DUNCANVILLE

Independent School District

Duncanville, Texas



Annual Financial Report

For the Year Ended June 30, 2025

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2025

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT
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CERTIFICATE OF BOARD

Duncanville Independent School District	**Dallas**	**057-907**
Name of School District	County	Co. - Dist. No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and __X__ **approved/** _____ **disapproved** for the year ended June 30, 2025, at a meeting of the Board of Trustees of such school district on December 15, 2025.

Jacqueline Culton
Signature of Board President

Janet Veracruz
Signature of Board Vice President

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving is/are (attach list if necessary):



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FINANCIAL SECTION



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whitleypenn

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Duncanville Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Duncanville Independent School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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 the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities 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 GAAS 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 GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements and required Texas Education Agency (TEA) schedules 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 nonmajor fund financial statements and required TEA schedules 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 Schedule L-1 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Dallas, Texas
November 17, 2025


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This section of Duncanville Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2025. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

On a Government-Wide Basis

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $22,263,257.

The District's total net position increased by $5,189,780 during the fiscal year.

The total cost of the District's programs was $169,930,478 for the year ended June 30, 2025.

In Accordance with Fund Accounting

The District's governmental funds financial statements reported a combined ending fund balance of $245,714,202.

- The General fund includes $755,174 of nonspendable funds in the form of prepaids and inventory, and $63,069,485 of unassigned fund balance available for spending at the District's discretion. The District's General Fund reported an unassigned fund balance of $63,069,485 or 47.4% of the total General Fund expenditures for the year ended June 30, 2025.
- The Capital Projects fund reported a fund balance of $150,562,547 that is restricted for capital acquisitions.
- The Debt Service fund reported a fund balance of $27,031,611 that is restricted for debt obligations.
- The Non-major governmental funds reported a fund balance of $4,295,385. Of this amounts includes $223,685 for nonspendable fund balance for child nutrition inventory, $3,449,380 restricted for federal/state grants and $622,320 committed for campus activities.

Overview of the Financial Statements

The Financial Section of this annual comprehensive financial report consists of the *independent auditor's report*, *management's discussion and analysis* (this section), the *basic financial statements*, and *other supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in *more detail* than the government-wide statements.
- *Governmental fund* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a trustee or custodian for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the financial statements.

***Government-Wide Statements*.** The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, liabilities and deferred inflows and outflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements, *statement of net position* and *statement of activities*, report the District's *net position* and how it has changed. Net position – the difference of the District's assets, and deferred outflows and resources; less liabilities, and deferred inflows of resources – is one way to measure the District's financial health or *position*. Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the District, you need to consider additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *governmental activities*. These statements recognize the District's functions, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration as being primarily supported by property taxes and intergovernmental revenues. The government-wide financial statements can be found on Exhibits A-1 and B-1 of this report.

Fund Financial Statements. The fund financial statements provide more detailed information about the District's most significant *funds*, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

All of the District's funds can be divided into three categories:

Governmental Funds. Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because the focus of the governmental funds is shorter-term 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 short-term financing decisions. In addition, reconciliations are provided following the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to aid in the comparison between *governmental funds* and *governmental activities*. The basic governmental fund financial statements can be found on Exhibits C-1, C-1R, C-2, and C-2R of this report.

Proprietary Funds. Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information. There are two types of proprietary funds:

Internal Service Funds are used to report activities that provide supplies and services for the District's other programs and activities, such as the District's Worker's Compensation Self Insurance Fund and Transportation Fund.

Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District does not maintain any enterprise funds.

The basic proprietary fund financial statements can be found on Exhibits D-1, D-2, and D-3 of this report.

Fiduciary Funds. The District is the custodian, or *fiduciary*, for certain funds. The District 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 statement of changes in fiduciary net position that can be found on Exhibits E-1 and E-2 of this report. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 32 of this report.

Other Information. *T*his report also presents certain required supplementary information, combining schedules, *and other information* required by the Texas Education Agency that further explains and supports the information in the financial statements. The required supplementary information, combining schedules, and other TEA required information can be found beginning on page 74 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $22,263,257 (net position) at the close of the most recent fiscal year. A portion of the District's net position, $10,201,803, reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets. 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 is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. See Note 7 of the financial statements for more information.

The District's Net Position

	Governmental Activities	
	2025	**2024**
Assets		
Current and other assets	$ 272,991,443	$ 291,364,887
Capital assets, net	202,775,974	187,897,181
Total Assets	475,767,417	479,262,068
Deferred Outflows of Resources		
Deferred outflows	18,349,493	22,278,451
Total Deferred Outflows of Resources	18,349,493	22,278,451
Liabilities		
Current liabilities	27,276,114	20,466,749
Non-current liabilities	415,983,190	428,081,338
Total Liabilities	443,259,304	448,548,087
Deferred Inflows of Resources		
Deferred inflows	28,594,349	35,918,955
Total Deferred Inflows of Resources	28,594,349	35,918,955
Net Position		
Net investment in capital assets	10,201,803	(4,970,333)
Restricted	26,209,230	24,349,917
Unrestricted	(14,147,776)	(2,306,107)
Total Net Position	$ 22,263,257	$ 17,073,477

Net position of the District's governmental activities increased from $17,073,477 to $22,263,257. The District's total assets decreased by $3.5 million at the end of current year compared to the balance at the end of the prior fiscal year. Total capital assets, net accumulated depreciation and amortization totaled $202.8 million at the end of the current fiscal. This was an increase of $14.9 million from prior year as a result of construction projects related to Bond 2023 construction projects. Total current and other assets decreased by $18.4 million as a result of decrease in federal grants receivables and state aid receivables. Total liabilities decreased $5.2 million at the end of the current year compared to the balance at the end of the prior year as a result of current year principal payments reducing long-term liabilities and capital project activities increase current liabilities related to construction payables.

