



2855
DOROTHY MARTINEZ ELEMENTARY SCHOOL
DENTON I.S.D.

1307 N. LOCUST STREET • DENTON, TEXAS 76201

 **DENTON**
INDEPENDENT SCHOOL DISTRICT

2024-2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

of the

DENTON INDEPENDENT SCHOOL DISTRICT

for the

Fiscal Year Ended June 30, 2025



Prepared by:
The Finance Department

1307 N. Locust Street · Denton, Texas 76201



DENTON INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
Letter of Transmittal.....	1	
ASBO Certificate of Excellence.....	9	
GFOA Certificate of Achievement.....	10	
Organizational Chart	11	
Elected Officials.....	12	
Appointed Officials	13	
Consultants and Advisors	14	
FINANCIAL SECTION		
Independent Auditors' Report.....	15	
Management's Discussion and Analysis	19	
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	29	A-1
Statement of Activities	30	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds	32	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	35	C-2
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	36	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	38	C-4
Statement of Net Position - Proprietary Funds	40	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	41	D-2
Statement of Cash Flows - Proprietary Funds	42	D-3
Statement of Fiduciary Net Position	43	E-1
Statement of Changes in Fiduciary Fund Net Position	44	E-2
Notes to the Basic Financial Statements	45	
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund.....	81	G-1
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher Retirement System of Texas	82	G-2
Schedule of District's Contributions for Pensions - Teacher Retirement System of Texas	84	G-3
Schedule of the District's Proportionate Share of the Net OPEB Liability - Teacher Retirement System of Texas	86	G-4
Schedule of District's Contributions for Other Post-Employment Benefits (OPEB) - Teacher Retirement System of Texas	88	G-5
Notes to Required Supplementary Information.....	90	
Supplementary Information:		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet - Nonmajor Governmental Funds	92	H-1
Combining Statement of Revenues, Expenditures and in Fund Balances - Nonmajor Governmental Funds.....	98	H-2
Combining Statement of Net Position - Internal Service Funds	104	H-3
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds.....	106	H-4
Combining Statement of Cash Flows - Internal Service Funds.....	108	H-5

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>	<u>Exhibit</u>
FINANCIAL SECTION-Continued		
Budgetary Comparison Schedule - Child Nutrition Fund	110	H-6
Budgetary Comparison Schedule - Debt Service Fund	111	H-7
REQUIRED TEA SCHEDULES:		
Schedule of Delinquent Taxes Receivable	114	J-1
Use of Funds Report – Select State Allotment Programs	116	J-4
STATISTICAL SECTION (Unaudited)		
Statistical Contents	118	
Net Position by Component	120	
Changes in Net Position	122	
Fund Balances of Governmental Funds	124	
Changes in Fund Balances of Governmental Funds	126	
Assessed Value – Real and Personal Property	128	
Property Tax Rates – Direct and Overlapping Governments	129	
Principal Property Taxpayers	130	
Property Tax Levies and Collections	132	
Ratio of Bonded Debt to Assessed Value and Bonded Debt per Capita	134	
Ratio of Outstanding Debt by Type	136	
Direct and Overlapping Governmental Activities Debt	137	
Legal Debt Margin Information	138	
Demographic and Economic Statistics	140	
Capital Asset Information	141	
Principal Employers	142	
Operating Statistics	144	
Staff Information	146	
Teacher Salary Data	148	
Enrollment and Attendance Data	149	
Miscellaneous Statistical Data	150	
SINGLE AUDIT SECTION		
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 <i>Government Auditing Standards</i>	151	
Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	153	
Schedule of Findings and Questioned Costs	155	
Corrective Action Plan	156	
Status of Prior Year Findings	157	
Schedule of Expenditures of Federal Awards	158	K-1
Notes to Schedule of Expenditures of Federal Awards	160	

INTRODUCTORY SECTION



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

February 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, 2025, 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 typically scheduled for the second and fourth Tuesdays of the month and are held 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 3.1% from 2024 to 2025. During the same period, the City of Denton experienced a 3.5% increase, reaching a population of 159,518 in 2025 compared to 154,189 in 2024. Denton boasts a diverse labor pool comprising both skilled and professional workers. As of June 30, 2025, the U.S. Bureau of Labor Statistics reported an available workforce of 91,963 in the City of Denton, with an unemployment rate of 3.8%.

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.

The District's student population has grown steadily over the past five years, averaging an annual increase of approximately 1.54%. During the same period, the average daily attendance rate experienced an increase. The

District develops its budget based on projected student enrollment and state aid, which is determined by attendance. For the year ended June 30, 2025, total enrollment was 33,329, with an average daily attendance rate of 94.39%. Enrollment for the 2025–2026 school year is projected at 32,723.

The Denton Independent School District continues to be a district of choice in Denton County, in one of the fastest growing areas in the nation. Even with the growth of both charter and private school options within the State and local region, District enrollment continues to rise. As the second largest employer in Denton County, Denton ISD has a stable future, and an opportunity to continue to contribute to the economic vitality of the many communities we serve by providing a specialized, high-quality education to each of the many students we serve.

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 23.37 years. Nineteen of the twenty-six 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 accommodate the anticipated growth in student population, several reconstruction and new construction projects are currently scheduled over the next several years.

In 2024-25, the total tax rate for the school district is \$1.1569 per \$100 of property valuation. This rate consists of two components: maintenance and operations (\$0.6769), 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 continued student enrollment growth for the foreseeable future based on local housing and economic growth indicators.

For the sixth consecutive year, Denton ISD has decreased its total tax rate. Denton ISD's Board of School Trustees adopted the total tax rate of \$1.1569 for 2024-2025 at a meeting on September 24, 2024. 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 \$0.38. In addition to lowering the total property tax rate, Denton ISD has saved a combined \$325,915,525 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 22 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 33,329 students, Denton ISD employs 4,484 educators and staff. Of those, 29.7 percent have 11 or more years of experience in education – many more (17.3 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 9,519. 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.

On September 18, 2024, Denton ISD began a series of meetings with the District’s 1925 Community Advisory Committee. The Committee, comprised of 60 community leaders and ten educators, was a valuable group of volunteers who collaboratively provided input, advice and planning assistance on developing the 2025-2026 Denton ISD Operating Budget. This group was designated as the “1925” Committee, as it was tasked with addressing revenue shortfalls in 2025 while working with State funding for Texas public schools which had not been foundationally increased since 2019. The primary intent of the committee’s work was to educate leaders within our community to seek input and facilitate informed decision-making and advocacy in ways that align with the District’s mission, vision and goals.

During a series of educational meetings, the committee evaluated staffing formulas and programming, analyzed budgeted allocations of resources to current District programs, and offered feedback to the District’s Executive Cabinet regarding how to prioritize reductions to budgeted expenditures and to maximize revenues to accomplish District budgetary goals.

Denton ISD’s continued student enrollment growth has driven a robust building and construction program. The District has built 29 additional campuses since 2000. Multiple projects and upgrades for the District’s facilities that are 40 or more years old are currently underway.

Dorothy Martinez Elementary School opened in August 2024 as Denton ISD’s twenty-sixth elementary campus and the seventh serving the Braswell High School Zone. Located in the District’s rapidly growing eastern corridor, this area continues to experience significant enrollment increases. To accommodate this growth, another elementary school is scheduled to open in August 2025.

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.

- A Guyer High School junior qualified for the American Invitational Mathematics Exam (AIME), a 15-question, three-hour test given only to those who rank in the top 2.5 percent on the American Mathematics Competition (AMC). The purpose of this exam is to distinguish the top math students from across the country to be member of the United States Math Olympiad Team. The use of calculators is not allowed on the test, with only pencils, erasers, rulers and compasses permitted. Concepts typically covered in the competition include elementary algebra, geometry, trigonometry, number theory and probability.
- Seven Strickland Middle School students were selected to the American Choral Directors Association (ACDA) National Honor Choir. Less than 1,200 total students from across the country were selected for this prestigious recognition after a rigorous. The students performed with the choir at the ACDA National Convention in Dallas Texas.

- Four Denton ISD students were selected for the Texas Dance Educators Association (TDEA) All-State Dance Team.
- Twelve students representing Braswell High School, Guyer High School, Denton High School, and Ryan High School were selected for All-State Band, Choir, Orchestra, and Jazz honors.
- Twenty-three Denton ISD students representing Braswell High School, Guyer High School, Ryan High School, and Denton High School received all-state honors in the Visual Arts Scholastic Event (VASE). This prestigious event had nearly 35,000 entries from across Texas.
- The Ryan High School girls' basketball team won the Class 5A Division I state championship.
- The Guyer High School boys' basketball team won the Class 6A Division II state championship.
- A Ryan High School senior student won the Class 5A state championship in the 300-meter hurdles at the UIL State Track and Field competition for the second year in a row. The student also won the 5A championship in the 100-meter hurdles.
- A Braswell High School junior won her second consecutive 6A Cross Country state championship title.

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

- The counseling departments of Rodriguez Middle School, Strickland Middle School, Harpool Middle School, Sam Houston Elementary, Hodge Elementary, and Gonzalez School for Young Children 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 fourteenth consecutive year at least one or more Denton ISD campus has received the prestigious CREST award.
- Guyer High School received the Silver with Access Level of the AP School Honor Roll which is a recognition given to United States schools where 50 percent or more of the graduating cohort takes at least one AP exam; 30 percent or more of the graduating cohort score a 3 or higher on at least one AP exam, and 5 percent or more of the graduating cohort takes five or more AP exams – with at least 1 taken in 9th or 10th grade – while in high school. The AP School Honor Roll recognizes schools whose AP programs are delivering results for students while broadening access. Schools can earn this recognition annually based on criteria that reflect a commitment to increasing college-going culture, providing opportunities for students to earn college credit and maximizing college readiness.
- An AP Human Geography Teacher at Braswell High School was recognized as the Texas Council for the Social Studies (TXCSS) Outstanding High School Teacher of the Year. The award is given in recognition of active participation in local, state and national social studies councils, as well as outstanding social studies teaching at the elementary, middle, and high school levels.
- Six Denton ISD educators achieved National Board Certification. The certification is the most respected professional certification available in education and provides numerous benefits to teachers, students, and schools. It was designed to develop, retain and recognize accomplished teachers and to generate ongoing improvement in schools nationwide. Established in 1987, the National Board for Professional Teaching Standards is an independent, nonprofit organization working to advance accomplished teaching for all students. To become a Board-certified teacher, eligible candidates must demonstrate advanced

knowledge, skills, and practice in their individual certificate area by completing four components: three portfolio entries and a computer-based assessment.

- Bell Elementary school was named a 2023-2025 National PTA School of Excellence, an honor which aims to provide a framework for PTAs to identify and implement best practices in family engagement to strengthen family-school partnerships. Bell Elementary was one of only 84 schools in Texas to earn the distinction for 2023-2025. Less than 400 schools nationwide received the honor.
- Denton ISD was awarded the 2025 Best Communities for Music Education for the 18th consecutive year – 19 years total by the National Association of Music Merchants (NAMM). Now in its 26th 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.
- The Denton ISD Theatre Program earned the Texas Thespians Premiere Communities for Theatre Education Award, which recognizes school districts that make outstanding contributions to raising the standards for theater education. In addition, the District also received the Exemplary District of Distinction and Exemplary High School of Distinction for Braswell High School. Denton ISD was one of only 20 districts statewide to receive the Exemplary District of Distinction award, which is the highest distinction possible. Districts that earn this award provide theatre programs with the resources to achieve above standard, as rooted in the Educational Theatre Association's Opportunity to Learn Standards, Texas Theatre Knowledge and Skills for Fine Arts (TEKS), and support of International Thespian Society Troupe involvement.

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 2024-2025 the maintenance and operations tax rate was \$0.6769 and the debt service tax rate was \$0.48 for a total rate of \$1.1569. The District's certified property values increased 14.90% for 2023-2024 and 10.97% for 2024-2025. The certified property values for 2025-2026 increased by \$540,223,465 or 1.76%.

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 assure 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, 2025, provided no instances of material weaknesses in the internal control structure and no instances of non-compliance 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 Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Denton Independent School District for its annual comprehensive financial report (ACFR) for the year ending June 30, 2024. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Denton Independent School District has received a Certificate of Achievement for the last thirty-nine consecutive years. We believe our current comprehensive report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 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 our 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

Vicki Garcia
Executive Director Financial Operations

Dr. Jeremy Thompson
Deputy Superintendent

Julie J. 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, 2024.

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
CAE, SFO
President
Director

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan,
CEO/Executive



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

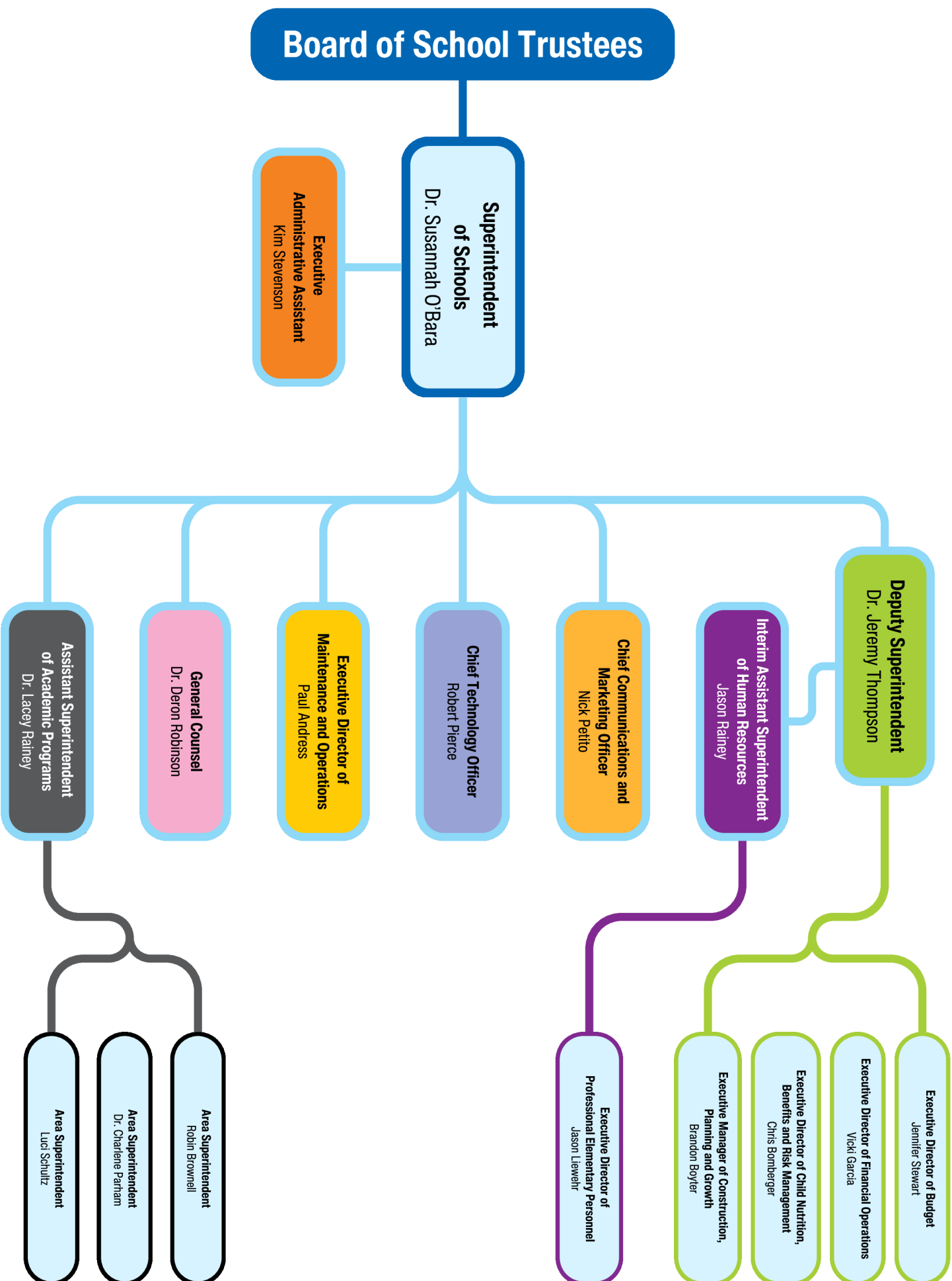
**Denton Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



DENTON INDEPENDENT SCHOOL DISTRICT

ELECTED OFFICIALS

BOARD OF TRUSTEES

<u>Name</u>	<u>Term Expires</u>	<u>Occupation</u>
Ms. Barbara Burns, President	May 2027	Retired Educator
Ms. Sheryl English, Vice President	May 2027	Real Estate Professional
Ms. Lori Tays, Secretary	May 2026	Pediatric ER Nurse
Dr. Buddy Dunworth, Member	May 2028	Retired Educator
Dr. Patsy Sosa-Sanchez, Member	May 2026	College Program Coordinator
Mr. Charles Stafford, Member	May 2028	Real Estate Professional
Ms. Tanya Wright, Member	May 2028	Vice President of Operations

DENTON INDEPENDENT SCHOOL DISTRICT
APPOINTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Years in District</u>
Dr. Susannah O’Bara	Superintendent	32 years
Dr. Jeremy Thompson	Deputy Superintendent	1.5 years
Dr. Deron Robinson	General Counsel	5 years
Dr. Lacey Rainey	Assistant Superintendent - School Leadership and Academic Programs	11 years
Mr. Jason Rainey	Interim Assistant Superintendent of Human Resources	15 years
Mr. Robert Pierce	Chief Technology Officer	10 years
Mr. Nick Petito	Chief Communications & Marketing Officer	New to DISD
Ms. Robin Brownell	Area Superintendent - School Leadership and Academic Programs	22 years
Dr. Charlene Parham	Area Superintendent - School Leadership and Academic Programs	8 years
Ms. Luci Schulz	Area Superintendent – School Leadership and Academic Programs	2 years
Ms. Jennifer Stewart	Executive Director of Budget	12 years
Mr. Chris Bomberger	Executive Director of Child Nutrition & Risk Management	8 years
Ms. Vicki Garcia	Executive Director of Financial Operations	8 years
Mr. Jason Liewehr	Executive Director of Human Resources	4 years
Mr. Paul Andress	Executive Director of Operations	29 years

DENTON INDEPENDENT SCHOOL DISTRICT

Consultants and Advisors

ARCHITECTS

VLK Architects, Inc.

1320 Hemphill Street, Suite 400
Fort Worth, Texas 76104

Corgan Associates,

401 North Houston St
Dallas, Texas 75202

Pfluger Architects,

209 E. Riverside Drive
Austin, TX 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.

17 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

902 NORTH LOCUST
P.O. BOX 977
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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, 2025 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, 2025, 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 on pages 19 through 27 and the Teacher Retirement System schedules on page 82 through 90 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 December 8, 2025 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.

A handwritten signature in black ink that reads "Hankins Eastup Deaton Tonn Seay & Scarborough". The signature is written in a cursive, flowing style.

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

December 8, 2025

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**DENTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

As management of Denton Independent School District, we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2025. Please read this narrative in conjunction with the independent auditors' report on page 15, and the District's Basic Financial Statements that begin on page 29.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Denton Independent School District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year resulting in a net position of \$167,321,115.
- The District's total net position increased by \$48,996,613 during the current fiscal year from the result of current year operations and decreased \$19,271,149 from restatements to the beginning of year net position.
- As of the close of the current fiscal period, the District's governmental funds reported combined ending fund balances of \$991,414,914. \$37,229,471 of this total amount is unassigned and available for use within the District's commitments and assignment policies.
- At the end of the current fiscal period, the unassigned fund balance of the general fund of \$37,229,471 was 10.72% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 29 through 31). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 32) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District. The District has no component units for which it is financially accountable.

The notes to the financial statements (starting on page 45) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

The combining statements for nonmajor funds contain even more information about the District's individual funds. The section labeled Single Audit Section contains data used by monitoring or regulatory agencies for assurance that the District is using funds supplied in compliance with the terms of grants.

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 29. Its primary purpose is to show whether the financial position of the District is improving or deteriorating as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting (the basis used by private sector companies).

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. 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). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health 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.

In the Statement of Net Position and the Statement of Activities, we divide the District into two kinds of activities:

- Governmental activities—Most of the District's basic services are reported here, including the instruction, counseling, co-curricular activities, food services, transportation, maintenance, community services, and general administration. Property taxes, tuition, fees, and state and federal grants finance most of these activities.
- Business-type activities—The District charges a fee to “customers” to help it cover all or most of the cost of services it provides in its athletic stadium concessions activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

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 fund financial statements begin on page 32 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities).

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-seven 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 thirty-four 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* elsewhere in this report. The District adopts an annual appropriated budget for its general fund, debt service fund and food service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 32 through 38 of this report.
- **Proprietary funds.** The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (one category of proprietary funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows. The internal service funds (the other category of proprietary funds) report activities that provide supplies and services for the District's other programs and activities—such as the District's self-insurance programs and the print shop.
- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a separate statement of changes in fiduciary fund net position that can be found on pages 43 and 44. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis presents both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental and business-type activities.

Net position of the District's governmental activities increased from \$137,511,234 at June 30, 2024 to \$167,199,416 at June 30, 2025. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was a deficit of \$181,210,388 at June 30, 2025. The increase of \$48,959,331 from current year operations was the result of several factors. First, the District's revenues exceeded expenditures by \$123,784,784 (as adjusted for the effects of capital outlay and debt service principal payments.) However, the District recorded depreciation expense, which is a non-cash expense that reduces the carrying value of District assets, in the amount of \$68,977,969. Changes in the net pension and OPEB activity decreased net position by \$2,041,455, while various other adjustments for prepaid expenses, interest accruals and tax revenues earned during the period under the full accrual method of accounting decreased net position by \$7,888,939. Net position decreased \$9,676,562 from the disposition of capital assets.

