226. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total general fund expenditures. Unassigned fund balance represents 24.00% of total general fund expenditures, while total fund balance represents 26.85% of that same amount.

The fund balance of the District's general fund increased by $29,569,943 during the current fiscal year, compared to a $12,345,872 decrease in the previous year. Key factors related to this change are as follows:

- Revenues increased $43,123,364 or 12.79% from the prior year. $16,745,129 of that increase was in property tax revenue due to the 5 cent increase in the tax rate mentioned earlier. State per capita and foundation revenue increased $28,638,824 due to the additional State funding for the teacher salaries and other purposes described above. An increase in extended school day tuition revenue offset by a decrease in the Medicaid reimbursement revenue comprised the majority of the remainder of the change.

- Expenditures increased $9,244,770 or 2.67% from the prior year. The employee salary raises funded by the State were approximately the amount of the overall increase in expenditures. All other expenditures in total were approximately the same amount as the prior year. The District made a concerted effort to curb the growth in expenditure, where possible, in order to build up the general fund fund balance to the minimally acceptable benchmark of 25% of annual expenditures. The percentages described above show that the District for the most part accomplished that during the current fiscal year.

Debt Service Fund. The debt service fund has a total fund balance of $145,017,407 all of which is reserved for the payment of debt service. The net decrease in fund balance during the period in the debt service fund was $3,272,710, compared to a $26,810,183 increase in the previous year. Tax revenues were approximately the same as the previous year, as the interest and sinking tax rate was the same in both years. State EDA revenue was also relatively unchanged from the previous year. The primary change in this fund from the prior year was a $29,969,555 increase in debt service expenditures, with $26,988,311 more bond principal payments made in the current fiscal year compared to the prior year.

Capital Projects Fund. The fund balance in the capital projects fund decreased $160,526,329 in the current fiscal year. The District sold one bond issue in the current fiscal year that generated $200,000,000 proceeds for various construction projects. However, $390,870,976 was spent during the current year on costs related to the construction of a new high school, multiple elementary schools, and other renovations and additions. Although these and other capital expenditures reduce available fund balances, they create new assets for the District that are reported in the Statement of Net Position.

Detailed Analysis of Enterprise Funds

The District reports its lone enterprise fund, the stadium concessions operations, as a major fund in the proprietary fund financial statements. The enterprise fund provides the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail. As noted earlier in the discussion of business-type activities, the increase in the net position of $35,939 and the volume of activity in the fund were both comparable to the prior year.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets. At June 30, 2026, the District's investment in capital assets (net of depreciation/amortization) for its governmental and business-type activities was $2,190,490,610 and 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 $296,336,383 or 15.64% above the prior year, and reflects a substantial amount of capital investment activity that occurred during the current fiscal year. The District continues to experience a steady increase in student enrollment and thus incurs significant costs for the construction of new educational facilities.

	Capital Assets (net of depreciation/amortization)					
	Governmental Activities		Business-type Activities		Total	
	2025	2026	2025	2026	2025	2026
Land	$ 164,271,433	$ 166,247,706	$ -	$ -	$ 164,271,433	$ 166,247,706
Construction in progress	350,109,977	430,802,452	-		350,109,977	430,802,452
Building and improvements	1,301,824,181	1,515,262,539	-	-	1,301,824,181	1,515,262,539
Furiture and equipment	70,393,474	72,443,239	21,950	23,321	70,415,424	72,466,560
SBITA right-to-use assets	7,533,212	5,711,353	-	-	7,533,212	5,711,353
Total	$ 1,894,132,277	$2,190,467,289	$21,950	$ 23,321	$ 1,894,154,227	$ 2,190,490,610

The SBITAs are intangible, right-to-use assets. The District does not own these assets, but rather has the right to use them in operations, as specified in their respective contracts. When entering into a SBITA contract, if the obligation is not paid upfront, a liability is recognized which is included as part of the long-term financings discussion below.

At June 30, 2026 the District has $23,320 (net of accumulated depreciation) invested in equipment in its stadium concessions business-type activity. There was one equipment addition during the current fiscal year.

This fiscal year's major additions in the governmental activities included:

Continuing construction costs on a new high school, paid for with proceeds of general obligation bonds issued in a prior year.	$ 155,426,717
Continuing construction costs on a new elementary school, paid for with proceeds of general obligation bonds issued in a prior year.	44,359,025
Initial construction costs on a new elementary school, paid for with proceeds of general obligation bonds issued in a prior year.	23,499,140
Initial and continuing construction costs on renovations to four elementary schools, paid for with proceeds of general obligation bonds.	36,887,451
Initial construction costs on a high school multipurpose building, paid for with proceeds of general obligation bonds.	10,119,762
Continuing construction costs on a high school addition, paid for with proceeds of general obligation bonds.	23,411,453
Continuing construction costs on a transportation facility, paid for with proceeds of general obligation bonds.	10,384,817
Land purchases	5,359,966
Totaling	$ 309,448,331

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

Long-term Financing. In 2023, District voters approved a referendum authorizing the District to issue up to $1,418,000,000 of school building bonds to pay for various construction additions and renovations, aimed at preparing the District for student growth, bolstering safety and security and providing technological upgrades.

At year-end, the District had total long-term financing liabilities of $2,405,152,885, composed of unlimited tax school building bonds, unlimited tax refunding bonds, claims liabilities and subscription-based information technology liabilities. During the current year, long-term financing liabilities increased $127,389,547.

	Long-Term Financings					
	Governmental Activities		Business-type Activities		Total	
	2025	2026	2025	2026	2025	2026
School building and refunding bonds	$ 2,275,587,488	$2,401,990,000	$ -	$ -	$ 2,275,587,488	$ 2,401,990,000
Claims liabilities	201,284	370,000	-		201,284	370,000
Subscription liabilities	1,974,566	2,792,885	-	-	1,974,566	2,792,885
Total	$ 2,277,763,338	$2,405,152,885	$ -	$ -	$ 2,277,763,338	$ 2,405,152,885

The school building bonds and refunding bonds constitute direct obligations of the District and are payable as to principal and interest 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, and "AA-" by Fitch but is considered AAA as a result of guarantees by the Texas Permanent School Fund Guarantee Program.

During the current year, the District issued $195,340,000 in school building bonds for various construction projects in the District. The District also issued $90,545,000 in refunding bonds to refinance previously outstanding school building bonds reported in governmental activities. This refinancing was done to take advantage of favorable interest rates. The result of the refunding is expected to be a decrease in future debt service payments of $6,669,690 and result in an economic gain of $5,629,685.

The District had no long-term financing liabilities in its business-type activities during the current year.

Other items shown as long-term debt include accreted interest, premiums on bond issuances, and compensated absences. Additional information about the District's long-term financings is presented in Note 5 of this report.

Currently Known Fact, Decisions or Conditions

The District is aware of the following items that will impact future finances and were considered in developing the 2026-2027 fiscal year budget:

- Although HB3 improved equity and lowered property tax rates, the funding formula still relies on student attendance. Although Denton ISD has been a fast-growth district, student enrollment growth has plateaued somewhat, and the District has experienced an overall decline in total student enrollment in FY26 for the first time in many years. For 2025-2026, enrollment was 33,177 students with an ADA of 30,979. Demographic modeling projections for 2026-2027 estimate enrollment at 33,270 and ADA at 31,075, but the adopted budget uses a more conservative estimate of 33,052 students and 30,800 ADA.
- State funding for 2026-2027 is projected at $114,390,090 (30.08% of the total budget), compared to $88,644,264 (27.23%) for 2025-2026. At the end of the 2025 legislative session, House Bill 2 (HB2) passed, which provided 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, districts were left with very limited discretionary resources to address locally identified program needs and inflation that has exceeded 30% since 2019.
- Property values increased by $540,223,465 (1.76%) in 2025 and $3,936,384,078 (12.59%) in 2026. For 2025-2026, the Board adopted a total tax rate of $1.2069 per $100 of assessed value, with the M&O rate increasing from $0.6769 to $0.7269 and the debt service rate remaining at $0.48. The increase, approved by voters through Proposition A in November 2025, is projected to generate approximately $26 million in recurring annual revenue to help address budget pressures and sustain staff compensation, campus safety, and student programs and services.

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 addressed to the Business Operations & Administrative Services department at Denton Independent School District, 1307 North Locust, Denton, Texas 76201.

BASIC FINANCIAL STATEMENTS

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

EXHIBIT A-1

Data Control Codes		1	2	3
		Primary Government		
		Governmental Activities	Business Type Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	$ 956,393,778	$ 135,855	$ 956,529,633
1120	Current Investments	1,387,048	-	1,387,048
1220	Property Taxes - Delinquent	6,708,528	-	6,708,528
1230	Allowance for Uncollectible Taxes	(230,846)	-	(230,846)
1240	Due from Other Governments	19,620,786	-	19,620,786
1250	Accrued Interest	2,422,470	-	2,422,470
1290	Other Receivables, Net	161,864	-	161,864
1300	Inventories	387,789	-	387,789
1410	Prepayments	4,312,279	-	4,312,279
	Capital Assets:			
1510	Land	166,247,706	-	166,247,706
1520	Buildings, Net	1,515,262,539	-	1,515,262,539
1530	Furniture and Equipment, Net	72,466,560	23,320	72,489,880
1550	Right-to-Use Leased Assets, Net	5,711,353	-	5,711,353
1580	Construction in Progress	430,802,452	-	430,802,452
1000	Total Assets	3,181,654,306	159,175	3,181,813,481
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred Charge for Refunding	82,176,084	-	82,176,084
1705	Deferred Outflow Related to TRS Pension	44,910,105	-	44,910,105
1706	Deferred Outflow Related to TRS OPEB	26,062,812	-	26,062,812
1700	Total Deferred Outflows of Resources	153,149,001	-	153,149,001
LIABILITIES				
2110	Accounts Payable	74,231,091	1,537	74,232,628
2150	Payroll Deductions and Withholdings	3,111,834	-	3,111,834
2160	Accrued Wages Payable	35,058,920	-	35,058,920
2180	Due to Other Governments	5,653	-	5,653
2190	Due to Student Groups	53,737	-	53,737
2200	Accrued Expenses	39,554,733	-	39,554,733
2300	Unearned Revenue	13,399,549	-	13,399,549
	Noncurrent Liabilities:			
2501	Due Within One Year: Loans, Note, Leases, etc.	77,645,230	-	77,645,230
	Due in More than One Year:			
2502	Bonds, Notes, Loans, Leases, etc.	2,611,839,408	-	2,611,839,408
2540	Net Pension Liability (District's Share)	114,048,367	-	114,048,367
2545	Net OPEB Liability (District's Share)	59,704,261	-	59,704,261
2000	Total Liabilities	3,028,652,783	1,537	3,028,654,320
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflow Related to TRS Pension	29,167,553	-	29,167,553
2606	Deferred Inflow Related to TRS OPEB	65,373,134	-	65,373,134
2600	Total Deferred Inflows of Resources	94,540,687	-	94,540,687
NET POSITION				
3200	Net Investment in Capital Assets and Right-to-Use Lease	201,789,116	23,320	201,812,436
	Restricted:			
3820	Restricted for Federal and State Programs	3,458,971	-	3,458,971
3850	Restricted for Debt Service	145,017,407	-	145,017,407
3880	Restricted for Scholarships	13,247	-	13,247
3890	Restricted for Other Purposes	1,000	-	1,000
3900	Unrestricted	(138,669,904)	134,318	(138,535,586)
3000	Total Net Position	$ 211,609,837	$ 157,638	$ 211,767,475

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

DENTON 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	$ 277,265,445	$ 121,545	$ 28,858,837
12	Instructional Resources and Media Services	5,038,319	-	464,355
13	Curriculum and Instructional Staff Development	11,879,747	-	4,635,843
21	Instructional Leadership	5,089,737	-	523,693
23	School Leadership	27,209,716	-	2,437,009
31	Guidance, Counseling, and Evaluation Services	24,573,928	-	8,343,702
32	Social Work Services	1,426,435	-	219,308
33	Health Services	4,857,458	140,097	333,523
34	Student (Pupil) Transportation	12,670,755	-	2,316,387
35	Food Services	23,368,671	5,443,496	16,335,665
36	Extracurricular Activities	13,052,342	753,951	2,521,127
41	General Administration	14,875,658	1,615,662	260,247
51	Facilities Maintenance and Operations	38,701,922	590,926	2,324,713
52	Security and Monitoring Services	5,729,660	-	491,834
53	Data Processing Services	5,966,366	-	61,096
61	Community Services	6,139,412	5,098,128	1,088,734
62	School District Administrative Support (ESC)	-	-	15,789,129
72	Debt Service - Interest on Long-Term Debt	103,123,745	-	-
73	Debt Service - Bond Issuance Cost and Fees	3,952,790	-	-
93	Payments to Fiscal Agent/Member Districts of SSA	668,000	-	-
99	Other Intergovernmental Charges	2,694,609	-	-
	[TG] Total Governmental Activities:	588,284,715	13,763,805	87,005,202
	BUSINESS-TYPE ACTIVITIES:			
01	Stadium Concessions	186,907	222,846	-
	[TB] Total Business-Type Activities:	186,907	222,846	-
	[TP] TOTAL PRIMARY GOVERNMENT:	$ 588,471,622	$ 13,986,651	$ 87,005,202

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
U1	Loss on Disposition of Capital Assets
TR	Total General Revenues and Unusual or Infrequent Items
CN	Change in Net Position
NB	Net Position - Beginning as Previously Reported
PA	Adjustments and Restatements
	Net Position - Beginning as Restated and Adjusted
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
$ (248,285,063)	$ -	$ (248,285,063)
(4,573,964)	-	(4,573,964)
(7,243,904)	-	(7,243,904)
(4,566,044)	-	(4,566,044)
(24,772,707)	-	(24,772,707)
(16,230,226)	-	(16,230,226)
(1,207,127)	-	(1,207,127)
(4,383,838)	-	(4,383,838)
(10,354,368)	-	(10,354,368)
(1,589,510)	-	(1,589,510)
(9,777,264)	-	(9,777,264)
(12,999,749)	-	(12,999,749)
(35,786,283)	-	(35,786,283)
(5,237,826)	-	(5,237,826)
(5,905,270)	-	(5,905,270)
47,450	-	47,450
15,789,129	-	15,789,129
(103,123,745)	-	(103,123,745)
(3,952,790)	-	(3,952,790)
(668,000)	-	(668,000)
(2,694,609)	-	(2,694,609)
(487,515,708)	-	(487,515,708)
-	35,939	35,939
-	35,939	35,939
(487,515,708)	35,939	(487,479,769)
232,666,611	-	232,666,611
153,168,999	-	153,168,999
113,701,632	-	113,701,632
41,523,786	-	41,523,786
238,853	-	238,853
(9,628,420)	-	(9,628,420)
531,671,461	-	531,671,461
44,155,753	35,939	44,191,692
167,199,416	121,699	167,321,115
254,668	-	254,668
167,454,084	121,699	167,575,783
$ 211,609,837	$ 157,638	$ 211,767,475

DENTON 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	$ 121,041,915	$ 156,728,183	$ 668,951,478
1120	Investments - Current	-	-	-
1220	Property Taxes - Delinquent	4,117,963	2,590,565	-
1230	Allowance for Uncollectible Taxes	(140,200)	(90,646)	-
1240	Due from Other Governments	10,809,678	255,487	-
1250	Accrued Interest	-	-	2,205,572
1260	Due from Other Funds	4,979,810	-	-
1290	Other Receivables	90,056	-	-
1300	Inventories	78,120	-	-
1410	Prepayments	135,166	-	4,075,957
1000	Total Assets	$ 141,112,508	$ 159,483,589	$ 675,233,007
	LIABILITIES			
2110	Accounts Payable	$ 5,047,985	$ 750	$ 68,177,809
2150	Payroll Deductions and Withholdings Payable	3,111,834	-	-
2160	Accrued Wages Payable	33,097,830	-	-
2170	Due to Other Funds	-	-	-
2180	Due to Other Governments	-	-	-
2190	Due to Student Groups	52,737	-	-
2300	Unearned Revenue	3,038	11,920,913	5,107
2000	Total Liabilities	41,313,424	11,921,663	68,182,916
	DEFERRED INFLOWS OF RESOURCES			
2601	Unavailable Revenue - Property Taxes	4,025,858	2,544,519	-
2600	Total Deferred Inflows of Resources	4,025,858	2,544,519	-
	FUND BALANCES			
	Nonspendable Fund Balance:			
3410	Inventories	78,120	-	-
3425	Endowment Principal	-	-	-
3430	Prepaid Items	135,166	-	4,075,957
	Restricted Fund Balance:			
3450	Federal or State Funds Grant Restriction	-	-	-
3470	Capital Acquisition and Contractual Obligation	-	-	598,021,881
3480	Retirement of Long-Term Debt	-	145,017,407	-
3490	Other Restricted Fund Balance	-	-	-
	Committed Fund Balance:			
3545	Other Committed Fund Balance	-	-	-
	Assigned Fund Balance:			
3590	Other Assigned Fund Balance	9,991,381	-	4,952,253
3600	Unassigned Fund Balance	85,568,559	-	-
3000	Total Fund Balances	95,773,226	145,017,407	607,050,091
4000	Total Liabilities, Deferred Inflows & Fund Balances	$ 141,112,508	$ 159,483,589	$ 675,233,007

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

Other Funds	Total Governmental Funds
$ 9,919,672	$ 956,641,248
1,387,048	1,387,048
-	6,708,528
-	(230,846)
7,012,571	18,077,736
6,563	2,212,135
-	4,979,810
69,106	159,162
303,397	381,517
21,156	4,232,279
$ 18,719,513	$ 994,548,617
$ 501,210	$ 73,727,754
-	3,111,834
1,961,076	35,058,906
4,979,810	4,979,810
5,653	5,653
1,000	53,737
1,470,491	13,399,549
8,919,240	130,337,243
-	6,570,377
-	6,570,377
303,397	381,517
1,000	1,000
21,156	4,232,279
3,150,782	3,150,782
-	598,021,881
-	145,017,407
13,247	13,247
6,310,691	6,310,691
-	14,943,634
-	85,568,559
9,800,273	857,640,997
$ 18,719,513	$ 994,548,617

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DENTON 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		$ 857,640,997
1	Assets and liabilities of the internal service funds are not included in the fund financial statements.	3,479,005
2	Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.	2,836,037,501
3	Accumulated depreciation is not reported in the fund financial statements.	(651,281,565)
4	Bonds payable are not reported in the fund financial statements.	(2,401,990,000)
5	Bond premiums and discounts are not recognized in the fund financial statements.	(261,892,788)
6	Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(39,580,746)
7	Property tax revenue reported as deferred revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	6,570,377
8	Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of $114,048,367, a Deferred Resource Inflow related to TRS in the amount of $29,167,553, and a Deferred Resource Outflow related to TRS in the amount of $44,910,105. This amounted to a decrease in Net Position in the amount of $98,305,815.	(98,305,815)
9	Included in the items related to 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 $59,704,261, a Deferred Resource Inflow related to TRS OPEB in the amount of $65,373,134, and a Deferred Resource Outflow related to TRS OPEB in the amount of $26,062,812. This amounted to a decrease in Net Position in the amount of $99,014,583.	(99,014,583)
10	Accrued compensated absences have not been recorded in the fund financial statements.	(21,674,206)
11	Deferred charge on bond refundings is not recognized in the fund financial statements.	82,176,084
12	Accreted interest on capital appreciation bonds has not been recorded in the fund financial statements.	(764,759)
13	Accrued interest earned on a construction escrow account but not to be received until the end of the construction project has not been recorded in the fund financial statements.	210,335
29	**Net Position of Governmental Activities**	$ 211,609,837

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

DENTON 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	$ 242,839,939	$ 157,254,286	$ 32,524,130
5800	State Program Revenues	133,029,647	15,669,501	-
5900	Federal Program Revenues	4,436,002	-	-
5020	Total Revenues	380,305,588	172,923,787	32,524,130
	EXPENDITURES:			
	Current:			
0011	Instruction	208,221,876	-	-
0012	Instructional Resources and Media Services	3,872,946	-	-
0013	Curriculum and Instructional Staff Development	6,037,674	-	-
0021	Instructional Leadership	3,840,318	-	-
0023	School Leadership	20,680,222	-	-
0031	Guidance, Counseling, and Evaluation Services	13,864,752	-	-
0032	Social Work Services	946,609	-	-
0033	Health Services	3,855,127	-	-
0034	Student (Pupil) Transportation	10,046,234	-	-
0035	Food Services	525,517	-	-
0036	Extracurricular Activities	9,521,508	-	50,488
0041	General Administration	12,276,830	-	-
0051	Facilities Maintenance and Operations	42,914,326	-	-
0052	Security and Monitoring Services	4,603,685	-	-
0053	Data Processing Services	6,363,478	-	-
0061	Community Services	4,154,589	-	-
	Debt Service:			
0071	Principal on Long-Term Liabilities	-	62,627,488	-
0072	Interest on Long-Term Liabilities	-	113,857,274	-
0073	Bond Issuance Cost and Fees	-	1,685,362	2,267,428
	Capital Outlay:			
0081	Facilities Acquisition and Construction	1,581,909	-	390,870,976
	Intergovernmental:			
0093	Payments to Fiscal Agent/Member Districts of SSA	668,000	-	-
0099	Other Intergovernmental Charges	2,694,609	-	-
6030	Total Expenditures	356,670,209	178,170,124	393,188,892
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	23,635,379	(5,246,337)	(360,664,762)
	OTHER FINANCING SOURCES (USES):			
7911	Capital Related Debt Issued	-	90,545,000	195,340,000
7912	Sale of Real and Personal Property	10,038,540	-	1,118,334
7915	Transfers In	1,019,841	-	814,867
7916	Premium or Discount on Issuance of Bonds	-	9,183,722	4,660,000
7917	Prepaid Interest	-	325,567	-
8911	Transfers Out (Use)	(5,086,287)	-	(1,794,768)
8949	Payment to Refunding Paying Agent	-	(98,080,662)	-
7080	Total Other Financing Sources (Uses)	5,972,094	1,973,627	200,138,433
	UNUSUAL OR INFREQUENT ITEMS:			
8913	Legal Settlements	(37,530)	-	-
1200	Net Change in Fund Balances	29,569,943	(3,272,710)	(160,526,329)
0100	Fund Balance - July 1 (Beginning)	66,203,283	148,290,117	767,576,420
3000	Fund Balance - June 30 (Ending)	$ 95,773,226	$ 145,017,407	$ 607,050,091