Deferred outflows, net pension liability, net other post-employment liability, and deferred inflows changed due to assignment of pension liability and other post-employment benefits liability from the Teacher Retirement System.

Change in Net Position. Overall revenues decreased approximately $1.9 million compared to prior year. For the current fiscal year, the District's total revenues were $175,120,258. 38.0% of the District's revenues comes from state allocations – formula grants and 41.6% from property taxes. 12.6% of revenues relates to grants and contributions (including federal funds). The increase in net position resulted primarily from an increase in state aid of approximately property tax revenues of $7.4 million offset by a decrease in state aid of approximately $4.2 million. The overall decrease in revenues was offset by an increase in total expenses of approximately $5.9 million.

Changes in the District's Net Position

	Governmental Activities	
	2025	**2024**
Revenues		
Program Revenues:		
Charges for services	$ 1,404,794	$ 1,564,073
Operating grants & contributions	22,079,776	33,854,154
General Revenues:		
Property taxes	72,840,244	65,356,730
State aid (grants)	66,534,958	70,656,734
Investment earnings	11,344,185	4,508,463
Miscellaneous local and intermediate - other	916,301	1,023,518
Total Revenues	175,120,258	176,963,672
Expenses		
Instruction	79,931,192	76,334,387
Instructional resources and media services	1,522,110	1,773,921
Curriculum and staff development	4,528,989	5,479,845
Instructional leadership	4,747,079	5,388,902
School leadership	8,857,028	9,890,830
Guidance, counseling, and evaluation services	6,141,447	6,902,907
Social work services	277,609	442,628
Health services	1,772,079	1,665,317
Student transportation	4,598,469	4,192,242
Food service	6,765,325	7,610,396
Extracurricular activities	5,115,900	5,311,531
General administration	5,402,905	5,796,553
Facilities maintenance and operations	19,069,686	16,261,764
Security and monitoring services	2,486,372	2,428,061
Data processing services	3,948,911	4,330,042
Community services	783,103	755,363
Interest on long-term debt	13,464,173	6,192,057
Debt issuance costs and fees	108,017	1,366,063
Facility acquisition and construction	-	1,559,573
Payments to JJAEP	3,456	12,804
Other intergovernmental charges	406,628	299,067
Total Expenses	169,930,478	163,994,253
Change in net position	5,189,780	12,969,419
Beginning Net Position	17,073,477	(7,694,905)
Restatement	-	11,798,963
Ending Net Position	$ 22,263,257	$ 17,073,477

Financial Analysis of the District's Funds

Revenues of the General Fund totaled $125,371,229, a decrease of 2.2% compared to the preceding period's General Fund revenues. Local revenues increased 4.5% primarily due to an increase in property taxes. State revenues decreased by 5.4% due to decreases in state aid. Federal revenues in the General Fund decreased 4.0% related to indirect cost claimed during the current year, due to a corresponding decrease in federal revenues.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $245.7 million. Approximately 25.7% of this total amount or $63.1 million constitutes the unassigned fund balance. The remainder of fund balance is nonspendable, restricted, or assigned to indicate that it is not available for new spending because it has already been: 1) restricted for retirement of long-term debt $27.0 million, 2) restricted for capital projects $150.6 million, 3) restricted for federal and state grants $3.4 million, 4) committed or assigned for other purposes $622.3 thousand, and 5) nonspendable $978.9 thousand.

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 $63.1 million.

The general fund reported an ending fund balance of $63.8 million. The net change in fund balance resulted in a decrease in the general fund balance from the prior year in the amount of $7.9 million. The decrease in fund balance was the result of an overall decrease in state program revenues of approximately $4.0 million, offset by an increase in property tax revenue of $2.3 million, while overall expenditures increased by $11.5 million from prior period.

The debt service fund has a total fund balance of $27.0 million, all of which is restricted for the payment of debt service. The net increase in fund balance during the period in the debt service fund was $4.3 million. The increase is due to property tax revenues exceeding the debt service requirements for the fiscal year.

The capital projects fund has a total fund balance of $150.6 million, all of which is restricted for construction projects. The net decrease in fund balance during the period in the capital projects fund was $16.8 million. The decrease is due to the increase in expenditures related to construction projects during the fiscal year.

The nonmajor governmental funds has a total fund balance of $4.3 million which represents an increase of $0.3 million.

The District amends the budget as needed throughout the year. Changes to the general fund budget are summarized below:

Total Revenues	$ 125,859,056	$ 126,415,190
Total Expenditures	144,403,197	145,776,642
Net Change in Fund Balance	$ (18,544,141)	$ (19,361,452)

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2025, the District had invested $202,775,974 in a broad range of capital assets, including land, land improvements, buildings and improvements, furniture and equipment, right to use leased asset, and subscription-based IT arrangements. This amount represents a net increase of $14,878,793 or 7.9% more than last year.