Governmental Activities

Net Position. The net position of the District's governmental activities at June 30, 2025 was \$167,199,416. Investment in capital assets (e.g. land, building, furniture, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding was \$196,782,385 at June 30, 2025. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's governmental activities net position (\$151,627,419) represents resources that are subject to external restrictions on how they may be used.

Changes in Net Position. The District's total revenues of its governmental activities were \$606,367,411. A significant portion, approximately 60.5%, of the revenue comes from property taxes. Another 14.0% comes from state aid - formula grants while only 2.3% relates to charges for services. This reflects a \$9.1 million or 1.5% increase in revenues from 2023-2024. The total revenues were used to fund the cost of all programs and services in the amount of \$547,731,518, and to pay down the District's debt. This reflects a \$18.0 million or 3.2% decrease in expenses from 2023-2024, primarily due to cutbacks in most categories.

Governmental Activities. The District's total net position of its governmental activities increased \$48,959,331 from the results of current year operations. The total cost of all government activities for the fiscal year ended June 30, 2025 was \$547,731,518. Funding for these governmental activities is by specific program revenue or through general revenues such as property taxes, state aid and investment earnings. Program revenues directly attributable to specific activities funded some of the governmental activities costs. These program revenues amounted to \$105,186,735 (grant revenues, tuition and facility leasing, for example). The remaining cost of governmental activities not directly funded by program revenues was \$442,544,783, which were primarily funded by property taxes in the amount of \$366,755,519 and state revenue of \$84,885,126.

Business-type Activities

Net Position. The net position of the District's business-type activities at June 30, 2025 was \$121,699. Investment in capital assets (e.g. furniture, vehicles and equipment) was \$21,950 at June 30, 2025.

Changes in Net Position. The District's total revenues of its business-type activities were \$209,741. The revenues come from charges for services for stadium concession activities. The total revenues were used to fund program costs that totaled \$172,459.

Business-type Activities. The District's total net position of its business-type activities increased \$37,282 from the results of current year operations. The total cost of all business-type activities for the fiscal year ended June 30, 2025 was \$172,459. Funding for this business-type activity is primarily by specific program revenue. Program revenues directly attributable to the activity funded virtually of the costs. These program revenues amounted to \$209,741. The volume of activity in the District's business-type activity during the year was comparable to the prior year.

Table I
NET POSITION

Table I NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 1,114,301,167	\$ 1,213,034,830	\$ 101,287	\$ 58,049	\$ 1,114,402,454	\$ 1,213,092,879
Capital assets	1,892,466,445	1,588,939,959	21,950	27,906	1,892,488,395	1,588,967,865
Total assets	3,006,767,612	2,801,974,789	123,237	85,955	3,006,890,849	2,802,060,744
Deferred outflows of resources	175,987,933	168,935,643	-	-	175,987,933	168,935,643
Total assets and deferred outflows of resources	3,182,755,545	2,970,910,432	123,237	85,955	3,182,878,782	2,970,996,387
Long-term liabilities	2,766,821,828	2,621,994,086	-	-	2,766,821,828	2,621,994,086
Other liabilities	151,933,018	124,457,068	1,538	1,538	151,934,556	124,458,606
Total liabilities	2,918,754,846	2,746,451,154	1,538	1,538	2,918,756,384	2,746,452,692
Deferred inflows of resources	96,801,283	86,948,044	-	-	96,801,283	86,948,044
Total liabilities and deferred inflows of resources	3,015,556,129	2,833,399,198	1,538	1,538	3,015,557,667	2,833,400,736
Net Position:						
Net investments in capital assets	196,782,385	182,608,809	21,950	27,906	196,804,335	182,636,715
Restricted	151,627,419	128,763,581	-	-	151,627,419	128,763,581
Unrestricted	(181,210,388)	(173,861,156)	99,749	56,511	(181,110,639)	(173,804,645)
Total Net Position	\$ 167,199,416	\$ 137,511,234	\$ 121,699	\$ 84,417	\$ 167,321,115	\$ 137,595,651

Table II
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	\$ 13,808,525	\$ 15,741,301	\$ 209,741	\$ 199,569	\$ 14,018,266	\$ 15,940,870
Operating grants and contributions	91,378,210	87,349,413	-	-	91,378,210	87,349,413
General Revenues:						
Maintenance and operations taxes	214,609,944	198,632,118	-	-	214,609,944	198,632,118
Debt service taxes	152,145,575	140,311,435	-	-	152,145,575	140,311,435
State aid - formula grants	84,885,126	95,127,193	-	-	84,885,126	95,127,193
Gifts and bequests	-	1,627,368	-	-	-	1,627,368
Interest earnings	48,995,599	57,808,521	-	-	48,995,599	57,808,521
Miscellaneous	544,432	706,276	-	-	544,432	706,276
Loss on disposition of capital assets	(9,676,562)	-	-	-	(9,676,562)	-
Total Revenue	596,690,849	597,303,625	209,741	199,569	596,900,590	597,503,194
Expenses:						
Instruction, curriculum and media services	278,971,435	286,371,383	-	-	278,971,435	286,371,383
Instructional and school leadership	30,728,371	30,285,434	-	-	30,728,371	30,285,434
Student support services	39,115,056	40,191,961	-	-	39,115,056	40,191,961
Food services	24,071,546	22,223,979	-	-	24,071,546	22,223,979
Cocurricular activities	12,928,575	12,201,320	172,459	162,196	13,101,034	12,363,516
General administration	14,828,956	14,442,999	-	-	14,828,956	14,442,999
Plant maintenance, security and data processing	49,141,273	60,100,840	-	-	49,141,273	60,100,840
Community services	5,682,606	6,130,239	-	-	5,682,606	6,130,239
Debt services	89,062,380	90,743,649	-	-	89,062,380	90,743,649
Intergovernmental charges	3,201,320	3,070,874	-	-	3,201,320	3,070,874
Total Expenses	547,731,518	565,762,678	172,459	162,196	547,903,977	565,924,874
Increase (Decrease) in Net Position	48,959,331	31,540,947	37,282	37,373	48,996,613	31,578,320
Net Position - beginning of year	137,511,234	83,397,062	84,417	47,044	137,595,651	83,444,106
Restatements	(19,271,149)	22,573,225	-	-	(19,271,149)	22,573,225
Net Position - end of year	\$ 167,199,416	\$ 137,511,234	\$ 121,699	\$ 84,417	\$ 167,321,115	\$ 137,595,651

The cost of all governmental activities for the current fiscal period was \$547,731,518. However, as shown in the Statement of Activities on pages 30 and 31, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$366,755,519 because some of the costs were paid by those who directly benefited from the programs (\$13,808,525) or by State equalization funding (\$84,885,126).

THE DISTRICT'S 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.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$991,414,194 a decrease of \$124,553,808 from the prior year. Approximately 7.4% of this total amount (\$73,605,769) 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 (\$148,290,117), food service (\$3,040,633), or for capital projects (\$759,994,870), or for playground equipment (\$13,247), or already spent on prepaid items (\$6,118,440), inventories (\$350,118) or endowment principal (\$1,000).

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$37,229,471, while the total fund balance was \$66,203,283. 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 fund expenditures. Unassigned fund balance represents 10.72% of the total general fund expenditures, while the total fund balance represents 19.06% of that same amount.

The fund balance of the District's general fund decreased by \$12,345,872 during the current fiscal year, compared to a \$17,357,524 decrease in the previous year. Key factors related to this change are as follows:

- A \$16,745,129 increase in property tax revenues offset by a \$10,241,567 decrease in state per capita and foundation revenue contributed to a \$5,394,769 overall increase in total revenues. The increase in property tax revenue was due primarily to a \$2,820,385,222 increase in property valuations. That was offset somewhat by a 0.26% decrease in the percentage of current year tax collections. The decrease of \$0.0023 in the maintenance and operations tax rate caused a minimal impact on tax collections. Funding provided by the state for per capita and foundation revenue decreased as a result of the increased property tax revenue.
- Expenditures decreased \$1,289,416 or .037% with all functional expenditure totals comparable to the prior year.

The debt service fund has a total fund balance of \$148,290,117, all of which is reserved for the payment of debt service. The net increase in fund balance during the period in the debt service fund was \$26,810,183, compared to a \$25,750,629 increase in the previous year. Tax revenues were \$12,440,307 higher than the previous year and State EDA revenue was \$2,304,677 higher than the previous year. The increase in property tax revenue was also due to the increase in property valuations, as the interest and sinking tax rate remained the same for both fiscal years. State EDA revenue increased primarily due to an increase in that state homestead exemption which the State provided funds to help minimize the impact of that increase to the District. Debt service expenditures were \$15,169,916 higher than the previous year due to debt service payments on new issues.

Other changes in fund balances should also be noted. The fund balance in the capital projects fund decreased \$138,943,574 due primarily to \$180,000,000 proceeds from a bond issuance less \$360,826,819 spent on construction-related costs. Although these and other capital expenditures reduce available fund balances, they create new assets for the District as reported in the Statement of Net Position and discussed in Note 5 to the financial statements.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in June, 2024). The second category includes changes that the

Board made during the year to reflect new information regarding revenue sources and expenditure needs. The principal amendment in this case was an increase in the anticipated amount of State funding to be received. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$66,203,283 reported on page 35 differs from the General Fund's budgetary fund balance of \$49,546,289 reported in the budgetary comparison schedule on page 81. For the year ended June 30, 2025, actual general fund expenditures on a budgetary basis were \$347,338,881, above the original budget expenditures of \$342,048,541 and below the revised final budget of \$363,554,690. The majority of the actual variance of \$16,215,809 consists of savings achieved in payroll costs in the instructional area and savings in the transportation and data processing areas. Actual revenue on a budgetary basis was \$337,182,224 compared to the original budget of \$321,131,145 and a revised budget of \$335,915,414. The actual variance of \$1,266,810 was due primarily to higher than expected rate revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2025, the District had \$1,892,466,445 (net of accumulated depreciation) 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 \$303,526,486, or 19.10% above last year.

This fiscal year's major additions included:

Initial construction costs on a new high school, paid for with proceeds of general obligation bonds issued in a prior year.	\$ 61,778,044
Continuing construction costs on a new elementary school, paid for with proceeds of general obligation bonds issued in a prior year.	35,200,326
Continuing construction costs on a new elementary school, paid for with proceeds of general obligation bonds issued in a prior year.	5,739,060
Continuing construction costs on renovations to two elementary schools, paid for with proceeds of general obligation bonds.	17,989,338
Initial construction costs on a new elementary school, paid for with proceeds of general obligation bonds.	6,674,370
Continuing construction costs on a high school addition, paid for with proceeds of general obligation bonds.	16,221,791
Continuing construction costs on a high school auditorium, paid for with proceeds of general obligation bonds.	21,784,814
Land purchases	45,757,112
Totaling	<u>\$211,144,855</u>

In addition, at June 30, 2025 the District has \$21,950 (net of accumulated depreciation) invested in equipment in its business-type activity. There were no additions during the current fiscal year.

More detailed information about the District's capital assets is presented in Note 4 to the financial statements.

Debt Administration

At year-end, the District had \$2,283,596,767 in bonds outstanding (including accreted interest on bonds) versus \$2,162,906,252 last year—an increase of 5.59%. New bonded debt incurred during the current fiscal period consisted of the issuance of \$171,005,000 in school building bonds and the issuance of a refunding bond series of \$39,160,000. 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 of the Texas Permanent School Fund.

Other obligations include subscription liabilities and accrued vacation. More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board of Trustees approved a maintenance and operations (M&O) property tax rate of \$0.6769 and a debt service rate of \$0.48 for fiscal year 2024–2025, resulting in a total tax rate of \$1.1569. This reflects a \$0.0023 decrease from the prior year.

House Bill 3 (HB3), passed during the 86th Legislative Session, established a floor for the Maximum Compressed Rate (MCR), which is set annually by the Texas Education Agency. This change in methodology has contributed to Denton ISD's tax rate decreasing over the past six years.

Property values continue to rise. For the 2024 tax year, certified and under-review values increased by \$3,037,920,896 (10.97%). For 2025–2026, the Board adopted a total tax rate of \$1.1174 per \$100 of assessed value, with the M&O rate decreasing to \$0.6374 and the debt service rate remaining at \$0.48. Certified property values increased by \$540,223,465 (1.76%) for 2025, a smaller increase due to additional homestead exemptions.

State funding for 2025–2026 is projected at \$88,644,264 (27.23% of the total budget), compared to \$88,228,122 (27.39%) for 2024–2025. At the end of the 2025 legislative session, House Bill 2 (HB2) passed providing additional funding for public schools, with most of the dollars earmarked for specific purposes such as teacher pay raises and special education. The basic allotment saw only a minimal increase of about \$55 per student. Because much of the new funding came with restrictions, districts were left with very limited discretionary resources to address locally identified program needs and inflation that has exceeded 20% since 2019.

Although HB3 improved equity and lowered property tax rates, the funding formula still relies on student attendance. Although Denton ISD remains a fast-growth district, declining attendance rates following pandemic-related closures and high mobility in some areas have affected Average Daily Attendance (ADA). For 2024–2025, enrollment was 33,329 students with an ADA of 31,459. Demographic modeling projections for 2025–2026 estimate enrollment at 33,608 and ADA at 31,075, but the adopted budget uses a more conservative estimate of 32,722.5 students and 30,800 ADA.

Denton ISD will continue monitoring revenues and expenditures during 2025–2026 and planning for the 2026–2027 budget to ensure efficient and effective operations for students and staff.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for funds the District receives. If you have questions about this report or need additional financial information, contact the District's business office, at Denton Independent School District, 1307 North Locust, Denton, Texas 76201, (940) 369-0000.

BASIC FINANCIAL STATEMENTS

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT A-1

		1	2	3
		Primary Government		
Data				
Control			Business	
Codes		Governmental	Type	
		Activities	Activities	Total
ASSETS				
1110	Cash and Cash Equivalents	\$ 634,078,679	\$ 139,582	\$ 634,218,261
1120	Current Investments	441,353,228	-	441,353,228
1220	Property Taxes - Delinquent	6,911,099	-	6,911,099
1230	Allowance for Uncollectible Taxes	(207,350)	-	(207,350)
1240	Due from Other Governments	22,688,719	-	22,688,719
1250	Accrued Interest	2,817,195	-	2,817,195
1260	Internal Balances	38,295	(38,295)	-
1290	Other Receivables, Net	145,059	-	145,059
1300	Inventories	357,803	-	357,803
1410	Prepayments	6,118,440	-	6,118,440
	Capital Assets:			
1510	Land	164,271,433	-	164,271,433
1520	Buildings, Net	1,301,824,181	-	1,301,824,181
1530	Furniture and Equipment, Net	70,393,474	21,950	70,415,424
1550	Right-to-Use Leased Assets, Net	5,867,380	-	5,867,380
1580	Construction in Progress	350,109,977	-	350,109,977
1000	Total Assets	3,006,767,612	123,237	3,006,890,849
DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred Charge for Refunding	87,584,847	-	87,584,847
1705	Deferred Outflow Related to TRS Pension	55,328,671	-	55,328,671
1706	Deferred Outflow Related to TRS OPEB	33,074,415	-	33,074,415
1700	Total Deferred Outflows of Resources	175,987,933	-	175,987,933
LIABILITIES				
2110	Accounts Payable	75,265,735	1,538	75,267,273
2150	Payroll Deductions and Withholdings	2,857,420	-	2,857,420
2160	Accrued Wages Payable	35,026,460	-	35,026,460
2180	Due to Other Governments	5,653	-	5,653
2200	Accrued Expenses	34,997,283	-	34,997,283
2300	Unearned Revenue	3,780,467	-	3,780,467
	Noncurrent Liabilities:			
2501	Due Within One Year: Loans, Note, Leases, etc.	85,404,707	-	85,404,707
	Due in More than One Year:			
2502	Bonds, Notes, Loans, Leases, etc.	2,485,480,885	-	2,485,480,885
2540	Net Pension Liability (District's Share)	121,119,746	-	121,119,746
2545	Net OPEB Liability (District's Share)	74,816,490	-	74,816,490
2000	Total Liabilities	2,918,754,846	1,538	2,918,756,384
DEFERRED INFLOWS OF RESOURCES				
2605	Deferred Inflow Related to TRS Pension	32,456,763	-	32,456,763
2606	Deferred Inflow Related to TRS OPEB	64,344,520	-	64,344,520
2600	Total Deferred Inflows of Resources	96,801,283	-	96,801,283
NET POSITION				
3200	Net Investment in Capital Assets and Right-to-Use Lease	196,782,385	21,950	196,804,335
	Restricted:			
3820	Restricted for Federal and State Programs	3,323,055	-	3,323,055
3850	Restricted for Debt Service	148,290,117	-	148,290,117
3880	Restricted (expendable) for Playground Equipment	13,247	-	13,247
3890	Restricted (nonexpendable) for Corpus	1,000	-	1,000
3900	Unrestricted	(181,210,388)	99,749	(181,110,639)
3000	Total Net Position	\$ 167,199,416	\$ 121,699	\$ 167,321,115

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, 2025

Data Control Codes	1	Program Revenues	
		3	4
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
11 Instruction	\$ 262,163,671	\$ 1,411,217	\$ 29,530,665
12 Instructional Resources and Media Services	5,311,684	-	535,272
13 Curriculum and Instructional Staff Development	11,496,080	-	5,221,139
21 Instructional Leadership	5,271,276	-	536,677
23 School Leadership	25,457,095	-	2,542,620
31 Guidance, Counseling, and Evaluation Services	22,799,205	-	8,520,455
32 Social Work Services	1,278,748	-	178,041
33 Health Services	4,553,859	453,303	298,958
34 Student (Pupil) Transportation	10,483,244	-	2,634,566
35 Food Services	24,071,546	5,434,678	16,393,362
36 Extracurricular Activities	12,928,575	756,432	2,678,743
41 General Administration	14,828,956	2,352,093	407,271
51 Facilities Maintenance and Operations	38,326,213	449,528	3,550,703
52 Security and Monitoring Services	5,138,001	-	1,130,197
53 Data Processing Services	5,677,059	-	66,797
61 Community Services	5,682,606	2,951,274	946,200
72 Debt Service - Interest on Long-Term Debt	87,597,420	-	16,206,544
73 Debt Service - Bond Issuance Cost and Fees	1,464,960	-	-
93 Payments Related to Shared Services Arrangements	678,000	-	-
95 Payments to Juvenile Justice Alternative Ed. Prg.	3,625	-	-
99 Other Intergovernmental Charges	2,519,695	-	-
	<u>547,731,518</u>	<u>13,808,525</u>	<u>91,378,210</u>
[TG] Total Governmental Activities:			
BUSINESS-TYPE ACTIVITIES:			
01 Stadium Concessions	172,459	209,741	-
	<u>172,459</u>	<u>209,741</u>	<u>-</u>
[TB] Total Business-Type Activities:			
[TP] TOTAL PRIMARY GOVERNMENT:			
	<u>\$ 547,903,977</u>	<u>\$ 14,018,266</u>	<u>\$ 91,378,210</u>
Data			
Control	General Revenues:		
Codes	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		
EI	Loss on Disposition of Capital Assets		
TR	Total General Revenues & Extraordinary Items		
CN	Change in Net Position		
NB	Net Position - Beginning		
PA	Restatements		
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
\$ (231,221,789)	\$ -	\$ (231,221,789)
(4,776,412)	-	(4,776,412)
(6,274,941)	-	(6,274,941)
(4,734,599)	-	(4,734,599)
(22,914,475)	-	(22,914,475)
(14,278,750)	-	(14,278,750)
(1,100,707)	-	(1,100,707)
(3,801,598)	-	(3,801,598)
(7,848,678)	-	(7,848,678)
(2,243,506)	-	(2,243,506)
(9,493,400)	-	(9,493,400)
(12,069,592)	-	(12,069,592)
(34,325,982)	-	(34,325,982)
(4,007,804)	-	(4,007,804)
(5,610,262)	-	(5,610,262)
(1,785,132)	-	(1,785,132)
(71,390,876)	-	(71,390,876)
(1,464,960)	-	(1,464,960)
(678,000)	-	(678,000)
(3,625)	-	(3,625)
(2,519,695)	-	(2,519,695)
(442,544,783)	-	(442,544,783)
-	37,282	37,282
-	37,282	37,282
(442,544,783)	37,282	(442,507,501)
214,609,944	-	214,609,944
152,145,575	-	152,145,575
84,885,126	-	84,885,126
48,995,599	-	48,995,599
544,432	-	544,432
(9,676,562)	-	(9,676,562)
491,504,114	-	491,504,114
48,959,331	37,282	48,996,613
137,511,234	84,417	137,595,651
(19,271,149)	-	(19,271,149)
\$ 167,199,416	\$ 121,699	\$ 167,321,115

DENTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
ASSETS			
1110 Cash and Cash Equivalents	\$ 85,404,971	\$ 146,215,577	\$ 391,104,123
1120 Investments - Current	-	-	440,373,326
1220 Property Taxes - Delinquent	4,207,015	2,704,084	-
1230 Allowance for Uncollectible Taxes	(129,466)	(77,884)	-
1240 Due from Other Governments	13,072,978	1,446,837	-
1250 Accrued Interest	-	-	2,767,695
1260 Due from Other Funds	6,873,738	-	-
1290 Other Receivables	122,468	-	3,000
1300 Inventories	67,696	-	-
1410 Prepayments	1,469,508	-	4,639,709
1000 Total Assets	<u>\$ 111,088,908</u>	<u>\$ 150,288,614</u>	<u>\$ 838,887,853</u>
LIABILITIES			
2110 Accounts Payable	\$ 2,869,617	\$ -	\$ 71,311,433
2150 Payroll Deductions and Withholdings Payable	2,857,420	-	-
2160 Accrued Wages Payable	33,059,281	-	-
2170 Due to Other Funds	105,791	-	-
2180 Due to Other Governments	-	-	-
2190 Due to Student Groups	58,855	-	-
2300 Unearned Revenue	2,746,307	-	-
2000 Total Liabilities	<u>41,697,271</u>	<u>-</u>	<u>71,311,433</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	3,188,354	1,998,497	-
2600 Total Deferred Inflows of Resources	<u>3,188,354</u>	<u>1,998,497</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	67,696	-	-
3425 Endowment Principal	-	-	-
3430 Prepaid Items	1,469,508	-	4,639,709
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	-
3470 Capital Acquisition and Contractual Obligation	-	-	759,994,870
3480 Retirement of Long-Term Debt	-	148,290,117	-
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3590 Other Assigned Fund Balance	27,436,608	-	2,941,841
3600 Unassigned Fund Balance	37,229,471	-	-
3000 Total Fund Balances	<u>66,203,283</u>	<u>148,290,117</u>	<u>767,576,420</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 111,088,908</u>	<u>\$ 150,288,614</u>	<u>\$ 838,887,853</u>

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

		Total	
Other		Governmental	
Funds		Funds	
\$	10,625,430	\$	633,350,101
	979,902		441,353,228
	-		6,911,099
	-		(207,350)
	8,082,960		22,602,775
	93		2,767,788
	144,086		7,017,824
	18,722		144,190
	282,422		350,118
	9,223		6,118,440
\$	20,142,838	\$	1,120,408,213
\$	916,741	\$	75,097,791
	-		2,857,420
	1,967,172		35,026,453
	6,873,738		6,979,529
	5,653		5,653
	1,000		59,855
	1,034,160		3,780,467
	10,798,464		123,807,168
	-		5,186,851
	-		5,186,851
	282,422		350,118
	1,000		1,000
	9,223		6,118,440
	3,040,633		3,040,633
	-		759,994,870
	-		148,290,117
	13,247		13,247
	5,997,849		5,997,849
	-		30,378,449
	-		37,229,471
	9,344,374		991,414,194
\$	20,142,838	\$	1,120,408,213

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DENTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 991,414,194
1 Assets and liabilities of the internal service funds are not included in the fund financial statements.	513,626
2 Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.	2,484,726,708
3 Accumulated depreciation is not reported in the fund financial statements.	(592,260,263)
4 Bonds payable are not reported in the fund financial statements.	(2,275,587,488)
5 Bond premiums and discounts are not recognized in the fund financial statements.	(262,931,028)
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.	(34,997,213)
7 Property tax revenue reported as deferred revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	5,186,851
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 \$121,119,746, a Deferred Resource Inflow related to TRS in the amount of \$32,456,763, and a Deferred Resource Outflow related to TRS in the amount of \$55,328,671. This amounted to a decrease in Net Position in the amount of \$98,247,838.	(98,247,838)
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 \$74,816,490, a Deferred Resource Inflow related to TRS OPEB in the amount of \$64,344,520, and a Deferred Resource Outflow related to TRS OPEB in the amount of \$33,074,415. This amounted to a decrease in Net Position in the amount of \$106,086,595.	(106,086,595)
10 Accrued compensated absences have not been recorded in the fund financial statements.	(22,181,927)
11 Deferred charge on bond refundings is not recognized in the fund financial statements.	87,584,847
12 Accreted interest on capital appreciation bonds has not been recorded in the fund financial statements.	(8,009,299)
13 Subscription liabilities for SBITA assets used in governmental activities are not recognized in the fund financial assets.	(1,974,566)
14 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.	49,407
29 Net Position of Governmental Activities	\$ 167,199,416

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, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	60 Capital Projects
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 225,862,051	\$ 156,387,940	\$ 39,977,029
5800 State Program Revenues	104,937,275	16,014,803	-
5900 Federal Program Revenues	6,382,898	-	-
5020 Total Revenues	337,182,224	172,402,743	39,977,029
EXPENDITURES:			
Current:			
0011 Instruction	205,990,407	-	-
0012 Instructional Resources and Media Services	4,165,085	-	-
0013 Curriculum and Instructional Staff Development	5,329,932	-	-
0021 Instructional Leadership	4,101,592	-	-
0023 School Leadership	19,904,758	-	-
0031 Guidance, Counseling, and Evaluation Services	12,415,075	-	-
0032 Social Work Services	941,242	-	-
0033 Health Services	3,700,945	-	-
0034 Student (Pupil) Transportation	9,205,818	-	-
0035 Food Services	484,637	-	-
0036 Extracurricular Activities	9,084,992	-	236,840
0041 General Administration	11,271,746	-	-
0051 Facilities Maintenance and Operations	42,580,528	-	-
0052 Security and Monitoring Services	3,570,741	-	-
0053 Data Processing Services	5,409,316	-	2,395
0061 Community Services	4,053,160	-	-
Debt Service:			
0071 Principal on Long-Term Liabilities	-	35,639,177	-
0072 Interest on Long-Term Liabilities	-	111,096,432	-
0073 Bond Issuance Cost and Fees	-	1,464,960	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	1,930,745	-	360,826,819
Intergovernmental:			
0093 Payments to Fiscal Agent/Member Districts of SSA	678,000	-	-
0095 Payments to Juvenile Justice Alternative Ed. Prg.	3,625	-	-
0099 Other Intergovernmental Charges	2,519,695	-	-
6030 Total Expenditures	347,342,039	148,200,569	361,066,054
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,159,815)	24,202,174	(321,089,025)
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	39,160,000	171,005,000
7912 Sale of Real and Personal Property	11,708	-	3,177,044
7915 Transfers In	1,017,358	-	42,540
7916 Premium or Discount on Issuance of Bonds	-	3,869,225	10,991,928
7917 Prepaid Interest	-	1,579,634	-
8911 Transfers Out (Use)	(3,199,837)	-	(2,621,061)
8949 Other (Uses)	-	(42,000,850)	-
7080 Total Other Financing Sources (Uses)	(2,170,771)	2,608,009	182,595,451
EXTRAORDINARY ITEMS:			
8913 Extraordinary Item - (Use)	(15,286)	-	-
1200 Net Change in Fund Balances	(12,345,872)	26,810,183	(138,493,574)
0100 Fund Balance - July 1 (Beginning)	78,549,155	121,479,934	906,069,994
3000 Fund Balance - June 30 (Ending)	\$ 66,203,283	\$ 148,290,117	\$ 767,576,420

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

		Total	
Other		Governmental	
Funds		Funds	
\$	12,711,377	\$	434,938,397
	6,289,310		127,241,388
	32,210,112		38,593,010
	51,210,799		600,772,795
	13,536,682		219,527,089
	257,058		4,422,143
	4,151,016		9,480,948
	187,495		4,289,087
	1,040,931		20,945,689
	6,192,576		18,607,651
	110,233		1,051,475
	27,484		3,728,429
	132,550		9,338,368
	21,143,312		21,627,949
	2,104,136		11,425,968
	9,827		11,281,573
	153,449		42,733,977
	1,130,197		4,700,938
	51,103		5,462,814
	830,823		4,883,983
	-		35,639,177
	-		111,096,432
	-		1,464,960
	687,401		363,444,965
	-		678,000
	-		3,625
	-		2,519,695
	51,746,273		908,354,935
	(535,474)		(307,582,140)
	-		210,165,000
	738		3,189,490
	1,353,921		2,413,819
	-		14,861,153
	-		1,579,634
	(1,343,730)		(7,164,628)
	-		(42,000,850)
	10,929		183,043,618
	-		(15,286)
	(524,545)		(124,553,808)
	9,868,919		1,115,968,002
\$	9,344,374	\$	991,414,194

DENTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (124,553,808)
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.	385,361,943
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.	(68,977,969)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(217,157)
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 uncollectable amounts, in the government-wide financial statements.	(412,699)
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.	13,749,760
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.	12,250,688
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.	(979,958)
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.	(210,165,000)
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.	(14,861,153)
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.	35,639,177
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.	5,581,574
Current year net increases 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.	(2,237,662)

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

DENTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

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 8/31/2024 caused the ending net position to increase in the amount of \$8,890,529. Contributions made before the measurement but during the 2025 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 \$1,834,389. These contributions were replaced with the District's pension expense for the year of \$17,861,522, which caused a decrease in the change in net position. The impact of all of these is to decrease net position by \$7,136,604.	(7,136,604)
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 \$2,223,397. These contributions were replaced with the District's OPEB expense for the year, which was \$(6,954,662) and caused an increase in net position. The impact of both of these is to increase net position by \$9,178,059.	9,178,059
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.	42,000,850
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.	(5,921,064)
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.	(12,866,052)
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.	(6,523,001)
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.	49,407
Change in Net Position of Governmental Activities	<u><u>\$ 48,959,331</u></u>

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

EXHIBIT D-1

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 139,582	\$ 728,508
Due from Other Governments	-	85,944
Other Receivables	-	869
Inventories	-	7,685
Total Current Assets	<u>139,582</u>	<u>823,006</u>
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment, Net	21,950	87,316
SBITA Asset, Net	-	5,867,380
Total Noncurrent Assets	<u>21,950</u>	<u>5,954,696</u>
Total Assets	<u>161,532</u>	<u>6,777,702</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,538	108,089
Accrued Wages Payable	-	7
Due to Other Funds	38,295	-
Accrued Expenses	-	201,284
Total Current Liabilities	<u>39,833</u>	<u>309,380</u>
Noncurrent Liabilities:		
SBITA Liability	-	1,974,566
Total Noncurrent Liabilities	<u>-</u>	<u>1,974,566</u>
Total Liabilities	<u>39,833</u>	<u>2,283,946</u>
NET POSITION		
Net Investment in Capital Assets	21,950	3,980,130
Unrestricted Net Position	99,749	513,626
Total Net Position	<u>\$ 121,699</u>	<u>\$ 4,493,756</u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 209,741	\$ 1,884,315
Total Operating Revenues	<u>209,741</u>	<u>1,884,315</u>
OPERATING EXPENSES:		
Payroll Costs	58,857	228,303
Professional and Contracted Services	-	1,026,037
Supplies and Materials	94,101	118,422
Other Operating Costs	13,545	619,957
Depreciation Expense	5,956	2,735,637
Debt Service - Interest	-	68,590
Total Operating Expenses	<u>172,459</u>	<u>4,796,946</u>
Operating Income (Loss)	<u>37,282</u>	<u>(2,912,631)</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	15,708
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>15,708</u>
Income Before Transfers	37,282	(2,896,923)
Transfers In	-	6,543,264
Transfers Out	-	(1,792,455)
Change in Net Position	<u>37,282</u>	<u>1,853,886</u>
Total Net Position - July 1 (Beginning)	84,417	2,648,104
Restatement	-	(8,234)
Total Net Position - June 30 (Ending)	<u><u>\$ 121,699</u></u>	<u><u>\$ 4,493,756</u></u>

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, 2025

EXHIBIT D-3

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from District	\$ -	\$ 1,372,299
Cash Received from Charges and Fees	209,741	442,016
Cash Payments for Payroll Costs	(20,562)	(228,403)
Cash Payments for Purchased Services	-	(1,011,826)
Cash Payments for Supplies and Materials	(107,646)	(119,763)
Cash Payments for Interest	-	(68,590)
Cash Payments for Claims	-	(702,740)
Cash Transfers to Subsidize Loss	-	112,036
Net Cash Provided by (Used for) Operating Activities	<u>81,533</u>	<u>(204,971)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfers Out	-	(1,000,000)
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Transfers In	-	5,638,773
SBITA Proceeds	-	5,921,064
SBITA Principal Payments	-	(5,581,574)
Purchase of Capital Assets	-	(5,917,205)
Net Cash Provided by Capital and Related Financing Activities	<u>-</u>	<u>61,058</u>
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	-	15,708
Net Increase (Decrease) in Cash and Cash Equivalents	81,533	(1,128,205)
Cash and Cash Equivalents at Beginning of Year	58,049	1,856,713
Cash and Cash Equivalents at End of Year	<u>\$ 139,582</u>	<u>\$ 728,508</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss):	\$ 37,282	\$ (2,912,631)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	5,956	2,735,637
Transfers	-	112,036
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	-	(70,000)
Decrease (increase) in Inv./Prepayments	-	6,817
Decrease (increase) in Accounts Payable	-	10,504
Increase (decrease) in Accrued Wages Payable	-	(100)
Increase (decrease) in Due to Other Funds	38,295	(87,234)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 81,533</u>	<u>\$ (204,971)</u>

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, 2025

	Total Custodial Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 230,693
Total Assets	<u>230,693</u>
LIABILITIES	
Accounts Payable	<u>6,265</u>
Total Liabilities	<u>6,265</u>
NET POSITION	
Restricted for Student Groups	<u>224,428</u>
Total Net Position	<u><u>\$ 224,428</u></u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Total Custodial Funds
ADDITIONS:	
Received from Student Groups	\$ 205,867
Total Additions	<u>205,867</u>
DEDUCTIONS:	
Student Groups	<u>208,036</u>
Total Deductions	<u>208,036</u>
Change in Fiduciary Net Position	(2,169)
Total Net Position - July 1 (Beginning)	<u>226,597</u>
Total Net Position - June 30 (Ending)	<u><u>\$ 224,428</u></u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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.
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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025 <u>Fund Balance</u>
Appropriated Budget Funds	\$3,308,486
Nonappropriated Budget Funds	<u>6,021,641</u>
All Special Revenue Funds	<u>\$9,330,127</u>

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025 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, 2025 totaled \$113,946.

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".

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

As mentioned in Note 28, the District adopted GASB Statement No. 101, "Compensated Absences" in the current fiscal year. As a result, a liability is recognized in the statement of net position for unused accumulated compensated absences more likely than not (defined as a likelihood of more than 50%) to be used by or paid to employees in future periods.

The District provides vacation leave benefits to certain employees, and both the State and the District provide sick leave benefits to all employees. On resignation, retirement or death of an employee, the District pays any accrued, unused vacation leave in a lump cash payment to such employee or his/her estate. For a number of years the District has considered the amount of this employee benefit as a liability and recorded it in the Statement of Net Position as a long-term debt payable. With the implementation of GASB 101, there are unused accumulated sick leave benefits that are now recorded in the financial statements as well.

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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 qualify for reporting in this category:

Deferred outflows of resources for refunding - Reported in the government-wide statement of net position, the deferred charge on 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, 2025 was \$87,584,847.

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, 2025 was \$55,328,671.

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, 2025 was \$33,074,415.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025 was \$5,186,851.

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 2025, the District reported deferred inflows of resources for pensions in the statement of net position in the amount of \$32,456,763.

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 2024 measurement year). In fiscal year 2025, the District reported deferred inflows of resources for OPEB in the statement of net position in the amount of \$64,344,520.

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 2025, 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

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025 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, 2025 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. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that 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 22 and 23) and are described below:

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

General Fund

The General Fund has unassigned fund balance of \$37,229,471 at June 30, 2025. Deferred expenditures (prepaid items) of \$1,469,508 and inventories of \$67,696 are considered nonspendable fund balance. The District has assigned general fund fund balance resources for the following purposes as of June 30, 2025:

2025-2026 Projected Deficit Budget	\$19,564,457
Extended School Day program	2,830,341
Per pupil campus allotment	1,793,359
Career and Technology program	289,319
Fine Arts program	179,074
Major maintenance projects	154,207
Athletics	1,625,851
Insurance deductibles	<u>1,000,000</u>
	<u>\$27,436,608</u>

Other Major Funds

The Debt Service Fund has restricted funds of \$148,290,117 at June 30, 2025 consisting primarily of property tax collections that are restricted for debt service payments on bonded debt. The Capital Projects Fund has restricted funds of \$759,994,870 at June 30, 2025 consisting of unspent bond funds and \$2,941,841 of non-bond funds assigned for future capital replacement projects. Deferred expenditures (prepaid items) of \$4,639,709 are considered nonspendable fund balance.

Other Funds

In the Food Service Fund, inventories of \$282,422 are considered nonspendable fund balance. The remainder of the Food Service Fund balance of \$3,026,064 and the Summer Feeding Program fund balance of \$14,569 are shown as restricted for food service operations. The fund balance of \$3,018,094 of the Campus Activity Fund (a special revenue fund) is shown as committed due to Board policy committing those funds to campus activities. \$5,826 of the Campus Activity funds are considered nonspendable fund balance. The fund balance of District Local Programs, State Instructional Materials, Deaf Education Management Board, Community Partner Donations, and Local Grants (all special revenue funds) consisted of funds donated 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, 2025, 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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. Cash Deposits:

At June 30, 2025, the carrying amount of the District's deposits checking accounts and interest-bearing savings accounts was \$10,471,849 and the bank balance was \$13,595,711. The District's cash deposits at June 30, 2025 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:

Petty cash	\$ 500
Checking accounts and interest-bearing savings accounts	10,471,849
Investment pools	297,583,349
US Government securities	114,929,466
US Treasury notes	228,399,053
Commercial paper	98,024,708
Money market funds	326,479,904
Total	<u>\$1,075,888,829</u>
 Governmental funds	 \$1,074,790,046
Enterprise funds	139,582
Internal service funds	728,508
Fiduciary funds	230,693
Total	<u>\$1,075,888,829</u>

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, 2025, the District's cash balances totaled \$13,595,711. 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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

- 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, 2025, the District held all of its investments in five public funds investment pools (TexPool, Lone Star, Texas Range, Texas Class and TexStar). 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 AAAs (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, 2025, 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 Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or 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, 2025, are shown below:

Name	Carrying Amount	Fair Value
TexPool	\$ 23,423,897	\$ 23,423,897
TexStar	3,899,918	3,899,918
Lone Star	219,138,944	219,138,944
Texas Range	21,078,704	21,078,704
Texas Class	<u>30,041,886</u>	<u>30,041,886</u>
Total	<u>\$297,583,349</u>	<u>\$297,583,349</u>

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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				
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value level:</u>	<u>Balance at 6/30/25</u>			
US Government Securities	\$114,929,466	\$114,929,466	\$ -	\$ -
Commercial Paper	98,024,708	-	98,024,708	-
Money Market Funds	326,479,904	326,479,904	-	-
US Treasury Notes	<u>228,399,053</u>	<u>228,399,053</u>	<u>-</u>	<u>-</u>
Total	<u>\$767,833,131</u>	<u>\$669,808,423</u>	<u>\$98,024,708</u>	<u>\$ -</u>

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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance July 1	Additions/ Completions	Retirement/ Adjustments	Balance June 30
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 119,734,104	\$ 45,757,112	\$ (1,219,783)	\$ 164,271,433
Construction in Progress	256,444,244	251,886,508	(158,220,775)	350,109,977
Total capital assets, not being depreciated	376,178,348	297,643,620	(159,440,558)	514,381,410
Capital assets, being depreciated:				
Buildings and Improvements	1,628,608,279	225,807,187	(48,596,816)	1,805,818,650
Furniture and Equipment	126,907,776	24,588,042	(1,910,927)	149,584,891
SBITA Assets	8,974,006	5,909,673	58,078	14,941,757
Total capital assets, being depreciated	1,764,490,061	256,304,902	(50,449,665)	1,970,345,298
Less accumulated depreciation for:				
Buildings and Improvements	(479,384,763)	(50,099,719)	25,490,013	(503,994,469)
Furniture and Equipment	(66,024,752)	(16,180,886)	3,014,221	(79,191,417)
SBITA Assets	(6,318,935)	(2,697,364)	(58,078)	(9,074,377)
Total accumulated depreciation	(551,728,450)	(68,977,969)	28,446,156	(592,260,263)
Total capital assets being depreciated, net	1,212,761,611	187,326,933	(22,003,509)	1,378,085,035
Governmental activities capital assets, net	\$ 1,588,939,959	\$ 484,970,553	\$ (181,444,067)	\$ 1,892,466,445
Business-type activities:				
Furniture and Equipment	\$ 64,237	\$ -	\$ -	\$ 64,237
Totals at historic cost	64,237	-	-	64,237
Less accumulated depreciation for:				
Furniture and Equipment	(36,331)	(5,956)	-	(42,287)
Total accumulated depreciation	(36,331)	(5,956)	-	(42,287)
Business-type activities capital assets, net	\$ 27,906	\$ (5,956)	\$ -	\$ 21,950

Construction in progress includes the following construction contracts in progress as of June 30, 2025:

Project	Estimated Cost to Complete	Expended to Date	Balance to Complete
High School Construction	\$304,997,194	\$61,778,044	\$243,219,150
Elementary School Construction	52,512,680	47,583,321	4,929,359
Elementary School Construction	52,635,194	51,542,529	1,092,665
Elementary School Construction	52,439,630	51,809,480	630,150
High School Addition	19,976,362	19,007,681	968,681
High School Addition	33,994,875	22,979,292	11,015,583
High School Addition	37,000,383	12,365,383	24,635,000
High School Athletic Additions	25,449,845	20,450,964	4,998,881
Transportation Facility	14,267,257	3,843,091	10,424,166
Middle School Track Facilities	12,331,935	11,640,899	691,036
Elementary School Renovation	17,496,801	10,929,057	6,567,744
Elementary School Renovation	16,979,874	8,707,160	8,272,714
Total	\$640,082,030	\$322,636,901	\$317,445,129

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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