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

Other Funds	Total Governmental Funds
$ 12,411,529	$ 445,029,884
3,746,110	152,445,258
31,640,055	36,076,057
47,797,694	633,551,199
11,071,892	219,293,768
216,415	4,089,361
3,583,056	9,620,730
224,275	4,064,593
981,405	21,661,627
6,265,041	20,129,793
150,339	1,096,948
55,072	3,910,199
137,206	10,183,440
20,168,622	20,694,139
1,973,488	11,545,484
9,995	12,286,825
74,337	42,988,663
453,709	5,057,394
47,627	6,411,105
993,727	5,148,316
-	62,627,488
-	113,857,274
-	3,952,790
252,759	392,705,644
-	668,000
-	2,694,609
46,658,965	974,688,190
1,138,729	(341,136,991)
-	285,885,000
-	11,156,874
178,317	2,013,025
-	13,843,722
-	325,567
(861,147)	(7,742,202)
-	(98,080,662)
(682,830)	207,401,324
-	(37,530)
455,899	(133,773,197)
9,344,374	991,414,194
$ 9,800,273	$ 857,640,997

Total Net Change in Fund Balances - Governmental Funds	$	(133,773,197)
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 net effect of reclassifying the current year capital asset additions is to increase net position.		401,308,308
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.		(84,188,002)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		(3,521,871)
Revenues from property taxes are deferred 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.		1,383,526
Current year amortization of the premium/discount on bonds payable is not recorded in the fund financial statements, but is shown as a change in long-term debt in the government-wide financial statements.		14,881,962
Current year interest accretion on capital appreciation bonds is not recognized in the fund financial statements, but is shown as a change in long-term debt in the government-wide financial statements.		7,244,540
The net profit (loss) of internal service funds is not included in the fund financial statements but is reported with governmental activities in the government-wide financial statements.		(1,014,751)
Current year issuances of bonds are shown as other resources in the fund financial statements, but are shown as increases in long-term debt in the government-wide financial statements.		(285,885,000)
The premium on the current year issuance of bonds is recorded as an other resource in the fund financial statements, but is capitalized in the government-wide financial statements.		(13,843,722)
Current year 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.		62,627,488
Current year principal payments on subscription liabilities are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.		2,459,331
Current year net decreases in accrued compensated absences are shown as expenditures in the fund financial statements but are shown as reductions of long-term debt in the government-wide financial statements.		507,721

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

The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of 8/31/2025 caused the ending net position to increase in the amount of $10,015,287. Contributions made before the measurement but during the 2026 FY were also de-expended and recorded as a reduction in the net pension liability for the District. This also caused an increase in the net position in the amount of $1,632,606. These contributions were replaced with the District's pension expense for the year of $11,705,870, which caused a decrease in the change in net position. The impact of all of these is to decrease net position by $57,977.	(57,977)
The implementation of GASB 75 required that certain expenditures be de-expended and recorded as deferred resource outflows. TRS OPEB contributions made during the current fiscal year caused the ending net position to increase in the amount of $2,266,901. These contributions were replaced with the District's OPEB expense for the year, which was $(4,805,111) and caused an increase in net position. The impact of both of these is to increase net position by $7,072,012.	7,072,012
Payments to refund bonds payable are shown as other uses in the fund financial statements but are shown as reductions of long-term debt in the government-wide financial statements.	98,080,662
Proceeds from subscription liabilities are recorded as other resources in the fund financial statements but are shown as an increase in long-term debt in the government-wide financial statements.	(1,866,486)
The basis of capital asset dispositions do not affect the fund financial statements but are shown as a reduction of capital assets in the government-wide financial statements.	(20,785,294)
Current year amortization of deferred charge on bond refunding is not recorded in the fund financial statements, but is shown as a reduction of the deferred loss in the government-wide financial statements.	(6,634,425)
Accrued interest earned on a construction escrow account but not to be received until the end of the construction project has not been recorded in the fund financial statements.	160,928
Change in Net Position of Governmental Activities	$ 44,155,753

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

EXHIBIT D-1

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

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 135,855	$ (247,470)
Due from Other Governments	-	1,543,050
Other Receivables	-	2,702
Inventories	-	6,272
Prepayments	-	80,000
Total Current Assets	135,855	1,384,554
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment. Net	23,320	49,334
SBITA Asset, Net	-	5,711,353
Total Noncurrent Assets	23,320	5,760,687
Total Assets	159,175	7,145,241
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,537	503,337
Accrued Wages Payable	-	14
Accrued Expenses	-	370,000
Total Current Liabilities	1,537	873,351
Noncurrent Liabilities:		
SBITA Liability	-	2,792,885
Total Noncurrent Liabilities	-	2,792,885
Total Liabilities	1,537	3,666,236
NET POSITION		
Net Investment in Capital Assets	23,320	2,967,802
Unrestricted Net Position	134,318	511,203
Total Net Position	$ 157,638	$ 3,479,005

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

EXHIBIT D-2

DENTON 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	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	$ 222,846	$ 18,405,196
Total Operating Revenues	222,846	18,405,196
OPERATING EXPENSES:		
Payroll Costs	68,852	257,260
Professional and Contracted Services	-	1,366,525
Supplies and Materials	94,051	122,942
Other Operating Costs	17,525	19,443,795
Depreciation Expense	6,479	3,726,327
Debt Service	-	500,652
Total Operating Expenses	186,907	25,417,501
Operating Income (Loss)	35,939	(7,012,305)
NONCAPITAL SUBSIDIES:		
Earnings from Temporary Deposits & Investments	-	13,709
Transfers In	-	6,729,177
Transfers Out	-	(1,000,000)
Total Noncapital Subsidies	-	5,742,886
Operating Income (Loss) and Noncapital Subsidies	35,939	(1,269,419)
Change in Net Position	35,939	(1,269,419)
Total Net Position - July 1 (Beginning)	121,699	4,493,756
Adjustments and Restatements	-	254,668
Total Net Position - Net Position - July 1, as Adjusted and Restated	121,699	4,748,424
Total Net Position - June 30 (Ending)	$ 157,638	$ 3,479,005

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

DENTON 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	Total Internal Service Funds
Cash Flows from Operating Activities:		
Cash Received from District	$ -	$ 1,877,125
Cash Received from Charges and Fees	222,846	15,072,419
Cash Payments for Payroll Costs	(68,852)	(257,251)
Cash Payments for Purchased Services	-	(1,310,086)
Cash Payments for Supplies and Materials	(149,871)	(175,204)
Cash Payments for Interest	-	(500,652)
Cash Payments for Claims	-	(18,965,884)
Net Cash Provided by (Used for) Operating Activities	4,123	(4,259,533)
Cash Flows from Non-Capital Financing Activities:		
Transfers Out	-	(1,000,000)
Transfers In	-	6,729,177
Net Cash Provided by Non-Capital Financing Activities	-	5,729,177
Cash Flows from Capital & Related Financing Activities:		
Acquisition of Capital Assets	(7,850)	(1,866,486)
SBITA Proceeds	-	1,866,486
SBITA Principal Payment	-	(2,459,331)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(7,850)	(2,459,331)
Cash Flows from Investing Activities:		
Interest and Dividends on Investments	-	13,709
Net Decrease in Cash and Cash Equivalents	(3,727)	(975,978)
Cash and Cash Equivalents at Beginning of Year	139,582	728,508
Cash and Cash Equivalents at End of Year	$ 135,855	$ (247,470)
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Operating Income (Loss):	$ 35,939	$ (7,012,305)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	6,479	3,726,327
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	-	(4,213)
Decrease (increase) in Inv/Prepayments	-	(78,587)
Decrease (increase) in Due from Other Governments	-	(1,454,726)
Increase (decrease) in Accounts Payable	-	395,248
Increase (decrease) in Accrued Wages Payable	-	7
Increase (decrease) in Accrued Expenses	-	168,716
Increase (decrease) in Due to Other Funds	(38,295)	-
Net Cash Provided by (Used for) Operating Activities	$ 4,123	$ (4,259,533)

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

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

	Total Custodial Funds
ASSETS	
Cash and Cash Equivalents	$ 234,633
Total Assets	234,633
LIABILITIES	
Accrued Wages Payable	833
Total Liabilities	833
NET POSITION	
Unrestricted Net Position	233,800
Total Net Position	$ 233,800

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

EXHIBIT E-2

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

	Total Custodial Funds
ADDITIONS:	
Received from Student Groups	$ 200,579
Total Additions	200,579
DEDUCTIONS:	
Student Groups	191,207
Total Deductions	191,207
Change in Fiduciary Net Position	9,372
Total Net Position - July 1 (Beginning)	224,428
Total Net Position - June 30 (Ending)	$ 233,800

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Denton 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 combined financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (FAR). 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 are 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 for 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 basis 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, Denton 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 activities) 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, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given 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. Separate statements are presented for governmental and proprietary activities. 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 here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.

2. **Debt Service Fund** - This fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund. Any unused sinking fund balances are transferred to the General Fund after all of the 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, or renovation, as well as 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 or 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 Fund** - The District utilizes enterprise funds to account for the Districts' 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 this fund to account for its athletic stadium concessions, because this program is self-supporting and does 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. These funds facilitate distribution of support costs to the users of support services. The District has internal service funds for its health and workers compensation self-insurance plans in addition to its print shop and SBITA activities.

4. **Permanent Fund** - The District utilizes a permanent fund to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes to support the District's programs. The District uses this fund to account for the Lewis Price Memorial Fund, the earnings on which are to be used for playground equipment.

5. **Fiduciary Funds** - The District reports Custodial Funds as Fiduciary Funds. Custodial Funds are custodial in nature and account for activities of student groups. Custodial Funds exist with the explicit approval of, and are subject to revocation by, the Board.

The enterprise funds and internal service funds are proprietary fund types. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether 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 the liability is incurred.

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 90 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.

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

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

The revenue 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. Funds received but unearned are reflected as unearned revenues, and funds expended but not yet received are shown as receivables.

Revenue from investments, including governmental external investment pool, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. 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 that 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 FAR, 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. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FAR.

D. BUDGETARY CONTROL

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's FAR module, 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 within each organization to which responsibility for controlling operations is assigned.

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 year 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 the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within Fund Groups at the function code level and revenue object code level.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Debt Service Fund and the Child Nutrition Fund. The special revenue funds and the Capital Projects Fund adopt project-length budgets which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. The budget 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	$3,332,351
Nonappropriated Budget Funds	6,453,675
All Special Revenue Funds	$9,786,026

E. CASH AND CASH EQUIVALENTS

The cash portion of this caption in the accompanying fund financial statements is comprised of demand accounts, imprest funds and money market savings accounts. The District maintains a demand account on an imprest basis through which most obligations are paid. Checking account balances for most government fund expenditures are pooled into one demand account.

The cash equivalents portion of this caption is comprised of investments in state investment pools. All daily receipts are deposited to demand accounts until the funds are invested under the terms of the District's depository contract.

All District's deposits and investments, other than the state investment pool, are legally insured by the Federal Deposit Insurance Corporation and additionally protected by appropriate pledges of securities issued by the State of Texas, other Texas municipalities or the Federal government.

F. ENCUMBRANCE ACCOUNTING

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at June 30 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. There were no significant encumbrances at June 30, 2026 that were provided for in the subsequent year's budget.

G. PREPAID ITEMS

Prepaid balances are for payments made by the District in the current year to provide services occurring in the subsequent fiscal year, and prepaid items are shown as nonspendable fund balance to signify that they are not available for other subsequent expenditures. Prepaid balances are reported using the consumption method, in which the prepaid item is recorded as an asset when paid and is charged to expenditure or expense each fiscal year in an amount equal to the related benefits received that year.

H. INVENTORIES

The consumption method is used to account for inventories of food products, school supplies and athletic equipment. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed. In the General Fund, reported inventories are offset by a fund balance reserve indicating that they are unavailable as current expendable financial resources.

The amount of unused commodities at balance sheet date is also reported as inventory and unearned revenue. Commodities on hand at June 30, 2026 totaled $156,186.

I. INTERFUND RECEIVABLES AND PAYABLES

Short-term amounts owed between funds are classified as "Due to/from other funds". Interfund loans are classified as "Advances to/from other funds" and are offset by a fund balance reserve account. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances" and "internal advances".

J. CAPITAL ASSETS

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of $5,000 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	20-40 Years
Furniture and Equipment	5-10 Years

In May 2021, GASB Implementation Guide No. 2021-1 updated guidance to require the capitalization of purchases of certain groups of assets with individual values less than the capitalization threshold, effective for fiscal years beginning after June 15, 2023. In prior years, the District had expended purchases of groups of assets with individual values less than the District capitalization threshold.

K. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. CASH EQUIVALENTS

For purposes of the statement of cash flows, investments are considered to be cash equivalents if they are highly liquid with maturity within one year or less.

M. NET POSITION

Net position represents the difference between assets, deferred inflows, deferred outflows and liabilities. 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 proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

N. LONG-TERM OBLIGATIONS

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

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

O. 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 quality for reporting in this category:

Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, the deferred charge on bond refundings 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. The amount of deferred outflows reported in the governmental activities for the deferred charge on bond refundings at June 30, 2026 was $82,176,084.

Deferred outflows of resources for pension - 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 experiences. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The other pension related deferred outflows will be 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 5.6451 years.

A deferred outflow for pension expense results from payments made to the TRS pension plan by the District after the plan's measurement date. The amount of deferred outflows reported in the statement of net position for deferred pension expenses at June 30, 2026 was $44,910,105.

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 will be recognized as a reduction of the net OPEB liability in the next fiscal year. The other OPEB related deferred outflows will be 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 9.4212 years. The amount of deferred outflows reported in the statement of net position for deferred OPEB expense at June 30, 2026 was $26,062,812.

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 that the amounts become available. The District reported property taxes that are unavailable as deferred inflows of resources in the fund financial statements. The amount of deferred inflows of resources reported in the governmental funds at June 30, 2026 was $6,570,377.

Deferred inflows of resources for pension - 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. These amounts will be amortized over a closed five-year period. In fiscal year 2026, the District reported deferred inflows of resources for pensions in the statement of net position in the amount of $29,167,553.

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 from changes in assumptions. These amounts will be amortized over the average expected remaining service life (AERSL) of all members (9.4212 years for the 2025 measurement year). In fiscal year 2026, the District reported deferred inflows of resources for OPEB in the statement of net position in the amount of $65,373,134.

P. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 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 for each of the past three fiscal years.

Q. 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 and disclosures. Accordingly, actual results could differ from those estimates.

R. DATA CONTROL CODES

Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the *Financial Accountability System Resources Guide.* TEA requires school districts to display these codes in the financial statements filed with the agency in order to ensure in building a statewide data base for policy development and funding plans.

NOTE 2. FUND BALANCE

The District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" which 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 Classification: 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 prepaid items and inventories as being nonspendable as these items are not expected to be converted to cash and has classified the Lewis Price Memorial Fund principal as being nonspendable as these funds are contractually required to remain intact.

- 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 projects fund resources are to be used for future construction and renovation projects and are restricted through bond orders and constitutional law.

- 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. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board of Trustees have committed resources as of June 30, 2026 for campus activities.

- 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, the Board of Trustees may assign amounts for specific purposes but it has also delegated authority to assign fund balance to the Superintendent and the Assistant Superintendent of Administrative Services. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District has assigned fund balance of the General Fund as of June 30, 2026 for several purposes as detailed below.

- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

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 Board of Trustees has adopted a fund balance policy that expresses an intent to maintain a level of assigned and unassigned fund balance in the general fund equal to 25 percent of the fund's operating expenditures.

The details of the fund balances are included in the Governmental Funds Balance Sheet (pages 32 and 33) and are described below:

General Fund

The General Fund has unassigned fund balance of $85,568,559 at June 30, 2026. Deferred expenditures (prepaid items) of $135,166 and inventories of $78,120 are considered nonspendable fund balance. The District has assigned general fund fund balance resources for the following purposes as of June 30, 2026:

Extended School Day program	$ 2,907,498
Transportation	500,000
Per pupil campus allotment	1,144,243
Departmental budgets	294,042
Career and Technology program	261,934
Fine Arts program	469,840
Major maintenance projects	504,907
Athletics	1,908,917
Insurance deductibles	2,000,000
	$ 9,991,381

Other Major Funds

The Debt Service Fund has restricted funds of $145,017,407 at June 30, 2026 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of $598,021,881 at June 30, 2026 consisting of unspent bond funds and $4,952,253 of non-bond funds assigned for future capital replacement projects. Deferred expenditures (prepaid items) of $4,075,957 are considered nonspendable fund balance.

Other Funds

In the Food Service Fund, inventories of $303,397 and prepaid items of $4,792 are considered nonspendable fund balance. The remainder of the Food Service Fund balance of $3,024,342 and the Summer Feeding Program fund balance of $126,440 are shown as restricted for food service operations. The fund balance of $3,183,880 of the Campus Activity Fund (a special revenue fund) is shown as committed due to Board policy committing those funds to campus activities. The fund balance of Ready to Read, State Instructional Materials, Deaf Education Management Board, Community Partner Donations, and Local Grants (all special revenue funds) consisted of funds donated or paid for specific purposes that are committed to those purposes. The Lewis Trust Memorial Fund permanent endowment fund principal of $1,000 is shown as nonspendable at June 30, 2026, while the accumulated unspent earnings of $13,247 are shown as restricted fund balance.

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:

At June 30, 2026, the carrying amount of the District's deposits checking accounts and interest-bearing savings accounts was $11,349,472 and the bank balance was $11,857,391. The District's cash deposits at June 30, 2026 and at all times during the fiscal year were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

A reconciliation of cash and cash equivalents to the financial statements is as follows:

Checking accounts and interest-bearing savings accounts	$ 11,349,472
Investment pools	314,999,777
State/Local Government securities	6,059,560
US Treasury notes	138,314,207
Commercial paper	179,167,589
Money market funds	308,260,709
Total	$ 958,151,314
Governmental funds	$ 958,028,296
Enterprise funds	135,855
Internal service funds	(247,470)
Fiduciary funds	234,633
Total	$ 958,151,314

2. Investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and 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 the 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 balances totaled $11,857,391. This entire amount was either secured by pledged securities held by the District's financial institution's agent in the District's name or covered by FDIC insurance. Thus, the District's deposits are not exposed to custodial credit risk.

b. Custodial Credit Risk - Investments: For an investment, this is the risk that, in the event of the failure of the 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. At June 30, 2026, the District held all of its investments in five public funds investment pools (TexPool, Lone Star, Texas Range, Texas Class and TexStar), state and local government securities, U.S. Treasury notes, commercial paper and money market investment accounts.. 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 other 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 TexPool, Texas Range, Texas Class and TexStar at year-end was AAAm (Standard & Poor's), and the credit quality rating for Lone Star was AAAf (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 the TexPool, TexStar, Texas Range, Texas Class and Lone Star investments is less than 60 days.

e. Foreign Currency Risk - This is the risk that exchange rates will adversely affect the fair value of an investment. At 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 percent or more in the securities of a single issuer. Investment pools are excluded from the 5 percent disclosure requirement.