The District's Capital Assets

	Governmental Activities	
	2025	**2024**
Land	$ 5,151,359	$ 5,151,359
Buildings and improvements	382,036,750	379,325,170
Furniture and equipment	35,803,080	32,398,845
Right-to-use leased assets	130,720	1,340,680
Subscription based IT arrangements (SBITA) assets	247,967	893,907
Construction in progress	21,505,106	2,033,189
Totals at Historical Costs	444,874,982	421,143,150
Total Accumulated Depreciation/Amortization	(242,099,008)	(233,245,969)
Net Capital Assets	$ 202,775,974	$ 187,897,181

More detailed information about the District's capital assets is presented in Note 7 to the financial statements.

Long-Term Debt

At June 30, 2025, the District had $322,745,000 in bonds payable. More detailed information about the District's debt is presented in Note 9 to the financial statements.

	2025	**2024**
General obligation bonds	$ 322,745,000	$ 333,240,000
Accreted interest	205,465	156,987
Bond premium & CAB premium	25,071,034	26,905,677
SBITA liability	75,926	135,292
RTU lease liability	41,177	318,236
	$ 348,138,602	$ 360,756,192

Bond Ratings

The District's bonds presently carry "AAA" ratings with underlying ratings as follows: Moody's Investor Services "Aa3" and Standard & Poor's "AA-".

Economic Factors and Next Year's Budgets and Rates

The 2025-26 General Fund expense budget is estimated at less than 2% decrease over prior year.

The District has experienced a loss in ADA over the past few years and the revenue projections for the General Fund were not based on student growth in overall ADA.

The 2025-26 budget is based on a total property tax rate of $1.057 per hundred dollars of assessed value. The property tax rate for maintenance and operations is $0.7452 per hundred dollars of assessed value. The debt service tax rate is $0.3605 per hundred dollars of assessed value. The District's taxable value for 2025-26 increased 18% due to an increase in commercial and residential property values.

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 the money it receives. If you have questions about this report or need additional financial information, please contact the District's Financial Services Department.



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BASIC FINANCIAL STATEMENTS


DUNCANVILLE ISD
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DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit A-1*

STATEMENT OF NET POSITION

June 30, 2025

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and cash equivalents	$ 249,323,684
1220	Delinquent property taxes receivables	3,898,602
1230	Allowance for uncollectable taxes (credit)	(194,931)
1240	Due from other governments	18,985,229
1300	Inventories	442,444
1410	Prepaid items	536,415
	Capital Assets, not subject to depreciation/amortization:	
1510	Land	5,151,359
1580	Construction in Progress	21,505,106
	Capital Assets, net of accumulated depreciation/amortization:	
1520	Buildings and improvements, net	170,172,784
1530	Furniture and equipment, net	5,833,218
1550	Right to use assets, net	113,507
1000	**Total Assets**	475,767,417
	Deferred Outflows of Resources	
	Deferred charge on refunding	216,309
	Deferred outflows - pension	7,965,690
	Deferred outflows - OPEB	10,167,494
1700	**Total Deferred Outflows of Resources**	18,349,493
	Liabilities	
2110	Accounts payable	7,019,520
2140	Interest payable	5,360,434
2150	Payroll deductions & withholdings	1,715,375
2160	Accrued wages payable	10,871,877
2180	Due to other governments	2,044,608
2200	Accrued expenses	259,587
2300	Unearned revenue	4,713
	Noncurrent Liabilities:	
2501	Due within one year	11,296,289
2502	Due in more than one year	336,842,313
2540	Net pension liability	40,409,253
2545	Net OPEB liability	27,435,335
2000	**Total Liabilities**	443,259,304
	Deferred Inflows of Resources	
	Deferred inflows - pension	2,266,668
	Deferred inflows - OPEB	26,327,681
2600	**Total Deferred Inflows of Resources**	28,594,349
	Net Position	
3200	Net investment in capital assets	10,201,803
	Restricted for:	
3820	Federal and state programs	3,449,380
3850	Debt service	22,759,850
3900	Unrestricted	(14,147,776)
3000	**Total Net Position**	$ 22,263,257

Data Control Codes	Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	$ 79,931,192	$ 150,462	$ 9,078,422
12	Instructional resources and media services	1,522,110	-	41,782
13	Curriculum and staff development	4,528,989	-	1,774,156
21	Instructional leadership	4,747,079	-	787,965
23	School leadership	8,857,028	-	190,258
31	Guidance, counseling, and evaluation services	6,141,447	-	306,523
32	Social work services	277,609	-	8,391
33	Health services	1,772,079	-	815,379
34	Student transportation	4,598,469	-	45,270
35	Food service	6,765,325	647,728	6,397,068
36	Extracurricular activities	5,115,900	578,431	101,779
41	General administration	5,402,905	-	588,327
51	Facilities maintenance and operations	19,069,686	26,502	1,695,564
52	Security and monitoring services	2,486,372	-	28,513
53	Data processing services	3,948,911	-	34,329
61	Community services	783,103	1,671	186,050
72	Interest on long-term debt	13,464,173	-	-
73	Debt issuance costs and fees	108,017	-	-
95	Payments to JJAEP	3,456	-	-
99	Other intergovernmental charges	406,628	-	-
TG	**Total Governmental Activities**	$ 169,930,478	$ 1,404,794	$ 22,079,776