Governmental activities:	
Instruction	\$44,565,146
Instructional Resources & Media Services	843,775
Curriculum & Instructional Staff Development	1,839,029
Instructional Leadership	924,729
School Leadership	4,264,295
Guidance, Counseling & Evaluation Services	3,808,489
Social Work Services	216,115
Health Services	780,758
Student (Pupil) Transportation	1,934,093
Child Nutrition	2,301,664
Cocurricular/Extracurricular Activities	1,388,209
General Administration	2,257,156
Plant Maintenance and Operations	1,468,658
Security and Monitoring Services	437,063
Data Processing Services	1,169,153
Community Services	<u>779,637</u>
Total depreciation expense-Governmental activities	<u>\$68,977,969</u>
Business-type activities:	
Stadium Concessions	\$ 5,956
Total depreciation expense Business-type activities	<u>\$ 5,956</u>

NOTE 5. LONG-TERM DEBT

Long-term debt includes par bonds, capital appreciation (deep discount) serial bonds, 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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

The following is a summary of the changes in the District's Long-term Debt for the year ended June 30, 2025:

<u>Description</u>	<u>Interest Rate Payable</u>	<u>Amount Original Issue</u>	<u>Amounts Outstanding 7/1/2024</u>	<u>Additions</u>	<u>Refunded/ Retired</u>	<u>Amounts Outstanding 6/30/2025</u>	<u>Due Within One Year</u>
Bonded Indebtness							
2014A Building	1.25-5.00%	75,055,000	\$ 3,810,000	\$ -	\$ 1,855,000	\$ 1,955,000	\$ 1,955,000
2014B Building	2.00%	69,075,000	41,585,000	-	41,585,000	-	-
2015 Refunding	3.00-5.00%	118,775,000	15,275,000	-	7,445,000	7,830,000	7,830,000
2015A Building	2.00-5.00%	164,580,000	5,995,000	-	1,900,000	4,095,000	1,990,000
2016 Refunding	2.00-5.00%	117,200,000	116,705,000	-	-	116,705,000	4,000,000
2016 Refunding CAB	1.47-2.24%	1,549,104	221,665	-	159,177	62,488	62,488
2018 Building	3.00-5.00%	400,125,000	374,445,000	-	6,160,000	368,285,000	6,470,000
2020 Building	1.75-5.00%	278,025,000	227,825,000	-	9,285,000	218,540,000	8,390,000
2020A Refunding	1.577-5.00%	265,570,000	265,570,000	-	-	265,570,000	-
2020A Refunding CAB	312-1.391%	3,875,000	55,000	-	35,000	20,000	10,000
2021 Refunding	1.967-5.00%	87,465,000	85,715,000	-	-	85,715,000	-
2022A Refunding	4.00-5.00%	34,650,000	30,860,000	-	2,020,000	28,840,000	2,110,000
2022B Refunding	3.00-5.00%	26,280,000	25,510,000	-	735,000	24,775,000	770,000
2023 Building	5.00%	949,075,000	949,075,000	-	6,045,000	943,030,000	12,550,000
2024 Refunding	5.00%	39,160,000	-	39,160,000	-	39,160,000	16,490,000
2025A Building	5.00%	171,005,000	-	171,005,000	-	171,005,000	-
Total Bonded Indebtness			<u>2,142,646,665</u>	<u>210,165,000</u>	<u>77,224,177</u>	<u>2,275,587,488</u>	<u>62,627,488</u>
Accreted Interest	4.10-5.20%		20,259,987	388,293	12,638,981	8,009,299	7,860,643
Premiums on Bond Issuance			261,819,635	14,861,153	13,749,760	262,931,028	13,910,548
Subscription Liability	8.00%		1,635,076	5,921,064	5,581,574	1,974,566	806,028
Claims Liability			288,518	528,272	615,506	201,284	200,000
Compensated Absences			19,944,265	2,237,662	-	22,181,927	-
Total Other Obligations			<u>303,947,481</u>	<u>23,936,444</u>	<u>32,585,821</u>	<u>295,298,104</u>	<u>22,777,219</u>
Total Obligations of District			<u>\$ 2,446,594,146</u>	<u>\$ 234,101,444</u>	<u>\$ 109,809,998</u>	<u>\$ 2,570,885,592</u>	<u>\$ 85,404,707</u>

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

<u>Description</u>	<u>Maturity Date</u>
2014A Building	8/15/26
2015 Refunding	8/15/33
2015A Building	8/15/32
2016 Refunding	8/15/38
2016 Refunding CAB	8/15/25
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

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.

**DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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, 2025.

NOTE 6. DEBT SERVICE REQUIREMENTS - BONDS

Debt service requirements to maturity are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2026	\$ 62,627,488	\$ 110,708,322	\$ 173,335,810
2027	59,625,000	102,807,501	162,432,501
2028	74,915,000	96,619,251	171,534,251
2029	82,570,000	88,891,751	171,461,751
2030	74,310,000	85,089,251	159,399,251
2031-2035	413,415,000	373,059,333	786,474,333
2036-2040	428,530,000	291,973,616	720,503,616
2041-2045	435,430,000	199,654,569	635,084,569
2046-2050	417,845,000	101,854,581	519,699,581
2051-2054	<u>226,320,000</u>	<u>23,321,500</u>	<u>249,641,500</u>
	<u>\$2,275,587,488</u>	<u>\$1,473,979,675</u>	<u>\$3,749,567,163</u>

NOTE 7. DEFEASED BONDS OUTSTANDING

On July 1, 2024, the District issued \$39,160,000 (par value) in unlimited tax refunding bonds (current interest bonds) at an interest rate of 5.00% to advance refund \$41,585,000 of unlimited building and refunding bonds. The unlimited tax refunding bonds were issued at a net premium of \$2,765,291, and, after paying issuance costs of \$340,291 and making a District contribution of \$415,850, the net proceeds were \$42,000,850. 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 \$21,003,817 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,513,262.

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 be actually retired until the call dates have come due or until maturity if they are not callable issues. On June 30, 2025, \$15,050,000 of bonds outstanding are considered defeased.

NOTE 8. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

In May 2020, GASB issued Statement No. 96 – Subscription-Based Information Technology Arrangements (SBITAs). This statement increases the usefulness of the District's financial statements by requiring recognition of right-to-use subscription assets – an intangible asset – and a corresponding subscription liability, where applicable, for payments that previously were classified as operating expenditures and recognized as outflows of resources based on the payment provisions of the arrangements. The requirements of this Statement were effective for years beginning after June 15, 2022.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

The District has entered into long-term arrangements for the right to use certain information technology through subscription or license agreements. Current agreements are for various periods of more than 12 months ranging from July 2022 to June 2029. Each SBITA asset will be amortized over the life of the subscription agreement. As of June 30, 2025, the District has recognized \$14,941,757 of SBITA assets with \$9,074,377 of amortization to date.

The District measured the SBITA liability, where applicable, at the present value of the original unpaid SBITA payments, discounted using the District's estimated incremental borrowing rate of 8.00%. As of June 30, 2025, the District has SBITA liabilities of \$1,974,566.

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

	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Right-to-Use Asset	\$ 8,974,006	\$ 5,909,673	\$ 58,078	\$ 14,941,757
Less Accumulated Amortization	<u>(6,318,935)</u>	<u>(2,697,364)</u>	<u>(58,078)</u>	<u>(9,074,377)</u>
Total Right-to-Use Asset, Net	<u>\$ 2,655,071</u>	<u>\$ 3,212,309</u>	<u>\$ -</u>	<u>\$ 5,867,380</u>
	Balance 7/1/2024	Additions	Retirements	Balance 6/30/2025
Subscription Liability	<u>\$ 1,635,076</u>	<u>\$ 5,921,064</u>	<u>\$ (5,581,574)</u>	<u>\$ 1,974,566</u>
Total Subscription Liability	<u>\$ 1,635,076</u>	<u>\$ 5,921,064</u>	<u>\$ (5,581,574)</u>	<u>\$ 1,974,566</u>

Future payment requirements under the subscription liabilities as of June 30, 2025, are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 806,028	\$ 159,201	\$ 965,229
2027	732,588	50,401	782,989
2028	209,591	34,876	244,467
2029	226,359	18,108	244,467
2030	-	-	-
Thereafter	-	-	-
	<u>\$1,974,566</u>	<u>\$262,586</u>	<u>\$2,237,152</u>

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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 \$2,519,695 in fiscal year 2025 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 2024-25 fiscal year was based was \$32,142,064,915. 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, 2025, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.6769 and \$0.48 per \$100 valuation, respectively, for a total of \$1.1569 per \$ 100 valuation.

Current tax collections for the year ended June 30, 2025 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, 2025, property taxes receivable, net of estimated uncollectible taxes, totaled \$4,077,549 and \$2,626,200 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 cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is 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://trs.texas.gov/pages/aboutpublications.aspx>, by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512)542-6592.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

One-Time Stipends. Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time \$7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time \$2,400 stipend to eligible annuitants age 70 to 74.

Cost-of-Living Adjustment. A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2025 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025.

Contribution Rates

	<u>2025</u>
Member	8.25%
Non-Employer Contributing Entity (State)	8.25%
Employers	8.25%
Denton ISD FY2025 Employer Contributions	\$ 10,724,918
Denton ISD FY2025 Member Contributions	\$ 21,962,598
Denton ISD FY2025 NECE On-Behalf Contributions	\$ 14,405,717

DENTON INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including the 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 source or a privately sponsored source, from non-educational and general, or local funds.
- All public schools must contribute 1.9 percent of the member's salary beginning in fiscal year 2024, gradually increasing to 2 percent in fiscal year 2025.

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.

Actuarial Assumptions. The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2024	3.87%
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95%
Benefit Changes During the Year	None
Ad hoc Post Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 22, 2023.

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 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

**DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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, 2023 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			
U.S.	18%	4.4%	1.00%
Non-U.S. Developed	13%	4.2%	0.80%
Emerging Markets	9%	5.2%	0.70%
Private Equity	14%	6.7%	1.20%
Stable Value			
Government Bonds	16%	1.9%	0.40%
Absolute Return ⁴	0%	4.0%	0.00%
Stable Value Hedge Funds	5%	3.0%	0.20%
Real Return			
Real Estate	15%	6.6%	1.20%
Energy, Natural Resources	6%	5.6%	0.40%
Commodities	0%	2.5%	0.00%
Risk Parity			
Risk Parity	8%	4.0%	0.40%
Leverage			
Cash	2%	1.0%	0.00%
Asset Allocation Leverage	-6%	1.3%	-0.10%
Inflation Expectation	-		2.40%
Volatility Drag ³	-		-0.70%
Total	<u>100%</u>		<u>7.90%</u>

Discount Rate Sensitivity Analysis. The following table presents the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	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:	\$181,080,720	\$121,119,746	\$71,262,149

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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, Denton Independent School District reported a liability of \$121,119,746 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	\$121,119,746
State's proportionate share that is associated with the District	<u>156,150,155</u>
Total	<u>\$277,269,901</u>

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 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, 2023 thru August 31, 2024.

At August 31, 2024 the employer's proportion of the collective net pension liability was 0.1982833439%, a decrease of 1.99% from its proportionate share of 0.2023018899% at August 31, 2023.

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation.

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2025. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2025. SB 10 and House Joint Resolution 2 (HRJ 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

The amount of pension expense recognized by Denton Independent School District in the reporting period was \$9,641,769.

For the year ended June 30, 2025 Denton Independent School District recognized pension expense of \$18,662,553 and revenue of \$18,662,553 for support by the State.

At June 30, 2025, 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	\$ 6,675,955	\$ 945,644
Changes in actuarial assumptions	6,253,672	838,404
Difference between projected and actual investment earnings	29,081,730	28,345,485
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,426,785	2,327,230
Contributions paid to TRS subsequent to the measurement date	8,890,529	-
Total	\$55,328,671	\$32,456,763

**DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

Denton Independent School District recognized \$8,890,529 as deferred outflows of resources related to pensions resulting 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, 2025. 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
2025	\$ 1,301,378
2026	13,981,940
2027	1,811,323
2028	(3,281,676)
2029	168,414
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 reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position. Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov/pages/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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 premium rates for retirees are reflected in the following table:

TRS-Care Monthly for Retirees		
	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

* or surviving spouse

**DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .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 public school. 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 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

<u>Contribution Rates</u>		<u>2025</u>
Active Employee		0.65%
Non-Employer Contributing Entity (State)		1.25%
Employers		0.75%
Federal/private Funding remitted by Employers		1.25%
Denton ISD FY25 Employer Contributions	\$2,223,397	
Denton ISD FY25 Member Contributions	\$1,730,386	
Denton ISD FY25 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, 2023. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2024.

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, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
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	2.95% to 8.95%, 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 3.87% was used to measure the total OPEB liability. There was an increase of 0.26 percent in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the single discount rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2024 using the fixed-income market data/yield curve/data 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% less than and 1% greater than the discount rate that was used (3.87%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.87%)	Current Single Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's proportionate share of the Net OPEB Liability:	\$88,118,243	\$74,816,490	\$63,961,944

Healthcare Cost Trend Rates Sensitivity Analysis - The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is one-percentage less than or one-percentage point greater than the health trend rates is 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:	\$61,607,636	\$74,816,490	\$91,809,716

OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2025, the District reported a liability of \$74,816,490 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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	\$74,816,490
State's proportionate share that is associated with the District	<u>\$93,744,047</u>
Total	<u>\$168,560,537</u>

The Net OPEB Liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

At August 31, 2024 the employer's proportion of the collective Net OPEB Liability was 0.2464998772%, a decrease of 2.04% compared to the August 31, 2023 proportionate share of 0.2516435219%.

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 discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.

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 \$6,056,838.

For the year ended June 30, 2025, the District recognized OPEB expense of \$(12,184,996) and revenue of \$(12,184,996) for support provided by the State.

At June 30, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits 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	\$ 14,339,809	\$ 37,337,484
Changes in actuarial assumptions	9,575,627	24,411,755
Difference between projected and actual investment earnings	71,758	281,269
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	7,225,040	2,314,012
Contributions paid to TRS subsequent to the measurement date	1,862,181	-
Total	\$33,074,415	\$64,344,520

Denton Independent School District recognized \$1,862,181 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 measurement year ended August 31, 2025. 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:

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Measurement Year ended August 31:	OPEB Expense Amount
2025	\$ (8,909,207)
2026	(5,520,691)
2027	(7,759,523)
2028	(6,346,243)
2029	(3,567,827)
Thereafter	(1,028,795)

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, 2025, the contribution made on behalf of the District was \$1,683,054.

NOTE 14. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2025, were as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund:		
Special Revenue Fund:		
Head Start	\$ 327,490	\$ -
ESEA Title I	956,368	-
IDEA-B Formula	1,098,240	-
IDEA-B Preschool	6,844	-
ESEA II Training and Recruiting	376,384	-
English Language Acquisition	219,528	-
Medicaid Admin Claim	95,643	-
SSA Adult Basic Education	314,931	-
Title IV, Community Learning	50,744	-
National Breakfast and Lunch	654,272	144,086
Summer Feeding	86,717	-
School Safety Standards	449,671	-
IDEA – B, Discretionary	462,099	-
Safe Cycle 2	1,133,458	-
ESEA IV Part A	67,758	-
SSA – ABE Educational	35,545	-
SSA Career and Technical	84,310	-
IDEA – B, Discretionary	6,264	-
SSA – TANF Family Assistance	22,042	-
JET Grant	271,638	-
SSA Regional Day School-Deaf	88,199	-
Stronger Connections	65,593	-
Special Revenue Fund:		
General Fund	105,791	6,873,738
Internal Service Fund		
National Breakfast	38,295	-
TOTAL	<u>\$7,017,824</u>	<u>\$7,017,824</u>

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Interfunds transfers for the year ended June 30, 2025 consisted of the following individual amounts:

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
General Fund:		
Capital Projects Fund	\$ 42,540	\$ -
Internal Service Fund	1,899,201	1,017,358
Capital Projects Fund:		
General Fund	-	42,540
Internal Service Fund	2,621,061	-
Special Revenue Fund:		
General Fund	-	1,258,096
Internal Service Fund	1,247,905	-
Internal Service Fund:		
General Fund	1,017,358	1,899,201
Special Revenue Fund	-	1,247,905
Capital Projects Fund	-	2,621,061
Transfers Within Fund Type	<u>870,922</u>	<u>870,922</u>
TOTAL	<u>\$8,957,083</u>	<u>\$8,957,083</u>

The \$42,540 transfer from the general fund to the capital projects fund is to transfer funds for payment of capital outlay expenditures paid out of the capital projects fund but funded by the general fund budget. The \$1,899,201 transfer from the general fund to the internal service fund consists of the general fund SBITA activity to the SBITA internal service fund. The \$1,247,905 transfer from multiple special revenue funds to the internal service fund was to transfer special revenue fund SBITA activity to the SBITA internal service fund. The \$2,621,061 transfer from the capital projects fund to the internal service fund was also to transfer capital projects SBITA activity to the SBITA internal service fund. The \$1,258,096 transfer from the general fund to the special revenue fund was a transfer to cover the operating loss of a behavioral needs program. The \$1,017,358 transfer from the internal service fund to the general fund consists of two transfers. \$1,000,000 of excess workers compensation funds were transferred to help subsidize the general fund budget, and \$17,358 was transferred to reimburse the general fund for risk management department operating costs. The \$87,922 transfers consist of transfers made from one internal service fund to another internal service fund, and from one special revenue fund to another special revenue fund.

NOTE 15. HEALTH CARE

During the year ended June 30, 2025, employees of Denton Independent School District were covered by a health insurance plan (the Plan). The District contributed \$260 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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 16. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2025, were as follows:

	Property Taxes	Other Governments	Due From Other Funds	Other	Total Receivables
Governmental Activities:					
General Fund	\$ 4,207,015	\$ 13,072,978	\$ 6,787,021	\$ 122,468	\$ 24,189,482
Debt Service Fund	2,704,084	1,446,837	-	-	4,150,921
Capital Projects Fund	-	-	-	3,000	3,000
Special Revenue Fund	-	8,082,960	144,086	18,722	8,245,768
Total - Governmental Activities	<u>\$ 6,911,099</u>	<u>\$ 22,602,775</u>	<u>\$ 6,931,107</u>	<u>\$ 144,190</u>	<u>\$ 36,589,171</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 207,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,350</u>
Business-type Activities:					
Enterprise Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service Fund	-	85,944	-	869	86,813
Total Business-type Activities	<u>\$ -</u>	<u>\$ 85,944</u>	<u>\$ -</u>	<u>\$ 869</u>	<u>\$ 86,813</u>

Payables at June 30, 2025, were as follows:

	Accounts	Salaries and Benefits	Due to Other Funds	Other	Total Payables
Governmental Activities:					
General Fund	\$ 2,869,617	\$ 35,916,701	\$ 105,791	\$ -	\$ 38,892,109
Capital Projects Fund	71,311,433	-	-	-	71,311,433
Special Revenue Funds	916,741	1,967,172	6,787,021	6,653	9,677,587
Total - Governmental Activities	<u>\$ 75,097,791</u>	<u>\$ 37,883,873</u>	<u>\$ 6,892,812</u>	<u>\$ 6,653</u>	<u>\$ 119,881,129</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type Activities:					
Enterprise Fund	\$ 1,538	\$ -	\$ 38,295	\$ -	\$ 39,833
Internal Service Fund	108,089	7	-	201,284	309,380
Total Business-type Activities	<u>\$ 109,627</u>	<u>\$ 7</u>	<u>\$ 38,295</u>	<u>\$ 201,284</u>	<u>\$ 349,213</u>

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 \$201,284 as of June 30, 2025. Claims administration is provided by TASB.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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 \$201,284 includes incurred but not reported claims. This liability reported in the fund at June 30, 2025, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability booked was the present value of the estimate of the actuary. Aggregate stop-loss coverage for 2025 was \$500,000.

Changes in the workers' compensation claims liability amounts in fiscal 2024 and 2025 are represented below:

	Year Ended June 30, 2025	Year Ended June 30, 2024
Unpaid claims, beginning of year	\$288,518	\$384,841
Incurred claims (including IBNR'S)	528,272	686,059
Claim payments	<u>615,506</u>	<u>782,382</u>
Unpaid claims, end of fiscal year	<u>\$201,284</u>	<u>\$288,518</u>

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, 2025, 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	\$ 10,560,120	\$ 2,307,718	\$ 205,140	\$ 13,072,978
Debt Service	1,446,837	-	-	1,446,837
Special Revenue	<u>2,046,137</u>	<u>6,028,434</u>	<u>8,389</u>	<u>8,082,960</u>
Total	<u>\$ 14,053,094</u>	<u>\$ 8,336,152</u>	<u>\$ 213,529</u>	<u>\$ 22,602,775</u>

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, 2025, the estimated rebate liability on outstanding bond series was \$23,203,621.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 213,993,022	\$ -	\$ 151,770,685	\$ -	\$ 365,763,707
Investment income	4,825,516	232,818	4,143,647	39,977,029	49,179,010
Food sales	-	5,434,678	-	-	5,434,678
Penalties, interest and other tax related income	930,900	-	473,608	-	1,404,508
Co-curricular student activities	756,432	3,766,487	-	-	4,522,919
Tuition and fees	4,362,491	2,401,339	-	-	6,763,830
Gifts and bequests	36,178	876,055	-	-	912,233
Facilities rentals	428,545	-	-	-	428,545
Insurance recovery	20,713	-	-	-	20,713
Contract Incentive Payment	250,000	-	-	-	250,000
Other	258,254	-	-	-	258,254
Total	<u>\$ 225,862,051</u>	<u>\$ 12,711,377</u>	<u>\$ 156,387,940</u>	<u>\$ 39,977,029</u>	<u>\$ 434,938,397</u>

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 22. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Debt Service Fund	Special Revenue Fund	Total
Tuition	\$ 30,530	\$ -	\$ -	\$ 30,530
State Foundation Revenue	2,715,777	-	-	2,715,777
Lunchroom Receipts	-	-	368,786	368,786
Food Commodities	-	-	113,946	113,946
State Textbook Fund	-	-	83,455	83,455
Raising Blended Learners	-	-	331	331
Unearned Grants	-	-	467,642	467,642
Total	<u>\$ 2,746,307</u>	<u>\$ -</u>	<u>\$ 1,034,160</u>	<u>\$ 3,780,467</u>

NOTE 23. GENERAL FUND FEDERAL SOURCE REVENUES

<u>Program or Source</u>	<u>ALN Number</u>	<u>Amount</u>	<u>Total Grant or Entitlement</u>
General Fund:			
Impact Aid	84.041	\$ 191,741	\$ 191,741
Erate Revenue	N/A	2,710,123	2,710,123
Excise Tax Refunds	N/A	311,749	311,749
Medicaid Reimbursement	N/A	453,303	453,303
Junior ROTC	12.000	383,479	383,479
Indirect Costs	N/A	<u>2,332,503</u>	<u>2,332,503</u>
Total for General Fund		<u>\$6,382,898</u>	<u>\$6,382,898</u>

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 one functional category in the general fund for the year ended June 30, 2025.