Public funds investment pools in Texas ("Pools") are established under the authority of the Interiocal 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 AAA-m 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 which 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 investments in Pools at June 30, 2026, are shown below:

Name	Carrying Amount	Fair Value
TexPool	$ 43,310,247	$ 43,310,247
TexStar	40,536,840	40,536,840
Lone Star	178,840,087	178,840,087
Texas Range	5,612,534	5,612,534
Texas Class	46,700,069	46,700,069
Total	$314,999,777	$314,999,777

Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The District's investment in Texpool, TexStar, Texas Range, Texas Class and Lone Star (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using		
Investments by Fair Value level:	**Balance at 6/30/26**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
State/Local Government Securities	$ 6,059,560	$ 6,059,560	$ -	$ -
Commercial Paper	179,167,589	-	179,167,589	-
Money Market Funds	308,260,709	308,260,709	-	-
US Treasury Notes	138.314,207	138,314,207	-	-
Total	$631,802,065	$452,634,476	$179,167,589	$ -

The District estimates the fair value of these investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

NOTE 4. CAPITAL ASSETS

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

	Balance July 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 164,271,433	$ 5,359,966	$ (3,383,693)	$ 166,247,706
Construction in Progress	350,109,977	312,808,566	(232,116,091)	430,802,452
Total capital assets, not being depreciated	514,381,410	318,168,532	(235,499,784)	597,050,158
Capital assets, being depreciated/amortized:				
Buildings and Improvements	1,805,818,650	295,120,010	(26,131,348)	2,074,807,312
Furniture and Equipment	149,584,891	18,269,371	(3,674,231)	164,180,031
SBITA Assets	11,640,357	1,866,486	(2,713,706)	10,793,137
Total capital assets, being deprec/amort	1,967,043,898	315,255,867	(32,519,285)	2,249,780,480
Less accumulated deprec/amort for:				
Buildings and Improvements	(503,994,469)	(64,457,812)	8,907,508	(559,544,773)
Furniture and Equipment	(79,191,417)	(16,041,845)	3,496,470	(91,736,792)
SBITA Assets	(4,107,145)	(3,688,345)	2,713,706	(5,081,784)
Total accumulated deprec/amort	(587,293,031)	(84,188,002)	15,117,684	(656,363,349)
Total capital assets being deprec/amort, ne	1,379,750,867	231,067,865	(17,401,601)	1,593,417,131
Governmental activities capital assets, net	$1,894,132,277	$ 549,236,397	$(252,901,385)	$ 2,190,467,289
Business-type activities:				
Furniture and Equipment	$ 64,237	$ 7,850	$ -	$ 72,087
Totals at historic cost	64,237	7,850	-	72,087
Less accumulated depreciation for:				
Furniture and Equipment	(42,287)	(6,479)	-	(48,766)
Total accumulated depreciation	(42,287)	(6,479)	-	(48,766)
Business-type activities capital assets, net	$ 21,950	$ 1,371	$ -	$ 23,321

Included in the capital assets shown above are four tracts of land with an historical cost of $19,169,026 that are being held for sale by the District.

Construction in progress includes the following construction contracts in progress as of June 30, 2026:

Project	Estimated Cost to Complete	Expended to Date	Balance to Complete
High School Construction	$ 304,997,194	$ 217,204,761	$ 87,792,433
Elementary School Construction	52,512,680	50,589,193	1,923,487
Elementary School Construction	59,809,976	50,806,805	9,003,171
Elementary School Construction	57,685,060	23,499,140	34,185,920
High School Addition	37,000,363	35,776,836	1,223,527
Transportation Facility	14,267,257	14,227,907	39,350
Summer Campus Renovation Projects	11,956,267	6,293,756	5,662,511
Elementary School Renovation	19,217,203	10,984,755	8,232,448
Elementary School Renovation	19,299,923	11,770,112	7,529,811
Total	$ 576,745,923	$ 421,153,265	$ 155,592,658

Depreciation expense was charged as direct expense to programs of the District as follows:

Governmental activities:	
Instruction	$54,037,645
Instructional Resources & Media Services	949,375
Curriculum & Instructional Staff Development	2,271,385
Instructional Leadership	1,025,647
School Leadership	5,550,535
Guidance, Counseling & Evaluation Services	4,557,453
Social Work Services	329,603
Health Services	947,727
Student (Pupil) Transportation	2,487,315
Child Nutrition	2,677,050
Cocurricular/Extracurricular Activities	1,638,400
General Administration	2,737,541
Plant Maintenance and Operations	1,808,456
Security and Monitoring Services	672,330
Data Processing Services	1,506,285
Community Services	991,255
Total depreciation expense-Governmental activities	$84,188,002
Business-type activities:	
Stadium Concessions	$ 6,479
Total depreciation expense Business-type activities	$ 6,479

NOTE 5. LONG-TERM DEBT

Long-term debt includes par bonds, capital appreciation (deep discount) serial bonds, bond premiums, compensated absences and subscription liabilities. All long-term debt represents transactions in the District's governmental activities. No long-term debt exists in the District's business-type activities.

The District has entered into a continuing disclosure undertaking 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 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 for the year ended June 30, 2026:

Description	Interest Rate Payable	Amount Original Issue	Amounts Outstanding 7/1/2025	Additions	Refunded/ Retired	Amounts Outstanding 6/30/2026	Due Within One Year
Bonded Indebtness:							
2014A Building	1.25-5.00%	75,055,000	$ 1,955,000	$ -	$ 1,955,000	$ -	$ -
2015 Refunding	3.00-5.00%	118,775,000	7,830,000	-	7,830,000	-	-
2015A Building	2.00-5.00%	164,580,000	4,095,000	-	1,990,000	2,105,000	2,105,000
2016 Refunding	2.00-5.00%	117,200,000	116,705,000	-	100,855,000	15,850,000	-
2016 Refunding CAB	1.47-2.24%	1,549,104	62,488	-	62,488	-	-
2018 Building	3.00-5.00%	400,125,000	368,285,000	-	6,470,000	361,815,000	6,790,000
2020 Building	1.75-5.00%	278,025,000	218,540,000	-	8,390,000	210,150,000	8,815,000
2020A Refunding	1.577-5.00%	265,570,000	265,570,000	-	-	265,570,000	-
2020A Refunding CAB	.312-1.391%	3,875,000	20,000	-	10,000	10,000	5,000
2021 Refunding	1.967-5.00%	87,465,000	85,715,000	-	-	85,715,000	9,770,000
2022A Refunding	4.00-5.00%	34,650,000	28,840,000	-	2,110,000	26,730,000	2,220,000
2022B Refunding	3.00-5.00%	26,280,000	24,775,000	-	770,000	24,005,000	795,000
2023 Building	5.00%	949,075,000	943,030,000	-	12,550,000	930,480,000	14,505,000
2024 Refunding	5.00%	39,160,000	39,160,000	-	16,490,000	22,670,000	2,055,000
2025A Building	5.00%	171,005,000	171,005,000	-	-	171,005,000	310,000
2025B1 Building	4.00%	97,705,000	-	97,705,000	-	97,705,000	-
2025B2 Building	4.00%	97,635,000	-	97,635,000	-	97,635,000	-
2025C Refunding	5.00%	90,545,000	-	90,545,000	-	90,545,000	13,250,000
Total Bonded Indebtedness			2,275,587,488	285,885,000	159,482,488	2,401,990,000	60,620,000
Accreted Interest	4.10-5.20%		8,009,299	616,103	7,860,643	764,759	479,982
Premiums on Bond Issuance			262,931,028	13,843,722	14,881,962	261,892,788	14,835,470
Subscription Liability	2.18-8.00%		3,385,730	1,866,486	2,459,331	2,792,885	1,509,778
Claims Liability			201,284	803,555	634,839	370,000	200,000
Compensated Absences			22,181,927	-	507,721	21,674,206	-
Total Other Obligations			296,709,268	17,129,866	26,344,496	287,494,638	17,025,230
Total Obligations of District			$ 2,572,296,756	$303,014,866	$ 185,826,984	$ 2,689,484,638	$ 77,645,230

A summary of maturity dates for debt service obligations is as follows:

Description	Maturity Date
2015A Building	8/15/32
2016 Refunding	8/15/38
2018 Building	8/15/48
2020 Building	8/15/48
2020A Refunding	8/15/45
2020A Refunding CAB	8/15/26
2021 Refunding	8/15/33
2022A Refunding	8/15/35
2022B Refunding	8/15/35
2023 Building	8/15/53
2024 Refunding	8/15/34
2025A Building	8/15/44
2025 B1 Building	8/15/55
2025 B2 Building	8/15/55
2025C Refunding	8/15/36

The District issues general obligation bonds for the governmental activities to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Current principal and interest requirements are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District and interest earnings. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond indentures. The District has never defaulted on any principal or interest payment.

Accrued vacation benefits have typically been liquidated with general fund revenues in prior years.

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 at June 30, 2026.

NOTE 6. DEBT SERVICE REQUIREMENTS - BONDS

Debt service requirements to maturity are as follows:

Year Ended June 30	Principal	Interest	Total Requirements
2027	$ 60,620,000	$ 110,768,476	$ 171,388,476
2028	73,945,000	104,579,601	178,524,601
2029	81,550,000	97,270,876	178,820,876
2030	73,480,000	93,883,651	167,363,651
2031	77,150,000	90,608,026	167,758,026
2032-2036	415,365,000	406,252,309	821,617,309
2037-2041	426,885,000	322,971,233	749,856,233
2042-2046	464,705,000	228,209,482	692,914,482
2047-2051	462,150,000	116,298,975	578,448,975
2052-2056	266,140,000	25,441,750	291,581,750
	$2,401,990,000	$1,596,284,379	$3,998,274,379

NOTE 7. DEFEASED BONDS OUTSTANDING

On October 15, 2025, the District issued $90,545,000 (par value) in unlimited tax refunding bonds (current interest bonds) at an interest rate of 5.00% to advance refund $96,855,000 of unlimited building and refunding bonds. The unlimited tax refunding bonds were issued at a net premium of $8,210,315, and, after paying issuance costs of $674,653, the net proceeds were $98,080,662. The net proceeds from the issuance of the unlimited tax refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the tax bonds mature. The advance refunding met the requirements of an in-substance debt defeasance and the unlimited tax bonds were removed from the District's long-term liabilities.

As a result of the advance refunding, the District decreased its total debt service requirements by $6,669,690 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $5,629,685.

In prior years, the District has defeased various bond issues in a similar manner to that described above.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. Although defeased, the refunded debt from those earlier issues will not actually be retired until the call dates have come due or until maturity if they are not callable issues. On June 30, 2026, no bonds outstanding are considered defeased.

NOTE 8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the year ended 6/30/2026, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of 06/30/2026, the District had 134 active subscriptions. The subscriptions have payments that range from $0 to $256,813 and interest rates that range from 2.1843% to 8.0000%. As of 06/30/2026, the total combined value of the subscription liability is $2,792,884, and the total combined value of the short-term subscription liability is $1,509,778. The combined value of the right to use asset, as of 06/30/2026 of $10,793,133 with accumulated amortization of $5,081,788 is included within the Subscription Class activities table found below. The subscriptions had $0 of Variable Payments and $0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

Below is a summary of the SBITA activity for the fiscal year:

	Balance 7/1/2025	Additions	Retirements	Balance 6/30/2026
Right-to-Use Asset	$ 11,640,357	$ 1,866,486	$ (2,713,706)	$ 10,793,137
Less Accumulated Amortization	(4,107,145)	(3,688,345)	2,713,706	(5,081,784)
Total Right-to-Use Asset, Net	$ 7,533,212	$ (1,821,859)	$ -	$ 5,711,353

	Balance 7/1/2025	Additions	Retirements	Balance 6/30/2026
Subscription Liability	$ 3,385,730	$ 1,866,486	$ (2,459,331)	$ 2,792,885
Total Subscription Liability	$ 3,385,730	$ 1,866,486	$ (2,459,331)	$ 2,792,885

Future payment requirements under the subscription liabilities as of June 30, 2026, are as follows:

Year Ended June 30,	Principal	Interest	Total
2027	$ 1,509,778	$ 173,177	$ 1,682,955
2028	688,058	86,062	774,120
2029	572,126	42,693	614,8189
2030	22,923	628	23,551
	$ 2,792,885	$302,560	$3,095,445

NOTE 9. COMPENSATED ABSENCES

On resignation, retirement or death of certain employees, the District pays any accrued, unused vacation leave in a lump cash payment to such employee or his/her estate. The District's liability is considered a long-term liability and is recorded in the Statement of Net Position as a long-term debt payable.

There are also unused accumulated sick leave benefits that meet the criteria of GASB 101 for inclusion as a long-term liability in the statement of Net Position and have been recorded as a long-term debt payable.

NOTE 10. PROPERTY TAXES

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code which established an appraisal district and an appraisal review board in each county in the State of Texas. Denton Central Appraisal District (DCAD) is responsible for the appraisal of property for all taxing units in Denton County, including the District. Under the terms of a contract for appraisal services, the District paid DCAD $2,694,609 in fiscal year 2026 for appraising property.

Property taxes are considered available when collected within 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) value 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 year was based was $32,114,920,789. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2026, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were $0.7269 and $0.48 per $100 valuation, respectively, for a total of $1.2069 per $ 100 valuation.

Current tax collections for the year ended June 30, 2026 were 98.89% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2026, property taxes receivable, net of estimated uncollectible taxes, totaled $3,977,763 and $2,499,919 for the General and Debt Service Funds, respectively.

Property taxes are recorded as receivables and deferred inflows of resources at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

NOTE 11. DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position. Detailed 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, PO 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 Legislature as noted in the Plan description above.

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

Contribution Rates

	2025
Member	8.25%
Non-Employer Contributing Entity (State)	8.25%
Employers	8.25%

Denton ISD FY2026 Employer Contributions	$ 11,647,893
Denton ISD FY2026 Member Contributions	$ 22,492,037
Denton ISD FY2026 NECE On-Behalf Contributions	$ 14,937,338

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

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers including 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 part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- All public schools must contribute 2.0 percent of the member's salary beginning in fiscal year 2026

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 31, 2025	5.23%
Inflation	2.30%
Salary Increases Including Inflation	3.20% to 9.20%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

Effective with the measurement date of August 31, 2026, 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 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 rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2025 are summarized below:

Asset Class	Target Allocation[1]	Long-Term Expected Arithmetic Real Rate of Return[2]	Expected Contribution To Long-Term Portfolio Returns
Global Equity			
All Country	39.00%	4.14%	2.18%
U.S.	0.00%	3.85%	0.00%
Non-U.S. 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[4]	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	6.00%	4.86%	0.36%
Commodities	0.00%	2.96%	0.00%
Risk Parity			
Risk Parity	5.00%	4.38%	0.26%
Leverage			
Cash	2.00%	0.51%	0.01%
Asset Allocation Leverage	-6.00%	0.81%	-0.05%
Inflation Expectation	-		2.30%
Volatility Drag[3]	-		-0.71%
Total	100%		7.90%

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage lower than and 1 percentage higher than the discount rate that was used (7%) in measuring the net pension liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Denton ISD's proportionate share of the net pension liability:	$185,023,757	$114,048,367	$54,894,912

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2026, Denton Independent School District reported a liability of $114,048,367 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Denton Independent School District. The amount recognized by Denton Independent School 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 Denton Independent School District were as follows:

District's Proportionate share of the collective net pension liability	$114,048,367
State's proportionate share that is associated with the District	160,762,679
Total	$274,811,046

[1] Target allocations are based on the FY24 policy model.
[2] Capital Market Assumptions come from Aon Hewitt (as of 06/30/2024).
[3] The volatility drag results from the conversion between arithmetic and geometric mean returns.
[4] Absolute Return includes credit sensitive investments.

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 thru August 31, 2025.

At August 31, 2025 the employer's proportion of the collective net pension liability was 0.1811794718%, a decrease of 8.63% from its proportionate share of 0.1982833439% at August 31, 2024.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation.

The 2026 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 Denton Independent School District in the reporting period was $10,336,553.

For the year ended June 30, 2026 Denton Independent School District recognized pension expense of $14,924,664 and revenue of $14,924,664 for support by the State.

At June 30, 2026, Denton Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (The amounts shown below will be the cumulative layers from the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 6,842,589	$ 399,614
Changes in actuarial assumptions	10,937,489	-
Difference between projected and actual investment earnings	14,350,186	19,533,163
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,764,554	9,234,776
Contributions paid to TRS subsequent to the measurement date	10,015,287	-
Total	$44,910,105	$29,167,553

Denton Independent School District recognized $10,015,287 as deferred outflows of resources related to pensions resulting from the District's 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 District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement ended August 31:	Pension Expense Amount
2026	$ 11,317,201
2027	146,725
2028	(4,569,809)
2029	(1,423,007)
2030	256,155
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 Other Post-Employment 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 that are 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 http://www.trs.texas.gov/learning-resources/publications; by writing to TRS at PO Box 149676, Austin, TX, 78714-0185; or by calling 1-800-223-8778.

Benefits Provided. TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible 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, 2026.

The General Appropriations Act passed by the 88th Legislature included funding to maintain TRS-Care premiums at their current level through 2026. Also, the 86th Legislature passed Senate Bill 1862 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated to be $381,400,000 as of August 31, 2025.

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

TRS-Care Monthly for Retirees		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	$ 75	$ 200
Retiree and Spouse	280	689
Retiree or Surviving Spouse and Children	408	408
Retiree and Family	613	999

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of salary. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the District. The actual employer 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	
	2025
Active Employee	**0.65%**
Non-Employer Contributing Entity (State)	**1.25%**
Employers	**0.75%**
Federal/private Funding remitted by Employers	**1.25%**
Denton ISD FY26 Employer Contributions	**$2,266,901**
Denton ISD FY26 Member Contributions	**$1,772,100**
Denton ISD FY26 NECE On-behalf Contributions	**$2,805,532**

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to, regardless of whether or not they participate in the TRS Care OPEB program. When hiring a TRS retiree, employers are required to pay to 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 was determined using the following actuarial assumptions:

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 following 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:

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Rates of Disability

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 the 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% as of August 31, 2025
Aging Factors	Based on the society of Actuaries' 2013 Study "Health Care Costs – From Birth to Death"
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs
Projected Salary Increases	3.20% to 9.20%, including inflation
Election Rates	Normal Retirement: 62% participation prior to age 65 and 25% participation after age 65
Ad hoc post-employment benefit changes	None

Discount Rate. A single discount rate of 5.23% was used to measure the total OPEB liability. This was an increase of 1.36 percent in the discount rate since the previous year. The discount rate can be found in the 2026 TRS ACFR on page 82.

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.

The source of the municipal bond rate is the Bond Buyer's "20-year GO Index" as of August 31, 2026, 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 (5.23%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (4.23%)	Current Single Discount Rate (5.23%)	1% Increase in Discount Rate (6.23%)
District's proportionate share of the Net OPEB Liability:	$70,110,234	$59,704,261	$51,119,419

Healthcare Cost Trend Rates 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	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the Net OPEB Liability:	$49,362,681	$59,704,261	$72,823,096

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2026, the District reported a liability of $59,704,261 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	$ 59,704,261
State's proportionate share that is associated with the District	79,210,904
Total	$138,915,165

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 thru August 31, 2025.

At August 31, 2025 the employer's proportion of the collective Net OPEB Liability was 0.2395136692%, a decrease of 2.84% compared to the August 31, 2024 proportionate share of 0.2464998772%.

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

- 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 $3,798,306.

For the year ended June 30, 2026, the District recognized OPEB expense of $(9,152,176) and revenue of $(9,152,176) for support provided by the State.

At June 30, 2026, 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 (the amounts shown below will be the cumulative layers for the current and prior years combined.):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$11,680,492	$35,557,297
Changes in actuarial assumptions	7,382,937	24,522,132
Difference between projected and actual investment earnings	24,605	391,795
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	5,057,077	4,901,910
Contributions paid to TRS subsequent to the measurement date	1,917,701	-
Total	$26,062,812	$65,373,134

Denton Independent School District recognized $1,917,701 as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the measuremet year ended August 31, 2026. The other amounts of the District'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	$ (7,436,365)
2027	(9,645,382)
2028	(8,275,080)
2029	(5,581,217)
2030	(5,253,064)
Thereafter	(5,036,915)

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 $2,359,748.

NOTE 14. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2026, were as follows:

Fund	Advances to Other Funds	Advances from Other Funds
General Fund:		
Special Revenue Fund:		
Head Start	$ 651,288	$ -
ESEA Title I	1,031,520	-
IDEA-B Formula	1,354,352	-
IDEA-B Preschool	72,326	-
ESEA II Training and Recruiting	354,071	-
English Language Acquisition	198,214	-
Medicaid Admin Claim	37,367	-
SSA Adult Basic Education	152,755	-
Title IV, Community Learning	50,730	-
National Breakfast and Lunch	7,317	-
Title III Immigrant	7,461	-
School Safety Standards	191,931	-
IDEA – B, Discretionary	149,409	-
2024-2026 Education & Training	6,090	-
ESEA IV Part A	273,625	-
SSA – ABE Educational	12,408	
SSA Career and Technical	112,777	-
SSA IDEA – B, Discretionary	5,372	-
SSA – TANF Family Assistance	58,937	-
Community Partner Donations	73,506	-
Stronger Connections	178,354	-
Special Revenue Fund:		
General Fund	-	4,979,810
TOTAL	$4,979,810	$4,979,810

Interfunds transfers for the year ended June 30, 2026 consisted of the following individual amounts:

Fund	Transfers to Other Funds	Transfers from Other Funds
General Fund:		
Capital Projects Fund	$ 814,867	$ -
Special Revenue Fund	67,189	19,841
Internal Service Fund	4,204,231	1,000,000
Capital Projects Fund:		
General Fund	-	814,867
Internal Service Fund	1,794,768	-
Special Revenue Fund:		
General Fund	19,841	67,189
Internal Service Fund	730,178	-
Internal Service Fund:		
General Fund	1,000,000	4,204,231
Special Revenue Fund	-	730,178
Capital Projects Fund	-	1,794,768
Transfers Within Fund Type	111,221	111,221
TOTAL	$8,742,295	$8,742,295

Operating transfers were made during the fiscal year ending June 30, 2026 for the following purposes:

- $2,959,983 was transferred from multiple funds to the SBITA internal service fund to move the SBITA activity for the year to that fund.
- $1,000,000 of excess workers compensation fund were transferred from that internal service fund to the general fund to help subsidize the general fund budget.
- $3,737,070 was transferred from the general fund to the Self-Funded HCT internal service fund and the Healthcare Trust Fund internal service fund to subsidize the current year operating losses in each of those funds.
- $814,867 was transferred from the general fund to the capital projects fund for expenditures paid or to be paid out of the capital projects fund but funded by the general fund budget.
- A total of $111,221 transfers consist of transfers made from one special revenue fund to another special revenue fund.