Data Control Codes	Functions/Programs	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
	Governmental Activities:	
11	Instruction	$ (70,702,308)
12	Instructional resources and media services	(1,480,328)
13	Curriculum and staff development	(2,754,833)
21	Instructional leadership	(3,959,114)
23	School leadership	(8,666,770)
31	Guidance, counseling, and evaluation services	(5,834,924)
32	Social work services	(269,218)
33	Health services	(956,700)
34	Student transportation	(4,553,199)
35	Food service	279,471
36	Extracurricular activities	(4,435,690)
41	General administration	(4,814,578)
51	Facilities maintenance and operations	(17,347,620)
52	Security and monitoring services	(2,457,859)
53	Data processing services	(3,914,582)
61	Community services	(595,382)
72	Interest on long-term debt	(13,464,173)
73	Debt issuance costs and fees	(108,017)
95	Payments to JJAEP	(3,456)
99	Other intergovernmental charges	(406,628)
TG	**Total Governmental Activities**	(146,445,908)
	General Revenues:	
	Taxes:	
MT	Property taxes, levied for general purposes	49,097,207
DT	Property taxes, levied for debt service	23,743,037
SF	State-aid formula grants	66,534,958
IE	Investment earnings	11,344,185
MI	Miscellaneous	916,301
TR	**Total General Revenues**	151,635,688
CN	Change in net position	5,189,780
NB	**Net Position - Beginning**	17,073,477
NE	**Net Position - Ending**	$ 22,263,257

Data Control Codes		General Fund	Debt Service Fund	Capital Projects
	Assets			
1110	Cash and cash equivalents	$ 64,728,012	$ 19,814,656	$ 159,054,059
	Receivables:			
1220	Delinquent property taxes receivables	2,752,631	1,145,971	-
1230	Allowance for uncollectible taxes (credit)	(137,632)	(57,299)	-
1240	Receivables from other governments	16,888,867	-	-
1260	Due from other funds	-	7,584,343	-
1300	Inventories	218,759	-	-
1410	Prepaid items	536,415	-	-
1000	**Total Assets**	$ 84,987,052	$ 28,487,671	$ 159,054,059
	Liabilities, Deferred Inflows of Resources, and Fund Balances			
	Liabilities:			
2110	Accounts payable	$ 325,232	$ -	$ 6,495,971
2150	Payroll deduction and withholdings payable	1,617,236	-	-
2160	Accrued wages payable	10,087,257	-	-
2170	Due to other funds	4,838,748	-	1,995,541
2180	Due to other governments	1,677,221	367,387	-
2300	Unearned revenue	1,700	-	-
2000	**Total Liabilities**	18,547,394	367,387	8,491,512
	Deferred Inflows of Resources			
	Unavailable revenue - property taxes	2,614,999	1,088,673	-
2600	**Total Deferred Inflows of Resources**	2,614,999	1,088,673	-
	Fund Balances:			
	Nonspendable:			
3410	Inventories	218,759	-	-
3430	Prepaid items	536,415	-	-
	Restricted for:			
3450	Grants	-	-	-
3470	Capital acquisitions and contractual obligations	-	-	150,562,547
3480	Debt service	-	27,031,611	-
	Committed for:			
3545	Campus activity funds	-	-	-
3600	**Unassigned**	63,069,485	-	-
3000	**Total Fund Balances**	63,824,659	27,031,611	150,562,547
4000	**Total Liabilities, Deferred Inflows of Resources and Fund Balances**	$ 84,987,052	$ 28,487,671	$ 159,054,059

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
	Assets		
1110	Cash and cash equivalents	$ 4,902,096	$ 248,498,823
	Receivables:		
1220	Delinquent property taxes receivables	-	3,898,602
1230	Allowance for uncollectible taxes (credit)	-	(194,931)
1240	Receivables from other governments	2,096,362	18,985,229
1260	Due from other funds	-	7,584,343
1300	Inventories	223,685	442,444
1410	Prepaid items	-	536,415
1000	**Total Assets**	$ 7,222,143	$ 279,750,925
	Liabilities, Deferred Inflows of Resources, and Fund Balances		
	Liabilities:		
2110	Accounts payable	$ 198,317	$ 7,019,520
2150	Payroll deduction and withholdings payable	98,139	1,715,375
2160	Accrued wages payable	784,620	10,871,877
2170	Due to other funds	1,842,669	8,676,958
2180	Due to other governments	-	2,044,608
2300	Unearned revenue	3,013	4,713
2000	**Total Liabilities**	2,926,758	30,333,051
	Deferred Inflows of Resources		
	Unavailable revenue - property taxes	-	3,703,672
2600	**Total Deferred Inflows of Resources**	-	3,703,672
	Fund Balances:		
	Nonspendable:		
3410	Inventories	223,685	442,444
3430	Prepaid items	-	536,415
	Restricted for:		
3450	Grants	3,449,380	3,449,380
3470	Capital acquisitions and contractual obligations	-	150,562,547
3480	Debt service	-	27,031,611
	Committed for:		
3545	Campus activity funds	622,320	622,320
3600	**Unassigned**	-	63,069,485
3000	**Total Fund Balances**	4,295,385	245,714,202
4000	**Total Liabilities, Deferred Inflows of Resources and Fund Balances**	$ 7,222,143	$ 279,750,925


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DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit C-1R*

RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION

June 30, 2025

Data Control Codes			
	Total Fund Balance, Governmental Funds	$	245,714,202
	Amounts reported for governmental activities in the statement of net position (A-1) are different because:		
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Capital assets at historical cost, net of accumulated depreciation and amortization, where applicable.		202,775,974
2	Revenue reported as a deferred inflow of resources in the governmental fund financial statements was recorded as revenue in the government-wide financial statements.		3,703,672
3	Deferred charges on refunding		216,309
4	Deferred outflows of resources - pension related		7,965,690
5	Deferred outflows of resources - OPEB related		10,167,494
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
6	General obligation bonds		(322,745,000)
7	Premium on bonds		(22,486,465)
8	Accreted interest and premium on capital appreciation bonds		(2,790,034)
9	Right to Use lease liability		(41,177)
10	SBITA liability		(75,926)
11	Net pension liability		(40,409,253)
12	Net OPEB liability		(27,435,335)
13	Accrued interest payable		(5,360,434)
14	Deferred inflows of resources - pension related		(2,266,668)
15	Deferred inflows of resources - OPEB related		(26,327,681)
16	The District uses internal service funds to charge the cost of certain activities, such as workers compensation and transportation, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		1,657,889
29	**Total Net Position - Governmental Activities**	$	22,263,257

Data Control Codes		General Fund	Debt Service Fund	Capital Projects
	Revenues			
5700	Local, intermediate, and out-of-state	$ 52,564,770	$ 24,405,152	$ 7,700,057
5800	State program revenues	71,237,211	2,812,212	-
5900	Federal program revenues	1,569,248	-	-
5020	**Total Revenues**	125,371,229	27,217,364	7,700,057
	Expenditures			
	Current:			
0011	Instruction	67,599,914	-	430,327
0012	Instructional resources and media services	1,546,542	-	-
0013	Curriculum and staff development	2,896,206	-	-
0021	Instructional leadership	4,155,639	-	-
0023	School leadership	9,273,852	-	-
0031	Guidance, counseling and evaluation services	6,214,075	-	-
0032	Social work services	289,528	-	-
0033	Health services	1,879,504	-	-
0034	Student transportation	4,208,130	-	2,418,080
0035	Food services	-	-	-
0036	Extracurricular activities	4,983,778	-	-
0041	General administration	5,362,801	-	6,159
0051	Facilities maintenance and operations	17,236,568	-	-
0052	Security and monitoring services	2,391,707	-	-
0053	Data processing services	3,641,986	-	-
0061	Community services	595,674	-	-
	Debt service:			
0071	Principal on long-term debt	336,425	10,495,000	-
0072	Interest on long-term debt	10,670	12,280,468	-
0073	Debt issuance costs and fees	-	108,017	-
	Capital outlay:			
0081	Facilities acquisition and construction	-	-	21,643,389
	Intergovernmental:			
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	3,456	-	-
0099	Other intergovernmental charges	406,628	-	-
6030	**Total Expenditures**	133,033,083	22,883,485	24,497,955
1100	Excess (deficiency) of revenues over expenditures	(7,661,854)	4,333,879	(16,797,898)
	Other Financing Sources (Uses)			
7915	Transfers in	-	-	-
8911	Transfers out	(276,545)	-	-
7080	**Total Other Financing Sources (Uses)**	(276,545)	-	-
1200	Net change in fund balances	(7,938,399)	4,333,879	(16,797,898)
0100	**Fund Balance - July 1 (beginning)**	71,763,058	22,697,732	167,360,445
3000	**Fund Balance - June 30 (ending)**	$ 63,824,659	$ 27,031,611	$ 150,562,547

Data Control Codes		Nonmajor Governmental Funds	Total Governmental Funds
	Revenues		
5700	Local, intermediate, and out-of-state	$ 1,653,591	$ 86,323,570
5800	State program revenues	3,561,645	77,611,068
5900	Federal program revenues	16,667,910	18,237,158
5020	**Total Revenues**	21,883,146	182,171,796
	Expenditures		
	Current:		
0011	Instruction	8,955,098	76,985,339
0012	Instructional resources and media services	53,170	1,599,712
0013	Curriculum and staff development	1,960,953	4,857,159
0021	Instructional leadership	810,736	4,966,375
0023	School leadership	18,322	9,292,174
0031	Guidance, counseling and evaluation services	223,938	6,438,013
0032	Social work services	3,284	292,812
0033	Health services	-	1,879,504
0034	Student transportation	-	6,626,210
0035	Food services	7,135,091	7,135,091
0036	Extracurricular activities	602,911	5,586,689
0041	General administration	2,315	5,371,275
0051	Facilities maintenance and operations	1,927,840	19,164,408
0052	Security and monitoring services	20,000	2,411,707
0053	Data processing services	-	3,641,986
0061	Community services	223,467	819,141
	Debt service:		
0071	Principal on long-term debt	-	10,831,425
0072	Interest on long-term debt	-	12,291,138
0073	Debt issuance costs and fees	-	108,017
	Capital outlay:		
0081	Facilities acquisition and construction	-	21,643,389
	Intergovernmental:		
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	-	3,456
0099	Other intergovernmental charges	-	406,628
6030	**Total Expenditures**	21,937,125	202,351,648
1100	Excess (deficiency) of revenues over expenditures	(53,979)	(20,179,852)
	Other Financing Sources (Uses)		
7915	Transfers in	276,545	276,545
8911	Transfers out	-	(276,545)
7080	**Total Other Financing Sources (Uses)**	276,545	-
1200	Net change in fund balances	222,566	(20,179,852)
0100	**Fund Balance - July 1 (beginning)**	4,072,819	265,894,054
3000	**Fund Balance - June 30 (ending)**	$ 4,295,385	$ 245,714,202