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, 2025, the District contributed \$678,000 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.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

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, 2025, the District had no students in the program for whom it was required to make contributions.

NOTE 26. SUBSEQUENT EVENT

On July 1, 2025 the District issued \$195,340,000 unlimited tax building bonds to provide \$200,000,000 proceeds for various construction projects in the District.

On October 15, 2025 the District issued \$90,545,000 unlimited tax refunding bonds to advance refund \$96,855,000 Series 2016 unlimited tax refunding bonds.

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. RESTATEMENTS

In June 2022, Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101, "Compensated Absences," which is effective for fiscal years beginning after December 15, 2023. In compliance with this accounting pronouncement, a liability has been recognized in the District's statement of net position for unused accumulated compensated absences more likely than not (defined as a likelihood of more than 50%) to be used by or paid to employees in future periods. Under previous accounting rules, a liability for compensated absences was recorded only if accumulated benefits were to be paid upon employee termination or retirement.

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. For a number of years the District has considered the amount of this employee benefit as a liability and recorded it in the Statement of Net Position as a long-term debt payable. With the implementation of GASB 101, the District has determined that there are also unused accumulated sick leave hours that require recording in the financial statements as a result of this change, and the 6/30/24 balance of this leave of \$19,262,915 has been recorded as a reduction of beginning net position.

In addition, during the current fiscal year the District determined that the subscription liability for a subscription entered into during the prior fiscal year required an \$8,234 restatement to reflect the correct subscription liability at 6/30/24. The change in liability of \$8,234 has been recorded as a reduction of beginning net position.

The effect of the implementation of GASB Statement No. 101 and the other adjustments detailed above resulted in a restated beginning net position in the District's governmental activities as follows:

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Net position as of 6/30/24 as previously reported	\$137,511,234
Restatement adjustments:	
Change in accounting principle to record additional liability for compensated absences	(19,262,915)
Additional GASB 96 subscription liability	<u>(8,234)</u>
Net position as of 6/30/24 as restated	<u>\$118,240,085</u>

The effect of the increase in the subscription liability resulted in a restated beginning internal service fund balance as follows:

Fund balance as of 6/30/24 as previously reported	\$2,648,104
Restatement adjustment	<u>(8,234)</u>
Fund balance as of 6/30/24 as restated	<u>\$2,639,870</u>

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				Total (Memorandum Only)
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
Current	\$338,360,523	\$50,437,704	\$ -	\$ 239,235	\$389,037,462
Capital Outlay	8,981,516	1,308,569	-	360,826,819	371,116,904
Debt Service:					
Principal	-	-	35,639,177	-	35,639,177
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>112,561,392</u>	<u>-</u>	<u>112,561,392</u>
Total Expenditures	<u>\$347,342,039</u>	<u>\$51,746,273</u>	<u>\$148,200,569</u>	<u>\$361,066,054</u>	<u>\$908,354,935</u>

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, 2025

Data			Actual Amounts	Variance With	
Control	Budgeted Amounts		(GAAP BASIS)	Final Budget	
Codes	Original	Final		Positive or	
				(Negative)	
REVENUES:					
5700	Total Local and Intermediate Sources	\$ 227,553,023	\$ 228,604,991	\$ 225,862,051	\$ (2,742,940)
5800	State Program Revenues	88,228,122	103,766,556	104,937,275	1,170,719
5900	Federal Program Revenues	5,350,000	3,543,868	6,382,898	2,839,030
5020	Total Revenues	321,131,145	335,915,414	337,182,224	1,266,810
EXPENDITURES:					
Current:					
0011	Instruction	199,340,367	208,515,916	205,990,407	2,525,509
0012	Instructional Resources and Media Services	3,660,366	4,316,612	4,165,085	151,527
0013	Curriculum and Instructional Staff Development	4,315,741	5,469,839	5,329,932	139,907
0021	Instructional Leadership	4,243,331	4,416,001	4,101,592	314,409
0023	School Leadership	19,560,529	20,064,581	19,904,758	159,823
0031	Guidance, Counseling, and Evaluation Services	12,014,659	12,593,927	12,415,075	178,852
0032	Social Work Services	880,610	968,286	941,242	27,044
0033	Health Services	3,483,968	3,782,866	3,700,945	81,921
0034	Student (Pupil) Transportation	9,780,204	12,672,095	9,205,818	3,466,277
0035	Food Services	249,308	548,834	484,637	64,197
0036	Extracurricular Activities	8,599,118	10,412,772	9,084,992	1,327,780
0041	General Administration	10,233,894	12,042,389	11,268,588	773,801
0051	Facilities Maintenance and Operations	45,147,249	45,154,643	42,580,528	2,574,115
0052	Security and Monitoring Services	5,417,546	3,853,457	3,570,741	282,716
0053	Data Processing Services	7,483,050	10,953,098	5,409,316	5,543,782
0061	Community Services	4,314,329	4,409,276	4,053,160	356,116
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	87,026	1,930,745	(1,843,719)
Intergovernmental:					
0093	Payments to Fiscal Agent/Member Districts of SSA	709,200	678,000	678,000	-
0095	Payments to Juvenile Justice Alternative Ed. Prg.	8,085	8,085	3,625	4,460
0099	Other Intergovernmental Charges	2,606,987	2,606,987	2,519,695	87,292
6030	Total Expenditures	342,048,541	363,554,690	347,338,881	16,215,809
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,917,396)	(27,639,276)	(10,156,657)	17,482,619
OTHER FINANCING SOURCES (USES):					
7912	Sale of Real and Personal Property	-	10,570	11,708	1,138
7915	Transfers In	1,000,000	1,017,358	1,017,358	-
8911	Transfers Out (Use)	-	(2,376,232)	(3,202,995)	(826,763)
7080	Total Other Financing Sources (Uses)	1,000,000	(1,348,304)	(2,173,929)	(825,625)
EXTRAORDINARY ITEMS:					
8913	Extraordinary Item - (Use)	-	(15,286)	(15,286)	-
1200	Net Change in Fund Balances	(19,917,396)	(29,002,866)	(12,345,872)	16,656,994
0100	Fund Balance - July 1 (Beginning)	78,549,155	78,549,155	78,549,155	-
3000	Fund Balance - June 30 (Ending)	\$ 58,631,759	\$ 49,546,289	\$ 66,203,283	\$ 16,656,994

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Pension Liability (Asset)	0.19828334%	0.20230188%	0.19864328%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 121,119,746	\$ 138,961,878	\$ 117,929,411
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	156,150,155	178,103,259	160,898,554
Total	<u>\$ 277,269,901</u>	<u>\$ 317,065,137</u>	<u>\$ 278,827,965</u>
District's Covered Payroll	\$ 269,752,442	\$ 257,243,616	\$ 245,965,511
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	44.90%	54.02%	47.95%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.50%	73.15%	75.62%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2024 for year 2025, August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, and August 31, 2015 for year 2016.

<u>FY 2022</u> <u>Plan Year 2021</u>	<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>
0.19152034%	0.18073414%	0.187453402%	0.186453122%	0.178395853%	0.169962597%	0.1691892%
\$ 48,773,455	\$ 96,797,518	\$ 97,444,139	\$ 102,628,324	\$ 57,041,383	\$ 64,226,338	\$ 59,806,130
73,589,813	157,372,338	143,387,199	153,999,324	88,702,720	103,415,412	97,157,049
<u>\$ 122,363,268</u>	<u>\$ 254,169,856</u>	<u>\$ 240,831,338</u>	<u>\$ 256,627,648</u>	<u>\$ 145,744,103</u>	<u>\$ 167,641,750</u>	<u>\$ 156,963,179</u>
\$ 235,369,260	\$ 226,767,291	\$ 207,572,939	\$ 199,791,322	\$ 187,413,154	\$ 174,953,893	\$ 163,821,034
20.72%	42.69%	46.94%	51.37%	30.44%	36.71%	36.51%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Contractually Required Contribution	\$ 10,724,918	\$ 10,745,412	\$ 10,135,583
Contribution in Relation to the Contractually Required Contribution	(10,724,918)	(10,745,412)	(10,135,583)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 266,213,305	\$ 268,184,035	\$ 255,443,333
Contributions as a Percentage of Covered Payroll	4.03%	4.01%	3.97%

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.

2022	2021	2020	2019	2018	2017	2016
\$ 9,082,975	\$ 8,028,985	\$ 7,320,420	\$ 6,490,864	\$ 6,223,824	\$ 5,786,378	\$ 5,322,188
(9,082,975)	(8,028,985)	(7,320,420)	(6,490,864)	(6,223,824)	(5,786,378)	(5,322,188)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 244,296,469	\$ 233,634,721	\$ 223,650,339	\$ 206,220,120	\$ 197,367,842	\$ 185,528,986	\$ 173,396,127
3.72%	3.44%	3.27%	3.15%	3.15%	3.12%	3.07%

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, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.24649987%	0.251643521%	0.251433014%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 74,816,490	\$ 55,709,611	\$ 60,203,134
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	93,744,047	67,222,208	73,438,365
Total	<u>\$ 168,560,537</u>	<u>\$ 122,931,819</u>	<u>\$ 133,641,499</u>
District's Covered Payroll	\$ 269,752,442	\$ 257,243,616	\$ 245,965,511
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	27.74%	21.66%	24.48%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%

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 2025 are for the measurement date of August 31, 2024, 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.

<u>FY 2022</u> <u>Plan Year 2021</u>	<u>FY 2021</u> <u>Plan Year 2020</u>	<u>FY 2020</u> <u>Plan Year 2019</u>	<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
0.248135524%	0.241818689%	0.238518907%	0.237684018%	0.219581563%
\$ 95,716,960	\$ 91,926,204	\$ 112,798,512	\$ 118,677,806	\$ 95,487,785
128,239,395	123,526,783	149,883,993	170,791,151	146,774,672
<u>\$ 223,956,355</u>	<u>\$ 215,452,987</u>	<u>\$ 262,682,505</u>	<u>\$ 289,468,957</u>	<u>\$ 242,262,457</u>
 \$ 235,369,260	 \$ 226,767,291	 \$ 207,572,939	 \$ 199,791,322	 \$ 187,413,154
40.67%	40.54%	54.34%	59.40%	50.95%
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, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 2,223,397	\$ 2,231,847	\$ 2,132,639
Contribution in Relation to the Contractually Required Contribution	(2,223,397)	(2,231,847)	(2,132,639)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 266,213,305	\$ 268,184,035	\$ 255,443,333
Contributions as a Percentage of Covered Payroll	0.84%	0.83%	0.84%

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.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

2022	2021	2020	2019	2018
\$ 2,041,121	\$ 1,918,048	\$ 1,813,010	\$ 1,683,734	\$ 1,558,100
(2,041,121)	(1,918,048)	(1,813,010)	(1,683,734)	(1,558,100)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 244,296,469	\$ 233,634,721	\$ 223,650,339	\$ 206,220,120	\$ 197,367,842
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, 2025

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:

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024. This change decreased the Total OPEB Liability.

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.

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 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
SPED Capacity Contracted Services - funds granted for special education program needs
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
SSA-IDEA C Deaf-Early Intervention - funds granted to provide service to hearing impaired infants and toddlers
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
Safe Cycle II - funds granted for the purchase and installation of security related items such as fencing, exterior doors and windows, and security cameras
School Safety Standards - funds granted for replacing or upgrading doors, windows, fencing, communications and other safety measures
JET Grant – funds granted to purchase and install equipment for career and technical education courses
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, 2025

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	-	543,194	1,398,605	1,772,424
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ 543,194</u>	<u>\$ 1,398,605</u>	<u>\$ 1,772,424</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 921	\$ 880	\$ 32,387
2160	Accrued Wages Payable	-	214,783	441,357	641,797
2170	Due to Other Funds	-	327,490	956,368	1,098,240
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>543,194</u>	<u>1,398,605</u>	<u>1,772,424</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 543,194</u>	<u>\$ 1,398,605</u>	<u>\$ 1,772,424</u>

EXHIBIT H-1 (Cont'd)

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	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	272 Medicaid Admin. Claim MAC
\$ -	\$ -	\$ 4,304,045	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
18,149	462,099	43,440	128,157	488,420	294,102	50,744	95,643
-	-	-	-	-	-	-	-
-	-	144,086	-	-	-	-	-
-	-	11,722	-	-	-	-	-
-	-	282,422	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 18,149</u>	<u>\$ 462,099</u>	<u>\$ 4,785,715</u>	<u>\$ 128,157</u>	<u>\$ 488,420</u>	<u>\$ 294,102</u>	<u>\$ 50,744</u>	<u>\$ 95,643</u>
\$ -	\$ -	\$ 269,398	\$ 13,356	\$ 24,567	\$ 1,337	\$ -	\$ -
11,305	-	65,174	13,515	87,469	73,237	-	-
6,844	462,099	654,272	86,717	376,384	219,528	50,744	95,643
-	-	5,653	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	482,732	-	-	-	-	-
<u>18,149</u>	<u>462,099</u>	<u>1,477,229</u>	<u>113,588</u>	<u>488,420</u>	<u>294,102</u>	<u>50,744</u>	<u>95,643</u>
-	-	282,422	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,026,064	14,569	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>3,308,486</u>	<u>14,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 18,149</u>	<u>\$ 462,099</u>	<u>\$ 4,785,715</u>	<u>\$ 128,157</u>	<u>\$ 488,420</u>	<u>\$ 294,102</u>	<u>\$ 50,744</u>	<u>\$ 95,643</u>

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		282 ESSER III ARP Act	288 Summer School LEP	289 Other Federal Special Revenue Funds	309 SSA Adult Basic Education
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 56
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	-	-	219,044	353,543
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,044</u>	<u>\$ 353,599</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ -	\$ 1,343	\$ 14,700
2160	Accrued Wages Payable	-	-	84,350	23,968
2170	Due to Other Funds	-	-	133,351	314,931
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>-</u>	<u>219,044</u>	<u>353,599</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,044</u>	<u>\$ 353,599</u>

EXHIBIT H-1 (Cont'd)

312 SSA - TANF Family Assistance	315 SSA IDEA, Part B Discretionary	331 SSA - Career & Technical - Basic Grant	340 SSA - IDEA C Deaf - Early Intervention	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials	421 SPED Autism Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,109	\$ 194,962	\$ -
-	-	-	-	-	-	-	-
22,042	6,264	132,564	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 22,042</u>	<u>\$ 6,264</u>	<u>\$ 132,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,109</u>	<u>\$ 194,962</u>	<u>\$ -</u>
\$ -	\$ -	\$ 4,140	\$ -	\$ -	\$ 8,750	\$ 12,484	\$ -
-	-	44,114	-	-	-	-	-
22,042	6,264	84,310	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	83,455	-
<u>22,042</u>	<u>6,264</u>	<u>132,564</u>	<u>-</u>	<u>-</u>	<u>8,750</u>	<u>95,939</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	104,359	99,023	-
-	-	-	-	-	104,359	99,023	-
<u>\$ 22,042</u>	<u>\$ 6,264</u>	<u>\$ 132,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,109</u>	<u>\$ 194,962</u>	<u>\$ -</u>

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		425 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	\$ 93	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1240	Due from Other Governments	-	1,861,644	35,551	148,942
1250	Accrued Interest	-	-	-	-
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1000	Total Assets	<u>\$ 93</u>	<u>\$ 1,861,644</u>	<u>\$ 35,551</u>	<u>\$ 148,942</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 4,127	\$ 6	\$ 265
2160	Accrued Wages Payable	-	2,750	-	60,478
2170	Due to Other Funds	-	1,854,767	35,545	88,199
2180	Due to Other Governments	-	-	-	-
2190	Due to Student Groups	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>-</u>	<u>1,861,644</u>	<u>35,551</u>	<u>148,942</u>
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	93	-	-	-
3000	Total Fund Balances	<u>93</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 93</u>	<u>\$ 1,861,644</u>	<u>\$ 35,551</u>	<u>\$ 148,942</u>

EXHIBIT H-1

446 Deaf Educ. Management Board	461 Campus Activity Funds	462 Raising Blended Learners	481 Community Partners Donations	490 Local Grants	Total Nonmajor Special Revenue Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 983,325	\$ 3,160,593	\$ 1,931	\$ 1,034,365	\$ 818,704	\$ 10,611,183	\$ 14,247	\$ 10,625,430
-	-	-	979,902	-	979,902	-	979,902
-	-	-	-	8,389	8,082,960	-	8,082,960
-	-	-	93	-	93	-	93
-	-	-	-	-	144,086	-	144,086
-	-	-	-	7,000	18,722	-	18,722
-	-	-	-	-	282,422	-	282,422
-	5,826	-	-	3,397	9,223	-	9,223
<u>\$ 983,325</u>	<u>\$ 3,166,419</u>	<u>\$ 1,931</u>	<u>\$ 2,014,360</u>	<u>\$ 837,490</u>	<u>\$ 20,128,591</u>	<u>\$ 14,247</u>	<u>\$ 20,142,838</u>
\$ 329	\$ 142,409	\$ -	\$ 379,429	\$ 5,913	\$ 916,741	\$ -	\$ 916,741
201,275	-	1,600	-	-	1,967,172	-	1,967,172
-	-	-	-	-	6,873,738	-	6,873,738
-	-	-	-	-	5,653	-	5,653
-	-	-	1,000	-	1,000	-	1,000
-	-	331	-	467,642	1,034,160	-	1,034,160
<u>201,604</u>	<u>142,409</u>	<u>1,931</u>	<u>380,429</u>	<u>473,555</u>	<u>10,798,464</u>	<u>-</u>	<u>10,798,464</u>
-	-	-	-	-	282,422	-	282,422
-	-	-	-	-	-	1,000	1,000
-	5,826	-	-	3,397	9,223	-	9,223
-	-	-	-	-	3,040,633	-	3,040,633
-	-	-	-	-	-	13,247	13,247
<u>781,721</u>	<u>3,018,184</u>	<u>-</u>	<u>1,633,931</u>	<u>360,538</u>	<u>5,997,849</u>	<u>-</u>	<u>5,997,849</u>
<u>781,721</u>	<u>3,024,010</u>	<u>-</u>	<u>1,633,931</u>	<u>363,935</u>	<u>9,330,127</u>	<u>14,247</u>	<u>9,344,374</u>
<u>\$ 983,325</u>	<u>\$ 3,166,419</u>	<u>\$ 1,931</u>	<u>\$ 2,014,360</u>	<u>\$ 837,490</u>	<u>\$ 20,128,591</u>	<u>\$ 14,247</u>	<u>\$ 20,142,838</u>

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

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	63,195	1,693,103	4,174,735	5,648,035
5020 Total Revenues	63,195	1,693,103	4,174,735	5,648,035
EXPENDITURES:				
Current:				
0011 Instruction	-	1,363,404	2,008,629	565,855
0012 Instructional Resources and Media Services	-	-	19,509	-
0013 Curriculum and Instructional Staff Development	-	89,398	1,317,202	14,853
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	59,330	157,869	-
0031 Guidance, Counseling, and Evaluation Services	-	33,888	325,786	5,067,252
0032 Social Work Services	-	110,233	-	-
0033 Health Services	-	546	-	75
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	63,195	36,304	345,740	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	63,195	1,693,103	4,174,735	5,648,035
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
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	263 Title III, A English Lang. Acquisition	265 Title IV, B Community Learning	272 Medicaid Admin. Claim MAC
\$ -	\$ -	\$ 5,593,583	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	85,360	-	-	-	-	-
73,603	462,099	14,034,517	141,610	1,512,745	675,960	97,826	173,542
73,603	462,099	19,713,460	141,610	1,512,745	675,960	97,826	173,542
-	460,138	-	-	41,499	219,544	-	-
-	-	-	-	-	-	-	-
73,603	-	-	-	805,540	400,153	-	-
-	-	-	-	-	-	-	48,616
-	-	-	-	665,706	694	-	-
-	-	-	-	-	-	-	124,926
-	-	-	-	-	-	-	-
-	1,961	-	-	-	-	97,826	-
-	-	20,952,885	127,041	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	55,569	-	-
-	-	-	-	-	-	-	-
73,603	462,099	20,952,885	127,041	1,512,745	675,960	97,826	173,542
-	-	(1,239,425)	14,569	-	-	-	-
-	-	738	-	-	-	-	-
-	-	18,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	18,738	-	-	-	-	-
-	-	(1,220,687)	14,569	-	-	-	-
-	-	4,529,173	-	-	-	-	-
\$ -	\$ -	\$ 3,308,486	\$ 14,569	\$ -	\$ -	\$ -	\$ -