NOTE 15. HEALTH CARE

During the year ended June 30, 2026, employees of Denton Independent School District were covered by a health insurance plan (the Plan). The District contributed $325 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-funded plan.

NOTE 16. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2026, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	$ 4,117,963	$ 10,809,678	$ 4,979,810	$ 90,056	$ 19,997,507
Debt Service Fund	2,590,565	255,487	-	-	2,846,052
Capital Projects Fund	-	-	-	2,205,572	2,205,572
Special Revenue Fund	-	7,012,571	-	75,669	7,088,240
Total - Governmental Activities	$ 6,708,528	$ 18,077,736	$ 4,979,810	$ 2,371,297	$ 32,137,371
Amounts not scheduled for collection during the subsequent year	$ 230,846	$ -	$ -	$ -	$ 230,846
Business-type Activities:					
Enterprise Fund	$ -	$ -	$ -	$ -	$ -
Internal Service Fund	-	1,543,050	-	2,702	1,545,752
Total Business-type Activities	$ -	$ 1,543,050	$ -	$ 2,702	$ 1,545,752

Payables at June 30, 2026, were as follows:

	Accounts	Salaries and Benefits	Due to Other Funds	Other	Total Payables
Governmental Activities:					
General Fund	$ 5,047,985	$ 36,209,664	$ -	$ 52,737	$ 41,310,386
Debt Service Fund	750	-	-	-	$ 750
Capital Projects Fund	68,177,809	-	-	-	68,177,809
Special Revenue Funds	501,210	1,961,076	4,979,810	6,653	7,448,749
Total - Governmental Activities	$ 73,727,754	$ 38,170,740	$ 4,979,810	$ 59,390	$ 116,937,694
Amounts not scheduled for payment during the subsequent year	$ -	$ -	$ -	$ -	$ -
Business-type Activities:					
Enterprise Fund	$ 1,537	$ -	$ -	$ -	$ 1,537
Internal Service Fund	503,337	14	-	370,000	873,351
Total Business-type Activities	$ 504,874	$ 14	$ -	$ 370,000	$ 874,888

NOTE 17. SELF-INSURED WORKERS' COMPENSATION

During the year ended August 31, 1992, the District established a workers compensation self-insurance fund for District employees to minimize the total cost of workers compensation to the District. All premiums were paid to a third party administrator acting on behalf of a self-funded pool. Like the health care self-insurance fund, the District has retained the risk of loss, and thus uses an Internal Service Fund to account for the activity. The District records activities of the plan in accordance with governmental accounting standards. These costs are reported as interfund services provided and used to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund. Additional payments, if any, to the self-insurance funds are treated as an equity transfer. Advanced Risk Management Techniques, Inc., through an actuarial review of the self-insurance program, projected an estimated outstanding loss of $370,000 as of June 30, 2026. Claims administration is provided by TASB.

This estimated outstanding loss is the actuarially-estimated cost of unpaid claims, including case reserves, the development of known claims, incurred but not reported claims, and allocated loss adjustment expenses. It represents the discounted present value of estimated future cash payments, less anticipated investment income, required to meet unpaid claims. It was calculated based on a 5% yield on investments.

The accrued liability for Workers' Compensation self-insurance of $370,000 includes incurred but not reported claims. This liability reported in the fund at June 30, 2026, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is a probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not necessarily result in an exact amount. The liability booked was the present value of the estimate of the actuary. Aggregate stop-loss coverage for 2026 was $500,000.

Changes in the workers' compensation claims liability amounts in fiscal 2025 and 2026 are represented below:

	Year Ended June 30, 2026	Year Ended June 30, 2025
Unpaid claims, beginning of year	$201,284	$288,518
Incurred claims (including IBNR'S)	803,555	528,272
Claim payments	634,839	615,506
Unpaid claims, end of fiscal year	$370,000	$201,284

The amount of claims and judgments due within one year is estimated to be $200,000.

NOTE 18. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments 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 Grant & Entitlements	Federal Grants	Local Governments	Total
General	$ 9,067,689	$ 1,240,143	$ 501,846	$ 10,809,678
Debt Service	-	-	255,487	255,487
Special Revenue	303,053	6,702,900	6,618	7,012,571
Total	$ 9,370,742	$ 7,943,043	$ 763,951	$ 18,077,736

NOTE 19. CONTINGENT LIABILITIES

The Tax Reform Act of 1986 imposed regulations on tax-exempt bond issues. Governmental bonds issued after August 31, 1986 are subject to the rebate provisions of the Tax Reform Act of 1986. The rebate applies to earnings from bond issue proceeds investments which exceed bond issue stated interest rates. The exact amount of liability, if any, is not known until as long as five years from the bond issuance date. At June 30, 2026, the estimated rebate liability on outstanding bond series was $25,901,175.

NOTE 20. LITIGATION AND CONTINGENCIES

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

Minimum foundation funding received from the Agency is based primarily upon information concerning average daily attendance at the District's schools which is compiled by the District and supplied to the Agency. Federal funding for Food Services under child nutrition programs is based primarily upon the number and type of meals served and on user charges as reported to the USDA. Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made in compliance with program guidelines to the grantor agencies.

The programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's administration, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the accompanying financial statements for such contingencies.

The Denton Central Appraisal District is a defendant in various lawsuits involving the property values assigned to property located within the District's boundaries on which the District assesses property taxes. The District could be required to refund property taxes paid on values which were greater than the ultimate final assessed valuation assigned by the court. Such lawsuits could continue several years into the future.

NOTE 21. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property taxes	$230,316,921	$ -	$ 151,968,141	$ -	$ 382,285,062
Investment income	4,267,954	163,474	4,631,309	32,463,595	41,526,332
Food sales	-	5,443,496	-	-	5,443,496
Penalties, interest and other tax related income	1,512,186	-	654,836	-	2,167,022
Co-curricular student activities	753,951	3,832,410	-	-	4,586,361
Tuition and fees	5,219,683	1,896,305	-	-	7,115,988
Gifts and bequests	14,310	1,063,514	-	-	1,077,824
Facilities rentals	559,511	-	-	-	559,511
Insurance recovery	31,415	-	-	-	31,415
Other	164,008	12,330	-	60,535	236,873
Total	$242,839,939	$ 12,411,529	$ 157,254,286	$ 32,524,130	$ 445,029,884

NOTE 22. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund	Total
Tuition	$ 3,038	$ -	$ -	$ -	$ 3,038
State EDA Revenue	-	11,920,913	-	-	11,920,913
Lunchroom Receipts	-	-	-	367,044	367,044
Food Commodities	-	-	-	156,186	156,186
State Textbook Fund	-	-	-	369,536	369,536
SPED Data Support Grant	-	-	-	74,812	74,812
Unearned Rent	-	-	5,107	-	5,107
Unearned Grants	-	-	-	502,913	502,913
Total	$ 3,038	$ 11,920,913	$ 5,107	$ 1,470,491	$ 13,399,549

NOTE 23. GENERAL FUND FEDERAL SOURCE REVENUES

Program or Source	ALN Number	Amount	Total Grant or Entitlement
General Fund:			
Impact Aid	84.041	$ 119,628	$ 119,628
Erate Revenue	N/A	1,997,617	1,997,617
Excise Tax Refunds	N/A	166,596	166,596
Medicaid Reimbursement	N/A	140,097	140,097
Junior ROTC	12.000	400,113	400,113
Indirect Costs	N/A	1,611,951	1,611,951
Total for General Fund		$4,436,002	$4,436,002

NOTE 24. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION

The Texas Education Agency requires the budgets for the Governmental fund types to be filed with the Texas Education Agency. The budget should not be exceeded in any functional category under TEA requirements. Expenditures exceeded appropriations in no functional categories for the year ended June 30, 2026.

NOTE 25. SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides a regional day school for the deaf to various member districts. All services are provided by the fiscal agent. The member districts and the State provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in Special Revenue Funds No. 315, 340, 435 and 446 and such activities have been accounted for using Model 3 in the SSA section of the Resource Guide. During the year ended June 30, 2026, the District contributed $668,000 to the SSA.

In a manner similar to that described above, the District is also the fiscal agent for an adult education SSA accounted for in Special Revenue Fund No. 309 and a vocational education SSA accounted for in Special Revenue Fund No. 331.

The District participates in a shared services arrangement for juvenile justice alternative education services with ten other school districts. Although the District contributes to the shared services arrangement based on its participation, the District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Denton ISD. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. During the year ended June 30, 2026, the District had no students in the program for whom it was required to make contributions.

NOTE 26. SUBSEQUENT EVENT

On August 1, 2026 the District issued $15,850,000 of unlimited tax refunding bonds to defease $15,850,000 of Series 2016 unlimited tax refunding bonds, in order to achieve future interest savings.

NOTE 27. LEASES

In June 2017, GASB issued Statement No. 87 - Leases. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The initial adoption date was postponed to fiscal years beginning after June 15, 2021 (FY2022) by GASB Statement No. 95 - Postponement of the Effective Dates of Certain Authoritative Guidance, which was issued in May of 2020.

Per review of the agreements identified by the District as potential leases, the leases were determined to either not meet the definition of a lease or were immaterial to the financial statements.

NOTE 28. RESTATEMENT

During the current fiscal year the District subscribed to a software to track the SBITA activity of the District. In making the transition to that software, the District identified several current year transactions that relate to SBITAs that should have been recorded in a prior year. As a result, the beginning balances for cost, accumulated amortization and subscription liability were adjusted to reflect the omitted SBITAs. These adjustments resulted in a $254,668 restatement (addition) to beginning net position in the SBITA internal service fund..

The effect of the adjustment detailed above resulted in a restated beginning net position in the District's SBITA internal service fund as follows:

Net position as of 6/30/25 as previously reported	$ 3,892,814
Restatement adjustments:	
Additional GASB 96 subscriptions	254,668
Net position as of 6/30/26 as restated	$ 4,147,482

The effect of the increase in the SBITA net position resulted in a restated beginning net position in the District's governmental activities as follows:

Fund balance as of 6/30/25 as previously reported	$167,199,416
Restatement adjustment	254,668
Fund balance as of 6/30/26 as restated	$167,454,084

NOTE 29. EXPENDITURES BY CHARACTER

Section 21.256, Texas Education Code, requires an annual audit and authorizes the State Board of Education, with the approval of the State Auditor, to prescribe minimum regulations and report forms for the annual audit. The Financial Accounting System Resource Guide of the Texas Education Agency prescribes the forms and formats to be filed with the Texas Education Agency. The prescribed format of the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds, requires expenditures to be classified by function, meaning capital outlay directly associated with a particular function is charged to that function.

Expenditures by fund and character are as follows:

	Governmental Fund Types				
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total (Memorandum Only)
Current	$347,670,249	$46,262,541	$ -	$ 876,026	$394,808,816
Capital Outlay	8,999,960	396,424	-	390,045,438	399,441,822
Debt Service:					
Principal	-	-	62,627,488	-	62,627,488
Interest and Fiscal Charges	-	-	115,542,636	2,267,428	117,810,064
Total Expenditures	$356,670,209	$46,658,965	$178,170,124	$393,188,892	$974,688,190

REQUIRED SUPPLEMENTARY INFORMATION

DENTON 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	$ 233,994,905	$ 242,916,206	$ 8,921,301	$ 242,839,939	$ (76,267)
5800	State Program Revenues	88,644,264	126,200,341	37,556,077	133,029,647	6,829,306
5900	Federal Program Revenues	1,925,643	6,309,540	4,383,897	4,436,002	(1,873,538)
5020	Total Revenues	324,564,812	375,426,087	50,861,275	380,305,588	4,879,501
	EXPENDITURES:					
	Current:					
0011	Instruction	201,050,801	213,631,590	(12,580,789)	208,221,876	5,409,714
0012	Instructional Resources and Media Services	3,856,586	4,092,029	(235,443)	3,872,946	219,083
0013	Curriculum and Instructional Staff Development	4,949,340	6,271,953	(1,322,613)	6,037,674	234,279
0021	Instructional Leadership	4,173,554	4,063,755	109,799	3,840,318	223,437
0023	School Leadership	19,214,096	21,104,589	(1,890,493)	20,680,222	424,367
0031	Guidance, Counseling, and Evaluation Services	11,874,139	14,349,221	(2,475,082)	13,864,752	484,469
0032	Social Work Services	910,711	1,045,908	(135,197)	946,609	99,299
0033	Health Services	3,447,446	3,989,115	(541,669)	3,855,127	133,988
0034	Student (Pupil) Transportation	9,539,255	10,989,341	(1,450,086)	10,046,234	943,107
0035	Food Services	237,963	614,368	(376,405)	525,517	88,851
0036	Extracurricular Activities	9,900,914	10,086,528	(185,614)	9,521,508	565,020
0041	General Administration	10,210,952	13,121,118	(2,910,166)	12,276,830	844,288
0051	Facilities Maintenance and Operations	46,850,265	45,168,736	1,681,529	42,914,326	2,254,410
0052	Security and Monitoring Services	4,990,700	5,390,354	(399,654)	4,603,685	786,669
0053	Data Processing Services	5,733,467	9,234,988	(3,501,521)	6,363,478	2,871,510
0061	Community Services	4,687,850	4,795,283	(107,433)	4,154,589	640,694
	Capital Outlay:					
0081	Facilities Acquisition and Construction	52,243	1,895,082	(1,842,839)	1,581,909	313,173
	Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	713,000	668,000	45,000	668,000	-
0095	Payments to Juvenile Justice Alternative Ed. Prg.	4,000	4,000	-	-	4,000
0099	Other Intergovernmental Charges	2,731,987	2,694,609	37,378	2,694,609	-
6030	Total Expenditures	345,129,269	373,210,567	(28,081,298)	356,670,209	16,540,358
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,564,457)	2,215,520	22,779,977	23,635,379	21,419,859
	OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	9,874,285	9,874,285	10,038,540	164,255
7915	Transfers In	1,000,000	1,000,000	-	1,019,841	19,841
8911	Transfers Out (Use)	-	(3,954,867)	(3,954,867)	(5,086,287)	(1,131,420)
7080	Total Other Financing Sources (Uses)	1,000,000	6,919,418	5,919,418	5,972,094	(947,324)
	UNUSUAL OR INFREQUENT ITEMS:					
8913	Legal Settlements	-	(35,730)	(35,730)	(37,530)	(1,800)
1200	Net Change in Fund Balances	(19,564,457)	9,099,208	28,663,665	29,569,943	20,470,735
0100	Fund Balance - July 1 (Beginning)	66,203,283	66,203,283	-	66,203,283	-
3000	Fund Balance - June 30 (Ending)	$ 46,638,826	$ 75,302,491	$ 28,663,665	$ 95,773,226	$ 20,470,735

DENTON 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	$ 11,647,893	$ 10,724,918	$ 10,745,412
Contribution in Relation to the Contractually Required Contribution	(11,647,893)	(10,724,918)	(10,745,412)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 272,630,753	$ 266,213,305	$ 268,184,035
Contributions as a Percentage of Covered Payroll	4.27%	4.03%	4.01%

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.

2023	2022	2021	2020	2019	2018	2017
$ 10,135,583	$ 9,082,975	$ 8,028,985	$ 7,320,420	$ 6,490,864	$ 6,223,824	$ 5,786,378
(10,135,583)	(9,082,975)	(8,028,985)	(7,320,420)	(6,490,864)	(6,223,824)	(5,786,378)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 255,443,333	$ 244,296,469	$ 233,634,721	$ 223,650,339	$ 206,220,120	$ 197,367,842	$ 185,528,986
3.97%	3.72%	3.44%	3.27%	3.15%	3.15%	3.12%

DENTON 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	0.23951366%	0.24649987%	0.251643521%
District's Proportionate Share of Net OPEB Liability (Asset)	$ 59,704,261	$ 74,816,490	$ 55,709,611
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	79,210,904	93,744,047	67,222,208
Total	$ 138,915,165	$ 168,560,537	$ 122,931,819
District's Covered Payroll	$ 265,606,821	$ 269,752,442	$ 257,243,616
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	22.48%	27.74%	21.66%
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
0.251433014%	0.248135524%	0.241818689%	0.238518907%	0.237684018%	0.219581563%
$ 60,203,134	$ 95,716,960	$ 91,926,204	$ 112,798,512	$ 118,677,806	$ 95,487,785
73,438,365	128,239,395	123,526,783	149,883,993	170,791,151	146,774,672
$ 133,641,499	$ 223,956,355	$ 215,452,987	$ 262,682,505	$ 289,468,957	$ 242,262,457
$ 245,965,511	$ 235,369,260	$ 226,767,291	$ 207,572,939	$ 199,791,322	$ 187,413,154
24.48%	40.67%	40.54%	54.34%	59.40%	50.95%
11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

DENTON 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	$ 2,266,901	$ 2,223,397	$ 2,231,847
Contribution in Relation to the Contractually Required Contribution	(2,266,901)	(2,223,397)	(2,231,847)
Contribution Deficiency (Excess)	$ -	$ -	$ -
District's Covered Payroll	$ 272,630,753	$ 266,213,305	$ 268,184,035
Contributions as a Percentage of Covered Payroll	0.83%	0.84%	0.83%

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.

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.

2023	2022	2021	2020	2019	2018
$ 2,132,639	$ 2,041,121	$ 1,918,048	$ 1,813,010	$ 1,683,734	$ 1,558,100
(2,132,639)	(2,041,121)	(1,918,048)	(1,813,010)	(1,683,734)	(1,558,100)
$ -	$ -	$ -	$ -	$ -	$ -
$ 255,443,333	$ 244,296,469	$ 233,634,721	$ 223,650,339	$ 206,220,120	$ 197,367,842
0.84%	0.84%	0.82%	0.81%	0.82%	0.79%

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

BUDGET TO ACTUAL COMPARISONS

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and Child Nutrition Fund. 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. Each annual budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

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. The budget is amended as needed throughout the year by the Board of Trustees. Such amendments are reflected in the official minutes of the Board.

Significant variances between the general fund original budget and final budget were:

- Budgeted local revenue increased due to an increase in projected property tax revenue as a result of the successful VATRE election
- Budgeted state program revenue increased due to additional funding for teacher salaries approved after adoption of the original budget, as well as refinements to projected state funding during the year based on enrollment and ADA figures
- Budgeted Federal program revenue increased due to a mid-year Erate funding commitment as well as expected indirect costs draws
- Most expenditure functions increased due to the State-funded salary increases mentioned above but also reflect additional dollars budgeted as a result of the additional property tax revenue
- Sale of Real and Personal Property dollars were budgeted mid-year due to the sale of a tract of land.
- Transfers Out were budgeted toward the end of the year to account for dollars transferred to internal service funds to cover projected current year operating losses

Significant variances between the final budget and actual results in the general fund were:

- State program revenue was more than budgeted due to fiscal year-end adjustments by the State to the funding formula based on actual enrollment and ADA
- Instructional expenditures were below budget due to vacancies and to conservative budgeting
- Data processing service expenditures were below budget due to Erate-related capital expenditures budgeted but not incurred during the current year
- Transfers out were in excess of budget due to larger-than-expected operating losses in two internal service funds

Significant variances between the debt service fund original budget and final budget were:

- Budgeted local revenue decreased due to refinements to projected property tax revenue based on final certified tax values
- Budgeted state program revenue increased due to an unexpected increase in the annual EDA allotment
- A bond refunding which occurred during the current year was not anticipated at the beginning of the fiscal period but was budgeted when it occurred.

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

Significant variances between the final budget and actual results in the debt service fund were:

- Local revenue exceeded budget expectations due to additional property tax collections
- State program revenue fell short of budget due to year-end adjustments by the State to the EDA allotment.

Significant variances between the final budget and actual results in the debt service fund were:

- Food service expenditures were below budget due to savings in food costs and to the receipt of a lesser amount of food commodities than originally budgeted

PENSION LIABILITY:

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

Changes of assumptions: 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 June 30, 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.

OPEB LIABILITY:

Changes of benefit terms: There were no 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. This change decreased the Total OPEB Liability.
- 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.