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit C-2R

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2025

Data Control Codes		
	Net Change in Fund Balances - Total Governmental Funds (from C-2)	$ (20,179,852)
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
1	Capitalized expenditures reclassified to assets	25,587,732
2	Depreciation and amortization expense taken to Statement of Activities	(10,708,939)
3	Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,214,442)
4	Repayment of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	10,495,000
5	Repayment of lease and SBITA liability principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	336,425
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in the governmental funds:	
6	Amortization of bond premiums	1,565,127
7	Accreted interest and premium on capital appreciation bonds	221,038
8	Increase in interest payable not recognized in fund statements	(2,804,263)
9	Amortization of deferred gain on refunding	(154,937)
10	Changes in net pension liabilities and related deferred outflows and inflows of resources	(1,300,292)
11	Changes in net OPEB liabilities and related deferred outflows and inflows of resources	4,331,435
12	The District uses internal service funds to charge the costs of workers compensation and transportation to appropriate functions in other funds. The net effect of this consolidation is to increase net position.	15,748
	Change in Net Position of Governmental Activities (see B-1)	$ 5,189,780

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit D-1*

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025

	Governmental Activities Internal Service Funds
Assets	
Current Assets:	
Cash and cash equivalents	$ 824,861
Receivables:	
Due from other funds	1,092,615
Total Assets	$ 1,917,476
Liabilities	
Current Liabilities:	
Accrued expenses	$ 259,587
Total Liabilities	$ 259,587
Net Position	
Unrestricted	$ 1,657,889
Total Net Position	$ 1,657,889

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit D-2*

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2025

	Governmental Activities
	Internal Service Funds
Operating Revenues	
Total local and intermediate sources	$ 222,876
State program revenues	7,988
Total Operating Revenues	230,864
Operating Expenses	
Payroll costs	101,434
Supplies and materials	112,947
Claims expense and other operating expenses	735
Total Operating Expenses	215,116
Change in net position	15,748
Net Position - July 1 (Beginning)	1,642,141
Net Position - June 30 (Ending)	$ 1,657,889

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit D-3*

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2025

	Governmental Activities Total Internal Service Funds
Cash Flows from Operating Activities:	
Internal activity - payments from other funds	$ 229,926
Cash payments to employees for services	(101,434)
Cash payments from insurance claims	(735)
Cash payments for suppliers	(112,947)
Net Cash Provided by Operating Activities	14,810
Net change in cash and cash equivalents	14,810
Cash and Cash Equivalents at Beginning of Year	810,051
Cash and Cash Equivalents at End of Year	$ 824,861
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income	$ 15,748
Change in Assets, Liabilities, Deferred Inflows and Outflows:	
Decrease (increase) in interfund receivables	(938)
Net Cash Provided by (Used for) Operating Activities	$ 14,810

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT ***Exhibit E-1***

STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	Custodial Funds
Assets	
Cash and cash equivalents	$ 220,231
Total Assets	220,231
Liabilities	
Accounts payable	3,907
Total Liabilities	3,907
Net Position	
Restricted for scholarships and other activities	216,324
Total Net Position	$ 216,324

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit E-2*

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2025

	Custodial Funds
Additions	
Miscellaneous revenues from student groups	$ 213,264
Total Additions	213,264
Deductions	
Student activities	186,629
Total Deductions	186,629
Change in net position	26,635
Total Net Position July 1 (Beginning)	189,689
Total Net Position June 30 (Ending)	$ 216,324


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Note 1 - Summary of Significant Accounting Policies

Duncanville Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the Board) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources; and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds. The following is a summary of the more significant accounting policies of the District.

Reporting Entity

The Board of Trustees (the Board) is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 14, *The Financial Reporting Entity*. There are no component units included within the reporting entity and the District is not included in any other governmental reporting entity.

Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Duncanville Independent School District non-fiduciary activities with most of the inter-fund activities removed. Governmental activities include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support. The District has no business-type activities.

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

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amounts.

The Proprietary Fund Types and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included in the proprietary funds Statement of Net Position. Net position is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Fund Accounting

Governmental Funds

The District reports the following major governmental funds:

General Fund

The general fund is the District's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is utilized to account for the accumulation of resources and the payment of general long-term debt principal, interest, and related costs arising from general obligation bonds.

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Governmental Funds (continued)

Capital Projects Fund

The capital projects fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived from proceeds of General Obligation Bonds and interest earned on such monies and local sources designated for such purpose.

Additionally, the District reports the following nonmajor fund type(s):

Special Revenue Funds

The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods.

Proprietary Funds

Internal Service Funds

Revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in an internal service fund. The District's Internal Service Funds are for transportation and the District's worker's compensation self-insurance fund.

Fiduciary Funds

Custodial Funds

The District accounts for resources held for others in a custodial capacity in custodial funds. The District accounts for resources held for others in a custodial capacity in a custodial fund. The District's custodial fund are the student activity fund and various scholarship funds. The fund is used to account for assets held by the District as a custodian for student and other organizations.

Financial Statement Accounts

Cash and Cash Equivalents

For the purposes of the statement of cash flows for proprietary and similar fund types, the District considers highly liquid investments to be cash equivalents if they have a maturity of three months or less when purchased.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Investments

In accordance with GASB Statement Nos. 31 and 72, the District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Inventories of Supplies and Materials

Supplies and materials to be utilized in governmental funds are recorded as expenditures under the consumption method. Under the consumption method, cost is recorded as an expenditure in the period supplies and materials are utilized. Supplies and materials purchased for the subsequent year are recorded by specific identification. All inventories are capitalized at cost using the first-in, first-out valuation method.