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	282 ESSER III ARP Act	288 Summer School LEP	289 Other Federal Special Revenue Funds	309 SSA Adult Basic Education
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	440,870	8,181	689,714	1,844,921
5020 Total Revenues	440,870	8,181	689,714	1,844,921
EXPENDITURES:				
Current:				
0011 Instruction	314,811	8,181	97,202	845,634
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	22,107	-	240,436	907,440
0021 Instructional Leadership	-	-	206	23,632
0023 School Leadership	10,151	-	6,777	-
0031 Guidance, Counseling, and Evaluation Services	416	-	238,954	17,112
0032 Social Work Services	-	-	-	-
0033 Health Services	26,384	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	63,271	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	51,103
0061 Community Services	3,730	-	106,139	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	440,870	8,181	689,714	1,844,921
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
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)	\$ -	\$ -	\$ -	\$ -

312 SSA - TANF Family Assistance	315 SSA IDEA, Part B Discretionary	331 SSA - Career & Technical - Basic Grant	340 SSA - IDEA C Deaf - Early Intervention	385 Visually Impaired SSVI	397 Advanced Placement Incentives	410 State Instructional Materials	421 SPED Autism Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	65,426 \$	-
-	-	-	-	13,201	132,834	3,507,898	14,050
21,147	67,896	385,321	1,092	-	-	-	-
21,147	67,896	385,321	1,092	13,201	132,834	3,573,324	14,050
-	67,896	124,309	1,092	13,201	1,026	2,138,979	9,666
-	-	-	-	-	-	-	-
-	-	48,241	-	-	27,449	102,435	4,384
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
21,147	-	16,667	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	2,279	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	193,825	-	-	-	-	-
-	-	-	-	-	-	-	-
21,147	67,896	385,321	1,092	13,201	28,475	2,241,414	14,050
-	-	-	-	-	104,359	1,331,910	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(1,232,887)	-
-	-	-	-	-	-	(1,232,887)	-
-	-	-	-	-	104,359	99,023	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,359	\$ 99,023	\$ -

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	425 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	411	2,093,913	34,669	406,974
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	411	2,093,913	34,669	406,974
EXPENDITURES:				
Current:				
0011 Instruction	-	293,817	-	406,187
0012 Instructional Resources and Media Services	318	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	1,049	787
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	33,620	-
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	-	1,130,047	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	670,049	-	-
6030 Total Expenditures	318	2,093,913	34,669	406,974
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	93	-	-	-
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	-	-
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	93	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ 93	\$ -	\$ -	\$ -

446 Deaf Educ. Management Board	461 Campus Activity Funds	462 Raising Blended Learners	481 Community Partners Donations	490 Local Grants	Total Nonmajor Special Revenue Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 2,303,150	\$ 4,160,602	\$ 123,237	\$ 217,101	\$ 248,278	\$ 12,711,377	-	\$ 12,711,377
-	-	-	-	-	6,289,310	-	6,289,310
-	-	-	-	-	32,210,112	-	32,210,112
2,303,150	4,160,602	123,237	217,101	248,278	51,210,799	-	51,210,799
1,370,232	1,462,930	112,350	1,346,622	263,478	13,536,682	-	13,536,682
-	144,712	-	27,738	64,781	257,058	-	257,058
12,466	22,402	10,887	-	50,184	4,151,016	-	4,151,016
114,050	-	-	216	775	187,495	-	187,495
-	106,978	-	-	33,426	1,040,931	-	1,040,931
24,459	286,074	-	-	2,275	6,192,576	-	6,192,576
-	-	-	-	-	110,233	-	110,233
-	6	-	-	473	27,484	-	27,484
-	-	-	-	32,763	132,550	-	132,550
-	-	-	-	115	21,143,312	-	21,143,312
-	2,080,581	-	1,000	20,276	2,104,136	-	2,104,136
-	498	-	9,329	-	9,827	-	9,827
-	12,911	-	-	140,538	153,449	-	153,449
-	150	-	-	-	1,130,197	-	1,130,197
-	-	-	-	-	51,103	-	51,103
222	8,473	-	12,430	5,196	830,823	-	830,823
-	6,352	-	11,000	-	687,401	-	687,401
1,521,429	4,132,067	123,237	1,408,335	614,280	51,746,273	-	51,746,273
781,721	28,535	-	(1,191,234)	(366,002)	(535,474)	-	(535,474)
-	-	-	-	-	738	-	738
-	-	-	1,335,921	-	1,353,921	-	1,353,921
-	(7,513)	-	(18,000)	(85,330)	(1,343,730)	-	(1,343,730)
-	(7,513)	-	1,317,921	(85,330)	10,929	-	10,929
781,721	21,022	-	126,687	(451,332)	(524,545)	-	(524,545)
-	3,002,988	-	1,507,244	815,267	9,854,672	14,247	9,868,919
\$ 781,721	\$ 3,024,010	\$ -	\$ 1,633,931	\$ 363,935	\$ 9,330,127	\$ 14,247	\$ 9,344,374

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025

	752 Print Shop	753 Workers Compensation
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ (60,858)	\$ 421,373
Due from Other Governments	-	75,755
Other Receivables	869	-
Inventories	7,685	-
Total Current Assets	<u>(52,304)</u>	<u>497,128</u>
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment, Net	87,316	-
SBITA Asset, Net	-	-
Total Noncurrent Assets	<u>87,316</u>	<u>-</u>
Total Assets	<u>35,012</u>	<u>497,128</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	4,539	29,729
Accrued Wages Payable	7	-
Accrued Expenses	-	201,284
Total Current Liabilities	<u>4,546</u>	<u>231,013</u>
Noncurrent Liabilities:		
SBITA Liability	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,546</u>	<u>231,013</u>
NET POSITION		
Net Investment in Capital Assets	87,316	-
Unrestricted Net Position	<u>(56,850)</u>	<u>266,115</u>
Total Net Position	<u>\$ 30,466</u>	<u>\$ 266,115</u>

771 Healthcare Trust Fund	772 Device Insurance	774 Subscription Based Info. Tech. Arrang.	Total Internal Service Funds
\$ 62,175	\$ 305,818	\$ -	\$ 728,508
10,189	-	-	85,944
-	-	-	869
-	-	-	7,685
<u>72,364</u>	<u>305,818</u>	<u>-</u>	<u>823,006</u>
-	-	-	87,316
-	-	5,867,380	5,867,380
-	-	5,867,380	5,954,696
<u>72,364</u>	<u>305,818</u>	<u>5,867,380</u>	<u>6,777,702</u>
72,364	1,457	-	108,089
-	-	-	7
-	-	-	201,284
<u>72,364</u>	<u>1,457</u>	<u>-</u>	<u>309,380</u>
-	-	1,974,566	1,974,566
-	-	1,974,566	1,974,566
<u>72,364</u>	<u>1,457</u>	<u>1,974,566</u>	<u>2,283,946</u>
-	-	3,892,814	3,980,130
-	304,361	-	513,626
<u>\$ -</u>	<u>\$ 304,361</u>	<u>\$ 3,892,814</u>	<u>\$ 4,493,756</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	752 Print Shop	753 Workers Compensation
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 233,578	\$ 1,448,054
Total Operating Revenues	<u>233,578</u>	<u>1,448,054</u>
OPERATING EXPENSES:		
Payroll Costs	123,862	104,441
Professional and Contracted Services	25,108	13,170
Supplies and Materials	47,529	29,321
Other Operating Costs	-	615,506
Depreciation Expense	38,273	-
Debt Service - Interest	-	-
Total Operating Expenses	<u>234,772</u>	<u>762,438</u>
Operating Income (Loss)	<u>(1,194)</u>	<u>685,616</u>
NONOPERATING REVENUES (EXPENSES):		
Earnings from Temporary Deposits & Investments	-	15,708
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>15,708</u>
Income (Loss) Before Transfers	(1,194)	701,324
Transfers In	-	-
Transfers Out	<u>-</u>	<u>(1,792,455)</u>
Change in Net Position	(1,194)	(1,091,131)
Total Net Position - July 1 (Beginning)	31,660	1,357,246
Restatement	-	-
Total Net Position - June 30 (Ending)	<u>\$ 30,466</u>	<u>\$ 266,115</u>

771 Healthcare Trust Fund	772 Device Insurance	774 Subscription Based Info. Tech. Arrang.	Total Internal Service Funds
\$ 83,523	\$ 119,160	\$ -	\$ 1,884,315
83,523	119,160	-	1,884,315
-	-	-	228,303
987,759	-	-	1,026,037
-	41,572	-	118,422
255	4,196	-	619,957
-	-	2,697,364	2,735,637
-	-	68,590	68,590
988,014	45,768	2,765,954	4,796,946
(904,491)	73,392	(2,765,954)	(2,912,631)
-	-	-	15,708
-	-	-	15,708
(904,491)	73,392	(2,765,954)	(2,896,923)
904,491	-	5,638,773	6,543,264
-	-	-	(1,792,455)
-	73,392	2,872,819	1,853,886
-	230,969	1,028,229	2,648,104
-	-	(8,234)	(8,234)
\$ -	\$ 304,361	\$ 3,892,814	\$ 4,493,756

DENTON INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	752	753
	Print Shop	Workers Compensation
<u>Cash Flows from Operating Activities:</u>		
Cash Received from District	\$ -	\$ 1,372,299
Cash Received from Charges and Fees	234,644	-
Cash Payments for Payroll Costs	(123,962)	(104,441)
Cash Payments for Purchased Services	(25,108)	(13,170)
Cash Payments for Supplies and Materials	(40,908)	(32,815)
Cash Payments for Interest	-	-
Cash Payments for Claims	-	(702,740)
Cash Transfers to Subsidize Loss	-	(792,455)
Net Cash Provided by (Used for) Operating Activities	<u>44,666</u>	<u>(273,322)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Transfers Out	-	(1,000,000)
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Transfers In	-	-
SBITA Proceeds	-	-
SBITA Principal Payments	-	-
Purchase of Capital Assets	(7,532)	-
Net Cash Provided by (Used for) Capital & Related	<u>(7,532)</u>	<u>-</u>
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	-	15,708
Net Increase (Decrease) in Cash and Cash Equivalents	37,134	(1,257,614)
Cash and Cash Equivalents at Beginning of Year	(97,992)	1,678,987
Cash and Cash Equivalents at End of Year	<u>\$ (60,858)</u>	<u>\$ 421,373</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u>Provided By (Used For) Operating Activities:</u>		
Operating Income (Loss):	\$ (1,194)	\$ 685,616
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	38,273	-
Transfers	-	(792,455)
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Receivables	1,066	(75,755)
Decrease (increase) in Inv./Prepayments	6,817	-
Decrease (increase) in Accounts Payable	(196)	(3,494)
Increase (decrease) in Accrued Wages Payable	(100)	-
Increase (decrease) in Due to Other Funds	-	(87,234)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 44,666</u>	<u>\$ (273,322)</u>

771 Healthcare Trust Fund	772 Device Insurance	774 Subscription Based Info. Tech. Arrang.	Total Internal Service Funds
\$ -	\$ -	\$ -	\$ 1,372,299
88,212	119,160	-	442,016
-	-	-	(228,403)
(973,548)	-	-	(1,011,826)
(255)	(45,785)	-	(119,763)
-	-	(68,590)	(68,590)
-	-	-	(702,740)
904,491	-	-	112,036
18,900	73,375	(68,590)	(204,971)
-	-	-	(1,000,000)
-	-	5,638,773	5,638,773
-	-	5,921,064	5,921,064
-	-	(5,581,574)	(5,581,574)
-	-	(5,909,673)	(5,917,205)
-	-	68,590	61,058
-	-	-	15,708
18,900	73,375	-	(1,128,205)
43,275	232,443	-	1,856,713
\$ 62,175	\$ 305,818	\$ -	\$ 728,508
\$ (904,491)	\$ 73,392	\$ (2,765,954)	\$ (2,912,631)
-	-	2,697,364	2,735,637
904,491	-	-	112,036
4,689	-	-	(70,000)
-	-	-	6,817
14,211	(17)	-	10,504
-	-	-	(100)
-	-	-	(87,234)
\$ 18,900	\$ 73,375	\$ (68,590)	\$ (204,971)

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, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 6,439,770	\$ 5,940,595	\$ 5,593,583	\$ (347,012)
5800 State Program Revenues	89,800	548,352	85,360	(462,992)
5900 Federal Program Revenues	14,008,402	15,813,549	14,034,517	(1,779,032)
5020 Total Revenues	20,537,972	22,302,496	19,713,460	(2,589,036)
EXPENDITURES:				
Current:				
0035 Food Services	20,537,972	22,320,496	20,952,885	1,367,611
6030 Total Expenditures	20,537,972	22,320,496	20,952,885	1,367,611
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(18,000)	(1,239,425)	(1,221,425)
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	-	-	738	738
7915 Transfers In	-	18,000	18,000	-
7080 Total Other Financing Sources (Uses)	-	18,000	18,738	738
1200 Net Change in Fund Balances	-	-	(1,220,687)	(1,220,687)
0100 Fund Balance - July 1 (Beginning)	4,529,173	4,529,173	4,529,173	-
3000 Fund Balance - June 30 (Ending)	\$ 4,529,173	\$ 4,529,173	\$ 3,308,486	\$ (1,220,687)

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, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 155,841,328	\$ 154,914,514	\$ 156,387,940	\$ 1,473,426
5800 State Program Revenues	4,000,000	14,197,915	16,014,803	1,816,888
5020 Total Revenues	159,841,328	169,112,429	172,402,743	3,290,314
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	53,292,488	35,639,177	35,639,177	-
0072 Interest on Long-Term Liabilities	106,518,963	133,650,942	111,096,432	22,554,510
0073 Bond Issuance Cost and Fees	25,000	1,467,965	1,464,960	3,005
6030 Total Expenditures	159,836,451	170,758,084	148,200,569	22,557,515
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	4,877	(1,645,655)	24,202,174	25,847,829
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	-	39,160,000	39,160,000
7916 Premium or Discount on Issuance of Bonds	-	-	3,869,225	3,869,225
7917 Prepaid Interest	-	-	1,579,634	1,579,634
8911 Transfers Out (Use)	-	(23,952)	-	23,952
8949 Other (Uses)	-	-	(42,000,850)	(42,000,850)
7080 Total Other Financing Sources (Uses)	-	(23,952)	2,608,009	2,631,961
1200 Net Change in Fund Balances	4,877	(1,669,607)	26,810,183	28,479,790
0100 Fund Balance - July 1 (Beginning)	121,479,934	121,479,934	121,479,934	-
3000 Fund Balance - June 30 (Ending)	\$ 121,484,811	\$ 119,810,327	\$ 148,290,117	\$ 28,479,790

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REQUIRED TEA SCHEDULES

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2025

Last 10 Years Ended	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2016 and prior years	Various	Various	\$ Various
2017	1.040000	0.500000	14,245,317,208
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 (School year under audit)	0.676900	0.480000	32,142,064,915
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 7/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2025	(99) Taxes Refunded Under Section 26.1115c
\$ 339,702	\$	\$ 35,972	\$ 15,319	\$ (1,397)	\$ 287,014	
88,472		5,329	2,562	1,047	81,628	
139,503		10,320	4,673	998	125,508	
185,010		10,526	4,767	233	169,950	
228,787		17,252	8,365	(3,038)	200,132	
316,115		(324)	(168)	(107,228)	209,379	
507,508		(14,131)	(7,690)	(161,631)	367,698	
1,011,284		(510,962)	(283,671)	(1,189,415)	616,502	
2,887,943		(1,685,476)	(1,191,149)	(5,031,842)	732,726	
	371,851,549	215,158,704	152,572,283		4,120,562	
<u>\$ 5,704,324</u>	<u>\$ 371,851,549</u>	<u>\$ 213,027,210</u>	<u>\$ 151,125,291</u>	<u>\$ (6,492,273)</u>	<u>\$ 6,911,099</u>	
						<u>\$ 486,822</u>

DENTON INDEPENDENT SCHOOL DISTRICT
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$23,777,716
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	\$13,072,644

Section B: Bilingual Education 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.	\$4,221,616
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	\$3,379,933

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	118
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	128
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	134
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	140
These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	
Operating Information	144
These schedules contain service and infrastructure data 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	2016	2017	2018	2019
Governmental Activities:				
Net Investment in Capital Assets	\$ (43,470,538)	\$ (16,839,370)	\$ (10,138,170)	\$ 6,295,491
Restricted for Debt Service/Other	67,642,629	62,642,822	62,887,911	75,923,982
Restricted for Corpus	1,000	1,000	1,000	1,000
Restricted for Playground Equipment	13,215	13,222	13,230	13,237
Unrestricted Net Position	<u>39,422,334</u>	<u>(8,859,435)</u>	<u>(126,837,672)</u>	<u>(134,914,271)</u>
Total Governmental Activities Net Position	<u>\$ 63,608,640</u>	<u>\$ 36,958,239</u>	<u>\$ (74,073,701)</u>	<u>\$ (52,680,561)</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 856,186	\$ 653,907	\$ 555,080	\$ 496,727
Unrestricted Net Position	<u>733,800</u>	<u>814,365</u>	<u>(5,246,468)</u>	<u>(4,669,004)</u>
Total Business-Type Activities	<u>\$ 1,589,986</u>	<u>\$ 1,468,272</u>	<u>\$ (4,691,388)</u>	<u>\$ (4,172,277)</u>
Primary Government:				
Net Investment in Capital Assets	\$ (42,614,352)	\$ (16,185,463)	\$ (9,583,090)	\$ 6,792,218
Restricted for Debt Service/Other	67,642,629	62,642,822	62,887,911	75,923,982
Restricted for Corpus	1,000	1,000	1,000	1,000
Restricted for Playground Equipment	13,215	13,222	13,230	13,237
Unrestricted Net Position	<u>40,156,134</u>	<u>(8,045,070)</u>	<u>(132,084,140)</u>	<u>(139,583,275)</u>
Total Primary Government	<u>\$ 65,198,626</u>	<u>\$ 38,426,511</u>	<u>\$ (78,765,089)</u>	<u>\$ (56,852,838)</u>

2020	2021	2022	2023	2024	2025
\$ 34,082,184	\$ 60,883,980	\$ 103,791,348	\$ 130,293,801	\$ 182,608,809	\$ 196,782,385
78,797,084	97,496,411	97,440,662	102,754,533	128,749,334	151,613,172
1,000	1,000	1,000	1,000	1,000	1,000
13,243	13,247	13,247	13,247	13,247	13,247
<u>(147,177,629)</u>	<u>(147,322,270)</u>	<u>(148,057,791)</u>	<u>(149,665,519)</u>	<u>(173,861,156)</u>	<u>(181,210,388)</u>
<u>\$ (34,284,118)</u>	<u>\$ 11,072,368</u>	<u>\$ 53,188,466</u>	<u>\$ 83,397,062</u>	<u>\$ 137,511,234</u>	<u>\$ 167,199,416</u>
\$ 1,039,565	\$ 2,715,029	\$ 10,489	\$ 9,042	\$ 27,906	\$ 21,950
<u>(7,543,183)</u>	<u>(11,018,225)</u>	<u>23,281</u>	<u>38,002</u>	<u>56,511</u>	<u>99,749</u>
<u>\$ (6,503,618)</u>	<u>\$ (8,303,196)</u>	<u>\$ 33,770</u>	<u>\$ 47,044</u>	<u>\$ 84,417</u>	<u>\$ 121,699</u>
\$ 35,121,749	\$ 63,599,009	\$ 103,801,837	\$ 130,302,843	\$ 182,636,715	\$ 196,804,335
78,797,084	97,496,411	97,440,662	102,754,533	128,749,334	151,613,172
1,000	1,000	1,000	1,000	1,000	1,000
13,243	13,247	13,247	13,247	13,247	13,247
<u>(154,720,812)</u>	<u>(158,340,495)</u>	<u>(148,034,510)</u>	<u>(149,627,517)</u>	<u>(173,804,645)</u>	<u>(181,110,639)</u>
<u>\$ (40,787,736)</u>	<u>\$ 2,769,172</u>	<u>\$ 53,222,236</u>	<u>\$ 83,444,106</u>	<u>\$ 137,595,651</u>	<u>\$ 167,321,115</u>