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NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

Activities accounted for in the Special Revenue Funds are:
Child Care Development Block Grant - funds granted to assist low-income, working families afford child care
Head Start - funds granted for the Head Start program for preschool children
ESEA I, A Improving Basic Programs - funds granted to serve students needing reading and math assistance
IDEA-Part B Formula - funds granted for children with disabilities
IDEA-Part B Preschool - funds granted for preschool children with disabilities
IDEA Part B Discretionary – funds granted for special education private residential placements
National Breakfast and Lunch Program - funds granted to serve meals to disadvantaged children
Summer Feeding Program – funds granted to provide summer meals to community children
ESEA II, A Training and Recruiting - funds for training to improve teacher and principal quality
Title III, A Immigrant – funds to improve the education of English learners and immigrant children
Title III, A English Lang. Acquisition - funds to improve the education of limited English proficient children
Title IV, B Community Learning - funds for community learning center activities
Medicaid Admin. Claim MAC - funds to reimburse Medicaid state plan administrative costs
ESSER III - funds granted through the CARES Act to help the District operate and instruct students during the pandemic
Summer School LEP - funds for summer education of limited English proficient students
ESEA Title IV, Part A - funds granted for students needing reading and math assistance
Stronger Connections - funds granted to help districts create safer, more supportive school environments
SSA Adult Education - funds granted to provide adult education literacy services
SSA-TANF Family Assistance – funds granted to promote services to undereducated adults under TANF
SSA-IDEA, Part B Discretionary - funds granted for special education private residential placements
SSA-Vocational Ed Basic Grant - funds granted to provide career and technical education
Visually Impaired - funds granted for visually impaired students
Advanced Placement Incentives - funds granted under the Texas Advanced Placement Award incentive program
State Instructional Materials - funds granted for textbook and technology needs
SPED Autism Grant - funds granted to provide services for students with autism
Ready to Read - funds from state license plate fees for reading programs
Summer CTE – funds granted to deliver career and technical education programs during the summer months
School Safety Standards - funds granted for replacing or upgrading doors, windows, fencing, communications and other safety measures
Strategic Staffing – funds granted to support paid teacher residency programs
SSA Regional Day School-Deaf - funds granted to provide a regional day school program for the deaf (RDSD)
Deaf Educ Management Board - funds contributed by member districts to support the RDSD program
Campus Activity Funds - accounts for funds raised by a campus for the benefit of that campus
Blended Learning - funds granted to help design and launch a high-quality blended learning program
Community Partner Donations and Local Grants - accounts for funds received from local individuals and businesses for District needs

PERMANENT FUNDS

Permanent Funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes to support the District's programs.

Activities accounted for in the Permanent Fund are:
Lewis Price Memorial Fund - accounts for the original corpus and accumulated earnings related to a gift for playground equipment

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

Data Control Codes		203 Child Care Development Block Grant	205 Head Start	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ -	$ -	$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	-	868,245	1,515,868	2,013,265
1250	Accrued Interest	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	$ -	$ 868,245	$ 1,515,868	$ 2,013,265
	LIABILITIES				
2110	Accounts Payable	$ -	$ 2,253	$ -	$ 14,834
2160	Accrued Wages Payable	-	214,704	484,348	644,079
2170	Due to Other Funds	-	651,288	1,031,520	1,354,352
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	-	868,245	1,515,868	2,013,265
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	-	-	-	-
3425	Endowment Principal	-	-	-	-
3430	Prepaid Items	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ -	$ 868,245	$ 1,515,868	$ 2,013,265

225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	240 National Breakfast and Lunch Program	242 Summer Feeding Program	255 ESEA II,A Training and Recruiting	262 Title III, A Immigrant	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning
$ -	$ -	$ 3,822,535	$ 15,819	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
72,326	149,409	13,879	146,928	485,879	7,461	320,368	50,730
-	-	-	-	-	-	-	-
-	-	2,436	-	-	-	-	-
-	-	303,397	-	-	-	-	-
-	-	4,792	-	-	-	-	-
$ 72,326	$ 149,409	$ 4,147,039	$ 162,747	$ 485,879	$ 7,461	$ 320,368	$ 50,730
$ -	$ -	$ 195,708	$ 35,527	$ 25,768	$ -	$ 42,000	$ -
-	-	82,600	780	106,040	-	80,154	-
72,326	149,409	7,317	-	354,071	7,461	198,214	50,730
-	-	5,653	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	523,230	-	-	-	-	-
72,326	149,409	814,508	36,307	485,879	7,461	320,368	50,730
-	-	303,397	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	4,792	-	-	-	-	-
-	-	3,024,342	126,440	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,332,531	126,440	-	-	-	-
$ 72,326	$ 149,409	$ 4,147,039	$ 162,747	$ 485,879	$ 7,461	$ 320,368	$ 50,730

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

Data Control Codes		272 Medicaid Admin. Claim MAC	282 ESSER III ARP Act	288 Summer School LEP	289 Other Federal Special Revenue Funds
	ASSETS				
1110	Cash and Cash Equivalents	$ -	$ 22	$ -	$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	39,199	-	-	634,506
1250	Accrued Interest	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	$ 39,199	$ 22	$ -	$ 634,506
	LIABILITIES				
2110	Accounts Payable	$ 1,832	$ 22	$ -	$ 6,114
2160	Accrued Wages Payable	-	-	-	101,601
2170	Due to Other Funds	37,367	-	-	451,979
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	-	-	74,812
2000	Total Liabilities	39,199	22	-	634,506
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	-	-	-	-
3425	Endowment Principal	-	-	-	-
3430	Prepaid Items	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
	Committed Fund Balance:				
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	$ 39,199	$ 22	$ -	$ 634,506

309 SSA Adult Basic Education	312 SSA - TANF Family Assistance	315 SSA IDEA, Part B Discretionary	331 SSA - Career & Technical - Basic Grant	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials	421 SPED Autism Grant
$ -	$ -	$ -	$ -	$ -	$ 61,713	$ 553,081	$ -
-	-	-	-	-	-	-	-
168,210	58,937	18,018	139,672	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 168,210	$ 58,937	$ 18,018	$ 139,672	$ -	$ 61,713	$ 553,081	$ -
$ 792	$ -	$ -	$ 13,200	$ -	$ -	$ 1,800	$ -
14,663	-	12,646	13,695	-	5,220	-	-
152,755	58,937	5,372	112,777	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	369,536	-
168,210	58,937	18,018	139,672	-	5,220	371,336	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	56,493	181,745	-
-	-	-	-	-	56,493	181,745	-
$ 168,210	$ 58,937	$ 18,018	$ 139,672	$ -	$ 61,713	$ 553,081	$ -

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

Data Control Codes		427 Ready to Read	429 Other State Special Revenue Funds	431 SSA - ABE Educational Technology	435 SSA Regional Day School - Deaf
	ASSETS				
1110	Cash and Cash Equivalents	$ 43	$ -	$ -	$ 113,779
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	-	198,021	20,830	-
1250	Accrued Interest	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	$ 43	$ 198,021	$ 20,830	$ 113,779
	LIABILITIES				
2110	Accounts Payable	$ -	$ -	$ 8,422	$ 67
2160	Accrued Wages Payable	-	-	-	1,901
2170	Due to Other Funds	-	198,021	12,408	-
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	-	198,021	20,830	1,968
	FUND BALANCES				
	Nonspendable Fund Balance:				
3410	Inventories	-	-	-	-
3425	Endowment Principal	-	-	-	-
3430	Prepaid Items	-	-	-	-
	Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
	Committed Fund Balance:				
3545	Other Committed Fund Balance	43	-	-	111,811
3000	Total Fund Balances	43	-	-	111,811
4000	Total Liabilities and Fund Balances	$ 43	$ 198,021	$ 20,830	$ 113,779

446 Deaf Educ Management Board	461 Campus Activity Funds	462 Raising Blended Learners	481 Community Partner Donations	490 Local Grants	Total Nonmajor Special Revenue Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
$ 856,893	$ 3,310,279	$ -	$ 423,146	$ 748,115	$ 9,905,425	$ 14,247	$ 9,919,672
-	-	-	1,387,048	-	1,387,048	-	1,387,048
84,202	-	-	-	6,618	7,012,571	-	7,012,571
-	-	-	6,563	-	6,563	-	6,563
-	3,300	-	63,370	-	69,106	-	69,106
-	-	-	-	-	303,397	-	303,397
-	13,680	-	-	2,684	21,156	-	21,156
$ 941,095	$ 3,327,259	$ -	$ 1,880,127	$ 757,417	$ 18,705,266	$ 14,247	$ 18,719,513
$ 5,902	$ 121,849	$ -	$ 21,183	$ 3,937	$ 501,210	$ -	$ 501,210
188,545	7,850	-	2,250	-	1,961,076	-	1,961,076
-	-	-	73,506	-	4,979,810	-	4,979,810
-	-	-	-	-	5,653	-	5,653
-	-	-	1,000	-	1,000	-	1,000
-	-	-	-	502,913	1,470,491	-	1,470,491
194,447	129,699	-	97,939	506,850	8,919,240	-	8,919,240
-	-	-	-	-	303,397	-	303,397
-	-	-	-	-	-	1,000	1,000
-	13,680	-	-	2,684	21,156	-	21,156
-	-	-	-	-	3,150,782	-	3,150,782
-	-	-	-	-	-	13,247	13,247
746,648	3,183,880	-	1,782,188	247,883	6,310,691	-	6,310,691
746,648	3,197,560	-	1,782,188	250,567	9,786,026	14,247	9,800,273
$ 941,095	$ 3,327,259	$ -	$ 1,880,127	$ 757,417	$ 18,705,266	$ 14,247	$ 18,719,513

DENTON 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		203 Child Care Development Block Grant	205 Head Start	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	76,220	1,684,803	4,002,390	5,470,457
5020	Total Revenues	76,220	1,684,803	4,002,390	5,470,457
	EXPENDITURES:				
	Current:				
0011	Instruction	-	1,326,701	1,950,021	356,573
0012	Instructional Resources and Media Services	-	-	11,813	-
0013	Curriculum and Instructional Staff Development	-	93,192	1,389,575	-
0021	Instructional Leadership	-	-	1,300	-
0023	School Leadership	-	64,429	150,129	-
0031	Guidance, Counseling, and Evaluation Services	-	35,300	178,030	5,113,884
0032	Social Work Services	-	119,639	30,700	-
0033	Health Services	-	1,094	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	76,220	44,448	290,822	-
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	76,220	1,684,803	4,002,390	5,470,457
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)	$ -	$ -	$ -	$ -

225 IDEA - Part B Preschool	226 IDEA - Part B Discretionary	240 National Breakfast and Lunch Program	242 Summer Feeding Program	255 ESEA II,A Training and Recruiting	262 Title III, A Immigrant	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning
$ -	$ -	$ 5,541,349	$ -	$ -	$ -	$ -	$ -
-	-	85,388	-	-	-	-	-
74,358	149,409	14,467,623	186,133	1,383,567	38,154	669,537	100,772
74,358	149,409	20,094,360	186,133	1,383,567	38,154	669,537	100,772
-	145,828	-	-	710,376	-	133,163	-
-	-	-	-	-	-	-	-
2,032	-	-	-	45,784	-	489,626	-
-	-	-	-	-	-	225	-
-	-	-	-	627,407	-	-	-
72,326	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	3,581	-	-	-	-	-	100,772
-	-	20,094,360	74,262	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	38,154	46,523	-
-	-	-	-	-	-	-	-
74,358	149,409	20,094,360	74,262	1,383,567	38,154	669,537	100,772
-	-	-	111,871	-	-	-	-
-	-	24,045	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	24,045	-	-	-	-	-
-	-	24,045	111,871	-	-	-	-
-	-	3,308,486	14,569	-	-	-	-
$ -	$ -	$ 3,332,531	$ 126,440	$ -	$ -	$ -	$ -

DENTON 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		272 Medicaid Admin. Claim MAC	282 ESSER III ARP Act	288 Summer School LEP	289 Other Federal Special Revenue Funds
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	-	-	-
5900	Federal Program Revenues	151,955	(22)	25,637	1,023,525
5020	Total Revenues	151,955	(22)	25,637	1,023,525
	EXPENDITURES:				
	Current:				
0011	Instruction	-	(22)	25,637	113,770
0012	Instructional Resources and Media Services	-	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-	261,443
0021	Instructional Leadership	9,149	-	-	-
0023	School Leadership	-	-	-	5,110
0031	Guidance, Counseling, and Evaluation Services	142,806	-	-	338,641
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	-	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	-	-	-
0053	Data Processing Services	-	-	-	-
0061	Community Services	-	-	-	304,561
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total Expenditures	151,955	(22)	25,637	1,023,525
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)	$ -	$ -	$ -	$ -

309 SSA Adult Basic Education	312 SSA - TANF Family Assistance	315 SSA IDEA, Part B Discretionary	331 SSA - Career & Technical - Basic Grant	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials	421 SPED Autism Grant
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	21,684	7,840	2,108,119	(285)
1,592,012	165,935	71,753	305,837	-	-	-	-
1,592,012	165,935	71,753	305,837	21,684	7,840	2,108,119	(285)
697,600	50,092	71,753	53,403	21,684	17,688	1,236,052	(285)
-	-	-	-	-	-	32,415	-
802,740	111,164	-	70,626	-	38,018	42,617	-
30,579	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
23,908	-	-	20,250	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
37,185	4,679	-	-	-	-	-	-
-	-	-	161,558	-	-	-	-
-	-	-	-	-	-	-	-
1,592,012	165,935	71,753	305,837	21,684	55,706	1,311,084	(285)
-	-	-	-	-	(47,866)	797,035	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(714,313)	-
-	-	-	-	-	-	(714,313)	-
-	-	-	-	-	(47,866)	82,722	-
-	-	-	-	-	104,359	99,023	-
$ -	$ -	$ -	$ -	$ -	$ 56,493	$ 181,745	$ -

DENTON 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		427 Ready to Read	429 Other State Special Revenue Funds	431 SSA - ABE Educational Technology	435 SSA Regional Day School - Deaf
	REVENUES:				
5700	Total Local and Intermediate Sources	$ -	$ -	$ -	$ -
5800	State Program Revenues	-	746,663	266,340	510,361
5900	Federal Program Revenues	-	-	-	-
5020	Total Revenues	-	746,663	266,340	510,361
	EXPENDITURES:				
	Current:				
0011	Instruction	-	66,003	141,151	398,393
0012	Instructional Resources and Media Services	50	-	-	-
0013	Curriculum and Instructional Staff Development	-	20,933	119,426	67
0021	Instructional Leadership	-	-	-	-
0023	School Leadership	-	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-	-
0032	Social Work Services	-	-	-	-
0033	Health Services	-	-	-	-
0034	Student (Pupil) Transportation	-	-	-	-
0035	Food Services	-	-	-	-
0036	Extracurricular Activities	-	6,501	-	-
0041	General Administration	-	-	-	-
0051	Facilities Maintenance and Operations	-	-	-	-
0052	Security and Monitoring Services	-	419,100	-	-
0053	Data Processing Services	-	-	5,763	-
0061	Community Services	-	-	-	90
	Capital Outlay:				
0081	Facilities Acquisition and Construction	-	234,126	-	-
6030	Total Expenditures	50	746,663	266,340	398,550
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(50)	-	-	111,811
	OTHER FINANCING SOURCES (USES):				
7915	Transfers In	-	-	-	-
8911	Transfers Out (Use)	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net Change in Fund Balance	(50)	-	-	111,811
0100	Fund Balance - July 1 (Beginning)	93	-	-	-
3000	Fund Balance - June 30 (Ending)	$ 43	$ -	$ -	$ 111,811

446 Deaf Educ Management Board	461 Campus Activity Funds	462 Raising Blended Learners	481 Community Partner Donations	490 Local Grants	Total Nonmajor Special Revenue Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
$ 1,846,202	$ 4,202,965	$ 331	$ 412,395	$ 408,287	$ 12,411,529	$ -	$ 12,411,529
-	-	-	-	-	3,746,110	-	3,746,110
-	-	-	-	-	31,640,055	-	31,640,055
1,846,202	4,202,965	331	412,395	408,287	47,797,694	-	47,797,694
1,545,171	1,600,028	331	151,570	259,211	11,071,892	-	11,071,892
-	136,604	-	17,576	17,957	216,415	-	216,415
8,371	9,042	-	26,589	51,811	3,583,056	-	3,583,056
183,022	-	-	-	-	224,275	-	224,275
1,040	118,993	-	961	13,336	981,405	-	981,405
72,933	266,830	-	-	133	6,265,041	-	6,265,041
-	-	-	-	-	150,339	-	150,339
53,978	-	-	-	-	55,072	-	55,072
-	-	-	-	32,853	137,206	-	137,206
-	-	-	-	-	20,168,622	-	20,168,622
2,339	1,848,102	-	79,752	36,794	1,973,488	-	1,973,488
-	-	-	9,995	-	9,995	-	9,995
-	38,712	-	-	35,625	74,337	-	74,337
-	2,288	-	4,259	28,062	453,709	-	453,709
-	-	-	-	-	47,627	-	47,627
921	6,986	-	17,995	5,449	993,727	-	993,727
-	-	-	-	18,633	252,759	-	252,759
1,867,775	4,027,585	331	308,697	499,864	46,658,965	-	46,658,965
(21,573)	175,380	-	103,698	(91,577)	1,138,729	-	1,138,729
-	66,672	-	87,600	-	178,317	-	178,317
(13,500)	(68,502)	-	(43,041)	(21,791)	(861,147)	-	(861,147)
(13,500)	(1,830)	-	44,559	(21,791)	(682,830)	-	(682,830)
(35,073)	173,550	-	148,257	(113,368)	455,899	-	455,899
781,721	3,024,010	-	1,633,931	363,935	9,330,127	14,247	9,344,374
$ 746,648	$ 3,197,560	$ -	$ 1,782,188	$ 250,567	$ 9,786,026	$ 14,247	$ 9,800,273

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2026

	752 Print Shop	753 Workers Compensation
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ (46,044)	$ 496,106
Due from Other Governments	2,380	-
Other Receivables	-	-
Inventories	6,272	-
Prepayments	-	80,000
Total Current Assets	(37,392)	576,106
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment. Net	49,334	-
SBITA Asset, Net	-	-
Total Noncurrent Assets	49,334	-
Total Assets	11,942	576,106
LIABILITIES		
Current Liabilities:		
Accounts Payable	5,658	61,049
Accrued Wages Payable	14	-
Accrued Expenses	-	370,000
Total Current Liabilities	5,672	431,049
Noncurrent Liabilities:		
SBITA Liability	-	-
Total Noncurrent Liabilities	-	-
Total Liabilities	5,672	431,049
NET POSITION		
Net Investment in Capital Assets	49,334	-
Unrestricted Net Position	(43,064)	145,057
Total Net Position	$ 6,270	$ 145,057

756 Self-Funded HCT	771 Healthcare Trust Fund	772 Device Insurance	774 Subscription Based Info Tech Arrang	Total Internal Service Funds
$ (1,236,113)	$ 128,310	$ 410,271	$ -	$ (247,470)
1,540,177	493	-	-	1,543,050
2,117	-	585	-	2,702
-	-	-	-	6,272
-	-	-	-	80,000
306,181	128,803	410,856	-	1,384,554
-	-	-	-	49,334
-	-	-	5,711,353	5,711,353
-	-	-	5,711,353	5,760,687
306,181	128,803	410,856	5,711,353	7,145,241
306,181	128,803	1,646	-	503,337
-	-	-	-	14
-	-	-	-	370,000
306,181	128,803	1,646	-	873,351
-	-	-	2,792,885	2,792,885
-	-	-	2,792,885	2,792,885
306,181	128,803	1,646	2,792,885	3,666,236
-	-	-	2,918,468	2,967,802
-	-	409,210	-	511,203
$ -	$ -	$ 409,210	$ 2,918,468	$ 3,479,005

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	752 Print Shop	753 Workers Compensation
OPERATING REVENUES:		
Local and Intermediate Sources	$ 211,650	$ 1,801,370
Total Operating Revenues	211,650	1,801,370
OPERATING EXPENSES:		
Payroll Costs	155,057	102,203
Professional and Contracted Services	20,524	-
Supplies and Materials	54,407	30,379
Other Operating Costs	-	803,555
Depreciation Expense	37,982	-
Debt Service	-	-
Total Operating Expenses	267,970	936,137
Operating Income (Loss)	(56,320)	865,233
NONCAPITAL SUBSIDIES:		
Earnings from Temporary Deposits & Investments	-	13,709
Transfers In	32,124	-
Transfers Out	-	(1,000,000)
Total Noncapital Subsidies	32,124	(986,291)
Operating Income (Loss) and Noncapital Subsidies	(24,196)	(121,058)
Change in Net Position	(24,196)	(121,058)
Total Net Position - July 1 (Beginning)	30,466	266,115
Adjustments and Restatements	-	-
Total Net Position - July 1 - as Restated	30,466	266,115
Total Net Position - June 30 (Ending)	$ 6,270	$ 145,057