Property Taxes

Property taxes are levied by October 1, on the assessed value listed as of 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 on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service Funds are based on historical experience in collecting property 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.

Capital Assets

Capital assets, which include land, buildings, furniture and equipment, right to use leased equipment and subscription-based IT arrangements (SBITA) assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 (except for intangible right to use leased and SBITA assets) and an estimated useful life in excess of two years. Such assets are recorded at historical cost (except for intangible right to use leased and SBITA assets) or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Capital Assets (continued)

Land is not depreciated. The other tangible and intangible property, equipment, the right to use leased equipment, SBITA assets and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Years
Buildings	50
Building Improvements	7-30
Vehicles	5-10
Office Equipment	5-20
Computer Equipment	5
Right to Use Lease Asset	3-5
Subscription Based IT Arrangements	Term of subscription

Leases

The District is a lessee for noncancellable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $25,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Subscription-Based Information Technology Arrangements (SBITA)

The District is under contracts for SBITA for various financial and educational software. The agreements/contracts are noncancellable and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of $25,000 or more.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

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 charge on refunding* - Reported in the government-wide statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- *Deferred outflows relating to pension activities* – 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 1) changes in the District's proportional share of pension liabilities, 2) changes in actuarial assumptions; and 3) 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 remaining 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.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Deferred Outflows/Inflows of Resources (continued)

- *Deferred outflows of resources for post-employment benefits* – 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 1) changes in the District's proportional share of post-employment liabilities; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) differences between projected and actual earnings on post-employment plan investments. The deferred outflows of resources related to post-employment benefits resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net post-employment benefit liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five year period. The remaining deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the postemployment benefit plan.

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 or resources in the period that the amounts become available.
- *Deferred inflows relating to pension activities* – Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in the District's proportional share of pension liabilities; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) differences between projected and actual earnings on pension plan investments. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred inflows 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.
- *Deferred inflows of resources for post-employment benefits* – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These post-employment related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

Long-Term Debt

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 governmental 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. Bond issuance costs are expensed when 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.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation until expended or accrued as a liability of the fund, is employed as an integral part of the accounting system. There were no material encumbrances outstanding as of year-end.

Data Control Codes

The Data Control Codes refer to the account code structure prescribed by TEA in the Financial Accountability System Resource Guide. Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

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.

The amount of state foundation revenue a school district earns for a year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate as of June 30, 2025 will change.

Pension

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.

Other Post-Employment Benefits (OPEB)

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

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Fund Balance

The fund balance in governmental funds has been classified as follows to describe the nature and relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact. At June 2025, the District's nonspendable fund balance totals $978,859.
- Restricted fund balance – Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors. At June 30, 2025, the District's restricted fund balance totals $181,043,538.
- Committed fund balance – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. The District has committed 100 percent of fund 461 Campus Activity Funds' fund balance as well as for future expenditures related to the purchase of band equipment, school buses, technology, instructional materials, and property insurance. At June 30, 2025, the District's committed fund balance totals $622,320.
- Assigned fund balance – amounts the District intends to use for a specific purpose. Intent can be expressed by the District or by an official or body to which the Board of Trustees delegates the authority. The Board of Trustees has retained this authority. There is no amount of fund balance assigned at the end of the year.
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees have provided otherwise in their commitment or assignment actions. In the fund financial statements, certain governmental funds report restrictions of the entire fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Since the entire fund balance is restricted for these funds, all assets are in essence restricted for their specified purpose. When the District incurs an expense for which it may use either restricted or unrestricted resources, it uses the restricted resources first unless unrestricted resources will have to be returned because they were not used.

Net Position

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

- *Net investment in capital assets* - this component of net position consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt will be included in this component of net position.
- *Restricted for federal and state programs* - this component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets, which are restricted by federal and state granting agencies.
- *Unrestricted net position* - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Note 1 - Summary of Significant Accounting Policies (continued)

Financial Statement Accounts (continued)

Implementation of New Accounting Standards

GASB issued Statement No. 101, Compensated Absences, was issued in June 2022. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in 2025 and assessed to not have an impact to the financial statements.

GASB issued Statement No. 102, Certain Risk Disclosures, in December 2023. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2025 and assessed to not have an impact to the financial statements.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Data

The Board of Trustees adopts an "appropriated budget" on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and the Child Nutrition Fund (which is included in the Special Revenue Funds). The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budgetary Comparison and Schedule appear as required supplementary information (Exhibit G-1). The Debt Service Budgetary Comparison and Schedule and Child Nutrition Budgetary Comparison and Schedule are reflected as other supplementary information (Exhibit J-3 and J-2, respectively).

The following procedures are followed in establishing the budgetary data reflected in the general purpose financial statements:

1. Prior to June 20, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by the approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end.
4. The Texas Education Agency requires these budgets to be filed with the Texas Education Agency. The budget should not be exceeded in any functional expenditure category under TEA requirements. The original and final amended versions of these budgets are used in this report.

Note 3 - Deposits and Investments

Cash Deposits: The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank 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.