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

Fiscal Year	2016	2017	2018	2019
Expenses				
Governmental Activities:				
Instruction	\$ 175,831,272	\$ 179,220,317	\$ 145,390,038	\$ 210,251,592
Instructional Resources & Media Services	4,482,448	4,678,744	4,119,719	5,194,839
Curriculum & Staff Development	5,146,422	6,147,898	4,628,669	8,355,506
Instructional Leadership	2,835,801	2,963,824	2,989,248	4,710,851
School Leadership	14,560,585	15,563,677	12,315,422	18,187,188
Guidance, Counseling & Evaluation Services	13,388,580	14,331,163	10,930,736	16,426,507
Social Work Services	817,002	791,191	513,851	768,493
Health Services	2,659,754	2,789,542	1,864,404	3,151,049
Student (Pupil) Transportation	6,715,636	6,324,274	4,003,861	7,209,247
Food Services	273,787	242,248	254,236	272,746
Extracurricular Activities	6,951,874	7,851,159	6,127,163	9,244,490
General Administration	6,666,153	7,820,126	7,313,243	8,422,323
Plant Maintenance & Operations	25,646,642	31,266,422	29,065,155	27,758,861
Security Monitoring Services	844,732	938,861	1,031,602	1,245,095
Data Processing Services	4,395,718	6,334,717	5,805,429	6,078,489
Community Services	2,243,724	2,328,665	2,122,048	2,606,608
Debt Service - Interest and Fees	(4,817,555)	73,046,623	32,632,325	47,332,316
Payments for Fiscal Agent/Member Districts	358,000	426,400	474,000	584,600
Payments to Juvenile Justice Alternative Ed. Prg.	10,057	-	-	-
Other Intergovernmental Charges	1,257,170	1,322,091	1,404,293	1,533,633
Total Governmental Activities Expenses	<u>270,267,802</u>	<u>364,387,942</u>	<u>272,985,442</u>	<u>379,334,433</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	524,263	492,926	507,976	243,390
Instructional Leadership	-	-	-	-
School Leadership	-	-	-	-
Health Services	5,195,769	4,721,227	4,721,227	7,249,244
Extracurricular Activities	504,716	593,511	530,952	504,988
Food Services	-	-	-	-
General Administration	680,351	716,551	-	-
Plant Maintenance & Operations	698,846	371,668	438,740	316,989
Community Services	2,081,701	2,532,842	2,719,736	2,942,753
Operating Grants and Contributions	35,357,325	35,008,583	(10,976,837)	39,348,932
Capital Grants and Contributions	-	-	-	-
Total Governmental Activities Program Revenues	<u>45,042,971</u>	<u>44,437,308</u>	<u>(2,058,206)</u>	<u>50,606,296</u>
Total Governmental Activities Net (Expense) Revenue	<u><u>\$ (225,224,831)</u></u>	<u><u>\$ (319,950,634)</u></u>	<u><u>\$ (275,043,648)</u></u>	<u><u>\$ (328,728,137)</u></u>

2020	2021	2022	2023	2024	2025
\$ 226,046,466	\$ 238,790,511	\$ 236,213,495	\$ 244,332,808	\$ 266,842,907	\$ 262,163,671
5,469,381	5,506,295	5,421,448	5,955,089	6,578,566	5,311,684
9,307,021	9,948,051	10,306,704	12,718,868	12,949,910	11,496,080
4,617,660	4,290,651	4,897,197	5,689,573	5,795,734	5,271,276
19,621,069	20,945,880	20,744,882	22,338,817	24,489,700	25,457,095
18,325,344	18,264,972	18,203,774	20,179,014	22,432,182	22,799,205
852,523	969,094	1,013,466	1,100,916	1,240,658	1,278,748
3,448,496	4,847,576	4,789,811	4,008,870	4,445,869	4,553,859
7,602,634	6,922,568	8,459,042	9,188,319	12,073,252	10,483,244
2,471,414	822,365	17,154,898	19,884,117	22,223,979	24,071,546
9,225,503	8,089,402	9,325,923	11,293,499	12,201,320	12,928,575
10,810,255	11,964,555	11,465,984	12,422,376	14,442,999	14,828,956
31,279,662	31,462,993	37,633,135	46,878,836	48,978,789	38,326,213
1,398,619	2,327,128	1,966,658	2,384,138	3,465,057	5,138,001
7,272,216	7,672,193	8,680,070	7,969,436	7,656,994	5,677,059
2,791,688	3,072,022	4,561,177	5,509,587	6,130,239	5,682,606
46,347,993	27,303,908	30,114,510	53,535,943	90,743,649	89,062,380
532,200	520,800	553,400	642,000	788,000	678,000
-	-	-	-	-	3,625
1,706,090	1,761,715	1,784,910	2,005,987	2,282,874	2,519,695
<u>409,126,234</u>	<u>405,482,679</u>	<u>433,290,484</u>	<u>488,038,193</u>	<u>565,762,678</u>	<u>547,731,518</u>
124,085	20,421	148,176	910,879	1,057,956	1,411,217
-	-	-	-	-	-
-	-	-	-	-	-
3,925,169	3,881,853	5,907,468	8,459,123	1,762,205	453,303
587,991	470,761	763,208	805,535	657,483	756,432
-	-	1,188,416	5,355,963	5,582,334	5,434,678
828,105	3,047,111	3,825,873	2,730,448	2,711,978	2,352,093
265,436	52,363	112,519	258,090	434,519	449,528
2,260,366	1,830,514	3,059,261	3,136,390	3,534,826	2,951,274
42,107,897	67,165,645	74,354,051	70,324,040	87,349,413	91,378,210
-	-	-	-	-	-
<u>50,099,049</u>	<u>76,468,668</u>	<u>89,358,972</u>	<u>91,980,468</u>	<u>103,090,714</u>	<u>105,186,735</u>
<u><u>\$(359,027,185)</u></u>	<u><u>\$(329,014,011)</u></u>	<u><u>\$(343,931,512)</u></u>	<u><u>\$(396,057,725)</u></u>	<u><u>\$(462,671,964)</u></u>	<u><u>\$(442,544,783)</u></u>

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

Fiscal Year	2016	2017	2018	2019
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes - General Purposes	\$ 132,703,343	\$ 149,513,725	\$ 170,646,472	\$ 189,411,396
Property Taxes - Debt Service	63,686,766	71,769,075	77,152,046	85,628,999
State Aid-Formula Grants	71,913,273	68,177,794	69,183,586	57,825,379
Gifts and Bequests	-	-	-	-
Unrestricted Grants and Contributions	790,934	1,685,243	2,375,127	2,975,863
Investment Earnings	961,891	1,948,489	3,939,413	13,863,066
Miscellaneous	201,487	219,225	249,530	416,574
Special Items	-	-	-	-
Loss on Disposition of Capital Assets	-	-	-	-
Transfers In (Out)	-	(13,318)	-	-
Total Governmental Activities General Revenues and Other Changes in Net Position	<u>270,257,694</u>	<u>293,300,233</u>	<u>323,546,174</u>	<u>350,121,277</u>
Governmental Activities Change in Net Position	<u>\$ 45,032,863</u>	<u>\$ (26,650,401)</u>	<u>\$ 48,502,526</u>	<u>\$ 21,393,140</u>
Expenses				
Business-Type Activities:				
Child Nutrition	\$ 10,493,682	\$ 10,832,909	\$ 9,724,186	\$ 11,656,118
Stadium Concessions	72,309	77,914	153,500	87,482
Total Business-Type Activities Expenses	<u>10,565,991</u>	<u>10,910,823</u>	<u>9,877,686</u>	<u>11,743,600</u>
Program Revenues				
Business-Type Activities:				
Charges for Services:				
Child Nutrition	3,551,081	3,695,365	4,164,315	4,363,708
Stadium Concessions	71,490	89,642	129,180	82,578
Operating Grants and Contributions:				
Child Nutrition	6,651,997	6,985,196	7,504,468	7,782,154
Total Business-Type Activities Program Revenues	<u>10,274,568</u>	<u>10,770,203</u>	<u>11,797,963</u>	<u>12,228,440</u>
Total Business-Type Activities Net (Expense) Revenue	<u>(291,423)</u>	<u>(140,620)</u>	<u>1,920,277</u>	<u>484,840</u>
General Revenues and Other Changes in Net Position				
Business-Type Activities:				
Investment Earnings	2,096	5,588	13,119	34,271
Special Items	-	-	-	-
Transfer In (Out)	-	13,318	-	-
Total Business-Type Activities General Revenues and Other Changes in Net Position	<u>2,096</u>	<u>18,906</u>	<u>13,119</u>	<u>34,271</u>
Business-Type Activities Change in Net Position	<u>\$ (289,327)</u>	<u>\$ (121,714)</u>	<u>\$ 1,933,396</u>	<u>\$ 519,111</u>
Total Primary Government Change in Net Position	<u>\$ 44,743,536</u>	<u>\$ (26,772,115)</u>	<u>\$ 50,435,922</u>	<u>\$ 21,912,251</u>

2020	2021	2022	2023	2024	2025
\$ 198,469,772	\$ 195,923,985	\$ 203,695,071	\$ 236,343,647	\$ 198,632,118	\$ 214,609,944
96,071,515	101,273,736	110,611,653	130,995,194	140,311,435	152,145,575
72,060,766	76,355,595	78,239,148	46,988,962	95,127,193	84,885,126
-	-	-	-	1,627,368	-
32,908	-	-	-	-	-
9,520,415	590,167	974,121	14,490,616	57,808,521	48,995,599
304,827	227,014	1,070,579	807,464	706,276	544,432
963,425	-	-	-	-	-
-	-	-	(3,448,855)	-	(9,676,562)
-	-	-	-	-	-
<u>377,423,628</u>	<u>374,370,497</u>	<u>394,590,572</u>	<u>426,177,028</u>	<u>494,212,911</u>	<u>491,504,114</u>
<u>\$ 18,396,443</u>	<u>\$ 45,356,486</u>	<u>\$ 50,659,060</u>	<u>\$ 30,119,303</u>	<u>\$ 31,540,947</u>	<u>\$ 48,959,331</u>
\$ 12,734,248	\$ 12,409,888	\$ -	\$ -	\$ -	\$ -
138,230	98,572	144,985	182,886	162,196	172,459
<u>12,872,478</u>	<u>12,508,460</u>	<u>144,985</u>	<u>182,886</u>	<u>162,196</u>	<u>172,459</u>
3,500,578	854,369	-	-	-	-
113,755	78,898	141,213	196,160	199,569	209,741
6,896,225	9,774,643	-	-	-	-
<u>10,510,558</u>	<u>10,707,910</u>	<u>141,213</u>	<u>196,160</u>	<u>199,569</u>	<u>209,741</u>
<u>(2,361,920)</u>	<u>(1,800,550)</u>	<u>(3,772)</u>	<u>13,274</u>	<u>37,373</u>	<u>37,282</u>
30,579	972	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>30,579</u>	<u>972</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (2,331,341)</u>	<u>\$ (1,799,578)</u>	<u>\$ (3,772)</u>	<u>\$ 13,274</u>	<u>\$ 37,373</u>	<u>\$ 37,282</u>
<u>\$ 16,065,102</u>	<u>\$ 43,556,908</u>	<u>\$ 50,655,288</u>	<u>\$ 30,132,577</u>	<u>\$ 31,578,320</u>	<u>\$ 48,996,613</u>

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

Fiscal Year	2016	2017	2018	2019
General Fund				
Nonspendable	\$ 348,189	\$ 361,562	\$ 353,349	\$ 282,271
Assigned	18,405,879	12,964,884	20,828,849	23,341,620
Unassigned	<u>62,986,235</u>	<u>70,709,230</u>	<u>70,243,747</u>	<u>78,041,879</u>
Total General Fund	<u>\$ 81,740,303</u>	<u>\$ 84,035,676</u>	<u>\$ 91,425,945</u>	<u>\$ 101,665,770</u>
All Other Governmental Funds				
Nonspendable	\$ 63,157	\$ 48,467	\$ 47,492	\$ 13,972
Restricted	294,353,889	219,630,618	156,912,823	575,048,525
Committed	1,169,672	1,294,634	1,397,168	1,833,743
Assigned	6,073,197	4,388,076	4,079,842	3,141,380
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 301,659,915</u>	<u>\$ 225,361,795</u>	<u>\$ 162,437,325</u>	<u>\$ 580,037,620</u>
Total General and Other Governmental	<u>\$ 383,400,218</u>	<u>\$ 309,397,471</u>	<u>\$ 253,863,270</u>	<u>\$ 681,703,390</u>

2020	2021	2022	2023	2024	2025
\$ 341,170	\$ 484,281	\$ 326,092	\$ 310,742	\$ 298,343	\$ 1,537,204
25,086,894	27,522,800	25,429,850	33,237,113	35,567,279	27,436,608
<u>77,340,346</u>	<u>80,578,579</u>	<u>82,926,100</u>	<u>62,358,824</u>	<u>42,683,533</u>	<u>37,229,471</u>
<u>\$ 102,768,410</u>	<u>\$ 108,585,660</u>	<u>\$ 108,682,042</u>	<u>\$ 95,906,679</u>	<u>\$ 78,549,155</u>	<u>\$ 66,203,283</u>
\$ 468,165	\$ 625,577	\$ 842,246	\$ 302,474	\$ 867,894	\$ 4,932,354
465,179,375	563,573,072	354,881,780	156,056,610	1,028,248,764	911,338,867
3,545,696	3,624,555	3,445,957	3,479,323	5,306,218	5,997,849
3,371,306	2,602,122	2,825,805	2,813,351	2,998,971	2,941,841
<u>-</u>	<u>-</u>	<u>(8,800)</u>	<u>(8,769)</u>	<u>(3,000)</u>	<u>-</u>
<u>\$ 472,564,542</u>	<u>\$ 570,425,326</u>	<u>\$ 361,986,988</u>	<u>\$ 162,642,989</u>	<u>\$ 1,037,418,847</u>	<u>\$ 925,210,911</u>
<u>\$ 575,332,952</u>	<u>\$ 679,010,986</u>	<u>\$ 470,669,030</u>	<u>\$ 258,549,668</u>	<u>\$ 1,115,968,002</u>	<u>\$ 991,414,194</u>

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

Fiscal Year	2016	2017	2018	2019
REVENUES:				
Total Local and Intermediate Sources	\$ 204,841,684	\$ 232,113,625	\$ 261,029,417	\$ 298,536,135
State Program Revenues	90,301,272	84,235,349	86,220,035	74,409,461
Federal Program Revenues	18,275,852	19,398,025	20,459,224	21,519,852
Total Revenues	<u>313,418,808</u>	<u>335,746,999</u>	<u>367,708,676</u>	<u>394,465,448</u>
EXPENDITURES:				
Current:				
Instruction	155,679,542	161,893,114	174,768,158	179,093,136
Instructional Resources & Media Services	4,037,558	4,269,874	4,502,565	4,542,725
Curriculum & Instructional Staff Development	4,590,593	5,564,082	6,701,739	7,020,145
Instructional Leadership	2,551,947	2,716,676	3,659,485	4,073,710
School Leadership	12,787,475	13,994,909	14,674,763	15,450,183
Guidance, Counseling & Evaluation Services	11,705,333	12,748,559	13,120,037	13,568,150
Social Work Services	734,175	709,071	629,642	663,079
Health Services	2,338,926	2,504,289	2,578,662	2,661,993
Student (Pupil) Transportation	6,057,948	5,803,380	6,725,399	7,347,863
Food Services	273,787	242,248	254,236	272,746
Extracurricular Activities	6,388,880	7,334,318	7,371,811	8,306,792
General Administration	7,313,606	7,029,443	7,365,894	7,477,509
Plant Maintenance and Operations	22,622,439	23,497,792	24,773,178	25,724,870
Security and Monitoring Services	844,732	938,861	1,031,602	1,245,095
Data Processing Services	4,079,015	6,079,851	5,817,051	5,653,496
Community Services	2,037,583	2,164,308	2,319,141	2,382,285
Debt Service:				
Debt Service - Principal on long-term debt	25,744,487	30,364,508	39,470,645	33,080,000
Debt Service - Interest on long-term debt	31,383,641	38,630,367	38,966,559	40,921,095
Debt Service - Bond Issuance Cost and Fees	3,147,113	663,633	422,144	3,225,923
Capital Outlay:				
Facilities Acquisition and Construction	96,321,402	73,886,439	66,227,200	48,731,365
Intergovernmental:				
Payments to Fiscal Agent/Member Districts of SSA	358,000	426,400	474,000	584,600
Payments to Juvenile Justice Alternative Ed. Prg.	10,057	1,322,091	1,404,293	1,533,633
Total Expenditures	<u>401,008,239</u>	<u>402,784,213</u>	<u>423,258,204</u>	<u>413,560,393</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(87,589,431)</u>	<u>(67,037,214)</u>	<u>(55,549,528)</u>	<u>(19,094,945)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	6,972,145	2,641,047	351,162	2,261,850
Operating Transfers Out	(4,985,145)	(891,326)	(351,162)	(409,574)
Bonds Issued	405,820,282	33,052,289	-	445,127,777
Proceeds from Subscription Liabilities	-	-	-	-
Special Items/Other	-	1,700	-	(46,067)
Sale of Real/Personal Property	1,705	31,659	18,450	1,079
Payments to Bond Refunding Escrow Agent	(215,160,178)	(41,800,902)	-	-
Extraordinary Items	491,418	-	(3,123)	-
Total Other Financing Sources (Uses)	<u>193,140,227</u>	<u>(6,965,533)</u>	<u>15,327</u>	<u>446,935,065</u>
Net Change in Fund Balances	<u>\$ 105,550,796</u>	<u>\$ (74,002,747)</u>	<u>\$ (55,534,201)</u>	<u>\$ 427,840,120</u>
Debt Service as a % of NonCapital Expenditures	<u>18.75%</u>	<u>20.98%</u>	<u>21.97%</u>	<u>20.28%</u>

2020	2021	2022	2023	2024	2025
\$ 311,624,169	\$ 304,294,590	\$ 326,054,238	\$ 397,558,169	\$ 416,878,324	\$ 434,938,397
91,432,489	100,082,157	98,366,202	71,632,967	132,961,048	127,241,388
19,210,782	41,552,956	54,579,787	46,459,421	41,250,904	38,593,010
<u>422,267,440</u>	<u>445,929,703</u>	<u>479,000,227</u>	<u>515,650,557</u>	<u>591,090,276</u>	<u>600,772,795</u>
191,595,438	210,124,174	213,938,317	216,788,748	222,681,007	219,527,089
4,766,012	4,905,080	4,923,539	5,329,303	5,561,796	4,422,143
7,654,811	8,595,589	9,444,917	11,355,196	10,654,031	9,480,948
3,945,737	3,766,653	4,418,074	5,063,337	4,777,287	4,289,087
16,680,621	18,181,406	18,699,449	19,767,911	20,445,822	20,945,689
14,995,988	15,620,984	16,393,644	17,725,788	18,424,476	18,607,651
718,922	840,071	906,622	952,869	1,027,739	1,051,475
2,909,503	4,357,490	4,429,021	3,577,560	3,665,679	3,728,429
11,359,034	8,288,311	7,678,192	8,206,677	10,404,728	9,338,368
2,471,414	822,365	17,280,592	18,601,717	19,754,612	21,627,949
8,237,330	7,349,610	8,779,606	10,582,379	10,763,672	11,425,968
9,529,196	10,065,442	10,248,945	11,534,989	11,432,880	11,281,573
27,203,384	28,949,300	31,653,007	40,899,122	39,702,963	42,733,977
1,398,619	2,327,128	1,966,658	2,384,138	3,345,216	4,700,938
6,774,211	7,147,360	8,417,728	7,304,046	6,615,347	5,462,814
2,543,647	2,824,903	4,171,310	4,999,783	5,346,014	4,883,983
102,995,000	31,628,016	60,420,104	71,904,279	44,118,618	35,639,177
50,779,875	51,721,415	54,575,916	62,953,208	88,886,572	111,096,432
750,964	4,450,892	1,613,063	65,050	5,475,062	1,464,960
125,465,943	240,717,746	211,502,220	208,217,248	239,481,917	363,444,965
532,200	520,800	553,400	642,000	788,000	678,000
<u>1,706,090</u>	<u>1,761,715</u>	<u>1,784,910</u>	<u>2,005,987</u>	<u>2,282,874</u>	<u>2,523,320</u>
<u>595,013,939</u>	<u>664,966,450</u>	<u>693,799,234</u>	<u>730,861,335</u>	<u>775,636,312</u>	<u>908,354,935</u>
<u>(172,746,499)</u>	<u>(219,036,747)</u>	<u>(214,799,007)</u>	<u>(215,210,778)</u>	<u>(184,546,036)</u>	<u>(307,582,140)</u>
4,970,823	12,927,843	6,364,257	1,362,770	2,112,268	2,413,819
(3,510,155)	(12,640,693)	(4,797,339)	(1,242,088)	(4,179,388)	(7,164,628)
69,456,030	651,100,952	180,906,057	-	1,042,602,044	225,026,153
-	-	-	606,461	-	-
(9,677,121)	7,980	1,214	-	1,073,696	1,579,634
5,136,484	41,159	32,508	24,914	236,778	3,189,490
-	(338,895,713)	(179,653,959)	-	-	(42,000,850)
-	10,173,253	3,663,750	2,339,359	118,972	(15,286)
<u>66,376,061</u>	<u>322,714,781</u>	<u>6,516,488</u>	<u>3,091,416</u>	<u>1,041,964,370</u>	<u>183,028,332</u>
<u>\$ (106,370,438)</u>	<u>\$ 103,678,034</u>	<u>\$ (208,282,519)</u>	<u>\$ (212,119,362)</u>	<u>\$ 857,418,334</u>	<u>\$ (124,553,808)</u>
<u>32.75%</u>	<u>20.70%</u>	<u>23.41%</u>	<u>25.51%</u>	<u>24.64%</u>	<u>28.62%</u>

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

Fiscal Year	Real Property	Personal Property	Total	Tax Rate (2)
	Assessed Value (1)	Assessed Value (1)	Assessed Value (1)	
2016	\$ 11,407,226	\$ 1,304,865	\$ 12,712,091	\$ 1.540
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

(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)

<u>TAX RATES (PER \$100) (1)</u>									
Fiscal Year	Denton ISD Direct Rates			Overlapping Rates					
	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
2016	1.04	0.50	1.54	0.68975	0.262000	0.58489	0.4390	0.563	0.19294
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	0.430	0.173646
2025	0.6769	0.48	1.1569	0.585420	0.187869	0.51400	0.3873	0.430	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