756 Self-Funded HCT	771 Healthcare Trust Fund	772 Device Insurance	774 Subscription Based Info Tech Arrang	Total Internal Service Funds
$ 16,155,902	$ 88,375	$ 147,899	$ -	$ 18,405,196
16,155,902	88,375	147,899	-	18,405,196
-	-	-	-	257,260
33,686	1,312,315	-	-	1,366,525
-	-	38,156	-	122,942
18,635,109	237	4,894	-	19,443,795
-	-	-	3,688,345	3,726,327
-	-	-	500,652	500,652
18,668,795	1,312,552	43,050	4,188,997	25,417,501
(2,512,893)	(1,224,177)	104,849	(4,188,997)	(7,012,305)
-	-	-	-	13,709
2,512,893	1,224,177	-	2,959,983	6,729,177
-	-	-	-	(1,000,000)
2,512,893	1,224,177	-	2,959,983	5,742,886
-	-	104,849	(1,229,014)	(1,269,419)
-	-	104,849	(1,229,014)	(1,269,419)
-	-	304,361	3,892,814	4,493,756
-	-	-	254,668	254,668
-		304,361	4,147,482	4,748,424
$ -	$ -	$ 409,210	$ 2,918,468	$ 3,479,005

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2026

	752 Print Shop	753 Workers Compensation
Cash Flows from Operating Activities:		
Cash Received from District	$ -	$ 1,877,125
Cash Received from Charges and Fees	210,139	-
Cash Payments for Payroll Costs	(155,048)	(102,203)
Cash Payments for Purchased Services	(20,524)	-
Cash Payments for Supplies and Materials	(51,877)	(79,059)
Cash Payments for Interest	-	-
Cash Payments for Claims	-	(634,839)
Net Cash Provided by (Used for) Operating Activities	(17,310)	1,061,024
Cash Flows from Non-Capital Financing Activities:		
Transfers Out	-	(1,000,000)
Transfers In	32,124	-
Net Cash Provided by (Used for) Non-Capital	32,124	(1,000,000)
Cash Flows from Capital & Related Financing Activities:		
Acquisition of Capital Assets	-	-
SBITA Proceeds	-	-
SBITA Principal Payment	-	-
Net Cash Used for Capital and Related Financing	-	-
Cash Flows from Investing Activities:		
Interest and Dividends on Investments	-	13,709
Net Increase (Decrease) in Cash and Cash Equivalents	14,814	74,733
Cash and Cash Equivalents at Beginning of Year	(60,858)	421,373
Cash and Cash Equivalents at End of Year	$ (46,044)	$ 496,106
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Operating Income (Loss):	$ (56,320)	$ 865,233
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	37,982	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	(1,511)	-
Decrease (increase) in Inv/Prepayments	1,413	(80,000)
Decrease (increase) in Due from Other Governments	-	75,755
Increase (decrease) in Accounts Payable	1,119	31,320
Increase (decrease) in Accrued Wages Payable	7	-
Increase (decrease) in Accrued Expenses	-	168,716
Net Cash Provided by (Used for) Operating Activities	$ (17,310)	$ 1,061,024

756 Self-Funded HCT	771 Healthcare Trust Fund	772 Device Insurance	774 Subscription Based Info Tech Arrang	Total Internal Service Funds
$ -	$ -	$ -	$ -	$ 1,877,125
14,615,725	98,071	148,484	-	15,072,419
-	-	-	-	(257,251)
(33,686)	(1,255,876)	-	-	(1,310,086)
-	(237)	(44,031)	-	(175,204)
-	-	-	(500,652)	(500,652)
(18,331,045)	-	-	-	(18,965,884)
(3,749,006)	(1,158,042)	104,453	(500,652)	(4,259,533)
-	-	-	-	(1,000,000)
2,512,893	1,224,177	-	2,959,983	6,729,177
2,512,893	1,224,177	-	2,959,983	5,729,177
-	-	-	(1,866,486)	(1,866,486)
-	-	-	1,866,486	1,866,486
-	-	-	(2,459,331)	(2,459,331)
-	-	-	(2,459,331)	(2,459,331)
-	-	-	-	13,709
(1,236,113)	66,135	104,453	-	(975,978)
-	62,175	305,818	-	728,508
$ (1,236,113)	$ 128,310	$ 410,271	$ -	$ (247,470)
$ (2,512,893)	$ (1,224,177)	$ 104,849	$ (4,188,997)	$ (7,012,305)
-	-	-	3,688,345	3,726,327
(2,117)	-	(585)	-	(4,213)
-	-	-	-	(78,587)
(1,540,177)	9,696	-	-	(1,454,726)
306,181	56,439	189	-	395,248
-	-	-	-	7
-	-	-	-	168,716
$ (3,749,006)	$ (1,158,042)	$ 104,453	$ (500,652)	$ (4,259,533)

DENTON 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		Variance with Original Budget - Over (Under) Final Budget	Actual Amounts, GAAP Basis	Variance with Final Budget - Over (Under) Actual Amounts
		Original	Final			
	REVENUES:					
5700	Total Local and Intermediate Sources	$ 7,980,500	$ 6,727,162	$ (1,253,338)	$ 5,541,349	$ (1,185,813)
5800	State Program Revenues	575,000	89,750	(485,250)	85,388	(4,362)
5900	Federal Program Revenues	16,535,198	16,588,093	52,895	14,467,623	(2,120,470)
5020	Total Revenues	25,090,698	23,405,005	(1,685,693)	20,094,360	(3,310,645)
	EXPENDITURES:					
	Current:					
0035	Food Services	25,090,698	23,405,005	1,685,693	20,094,360	3,310,645
6030	Total Expenditures	25,090,698	23,405,005	1,685,693	20,094,360	3,310,645
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
	OTHER FINANCING SOURCES (USES):					
7915	Transfers In	-	-	-	24,045	24,045
1200	Net Change in Fund Balances	-	-	-	24,045	24,045
0100	Fund Balance - July 1 (Beginning)	3,308,486	3,308,486	-	3,308,486	-
3000	Fund Balance - June 30 (Ending)	$ 3,308,486	$ 3,308,486	$ -	$ 3,332,531	$ 24,045

DENTON 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		Variance with Original Budget - Over (Under) Final Budget	Actual Amounts, GAAP Basis	Variance with Final Budget - Over (Under) Actual Amounts
		Original	Final			
	REVENUES:					
5700	Total Local and Intermediate Sources	$ 171,450,739	$ 155,017,924	$ (16,432,815)	$ 157,254,286	$ 2,236,362
5800	State Program Revenues	2,615,062	19,540,764	16,925,702	15,669,501	(3,871,263)
5020	Total Revenues	174,065,801	174,558,688	492,887	172,923,787	(1,634,901)
	EXPENDITURES:					
	Debt Service:					
0071	Principal on Long-Term Liabilities	62,627,488	62,627,488	-	62,627,488	-
0072	Interest on Long-Term Liabilities	109,973,353	113,926,273	(3,952,920)	113,857,274	68,999
0073	Bond Issuance Cost and Fees	1,464,960	1,331,737	133,223	1,685,362	(353,625)
6030	Total Expenditures	174,065,801	177,885,498	(3,819,697)	178,170,124	(284,626)
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(3,326,810)	(3,326,810)	(5,246,337)	(1,919,527)
	OTHER FINANCING SOURCES (USES):					
7911	Capital Related Debt Issued	-	90,545,000	90,545,000	90,545,000	-
7916	Premium or Discount on Issuance of Bonds	-	9,183,722	9,183,722	9,183,722	-
7917	Prepaid Interest	-	325,567	325,567	325,567	-
8949	Payment to Refunding Paying Agent	-	(98,080,662)	(98,080,662)	(98,080,662)	-
7080	Total Other Financing Sources (Uses)	-	1,973,627	1,973,627	1,973,627	-
1200	Net Change in Fund Balances	-	(1,353,183)	(1,353,183)	(3,272,710)	(1,919,527)
0100	Fund Balance - July 1 (Beginning)	148,290,117	148,290,117	-	148,290,117	-
3000	Fund Balance - June 30 (Ending)	$ 148,290,117	$ 146,936,934	$ (1,353,183)	$ 145,017,407	$ (1,919,527)

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REQUIRED TEA SCHEDULES

DENTON 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		1.060000	0.480000	15,966,067,987
2019		1.060000	0.480000	17,771,688,442
2020		0.990000	0.480000	19,914,985,782
2021		0.927600	0.480000	21,078,524,297
2022		0.882000	0.480000	22,989,073,348
2023		0.864600	0.480000	27,186,255,764
2024		0.679200	0.480000	29,321,679,693
2025		0.676900	0.480000	32,142,064,915
2026		0.726900	0.480000	32,114,920,789
1000	Totals for Fiscal Year Ending June 30, 2026			
8000	Total Taxes Refunded Under Section 26.1115, Tax Code			

(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
$ 368,642	$	$ 39,516	$ 18,899	$ 43,900	$ 354,127	
125,508		20,284	9,185	5,810	101,849	
169,950		34,420	15,586	4,660	124,604	
200,132		34,270	16,616	4,487	153,733	
209,379		17,381	8,994	(11,552)	171,452	
367,698		5,735	3,121	(135,812)	223,030	
616,502		210,386	116,800	177,808	467,124	
732,726		(285,701)	(201,909)	(744,777)	475,559	
4,120,562		(51,295)	(36,374)	(3,247,419)	960,812	
	387,594,979	231,229,209	152,689,532		3,676,238	
$ 6,911,099	$ 387,594,979	$ 231,254,205	$ 152,640,450	$ (3,902,895)	$ 6,708,528	
						$ 478,480

DENTON INDEPENDENT SCHOOL DISTRICT
BILINGUAL EDUCATION PROGRAM EXPENDITURES
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.	4,385,280
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	13,451,729

Statistical Section

Statistical Section

This part of the Denton Independent School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends	120
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	130
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	136
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	142
These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	
Operating Information	146
These schedules contain service and infrastructure date to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

DENTON INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

Fiscal Year	2017	2018	2019	2020
Governmental Activities:				
Net Investment in Capital Assets	$ (16,839,370)	$ (10,138,170)	$ 6,295,491	$ 34,082,184
Restricted for Debt Service/Other	62,642,822	62,887,911	75,923,982	78,797,084
Restricted for Corpus	1,000	1,000	1,000	1,000
Restricted for Playground Equipment	13,222	13,230	13,237	13,243
Unrestricted Net Position	(8,859,435)	(126,837,672)	(134,914,271)	(147,177,629)
Total Governmental Activities Net Position	$ 36,958,239	$ (74,073,701)	$ (52,680,561)	$ (34,284,118)
Business-Type Activities:				
Net Investment in Capital Assets	$ 653,907	$ 555,080	$ 496,727	$ 1,039,565
Unrestricted Net Position	814,365	(5,246,468)	(4,669,004)	(7,543,183)
Total Business-Type Activities	$ 1,468,272	$ (4,691,388)	$ (4,172,277)	$ (6,503,618)
Primary Government:				
Net Investment in Capital Assets	$ (16,185,463)	$ (9,583,090)	$ 6,792,218	$ 35,121,749
Restricted for Debt Service/Other	62,642,822	62,887,911	75,923,982	78,797,084
Restricted for Corpus	1,000	1,000	1,000	1,000
Restricted for Playground Equipment	13,222	13,230	13,237	13,243
Unrestricted Net Position	(8,045,070)	(132,084,140)	(139,583,275)	(154,720,812)
Total Primary Government	$ 38,426,511	$ (78,765,089)	$ (56,852,838)	$ (40,787,736)

2021	2022	2023	2024	2025	2026
$ 60,883,980	$ 103,791,348	$ 130,293,801	$ 182,608,809	$ 196,782,385	$ 201,789,116
97,496,411	97,440,662	102,754,533	128,749,334	151,613,172	148,476,378
1,000	1,000	1,000	1,000	1,000	1,000
13,247	13,247	13,247	13,247	13,247	13,247
(147,322,270)	(148,057,791)	(149,665,519)	(173,861,156)	(181,210,388)	(138,669,904)
$ 11,072,368	$ 53,188,466	$ 83,397,062	$ 137,511,234	$ 167,199,416	$ 211,609,837
$ 2,715,029	$ 10,489	$ 9,042	$ 27,906	$ 21,950	$ 23,320
(11,018,225)	23,281	38,002	56,511	99,749	134,318
$ (8,303,196)	$ 33,770	$ 47,044	$ 84,417	$ 121,699	$ 157,638
$ 63,599,009	$ 103,801,837	$ 130,302,843	$ 182,636,715	$ 196,804,335	$ 201,812,436
97,496,411	97,440,662	102,754,533	128,749,334	151,613,172	148,476,378
1,000	1,000	1,000	1,000	1,000	1,000
13,247	13,247	13,247	13,247	13,247	13,247
(158,340,495)	(148,034,510)	(149,627,517)	(173,804,645)	(181,110,639)	(138,535,586)
$ 2,769,172	$ 53,222,236	$ 83,444,106	$ 137,595,651	$ 167,321,115	$ 211,767,475

DENTON INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS

Fiscal Year	2017	2018	2019	2020
Expenses				
Governmental Activities:				
Instruction	$ 179,220,317	$ 145,390,038	$ 210,251,592	$ 226,046,466
Instructional Resources & Media Services	4,678,744	4,119,719	5,194,839	5,469,381
Curriculum & Staff Development	6,147,898	4,628,669	8,355,506	9,307,021
Instructional Leadership	2,963,824	2,989,248	4,710,851	4,617,660
School Leadership	15,563,677	12,315,422	18,187,188	19,621,069
Guidance, Counseling & Evaluation Services	14,331,163	10,930,736	16,426,507	18,325,344
Social Work Services	791,191	513,851	768,493	852,523
Health Services	2,789,542	1,864,404	3,151,049	3,448,496
Student (Pupil) Transportation	6,324,274	4,003,861	7,209,247	7,602,634
Food Services	242,248	254,236	272,746	2,471,414
Extracurricular Activities	7,851,159	6,127,163	9,244,490	9,225,503
General Administration	7,820,126	7,313,243	8,422,323	10,810,255
Plant Maintenance & Operations	31,266,422	29,065,155	27,758,861	31,279,662
Security Monitoring Services	938,861	1,031,602	1,245,095	1,398,619
Data Processing Services	6,334,717	5,805,429	6,078,489	7,272,216
Community Services	2,328,665	2,122,048	2,606,608	2,791,688
Debt Service - Interest and Fees	73,046,623	32,632,325	47,332,316	46,347,993
Payments for Fiscal Agent/Member Districts	426,400	474,000	584,600	532,200
Payments to Juvenile Justice Alternative Ed. Prg.	-	-	-	-
Other Intergovernmental Charges	1,322,091	1,404,293	1,533,633	1,706,090
Total Governmental Activities Expenses	364,387,942	272,985,442	379,334,433	409,126,234
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	492,926	507,976	243,390	124,085
Instructional Leadership	-	-	-	-
School Leadership	-	-	-	-
Health Services	4,721,227	4,721,227	7,249,244	3,925,169
Extracurricular Activiites	593,511	530,952	504,988	587,991
Food Services	-	-	-	-
General Administration	716,551	-	-	828,105
Plant Maintenance & Operations	371,668	438,740	316,989	265,436
Community Services	2,532,842	2,719,736	2,942,753	2,260,366
Operating Grants and Contributions	35,008,583	(10,976,837)	39,348,932	42,107,897
Capital Grants and Contributions	-	-	-	-
Total Governmental Activities Program Revenues	44,437,308	(2,058,206)	50,606,296	50,099,049
Total Governmental Activities Net (Expense) Revenue	$(319,950,634)	$(275,043,648)	$(328,728,137)	$(359,027,185)

2021	2022	2023	2024	2025	2026
$ 238,790,511	$ 236,213,495	$ 244,332,808	$ 266,842,907	$ 262,163,671	$ 277,265,445
5,506,295	5,421,448	5,955,089	6,578,566	5,311,684	5,038,319
9,948,051	10,306,704	12,718,868	12,949,910	11,496,080	11,879,747
4,290,651	4,897,197	5,689,573	5,795,734	5,271,276	5,089,737
20,945,880	20,744,882	22,338,817	24,489,700	25,457,095	27,209,716
18,264,972	18,203,774	20,179,014	22,432,182	22,799,205	24,573,928
969,094	1,013,466	1,100,916	1,240,658	1,278,748	1,426,435
4,847,576	4,789,811	4,008,870	4,445,869	4,553,859	4,857,458
6,922,568	8,459,042	9,188,319	12,073,252	10,483,244	12,670,755
822,365	17,154,898	19,884,117	22,223,979	24,071,546	23,368,671
8,089,402	9,325,923	11,293,499	12,201,320	12,928,575	13,052,342
11,964,555	11,465,984	12,422,376	14,442,999	14,828,956	14,875,658
31,462,993	37,633,135	46,878,836	48,978,789	38,326,213	38,701,922
2,327,128	1,966,658	2,384,138	3,465,057	5,138,001	5,729,660
7,672,193	8,680,070	7,969,436	7,656,994	5,677,059	5,966,366
3,072,022	4,561,177	5,509,587	6,130,239	5,682,606	6,139,412
27,303,908	30,114,510	53,535,943	90,743,649	89,062,380	107,076,535
520,800	553,400	642,000	788,000	678,000	668,000
-	-	-	-	3,625	-
1,761,715	1,784,910	2,005,987	2,282,874	2,519,695	2,694,609
405,482,679	433,290,484	488,038,193	565,762,678	547,731,518	588,284,715
20,421	148,176	910,879	1,057,956	1,411,217	121,545
-	-	-	-	-	-
-	-	-	-	-	-
3,881,853	5,907,468	8,459,123	1,762,205	453,303	140,097
470,761	763,208	805,535	657,483	756,432	753,951
-	1,188,416	5,355,963	5,582,334	5,434,678	5,443,496
3,047,111	3,825,873	2,730,448	2,711,978	2,352,093	1,615,662
52,363	112,519	258,090	434,519	449,528	590,926
1,830,514	3,059,261	3,136,390	3,534,826	2,951,274	5,098,128
67,165,645	74,354,051	70,324,040	87,349,413	91,378,210	87,005,202
-	-	-	-	-	-
76,468,668	89,358,972	91,980,468	103,090,714	105,186,735	100,769,007
$(329,014,011)	$(343,931,512)	$(396,057,725)	$(462,671,964)	$(442,544,783)	$(487,515,708)

DENTON INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION (FINAL)
LAST TEN FISCAL YEARS

Fiscal Year	2017	2018	2019	2020
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes - General Purposes	$ 149,513,725	$ 170,646,472	$ 189,411,396	$ 198,469,772
Property Taxes - Debt Service	71,769,075	77,152,046	85,628,999	96,071,515
State Aid-Formula Grants	68,177,794	69,183,586	57,825,379	72,060,766
Gifts and Bequests	-	-	-	-
Unrestricted Grants and Contributions	1,685,243	2,375,127	2,975,863	32,908
Investment Earnings	1,948,489	3,939,413	13,863,066	9,520,415
Miscellaneous	219,225	249,530	416,574	304,827
Special Items	-	-	-	963,425
Loss on Disposition of Capital Assets	-	-	-	-
Transfers In (Out)	(13,318)	-	-	-
Total Governmental Activities General Revenues and Other Changes in Net Position	293,300,233	323,546,174	350,121,277	377,423,628
Governmental Activities Change in Net Position	$ (26,650,401)	$ 48,502,526	$ 21,393,140	$ 48,695,491
Expenses				
Business-Type Activities:				
Child Nutrition	$ 10,832,909	$ 9,724,186	$ 11,656,118	$ 12,734,248
Stadium Concessions	77,914	153,500	87,482	138,230
Total Business-Type Activities Expenses	10,910,823	9,877,686	11,743,600	12,872,478
Program Revenues				
Business-Type Activities:				
Charges for Services:				
Child Nutrition	3,695,365	4,164,315	4,363,708	3,500,578
Stadium Concessions	89,642	129,180	82,578	113,755
Operating Grants and Contributions:				
Child Nutrition	6,985,196	7,504,468	7,782,154	6,896,225
Total Business-Type Activities Program Revenues	10,770,203	11,797,963	12,228,440	10,510,558
Total Business-Type Activities Net (Expense) Revenue	(140,620)	1,920,277	484,840	(2,361,920)
General Revenues and Other Changes in Net Position				
Business-Type Activities:				
Investment Earnings	5,588	13,119	34,271	30,579
Special Items	-	-	-	-
Transfer In (Out)	13,318	-	-	-
Total Business-Type Activities General Revenues and Other Changes in Net Position	18,906	13,119	34,271	30,579
Business-Type Activities Change in Net Position	$ (121,714)	$ 1,933,396	$ 519,111	$ (2,331,341)
Total Primary Government Change in Net Position	$ (26,772,115)	$ 50,435,922	$ 21,912,251	$ 46,364,150