Taxpayer	Description	2025		
		Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value
Paccar Inc.	Truck Manufacturer	\$ 371,312	1	1.16%
Denton Housing Authority	Public Housing	258,797	2	0.81%
Atmos Energy/Mid-Tex	Natural Gas	132,082	3	0.41%
Target Corporation	Distribution Center	123,664	4	0.38%
Winco Foods, LLC	Distribution Center	116,455	5	0.36%
BVF-V Souvenir 380L	Property Managemet	91,360	6	0.28%
800 Oak Point Investments	Residential Developer	91,331	7	0.28%
Denton ICC 35 LLC	Business Park	81,925	8	0.25%
Tradewind Timberlinks LLCD	Residential Developer	78,379	9	0.24%
Exeter Denton Land LP	Industrial Park	77,571	10	0.24%
Well Services Division of STC	Oil and Gas			
Target Corporation	Retail Shopping			
Columbia Medical Center	Hospital			
Inland Western Crossing Ltd.	Retail Shopping			
Cypress Denton Station, Ltd.	Residential Developer			
RB Marketplace LP	Retail Shopping			
RA University Courtyard LLC	Student Housing Mgmt			
Timberlake Apartments, LLC	Apartment Leasing			
TOTAL		<u>\$ 1,422,876</u>		<u>4.41%</u>

Source of information: Denton County Tax Office

2016		
Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value
\$ 71,437	3	0.56%
65,000	4	0.51%
152,350	1	1.20%
55,474	5	0.44%
86,121	2	0.68%
52,782	6	0.42%
52,417	7	0.41%
40,220	9	0.32%
34,936	10	0.27%
43,509	8	0.34%
<u>\$ 654,246</u>		<u>5.15%</u>

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

<u>Levy Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2015	\$ 195,766	\$ 193,973	99.1%	\$ 1,406	\$ 195,379
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

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

<u>Total Collected as % of Current Tax Levy (1)</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as % of Tax Levy</u>
99.80%	\$ 1,793	0.92%
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%

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

<u>Fiscal Year</u>	<u>Gross Bonded Debt</u>	<u>Population</u>	<u>Gross Bonded Debt Per Capita</u>	<u>Personal Income (thousands of dollars)</u>	<u>Gross Bonded Debt as % of Personal Income</u>	<u>Estimated Actual Value - Real and Personal Property (thousands of dollars)</u>
2016	\$1,023,851,410	131,044	\$ 7,813	\$ 3,149,905	32.50%	\$ 12,712,091
2017	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

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
8.05%	\$ 886,129,477	\$ 6,762	28.13%	6.97%
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%

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
2016	\$ 879,287,257	\$ 9,047,935	\$135,516,218	\$ -	\$1,023,851,410	8.05%	\$ 39,764
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

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, 2025
(UNAUDITED)

Taxing Body	Debt Outstanding	Estimated % Overlapping	Amount Overlapping
Argyle, Town of	\$ 7,460,000	Less than 0.01%	\$ -
Aubrey, City of	79,558,000	46.08%	36,660,326
Copper Canyon, Town of	800,000	27.70%	221,600
Corinth, City of	58,240,000	50.24%	29,259,776
Denton, City of	1,263,865,000	96.79%	1,223,294,934
Denton County	773,065,000	20.42%	157,859,873
Denton Co. FWSD #6	18,405,000	100.00%	18,405,000
Denton Co. FWSD #7	57,180,000	100.00%	57,180,000
Denton Co. FWSD #8-A	15,615,000	56.88%	8,881,812
Denton Co. FWSD #8-B	3,750,000	100.00%	3,750,000
Denton Co. FWSD #11-A	23,305,000	100.00%	23,305,000
Denton Co. FWSD #11-B	32,870,000	44.35%	14,577,845
Denton Co. FWSD #11-C	10,470,000	100.00%	10,470,000
Denton Co. MUD #4	8,915,000	100.00%	8,915,000
Denton Co. MUD #5	10,685,000	100.00%	10,685,000
Denton Co. MUD #6	95,575,000	99.69%	95,278,718
Denton Co. MUD #8	24,515,000	100.00%	24,515,000
Elm Ridge WC & ID	138,110,000	66.31%	91,580,741
Flower Mound, Town of	143,280,000	0.28%	401,184
Highway 380 MMD #1	137,235,000	99.97%	137,193,830
Little Elm, Town of	112,165,000	31.16%	34,950,614
Northlake MMD #1	99,710,000	0.08%	79,768
Oak Point, WC & ID #4	13,050,000	15.83%	2,065,815
Oak Point, City of	1,255,000	33.32%	418,166
Prairie Oaks MUD	5,635,000	100.00%	5,635,000
Prosper, Town of	236,755,000	5.32%	12,595,366
Providence Village, Town of	14,612,000	28.10%	4,105,972
Shady Shores, Town of	1,290,000	77.82%	1,003,878
Total Overlapping Debt			2,013,290,217
Denton ISD	2,275,587,488	100.00%	2,548,502,381
Total Overlapping and Direct Debt			<u>\$4,561,792,598</u>
Total Direct and Overlapping Debt to Taxable Assessed Valuation			<u>14.19%</u>
Total Direct and Overlapping Debt per Capita			<u>\$ 28,597</u>

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	2016	2017	2018	2019
Total Assessed Value	<u>\$ 12,712,090,714</u>	<u>\$14,245,317,208</u>	<u>\$15,966,067,987</u>	<u>\$ 17,771,688,442</u>
Debt Limit (10% of Total Assessed Value)	<u>\$ 1,271,209,071</u>	<u>\$ 1,424,531,720</u>	<u>\$ 1,596,606,798</u>	<u>\$ 1,777,168,844</u>
Debt Applicable to Limit:				
General Obligation Bonds	\$ 879,287,257	\$ 839,287,749	\$ 799,994,104	\$ 1,167,039,104
Less Net Position in Debt Service Fund	<u>67,642,629</u>	<u>62,651,625</u>	<u>62,894,210</u>	<u>75,930,190</u>
Total Amount of Debt Applicable to Debt Limit	<u>811,644,628</u>	<u>776,636,124</u>	<u>737,099,894</u>	<u>1,091,108,914</u>
Legal Debt Margin	<u>\$ 459,564,443</u>	<u>\$ 647,895,596</u>	<u>\$ 859,506,904</u>	<u>\$ 686,059,930</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	63.85%	54.52%	46.17%	61.40%

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

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>\$19,914,985,782</u>	<u>\$21,078,524,297</u>	<u>\$22,989,073,348</u>	<u>\$27,186,255,764</u>	<u>\$29,321,679,693</u>	<u>\$32,142,064,915</u>
<u>\$ 1,991,498,578</u>	<u>\$ 2,107,852,429</u>	<u>\$ 2,298,907,334</u>	<u>\$ 2,718,625,576</u>	<u>\$ 2,932,167,969</u>	<u>\$ 3,214,206,491</u>
<u>\$ 1,122,249,104</u>	<u>\$ 1,367,776,088</u>	<u>\$ 1,308,438,717</u>	<u>\$ 1,237,690,283</u>	<u>\$ 2,142,646,665</u>	<u>\$ 2,275,587,488</u>
<u>78,803,292</u>	<u>97,498,161</u>	<u>93,684,814</u>	<u>95,729,305</u>	<u>121,479,934</u>	<u>148,290,117</u>
<u>1,043,445,812</u>	<u>1,270,277,927</u>	<u>1,214,753,903</u>	<u>1,141,960,978</u>	<u>2,021,166,731</u>	<u>2,127,297,371</u>
<u>\$ 948,052,766</u>	<u>\$ 837,574,502</u>	<u>\$ 1,084,153,431</u>	<u>\$ 1,576,664,598</u>	<u>\$ 911,001,238</u>	<u>\$ 1,086,909,120</u>
52.40%	60.26%	52.84%	42.01%	68.93%	66.18%

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income (dollars)</u>	<u>Unemployment Rate</u>
2015/2016	131,044	\$ 3,149,905	\$ 24,037	3.60%
2016/2017	133,808	3,216,343	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%

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Early Childhood Facilities										
Buildings	3	3	3	3	3	4	4	4	4	4
Square Foot	109,809	109,809	109,809	109,809	109,809	119,230	119,230	119,230	119,230	119,230
Maximum capacity	1,134	1,134	1,134	1,134	1,134	1,218	1,218	1,218	1,218	1,218
Enrollment	904	910	1,144	1,160	1,187	1,070	1,310	1,371	1,481	1,655
Elementary Schools										
Buildings	22	23	23	23	24	24	24	25	25	26
Square Foot	1,840,645	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
Maximum capacity	17,708	18,556	18,556	18,556	19,296	19,226	19,226	19,966	19,966	20,706
Enrollment	12,629	12,926	13,081	13,189	13,318	12,800	13,814	14,179	14,409	14,480
Middle Schools										
Buildings	7	7	8	8	8	8	8	8	9	9
Square Foot	1,258,049	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
Maximum capacity	8,518	8,518	9,668	9,668	9,668	9,768	9,768	9,768	10,768	10,768
Enrollment	6,371	6,528	6,699	6,975	7,149	6,994	7,041	7,047	7,053	7,267
High Schools										
Buildings	5	6	6	6	6	6	6	6	6	6
Square Foot	1,533,548	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
Maximum capacity	11,071	14,584	14,584	15,584	15,584	15,834	15,834	15,834	15,834	15,834
Enrollment	7,392	8,018	8,496	8,845	9,265	9,403	9,786	9,924	9,923	9,927
Administration										
Buildings	10	11	12	12	12	12	12	12	14	15
Square Foot	274,081	274,849	296,137	288,564	286,260	303,520	303,520	351,386	385,519	404,643
Transportation										
Buildings	1	1	1	1	1	1	1	2	2	2
Square Foot	15,872	15,872	15,872	15,872	15,872	15,872	15,872	40,872	40,872	40,872
Buses	186	195	195	180	206	206	206	147	179	210
Totals for DISD										
Buildings	48	51	53	53	53	55	55	58	60	62
Square Foot	5,032,004	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
Maximum capacity	38,431	42,792	43,942	44,942	45,682	46,046	46,046	46,786	47,786	48,526
Enrollment	27,296	28,382	29,420	30,169	30,919	30,267	31,951	32,521	32,866	33,329
Athletics										
Football Stadiums	4	5	5	5	5	5	5	5	5	5
Track Field	3	4	4	4	4	4	4	4	4	4
Baseball Fields	3	4	4	4	4	4	4	4	4	4
Softball Fields	3	4	4	4	4	4	4	4	4	4
Tennis Court Sites	10	11	12	12	12	12	12	12	13	13
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Ag Science Facility	-	-	-	-	-	-	-	1	1	1

Source of information: District records and District PEIMS report

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

Employer	Description	2025		Percentage of Total City Employment
		Employees	Rank	
University of North Texas	University	4,614	1	5.02%
Denton Independent School District	School District	4,417	2	4.80%
PACCAR, Inc.	Truck Manufacturer	3,075	3	3.34%
Texas Woman's University	University	1,875	4	2.04%
Denton State Supported Living Center	State Agency	1,700	5	1.85%
Denton County	County Government	1,681	6	1.83%
City of Denton	Municipal Government	1,623	7	1.76%
Texas Health Presbyterian of Denton	Hospital/Healthcare	1,076	8	1.17%
Medical City-Denton	Hospital/Healthcare	950	9	1.03%
Sally Beauty Company, Inc.	Beauty Supplies Dist.	950	10	1.03%
TOTAL		<u>21,961</u>		<u>23.87%</u>

Source of Information: Denton Economic Development Partnership and U.S. Dept. of Labor
2016 data from Denton ISD 2016 Annual Comprehensive Financial Report.

2016		
Employees	Rank	Percentage of Total City Employment
8,738	1	12.27%
4,417	2	6.20%
2,314	3	3.25%
1,672	5	2.35%
1,700	4	2.39%
1,581	6	2.22%
1,383	7	1.94%
1,076	8	1.51%
950	9	1.33%
950	10	1.33%
<u>24,781</u>		<u>34.79%</u>

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
2015-2016	27,296	\$ 224,713,282	\$ 8,232	3.76%	1,978.9	13.79
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

<u>Economically Disadvantaged</u>	<u>Limited English Proficient</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
11,468	4,104	43.04%
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%

DENTON INDEPENDENT SCHOOL DISTRICT
STAFF INFORMATION
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Teachers</u>	<u>Professional Support</u>	<u>Campus Administration</u>	<u>Central Administration</u>	<u>Total Professional Staff</u>	<u>Educational Aides</u>
2015-2016	1,978.9	460.8	96.8	13.0	2,549.5	302.5
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

Source of Information: District PEIMS report

Auxiliary Staff	Total Staff	% Change
638.0	3,490.0	5.64%
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%

DENTON INDEPENDENT SCHOOL DISTRICT
TEACHER SALARY DATA
JUNE 30, 2025

<u>Years of Experience</u>	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>Doctorate Degree</u>
0	\$ 59,000	\$ 60,750	\$ 62,500
1	59,340	61,090	62,840
2	59,740	61,490	63,240
3	60,101	61,851	63,601
4	60,461	62,211	63,961
5	60,770	62,520	64,270
6	61,079	62,829	64,579
7	61,594	63,344	65,094
8	61,903	63,653	65,403
9	62,212	63,962	65,712
10	62,727	64,477	66,227
11	63,510	65,260	67,010
12	64,334	66,084	67,834
13	64,643	66,393	68,143
14	64,952	66,702	68,452
15	65,364	67,114	68,864
16	65,776	67,526	69,276
17	66,188	67,938	69,688
18	66,600	68,350	70,100
19	66,909	68,659	70,409
20	67,218	68,968	70,718
21	67,630	69,380	71,130
22	68,042	69,792	71,542
23	68,351	70,101	71,851
24	68,660	70,410	72,160
25+	68,969	70,719	72,469

Average Salary by Years of Experience

Beginning Teachers	\$ 51,847
1-5 Years of Experience	\$ 60,351
6-10 Years of Experience	\$ 62,202
11-20 Years of Experience	\$ 66,495
Over -20 Years of Experience	\$ 70,835

Average Actual Salaries

Teachers	\$ 63,998
Professional Staff	\$ 74,179
Campus Administration	\$ 97,762
Central Administration	\$ 150,471

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
2015/16	27,296	2.06%	25,748	1.95%	94.33%
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%

Source of information: Summary of Finance Texas Education Agency, 2024-25 District PEIMS report, and District ADA report.

DENTON INDEPENDENT SCHOOL DISTRICT
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2025
(UNAUDITED)

Date of Organizaton: 1884

Forms of Government: Independent School District

Number of Employees:

Teachers	2,424
Other Professional	735
Paraprofessionals	442
Auxiliary	883
	<u>4,484</u>

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-campus	6,863,655
Total acreage-campus	1,196.703
Total acreage-future growth	922.385

Facilities include:

	<u>Maximum Capacity</u>	<u>2024-25 Enrollment</u>	<u>Number of Facilities</u>
Senior high schools	15,834	9,927	6
Middle schools	10,768	7,267	9
Elementary schools	20,706	14,480	26
Early childhood	1,218	1,655	4
Total	<u>48,526</u>	<u>33,329</u>	<u>45</u>
Central services and annex			9
Maintenance/Transportation			3
Natatorium			1
Technology Center			1
Athletic stadium complex			1
AEP facility			1
Ag science facility			1
Total Facilities			<u>62</u>

Student Data:

National Merit Scholars Class of 2025	
Semi-Finalists	1
Commended	7

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

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

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, 2025, 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 December 8, 2025.

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.

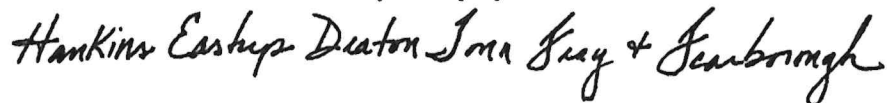
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies 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.

A handwritten signature in black ink that reads "Hankins Eastup Deaton Tonn Seay & Scarborough". The signature is written in a cursive, flowing style.

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

December 8, 2025

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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, 2025. 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, 2025.

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

December 8, 2025

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

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:

93.600	Head Start
84.367	ESEA, Title II, Part A, TPTR
84.367A	Principal Residency Grant
IDEA, Part B Cluster:	
84.027	IDEA, Part B - Formula
84.173	IDEA, Part B - Preschool
84.027	IDEA, Part B - High Cost Fund
84.027	SSA - IDEA, Part B - Discretionary Deaf
8. Dollar threshold used to distinguish between Type A and Type B programs: \$1,053,535.
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, 2025

None

DENTON INDEPENDENT SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

None

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(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			
<u>Passed Through the State of Texas</u>			
Federal Flood Control Funds	15.433	01-061901	\$ 191,741
Total Passed Through the State of Texas			191,741
TOTAL U.S. DEPARTMENT OF THE INTERIOR			191,741
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
ROTC	12.000	01-061901	383,479
Total Direct Programs			383,479
TOTAL U.S. DEPARTMENT OF DEFENSE			383,479
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Education Service Center Region 10</u>			
Empowering Early Childhood Special Education Educators to	84.173 A	24661047110001	5,420
Total Passed Through Education Service Center Region 10			5,420
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	24610101061901	66,845
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	25610101061901	3,992,813
ESEA, Title I, Part D, Subpart 2	84.010 A	24610103061901	32,495
ESEA, Title I, Part D, Subpart 2	84.010 A	25610103061901	259,341
Total Assistance Listing Number 84.010			4,351,494
*IDEA - Part B, Formula	84.027 A	246600010619016600	216,538
*IDEA - Part B, Formula	84.027 A	256600010619016600	5,670,634
*IDEA - Part B, High Cost Funds	84.027 A	66002506	462,099
*SSA - IDEA - Part B, Discretionary Deaf	84.027 A	256600110619016673	67,896
Total Assistance Listing Number 84.027			6,417,167
*IDEA - Part B, Preschool	84.173 A	256610010619016610	73,603
*SSA - IDEA, Part C - Early Intervention (Deaf)	84.181 A	253911010619013911	1,092
Total Special Education Cluster (IDEA)			6,491,862
SSA - Career and Technical - Perkins V: Strengthening CTE	84.048 A	24420006061901	2,471
SSA - Career and Technical - Perkins V: Strengthening CTE	84.048 A	25420006061901	382,850
Total Assistance Listing Number 84.048			385,321
ESEA, Title IV, Pt B-21st Cent. Community Learning Cent.	84.287 C	246950337110028	7,935
ESEA, Title IV, Pt B-21st Cent. Community Learning Cent.	84.287 C	256950337110028	89,891
Total Assistance Listing Number 84.287			97,826
Title III, Part A - English Language Acquisition	84.365 A	24671001061901	26,092
Title III, Part A - English Language Acquisition	84.365 A	25671001061901	678,488
Total Assistance Listing Number 84.365			704,580
ESEA, Title II, Part A, Teacher Principal Training	84.367 A	24694501061901	9,268
ESEA, Title II, Part A, Teacher Principal Training	84.367 A	25694501061901	873,635
ESEA, Principal Residency Grant Cycle 7	84.367 A	246945677110008	644,539
ESEA, Principal Residency Grant Cycle 7 Continuation	84.367 A	256945677110003	21,167
Total Assistance Listing Number 84.367			1,548,609
ESEA, Title IV, Part A, Subpart I - Summer School LEP	84.369 A	69552402	8,181

See Accompanying Notes to the Schedule of Expenditures of Federal Awards .

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(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, Title IV, Part A	84.424 A	24680101061901	409
ESEA, Title IV, Part A	84.424 A	25680101061901	213,024
ESEA, Stronger Connections Grant	84.424 F	236811017110059	499,826
Total Assistance Listing Number 84.424			713,259
ESSER Relief Fund III	84.425 U	21528001061901	508,595
Total Passed Through Texas Education Agency			14,809,727
TOTAL U.S. DEPARTMENT OF EDUCATION			14,815,147
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Direct Programs</u>			
Head Start	93.600	06CH012646	1,716,257
Total Direct Programs			1,716,257
<u>Passed Through Texas Health and Human Services Commission</u>			
Medicaid Administrative Claiming Program - MAC	93.778	HHS000537900491	173,542
Total Passed Through Texas Health and Human Services Commission			173,542
<u>Passed Through Texas Education Agency</u>			
SSA - Adult Education (ABE) - Federal	84.002 A	0418ACAF00	(56)
SSA - Adult Basic Education - AEFLA	84.002 A	2924ALA012	1,365,078
SSA - Adult Basic Education - ELC	84.002 A	2924ALA041	557,013
Total Assistance Listing Number 84.002			1,922,035
SSA - Adult Basic Education - TANF	93.558	2924ALA012	22,042
Child Care Development Block Grant	93.575	P18BK5F8VPN3	63,195
Total Passed Through Texas Education Agency			2,007,272
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			3,897,071
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	71402501	3,484,495
*National School Lunch Program - Cash Assistance	10.555	71302501	10,643,560
*National School Lunch Prog. - Non-Cash Assistance	10.555	NT4XL1YGLGC5	1,094,198
Total Assistance Listing Number 10.555			11,737,758
*Summer Food Service Program for Children Breakfast	10.559	NT4XL1YGLGC5	43,074
*Summer Food Service Program for Children Lunch	10.559	NT4XL1YGLGC5	98,536
Total Assistance Listing Number 10.559			141,610
Total Child Nutrition Cluster			15,363,863
Local Food for Schools (LFS) Cooperative Service Program	10.185	NT4XL1YGLGC5	115,000
Child and Adult Care Food Program (CACFP)	10.558	NT4XL1YGLGC5	351,535
Total Passed Through the Texas Department of Agriculture			15,830,398
TOTAL U.S. DEPARTMENT OF AGRICULTURE			15,830,398
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 35,117,836
*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, 2025

- 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 \$2,332,503.
- Reconciliation Information:

Amount reported on the Schedule of Expenditures of Federal awards	\$35,117,836
SHARS Revenue reported in the General Fund	453,302
E-rate Revenue reported in the General Fund	2,710,123
Federal Excise Tax Reimbursements reported in the General Fund	<u>311,749</u>
Total Federal Program Revenue	<u>\$38,593,010</u>