2021	2022	2023	2024	2025	2026
$ 195,923,985	$ 203,695,071	$ 236,343,647	$ 198,632,118	$ 214,609,944	$ 232,666,611
101,273,736	110,611,653	130,995,194	140,311,435	152,145,575	153,168,999
76,355,595	78,239,148	46,988,962	95,127,193	84,885,126	113,701,632
-	-	-	1,627,368	-	-
-	-	-	-	-	-
590,167	974,121	14,490,616	57,808,521	48,995,599	41,523,786
227,014	1,070,579	807,464	706,276	544,432	238,853
-	-	-	-	-	-
-	-	(3,448,855)	-	(9,676,562)	(9,628,420)
-	-	-	-	-	-
374,370,497	394,590,572	426,177,028	494,212,911	491,504,114	531,671,461
$ 45,356,486	$ 50,659,060	$ 30,119,303	$ 31,540,947	$ 48,959,331	$ 44,155,753
$ 12,409,888	$ -	$ -	$ -	$ -	$ -
98,572	144,985	182,886	162,196	172,459	186,907
12,508,460	144,985	182,886	162,196	172,459	186,907
854,369	-	-	-	-	-
78,898	141,213	196,160	199,569	209,741	222,846
9,774,643	-	-	-	-	-
10,707,910	141,213	196,160	199,569	209,741	222,846
(1,800,550)	(3,772)	13,274	37,373	37,282	35,939
972	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
972	-	-	-	-	-
$ (1,799,578)	$ (3,772)	$ 13,274	$ 37,373	$ 37,282	$ 35,939
$ 43,556,908	$ 50,655,288	$ 30,132,577	$ 31,578,320	$ 48,996,613	$ 44,191,692

DENTON INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	2017	2018	2019	2020
General Fund				
Nonspendable	$ 361,562	$ 353,349	$ 282,271	$ 341,170
Assigned	12,964,884	20,828,849	23,341,620	25,086,894
Unassigned	70,709,230	70,243,747	78,041,879	77,340,346
Total General Fund	$ 84,035,676	$ 91,425,945	$ 101,665,770	$ 102,768,410
All Other Governmental Funds				
Nonspendable	$ 48,467	$ 47,492	$ 13,972	$ 468,165
Restricted	219,630,618	156,912,823	575,048,525	465,179,375
Committed	1,294,634	1,397,168	1,833,743	3,545,696
Assigned	4,388,076	4,079,842	3,141,380	3,371,306
Unassigned	-	-	-	-
Total All Other Governmental Funds	$ 225,361,795	$ 162,437,325	$ 580,037,620	$ 472,564,542
Total General and Other Governmental	$ 309,397,471	$ 253,863,270	$ 681,703,390	$ 575,332,952

2021	2022	2023	2024	2025	2026
$ 484,281	$ 326,092	$ 310,742	$ 298,343	$ 1,537,204	$ 213,286
27,522,800	25,429,850	33,237,113	35,567,279	27,436,608	9,991,381
80,578,579	82,926,100	62,358,824	42,683,533	37,229,471	85,568,559
$ 108,585,660	$ 108,682,042	$ 95,906,679	$ 78,549,155	$ 66,203,283	$ 95,773,226
$ 625,577	$ 842,246	$ 302,474	$ 867,894	$ 4,932,354	$ 4,401,510
563,573,072	354,881,780	156,056,610	1,028,248,764	911,338,867	746,203,317
3,624,555	3,445,957	3,479,323	5,306,218	5,997,849	6,310,691
2,602,122	2,825,805	2,813,351	2,998,971	2,941,841	4,952,253
-	(8,800)	(8,769)	(3,000)	-	-
$ 570,425,326	$ 361,986,988	$ 162,642,989	$ 1,037,418,847	$ 925,210,911	$ 761,867,771
$ 679,010,986	$ 470,669,030	$ 258,549,668	$ 1,115,968,002	$ 991,414,194	$ 857,640,997

DENTON INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Fiscal Year	2017	2018	2019	2020
REVENUES:				
Total Local and Intermediate Sources	$ 232,113,625	$ 261,029,417	$ 298,536,135	$ 311,624,169
State Program Revenues	84,235,349	86,220,035	74,409,461	91,432,489
Federal Program Revenues	19,398,025	20,459,224	21,519,852	19,210,782
Total Revenues	335,746,999	367,708,676	394,465,448	422,267,440
EXPENDITURES:				
Current:				
Instruction	161,893,114	174,768,158	179,093,136	191,595,438
Instructional Resources & Media Services	4,269,874	4,502,565	4,542,725	4,766,012
Curriculum & Instructional Staff Development	5,564,082	6,701,739	7,020,145	7,654,811
Instructional Leadership	2,716,676	3,659,485	4,073,710	3,945,737
School Leadership	13,994,909	14,674,763	15,450,183	16,680,621
Guidance, Counseling & Evaluation Services	12,748,559	13,120,037	13,568,150	14,995,988
Social Work Services	709,071	629,642	663,079	718,922
Health Services	2,504,289	2,578,662	2,661,993	2,909,503
Student (Pupil) Transportation	5,803,380	6,725,399	7,347,863	11,359,034
Food Services	242,248	254,236	272,746	2,471,414
Extracurricular Activities	7,334,318	7,371,811	8,306,792	8,237,330
General Administration	7,029,443	7,365,894	7,477,509	9,529,196
Plant Maintenance and Operations	23,497,792	24,773,178	25,724,870	27,203,384
Security and Monitoring Services	938,861	1,031,602	1,245,095	1,398,619
Data Processing Services	6,079,851	5,817,051	5,653,496	6,774,211
Community Services	2,164,308	2,319,141	2,382,285	2,543,647
Debt Service:				
Debt Service - Principal on long-term debt	30,364,508	39,470,645	33,080,000	102,995,000
Debt Service - Interest on long-term debt	38,630,367	38,966,559	40,921,095	50,779,875
Debt Service - Bond Issuance Cost and Fees	663,633	422,144	3,225,923	750,964
Capital Outlay:				
Facilities Acquisition and Construction	73,886,439	66,227,200	48,731,365	125,465,943
Intergovernmental:				
Payments to Fiscal Agent/Member Districts of SSA	426,400	474,000	584,600	532,200
Payments to Juvenile Justice Alternative Ed. Prg.	1,322,091	1,404,293	1,533,633	1,706,090
Total Expenditures	402,784,213	423,258,204	413,560,393	595,013,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	(67,037,214)	(55,549,528)	(19,094,945)	(172,746,499)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,641,047	351,162	2,261,850	4,970,823
Operating Transfers Out	(891,326)	(351,162)	(409,574)	(3,510,155)
Bonds Issued	33,052,289	-	445,127,777	69,456,030
Proceeds from Subscription Liabilities	-	-	-	-
Special Items/Other	1,700	-	(46,067)	(9,677,121)
Sale of Real/Personal Property	31,659	18,450	1,079	5,136,484
Payments to Bond Refunding Escrow Agent	(41,800,902)	-	-	-
Extraordinary Items	-	(3,123)	-	-
Total Other Financing Sources (Uses)	(6,965,533)	15,327	446,935,065	66,376,061
Net Change in Fund Balances	$ (74,002,747)	$ (55,534,201)	$ 427,840,120	$ (106,370,438)
Debt Service as a % of NonCapital Expenditures	20.98%	21.97%	20.28%	32.75%

2021	2022	2023	2024	2025	2026
$ 304,294,590	$ 326,054,238	$ 397,558,169	$ 416,878,324	$ 434,938,397	$ 445,029,884
100,082,157	98,366,202	71,632,967	132,961,048	127,241,388	152,445,258
41,552,956	54,579,787	46,459,421	41,250,904	38,593,010	36,076,057
445,929,703	479,000,227	515,650,557	591,090,276	600,772,795	633,551,199
210,124,174	213,938,317	216,788,748	222,681,007	219,527,089	219,293,768
4,905,080	4,923,539	5,329,303	5,561,796	4,422,143	4,089,361
8,595,589	9,444,917	11,355,196	10,654,031	9,480,948	9,620,730
3,766,653	4,418,074	5,063,337	4,777,287	4,289,087	4,064,593
18,181,406	18,699,449	19,767,911	20,445,822	20,945,689	21,661,627
15,620,984	16,393,644	17,725,788	18,424,476	18,607,651	20,129,793
840,071	906,622	952,869	1,027,739	1,051,475	1,096,948
4,357,490	4,429,021	3,577,560	3,665,679	3,728,429	3,910,199
8,288,311	7,678,192	8,206,677	10,404,728	9,338,368	10,183,440
822,365	17,280,592	18,601,717	19,754,612	21,627,949	20,694,139
7,349,610	8,779,606	10,582,379	10,763,672	11,425,968	11,545,484
10,065,442	10,248,945	11,534,989	11,432,880	11,281,573	12,286,825
28,949,300	31,653,007	40,899,122	39,702,963	42,733,977	42,988,663
2,327,128	1,966,658	2,384,138	3,345,216	4,700,938	5,057,394
7,147,360	8,417,728	7,304,046	6,615,347	5,462,814	6,411,105
2,824,903	4,171,310	4,999,783	5,346,014	4,883,983	5,148,316
31,628,016	60,420,104	71,904,279	44,118,618	35,639,177	62,627,488
51,721,415	54,575,916	62,953,208	88,886,572	111,096,432	113,857,274
4,450,892	1,613,063	65,050	5,475,062	1,464,960	3,952,790
240,717,746	211,502,220	208,217,248	239,481,917	363,444,965	392,705,644
520,800	553,400	642,000	788,000	678,000	668,000
1,761,715	1,784,910	2,005,987	2,282,874	2,523,320	2,694,609
664,966,450	693,799,234	730,861,335	775,636,312	908,354,935	974,688,190
(219,036,747)	(214,799,007)	(215,210,778)	(184,546,036)	(307,582,140)	(341,136,991)
12,927,843	6,364,257	1,362,770	2,112,268	2,413,819	2,013,025
(12,640,693)	(4,797,339)	(1,242,088)	(4,179,388)	(7,164,628)	(7,742,202)
651,100,952	180,906,057	-	1,042,602,044	225,026,153	299,728,722
-	-	606,461	-	-	-
7,980	1,214	-	1,073,696	1,579,634	325,567
41,159	32,508	24,914	236,778	3,189,490	11,156,874
(338,895,713)	(179,653,959)	-	-	(42,000,850)	(98,080,662)
10,173,253	3,663,750	2,339,359	118,972	(15,286)	(37,530)
322,714,781	6,516,488	3,091,416	1,041,964,370	183,028,332	207,363,794
$ 103,678,034	$ (208,282,519)	$ (212,119,362)	$ 857,418,334	$ (124,553,808)	$ (133,773,197)
20.70%	23.41%	25.51%	24.64%	28.62%	25.59%

DENTON INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE - REAL AND PERSONAL PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(UNAUDITED)

Fiscal Year	Real Property Assessed Value (1)	Personal Property Assessed Value (1)	Total Assessed Value (1)	Tax Rate (2)
2017	$ 12,711,121	$ 1,534,196	$ 14,245,317	$ 1.540
2018	14,503,389	1,462,679	15,966,068	1.540
2019	16,351,402	1,420,286	17,771,688	1.540
2020	17,976,606	1,938,380	19,914,986	1.470
2021	19,212,904	1,865,620	21,078,524	1.4076
2022	21,121,413	1,867,660	22,989,073	1.3620
2023	25,286,849	1,899,407	27,186,256	1.3446
2024	27,015,967	2,305,713	29,321,680	1.1592
2025	29,840,168	2,301,897	32,142,065	1.1569
2026	25,331,175	6,783,746	32,114,921	1.2069

(1) The assessed value is 100% of the estimated actual value

(2) Per $100 assessed value

Source of information: Denton Central Appraisal District

DENTON INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

TAX RATES (PER $100) (1)

	Denton ISD Direct Rates			Overlapping Rates					
Fiscal Year	Maintenance and Operations	Debt Service	Total	City of Denton	County of Denton	City of Corinth	Town of Flower Mound	City of Oak Point	Town of Bartonville
2017	1.04	0.50	1.54	0.68334	0.248409	0.58193	0.4390	0.563	0.19294
2018	1.06	0.48	1.54	0.63786	0.237810	0.53686	0.4390	0.540	0.19294
2019	1.06	0.48	1.54	0.62048	0.225579	0.53000	0.4390	0.520	0.19294
2020	0.99	0.48	1.47	0.59045	0.225278	0.54500	0.4365	0.510	0.19294
2021	0.9276	0.48	1.4076	0.590454	0.224985	0.57817	0.4365	0.500	0.19294
2022	0.882	0.48	1.362	0.565823	0.233086	0.56700	0.4050	0.482565	0.173646
2023	0.8646	0.48	1.3446	0.560682	0.217543	0.54000	0.4050	0.434931	0.173646
2024	0.6792	0.48	1.1592	0.560682	0.189485	0.52000	0.3873	0.43872	0.173646
2025	0.6769	0.48	1.1569	0.585420	0.187869	0.51400	0.3873	0.43649	0.173646
2026	0.7269	0.48	1.2069	0.59542	0.185938	0.53709	0.3873	0.43546	0.173646

Note: Above rates include rate for operating and debt service costs.

(1) Source of information: Denton County website.

DENTON INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

		2026		
Taxpayer	Description	Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value
Paccar Inc.	Truck Manufacturer	$ 426,088	1	1.19%
Atmos Energy/Mid-Tex	Natural Gas	143,166	2	0.40%
Winco Foods LLC	Distribution Center	119,521	3	0.34%
Target Corporation	Distribution Center	118,410	4	0.33%
RR Town Center Association	Business Park	104,039	5	0.29%
Denton ICC 35 LLC	Business Park	93,055	6	0.26%
800 Oak Point Investment	Residential Developer	92,557	7	0.26%
Southwire Company LLC	Distribution Center	89,300	8	0.25%
BVF-V Souvenir 380 L	Property Management	85,300	9	0.24%
Tradewind Timberlinks	Residential Developer	81,379	10	0.23%
Well Services Division of STC	Oil and Gas			
Columbia Medical Center	Hospital			
Inland Western Crossing Ltd	Retail Shopping			
AC Denton LLC	Student Housing Mgmt			
American Campus Community	Student Housing Mgmt			
Sally Beauty Supply	Beauty Supply Retailer			
Timberlink Apartments LLC	Apartment Leasing			
Rayzor Ranch Marketplace	Retail Shopping			
TOTAL		$ 1,352,815		3.79%

Source of information: Denton County Tax Assessor-Collector

2017		
Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value
$ 198,719	1	1.40%
144,648	3	1.02%
152,350	2	1.07%
107,156	4	0.75%
56,300	5	0.40%
52,417	6	0.37%
43,500	7	0.31%
42,991	8	0.30%
39,500	9	0.28%
39,320	10	0.28%
$ 876,901		6.18%

DENTON INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)
(UNAUDITED)

Levy Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections
2016	$ 219,378	$ 217,541	99.2%	$ 2,614	$ 220,155
2017	245,877	243,885	99.2%	2,226	246,111
2018	273,684	270,958	99.0%	2,003	272,961
2019	292,750	290,281	99.2%	2,148	292,429
2020	296,701	293,392	98.9%	2,290	295,682
2021	313,111	310,553	99.2%	2,940	313,493
2022	365,546	362,246	99.1%	2,389	364,635
2023	339,897	337,009	99.2%	930	337,939
2024	371,851	367,731	98.9%	(3,578)	364,153
2025	387,595	383,919	99.1%	(24)	383,895

(1) The percentage of levy exceeds 100% due to the exclusion of delinquent taxes collected from prior years compared to current year levy.

Total Collected as % of Current Tax Levy (1)	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as % of Tax Levy
100.35%	$ 1,837	0.84%
100.95%	1,992	0.81%
99.74%	2,726	1.00%
99.89%	2,469	0.84%
99.66%	3,310	1.12%
100.10%	2,558	0.82%
99.75%	3,300	0.90%
99.42%	2,888	0.85%
97.93%	4,120	1.11%
99.05%	3,676	0.95%

DENTON INDEPENDENT SCHOOL DISTRICT
RATIO OF BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Gross Bonded Debt	Population	Gross Bonded Debt Per Capita	Personal Income (thousands of dollars)	Gross Bonded Debt as % of Personal Income	Estimated Actual Value - Real and Personal Property (thousands of dollars)
2016	$1,013,780,498	133,808	$ 7,576	$ 3,216,343	31.52%	$ 14,245,317
2018	964,204,150	136,268	7,076	3,531,385	27.30%	15,966,068
2019	1,368,784,126	138,541	9,880	3,790,205	36.11%	17,771,688
2020	1,317,101,102	141,541	9,305	4,352,103	30.26%	19,914,986
2021	1,609,831,125	147,515	10,913	4,357,298	36.95%	21,078,524
2022	1,541,462,199	151,380	10,183	4,471,462	34.47%	22,989,073
2023	1,450,289,299	150,357	9,646	4,845,104	29.93%	27,186,256
2024	2,424,725,887	155,374	15,606	6,162,288	39.35%	29,321,680
2025	2,540,527,815	159,518	15,926	6,700,873	37.91%	32,142,065
2026	2,664,647,547	166,258	16,027	7,621,100	34.96%	32,114,921

Note: Net bonded debt consists of general obligation bonds, accreted interest, and premiums on bond issuance, less the debt service fund balance.

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Gross Debt as % of Estimated Actual Value	Net Bonded Debt	Net Bonded Debt Per Capita	Net Bonded Debt as % of Personal Income	Net Debt as % of Estimated Actual Value
7.12%	$ 884,832,356	$ 6,613	27.51%	6.21%
6.04%	838,982,112	6,157	23.76%	5.25%
7.70%	1,234,494,797	8,911	32.57%	6.95%
6.61%	1,183,907,360	8,364	27.20%	5.94%
7.64%	1,512,422,964	10,253	34.71%	7.18%
6.71%	1,447,777,385	9,564	32.38%	6.30%
5.33%	1,354,559,994	9,009	27.96%	4.98%
8.27%	2,303,245,953	14,824	37.38%	7.86%
7.90%	2,392,237,698	14,997	35.70%	7.44%
8.30%	2,519,630,140	15,155	33.06%	7.85%

DENTON INDEPENDENT SCHOOL DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Accretion on Capital Appreciation Bonds	Bond Issuance Premiums	SBITA Liabilities	Total Primary Government	Ratio of Debt to Assessed Value	Debt Per ADA
2017	$ 839,287,749	$ 46,705,510	$127,787,239	$ -	$1,013,780,498	7.12%	$ 37,922
2018	799,994,104	43,162,448	121,047,598	-	964,204,150	6.04%	35,006
2019	1,167,039,104	43,934,108	157,810,914	-	1,368,784,126	7.70%	48,338
2020	1,122,249,104	44,919,555	149,932,443	-	1,317,101,102	6.61%	45,280
2021	1,367,776,088	45,273,953	196,781,084	-	1,609,831,125	7.64%	55,439
2022	1,308,438,717	41,718,507	191,304,975	-	1,541,462,199	6.71%	51,137
2023	1,237,690,283	31,256,128	181,342,888	1,561,291	1,451,850,590	5.34%	47,870
2024	2,142,646,665	20,259,987	261,819,635	1,635,076	2,426,361,363	8.27%	80,100
2025	2,275,587,488	8,009,299	262,931,028	1,974,566	2,548,502,381	7.93%	83,214
2026	2,401,990,000	764,759	261,892,788	2,792,885	2,667,440,432	8.31%	86,105

Source of information: District Annual Comprehensive Financial Reports

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

DENTON INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2026
(UNAUDITED)

Taxing Body	Debt Outstanding	Estimated % Overlapping	Amount Overlapping
Aubrey, City of	$ 147,582,000	39.25%	$ 57,925,935
Copper Canyon, Town of	555,000	26.91%	149,351
Corinth, City of	53,780,000	48.39%	26,024,142
Denton, City of	1,456,670,000	96.71%	1,408,745,557
Denton County	748,685,000	21.57%	161,491,355
Denton Co. FWSD #6	12,980,000	100.00%	12,980,000
Denton Co. FWSD #7	52,830,000	100.00%	52,830,000
Denton Co. FWSD #8-A	19,925,000	48.56%	9,675,580
Denton Co. FWSD #8-B	3,180,000	100.00%	3,180,000
Denton Co. FWSD #11-A	14,995,000	100.00%	14,995,000
Denton Co. FWSD #11-B	31,675,000	40.20%	12,733,350
Denton Co. FWSD #11-C	10,000,000	100.00%	10,000,000
Denton Co. MUD #4	8,345,000	100.00%	8,345,000
Denton Co. MUD #5	10,155,000	100.00%	10,155,000
Denton Co. MUD #6	93,355,000	96.01%	89,630,136
Denton Co. MUD #8	24,150,000	100.00%	24,150,000
Elm Ridge WC & ID	131,160,000	64.49%	84,585,084
Flower Mound, Town of	173,115,000	0.28%	484,722
Highway 380 MMD #1	118,095,000	100.00%	118,095,000
Little Elm, Town of	101,915,000	31.73%	32,337,630
Oak Point, WC & ID #4	12,585,000	14.47%	1,821,050
Oak Point, City of	1,180,000	35.36%	417,248
Prairie Oaks MUD	5,585,000	100.00%	5,585,000
Prosper, Town of	238,130,000	5.52%	13,144,776
Providence Village, Town of	32,451,000	25.67%	8,330,172
Shady Shores, Town of	1,080,000	80.31%	867,348
Total Overlapping Debt			2,168,678,433
Denton ISD	2,667,440,432	100.00%	2,667,440,432
Total Overlapping and Direct Debt			$4,836,118,865
Total Direct and Overlapping Debt to Taxable Assessed Valuation			15.06%
Total Direct and Overlapping Debt per Capita			$ 29,088

Source of information: Municipal Advisory Council of Texas

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

DENTON INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	2017	2018	2019	2020
Total Assessed Value	$14,245,317,208	$15,966,067,987	$17,771,688,442	$19,914,985,782
Debt Limit (10% of Total Assessed Value)	$ 1,424,531,720	$ 1,596,606,798	$ 1,777,168,844	$ 1,991,498,578
Debt Applicable to Limit:				
General Obligation Bonds	$ 839,287,749	$ 799,994,104	$ 1,167,039,104	$ 1,122,249,104
Less Net Position in Debt Service Fund	62,651,625	62,894,210	75,930,190	78,803,292
Total Amount of Debt Applicable to Debt Limit	776,636,124	737,099,894	1,091,108,914	1,043,445,812
Legal Debt Margin	$ 647,895,596	$ 859,506,904	$ 686,059,930	$ 948,052,766
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	54.52%	46.17%	61.40%	52.40%

Note: Under state finance law, Denton Independent School District's outstanding general ob debt should not exceed 10 percent of the total assessed property value. By law, the general obligation debt subject to the limitation my be offset by amounts set aside for repaying general obligation bonds.

2021	2022	2023	2024	2025	2026
$21,078,524,297	$22,989,073,348	$27,186,255,764	$29,321,679,693	$32,142,064,915	$ 32,114,920,789
$ 2,107,852,429	$ 2,298,907,334	$ 2,718,625,576	$ 2,932,167,969	$ 3,214,206,491	$ 3,211,492,078
$ 1,367,776,088	$ 1,308,438,717	$ 1,237,690,283	$ 2,142,646,665	$ 2,275,587,488	$ 2,401,990,000
97,498,161	93,684,814	95,729,305	121,479,934	148,290,117	145,017,407
1,270,277,927	1,214,753,903	1,141,960,978	2,021,166,731	2,127,297,371	2,256,972,593
$ 837,574,502	$ 1,084,153,431	$ 1,576,664,598	$ 911,001,238	$ 1,086,909,120	$ 954,519,485
60.26%	52.84%	42.01%	68.93%	66.18%	70.28%

DENTON INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income (dollars)	Unemployment Rate
2016/2017	133,808	$ 3,216,434	$ 24,037	3.60%
2017/2018	136,268	3,531,385	25,915	3.50%
2018/2019	138,541	3,790,205	27,358	2.80%
2019/2020	141,541	4,352,103	30,748	8.40%
2020/2021	147,515	4,357,298	29,538	5.50%
2021/2022	151,380	4,471,462	29,538	3.40%
2022/2023	150,357	4,845,104	32,224	4.00%
2023/2024	155,374	6,162,288	39,661	4.40%
2024/2025	159,518	6,700,873	42,007	3.80%
2025/2026	166,258	7,621,100	45,839	4.50%

Source of Information: Denton Economic Development Partnership report.
North Central Texas Council of Governments
U.S. Bureau of Labor Statistics

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

School Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Early Childhood Facilities										
Buildings	3	3	3	3	4	4	4	4	4	4
Square Foot	109,809	109,809	109,809	109,809	119,230	119,230	119,230	119,230	119,230	119,230
Maximum capacity	1,134	1,134	1,134	1,134	1,218	1,218	1,218	1,218	1,218	1,218
Enrollment	910	1,144	1,160	1,187	1,070	1,310	1,371	1,481	1,655	1,639
Elementary Schools										
Buildings	23	23	23	24	24	24	25	25	26	27
Square Foot	1,928,551	1,927,266	1,926,498	2,014,268	2,017,061	2,017,061	2,107,170	2,101,681	2,211,344	2,395,294
Maximum capacity	18,556	18,556	18,556	19,296	19,226	19,226	19,966	19,966	20,706	21,446
Enrollment	12,926	13,081	13,189	13,318	12,800	13,814	14,179	14,409	14,480	14,363
Middle Schools										
Buildings	7	8	8	8	8	8	8	9	9	9
Square Foot	1,258,049	1,446,185	1,446,185	1,402,422	1,453,860	1,453,860	1,453,860	1,657,044	1,656,276	1,656,276
Maximum capacity	8,518	9,668	9,668	9,668	9,768	9,768	9,768	10,768	10,768	10,768
Enrollment	6,528	6,699	6,975	7,149	6,994	7,041	7,047	7,053	7,267	7,252
High Schools										
Buildings	6	6	6	6	6	6	6	6	6	6
Square Foot	2,060,286	2,053,374	2,161,257	2,161,257	2,184,025	2,179,417	2,310,097	2,431,290	2,431,290	2,740,515
Maximum capacity	14,584	14,584	15,584	15,584	15,834	15,834	15,834	15,834	15,834	15,834
Enrollment	8,018	8,496	8,845	9,265	9,403	9,786	9,924	9,923	9,927	9,923
Administration										
Buildings	11	12	12	12	12	12	12	14	15	13
Square Foot	274,849	296,137	288,564	286,260	303,520	303,520	351,386	385,519	404,643	412,323
Transportation										
Buildings	1	1	1	1	1	1	2	2	2	2
Square Foot	15,872	15,872	15,872	15,872	15,872	15,872	40,872	40,872	40,872	45,848
Buses	195	195	180	206	206	206	147	179	210	232
Totals for DISD										
Buildings	51	53	53	53	55	55	58	60	62	61
Square Foot	5,647,416	5,848,643	5,948,185	5,989,888	6,093,568	6,088,960	6,382,615	6,735,386	6,863,655	7,369,486
Maximum capacity	42,792	43,942	44,942	45,682	46,046	46,046	46,786	47,786	48,526	49,266
Enrollment	28,382	29,420	30,169	30,919	30,267	31,951	32,521	32,866	33,329	33,177
Athletics										
Football Stadiums	5	5	5	5	5	5	5	5	5	5
Track Field	4	4	4	4	4	4	4	4	4	4
Baseball Fields	4	4	4	4	4	4	4	4	4	4
Softball Fields	4	4	4	4	4	4	4	4	4	4
Tennis Court Sites	11	12	12	12	12	12	12	13	13	13
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Ag Science Facility	-	-	-	-	-	-	1	1	1	1

Source of information: District records and District PEIMS report

DENTON INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

		2026		
Employer	Description	Employees	Rank	Percentage of Total City Employment
University of North Texas	University	4,614	1	4.91%
Denton Independent School District	School District	4,417	2	4.70%
PACCAR, Inc.	Truck Manufacturer	3,075	3	3.27%
Texas Woman's University	University	1,875	4	1.99%
Denton State Supported Living Center	State Agency	1,700	5	1.81%
Denton County	County Government	1,681	6	1.79%
City of Denton	Municipal Government	1,623	7	1.73%
Texas Health Presbyterian of Denton	Hospital/Healthcare	1,076	8	1.14%
Medical City-Denton	Hospital/Healthcare	950	9	1.01%
Sally Beauty Company, Inc.	Beauty Supplies Dist.	950	10	1.01%
TOTAL		21,961		23.36%

Source of Information: Denton Economic Development Partnership and U.S. Dept. of Labor
2017 data from Denton ISD 2017 Annual Comprehensive Financial Report.

2017		
Employees	Rank	Percentage of Total City Employment
8,738	1	12.00%
4,417	2	6.07%
2,314	3	3.18%
1,672	5	2.30%
1,700	4	2.33%
1,581	6	2.17%
1,383	7	1.90%
1,076	8	1.48%
950	9	1.30%
950	10	1.30%
24,781		34.03%

DENTON INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2016-2017	28,382	$ 240,882,424	$ 8,487	3.10%	2,068.0	13.72
2017-2018	29,420	258,603,498	8,790	3.57%	2,190.9	13.43
2018-2019	30,169	268,261,772	8,892	1.16%	2,241.7	13.46
2019-2020	30,919	293,523,095	9,493	6.76%	2,334.8	13.24
2020-2021	30,267	293,571,371	9,699	2.17%	2,375.1	12.74
2021-2022	31,951	315,439,167	9,873	1.79%	2,411.5	13.25
2022-2023	32,521	339,702,404	10,446	5.80%	2,416.3	13.46
2023-2024	32,866	333,079,765	10,134	-2.99%	2,498.6	13.15
2024-2025	33,329	347,342,039	10,422	2.84%	2,423.6	13.75
2025-2026	33,177	356,670,209	10,751	3.16%	2,338.1	14.20

Source of Information: District PEIMS report

Economically Disadvantaged	Limited English Proficient	Percentage of Students Receiving Free or Reduced-Price Meals
11,778	4,236	42.21%
12,695	4,276	43.06%
13,805	4,494	45.76%
14,213	4,907	45.97%
14,433	4,906	47.69%
10,476	5,346	32.79%
15,831	6,043	48.68%
16,605	5,547	50.52%
15,528	5,886	46.59%
15,756	5,636	47.49%

DENTON INDEPENDENT SCHOOL DISTRICT
STAFF INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Teachers	Professional Support	Campus Administration	Central Administration	Total Professional Staff	Educational Aides
2016-2017	2,068.0	485.7	98.6	12.6	2,664.9	291.3
2017-2018	2,190.9	510.8	106.2	20.6	2,828.5	349.0
2018-2019	2,241.7	519.5	111.8	21.6	2,894.6	387.5
2019-2020	2,334.8	473.6	110.0	27.6	2,946.0	398.3
2020-2021	2,375.1	507.2	121.8	27.6	3,031.7	448.5
2021-2022	2,411.5	534.4	106.1	26.5	3,078.5	415.7
2022-2023	2,416.3	561.3	96.0	30.7	3,104.3	420.1
2023-2024	2,498.6	602.1	112.4	21.0	3,234.1	475.1
2024-2025	2,423.6	630.1	87.2	18.5	3,159.4	441.9
2025-2026	2,338.1	612.5	99.4	19.0	3,069.0	454.8

Source of Information: District PEIMS report

Auxiliary Staff	Total Staff	% Change
700.7	3,656.9	4.78%
622.4	3,799.9	3.91%
594.7	3,876.8	2.02%
923.7	4,268.0	10.09%
653.5	4,133.7	-3.14%
889.8	4,384.0	6.06%
892.1	4,416.4	0.74%
881.8	4,591.0	3.95%
882.7	4,484.0	-2.33%
883.9	4,407.7	-1.70%

DENTON INDEPENDENT SCHOOL DISTRICT
TEACHER SALARY DATA
JUNE 30, 2026

Years of Experience	Bachelor's Degree	Master's Degree	Doctorate Degree
0	$ 60,500	$ 62,250	$ 64,000
1	61,000	62,750	64,500
2	61,340	63,090	64,840
3	62,240	63,990	65,740
4	62,601	64,351	66,101
5	65,461	67,211	68,961
6	65,770	67,520	69,270
7	66,079	67,829	69,579
8	66,594	68,344	70,094
9	66,903	68,653	70,403
10	67,212	68,962	70,712
11	67,727	69,477	71,227
12	68,510	70,260	72,010
13	69,334	71,084	72,834
14	69,643	71,393	73,143
15	69,952	71,702	73,452
16	70,364	72,114	73,864
17	70,776	72,526	74,276
18	71,188	72,938	74,688
19	71,600	73,350	75,100
20	71,909	73,659	75,409
21	72,218	73,968	75,718
22	72,630	74,380	76,130
23	73,042	74,792	76,542
24	73,351	75,101	76,851
25+	73,660	75,410	77,160

Average Salary by Years of Experience	
Beginning Teachers	$ 58,707
1-5 Years of Experience	$ 59,136
6-10 Years of Experience	$ 62,054
11-20 Years of Experience	$ 65,738
Over -20 Years of Experience	$ 69,854

Average Actual Salaries	
Teachers	$ 63,516
Professional Staff	$ 75,188
Campus Administration	$ 97,354
Central Administration	$ 143,768

Source of Information: District PEIMS report

DENTON INDEPENDENT SCHOOL DISTRICT
ENROLLMENT AND ATTENDANCE DATA
LAST TEN FISCAL YEARS
(UNAUDITED)

	Enrollment		Average Daily Attendance		
	Amount	Percent of Increase	Amount	Percent of Increase	Percent of Enrollment
2016/17	28,382	3.98%	26,773	3.98%	94.33%
2017/18	29,420	3.66%	27,544	2.88%	93.62%
2018/19	30,169	2.55%	28,317	2.81%	93.86%
2019/20	30,919	2.49%	29,088	2.72%	94.08%
2020/21	30,267	-2.11%	29,038	-1.72%	95.94%
2021/22	31,951	5.56%	30,144	3.81%	94.34%
2022/23	32,521	1.78%	30,329	0.61%	93.26%
2023/24	32,866	1.06%	30,292	-0.12%	92.17%
2024/25	33,329	1.41%	31,459	3.85%	94.39%
2025/26	33,177	-0.46%	30,979	-1.53%	93.37%

Source of information: Summary of Finance Texas Education Agency, 2025-26 District PEIMS report, and District ADA report.

DENTON INDEPENDENT SCHOOL DISTRICT
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2026
(UNAUDITED)

Date of Organizaton: 1884

Forms of Government: Independent School District

Number of Employees:

Teachers	2,338
Other Professional	731
Paraprofessionals	455
Auxiliary	884
	4,408

Denton Independent School District Facilities and Services:

Education services provided to early childhood through grade twelve; all grade levels fully accredited by both the Texas Education Agency and AdvancED.

Total square feet-campuses	6,911,315
Total acreage-campuses	14,587.000
Total acreage-future growth	882.815

Facilities include:

	Maximum Capacity	2025-26 Enrollment	Number of Facilities
Senior high schools	15,834	9,923	6
Middle schools	10,768	7,252	9
Elementary schools	21,446	14,363	27
Early childhood	1,218	1,639	4
Total	49,266	33,177	46
Central services and annex			8
Maintenance/Transportation			2
Natatorium			1
Technology Center			1
Athletic stadium complex			1
AEP facility			1
Ag science facility			1
Total Facilities			61

Student Data:

	National Merit Scholars Class of 2026
Semi-Finalists	4
Commended	12

SINGLE AUDIT SECTION

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

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INDEPENDENT AUDITORS' 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*

To the Board of Trustees
Denton Independent School District
Denton, 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 Denton Independent School District, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise Denton Independent School District's basic financial statements, and have issued our report dated November 10, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the 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, LLC
Denton, Texas

November 10, 2026

Members:
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Denton Independent School District
Denton, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Denton 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 Denton Independent School District's major federal programs for the year ended June 30, 2026. Denton 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, Denton Independent School 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 Denton Independent School 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 Denton Independent School 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 Denton Independent School 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 Denton Independent School 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 Denton Independent School 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 Denton Independent School 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 Denton Independent School 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 Denton Independent School 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.

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, 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, LLC
Denton, Texas

November 10, 2026

DENTON 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 reported

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 reported

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:

   Child Nutrition Cluster:

10.553	School Breakfast Program
10.555	National School Lunch Program – Cash Assistance
10.555	National School Lunch Program – Noncash Assistance
10.559	Summer Food Service Program for Children

84.424	Stronger Connections

8. Dollar threshold used to distinguish between Type A and Type B programs: $1,013,152.

9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Other Findings

None

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

None

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

None

DENTON 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 THE INTERIOR			
Passed Through the State of Texas			
Federal Flood Control Funds	15.433	01-061901	$ 119,628
Total Passed Through the State of Texas			119,628
TOTAL U.S. DEPARTMENT OF THE INTERIOR			119,628
U.S. DEPARTMENT OF DEFENSE			
Direct Programs			
ROTC	12.000	01-061901	400,113
Total Direct Programs			400,113
TOTAL U.S. DEPARTMENT OF DEFENSE			400,113
U.S. DEPARTMENT OF EDUCATION			
Passed Through Education Service Center Region 10			
Empowering Early Childhold Special Educ Educators	84.173A	246610047110001	10,000
Total Passed Through Education Service Center Region 10			10,000
Passed Through Texas Education Agency			
ESEA, Title I, Part A - Improving Basic Programs	84.010A	25610101061901	100,181
ESEA, Title I, Part A - Improving Basic Programs	84.010A	26610101061901	3,797,307
ESEA, Title I, Part D, Subpart 2	84.010A	25610103061901	5,821
ESEA, Title I, Part D, Subpart 2	84.010A	26610103061901	261,166
Total Assistance Listing Number 84.010			4,164,475
*IDEA - Part B, Formula	84.027A	256600010619016600	113,126
*IDEA - Part B, Formula	84.027A	266600010619016600	5,578,939
*IDEA - Part B, High Cost Funds	84.027A	66002506	149,409
*SSA - IDEA - Part B, Discretionary Deaf	84.027A	266600110619016673	71,753
Total Assistance Listing Number 84.027			5,913,227
*IDEA - Part B, Preschool	84.173A	266610010619016610	74,358
Total Special Education Cluster (IDEA)			5,987,585
SSA - Career and Technical - Perkins V	84.048A	25420006061901	1,411
SSA - Career and Technical - Perkins V	84.048A	26420006061901	316,451
Total Assistance Listing Number 84.048			317,862
ESEA, Title IV, Part B - 21st Century Community Learning	84.287C	256950337110028	8,729
ESEA, Title IV, Part B - 21st Century Community Learning	84.287C	266950337110028	92,044
Total Assistance Listing Number 84.287			100,773
Title III, Part A - English Language Acquisition	84.365A	25671001061901	31,557
Title III, Part A - English Language Acquisition	84.365A	26671001061901	665,094
ESEA, TItle III, Part A- Immigrant	84.365A	26671003061901	39,699
Total Assistance Listing Number 84.365			736,350
ESEA, Title II, Part A, Teacher Principal Training	84.367A	25694501061901	67,760
ESEA, Title II, Part A, Teacher Principal Training	84.367A	26694501061901	719,032
ESEA, Principal Residency Grant Cycle 7	84.367A	246945677110008	2,461
ESEA, Principal Residency Grant Cycle 7 Continuation	84.367A	256945677110003	624,946
Total Assistance Listing Number 84.367			1,414,199
ESEA, Title IV, Part A - Summer School LEP	84.369A	69552502	25,637
ESEA, Title IV, Part A	84.424A	25680101061901	2,810
ESEA, Title IV, Part A	84.424A	26680101061901	408,221

DENTON 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
ESEA, Stronger Connections Grant	84.424F	236811017110059	643,552
Total Assistance Listing Number 84.424			1,054,583
ESSER Relief Fund III	84.425U	21528001061901	(22)
Total Passed Through Texas Education Agency			13,801,442
TOTAL U.S. DEPARTMENT OF EDUCATION			13,811,442
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Programs			
Head Start	93.600	06CH012646	1,716,257
Total Direct Programs			1,716,257
Passed Through Texas Health and Human Services Commission			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900491	151,955
Total Medicaid Cluster			151,955
Total Passed Through Texas Health and Human Services Commission			151,955
Passed Through Texas Workforce Commission			
SSA - Adult Education Education - AEFLA	84.002A	2924ALA012-3	1,291,737
SSA - Adult Education Education - ELC	84.002A	2924ALA041-3	315,230
SSA - Adult Education Education - AEFLA	84.002A	2924ALA012-2	59,863
Total Assistance Listing Number 84.002			1,666,830
SSA - Adult Basic Education - TANF	93.558	2924ALA012-2	109,293
SSA - Adult Basic Education - TANF	93.558	2924ALA012-3	58,937
Total Assistance Listing Number 93.558			168,230
Child Care Development Block Grant	93.575	P188K5F8VPN3	76,220
Total Passed Through Texas Workforce Commission			1,911,280
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,779,492
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Texas Department of Agriculture			
*School Breakfast Program	10.553	71402501	3,298,148
*National School Lunch Program - Cash Assistance	10.555	71302501	10,617,737
*National School Lunch Prog. - Non-Cash Assistance	10.555	NT4XL1YGLGC5	1,140,911
Total Assistance Listing Number 10.555			11,758,648
*Summer Food Service Program for Children Breakfast	10.559	NT4XL1YGLGC5	53,231
*Summer Food Service Program for Children Lunch	10.559	NT4XL1YGLGC5	132,902
Total Assistance Listing Number 10.559			186,133
Total Child Nutrition Cluster			15,242,929
*Child and Adult Care Food Program (CACFP)	10.558	NT4XL1YGLGC5	331,340
*Local Food for Schools (LFS) Cooperative Agreement	10.185	NT4XL1YGLGC5	86,803
Total Passed Through the Texas Department of Agriculture			15,661,072
TOTAL U.S. DEPARTMENT OF AGRICULTURE			15,661,072
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 33,771,747

*Clustered Programs

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

DENTON 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***.

- **General Fund** - is used to account for among other things, resources related to the United States Department of Defense ROTC program and the United States Department of Education's Impact Aid.

- **Special Revenue Funds** - are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances 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. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

With this measurement focus, only current assets and current liabilities and the 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 of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- 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 extended 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).

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

- Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of $1,611,951.

- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	$33,771,747
SHARS Revenue reported in the General Fund	140,097
E-rate Revenue reported in the General Fund	1,997,617
Federal Excise Tax Reimbursements reported in the General Fund	166,596
Total Federal Program Revenue	$36,076,057