On June 30, 2025, the carrying amount of the District's cash deposits (cash and interest-bearing accounts) was $17,691,303 and the bank balance was $ $20,301,046. The District's cash deposits on June 30, 2025, were entirely covered by FDIC Insurance or by pledged collateral held by the District's agent bank in the District's name.

Investments: The District's investment policy is in accordance with the Public Funds Investment Act (Government Code Chapter 2256). 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 State Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. It requires the District to adopt, implement, and publicize an investment policy. The investment 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, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the United States Treasury, certain United States agencies, and obligations of 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, and (10) common trust funds. Management of the District believes it is in compliance with the requirements of the Act and with local policies.

The District's investments are in investment pools that are measured either at net asset value or at amortized cost and are exempt for fair value reporting.

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

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 fair value of its underlying investment portfolio within one half of one percent of the value of its shares.

Note 4 - Deposits and Investments

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 Lone Star Investment Pool is an investment pool available to governmental entities. The pool was established under the guidance of the Texas Public Funds Investment Act. A board of directors made up of members of the pool is responsible for the overall operation of the pool. The Board has employed various third party organizations to assist in the operations. These third parties are as follows: American Beacon Advisors- Investment Managers, CAPTRUST Financial Advisors- Investment Consultant, State Street Bank- Custodian, and First Public- Administration. In combination with these third party organizations, the pool has received an AAA rating from Standard & Poor's. This rating allows the pool to meet the standards required by the Texas Public Funds Investment Act.

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

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

The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as an investment pool for its participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. The Texas CLASS Trust Agreement (Trust) is an agreement of indefinite term regarding the investment, reinvestment and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate (the Participants), MBIA Municipal Investors Service Corporation as Program Administrator (the Program Administrator) and Wells Fargo Bank Texas, NA as Custodian (the Custodian).

Texas CLASS is supervised by a Board of Trustees who are elected by the Participants. The Board of Trustees supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian, and the Program Administrator. The Board administers the affairs of the Trust. It also selects the consultants for Texas CLASS, including the Program Administrator and the Custodian. The Board of Trustees has appointed an Advisory Board composed of Participants and other persons who do not have a business relationship with the Trust and are qualified to advise the Trust. The Advisory Board provides advice to the Board of Trustees and the Program Administrator about the investment policy and investment strategy of the Trust and about other matters as requested by the Board of Trustees and the Program Administrator. The Fund is rated AAA by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters.

Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than the fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares. TexPool is rated AAAm by Standard & Poor's rating agency. This rating is the highest principal stability fund rating assigned by Standard & Poor's.

Note 4 - Deposits and Investments (continued)

At June 30, 2025, the District's cash and investment balances, the weighted average maturity, and the credit ratings of these investments were as follows:

	Carrying Value	Weighted Average Maturity (Days)	Credit Rating
Cash and Deposits:			
Governmental Activities	$ 17,576,503		
Fiduciary Funds	114,800		
Total Cash and Deposits	17,691,303		
Investments Pools			
Governmental Activities:			
Logic Investment Pool	129,577	53	AAAm
TexPool Investment Pool	184,071,274	38	AAAm
Lone Star Investment Pool	45,942,060	28	AAAm
Texas CLASS	1,604,270	46	AAAm
Fiduciary Funds:			
Lone Star Investment Pool	105,431	28	AAAm
Total Investments Pools	231,852,612	36	
Total Cash and Investments	$ 249,543,915		

Due to the immediate availability of the funds, the District's temporary investments at June 30, 2025 are included in cash and cash equivalents. Local government investment pools are recorded at amortized cost which approximates fair value. TexPool, Lone Star, Texas Class, and LOGIC do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The table above presents, and the actual rating as of the year-end for each investment type held by the District. The District is not exposed to credit risk as of June 30, 2025.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Investments held by third parties were fully collateralized and held in the District's name.

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. The District's investments in public funds investment pools are not subject to the concentration risk.

Note 4 - Deposits and Investments (continued)

Interest Rate Risk

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

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.

Note 5 - 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 Entitlements	Federal Grants	Total
General	$ 16,063,546	$ 825,321	$ 16,888,867
Non-major governmental	-	2,096,362	2,096,362
Total	$ 16,063,546	$ 2,921,683	$ 18,985,229

Note 6 - Interfund Receivables, Payables, and Transfers

Interfund balances at June 30, 2025 consisted of the following individual fund receivables and payables:

Fund	Interfund Receivable	Interfund Payable
General fund	$ -	$ 4,838,748
Debt service fund	7,584,343	-
Capital projects	-	1,995,541
Non-major governmental	-	1,842,669
Internal service funds	1,092,615	-
	$ 8,676,958	$ 8,676,958

Note 6 - Interfund Receivables, Payables, and Transfers (continued)

Interfund transfers are defined as "flows of assets without equivalent flow of assets in return and without a requirement for repayment." Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The following is a summary of the District's transfers for the fiscal year ended June 30, 2025:

Transfers Out	Transfers In	Amount	Purpose
General Fund	Child Nutrition Program	$ 276,545	To cover Child Nutrition unpaid meals

Note 7 - Capital Assets

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

	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets, Not Being Depreciated/Amortized				
Land	$ 5,151,359	$ -	$ -	$ 5,151,359
Construction in progress	2,033,189	22,183,497	(2,711,580)	21,505,106
Total Capital Assets, Not Being Depreciated/Amortized	7,184,548	22,183,497	(2,711,580)	26,656,465
Capital Assets, Being Depreciated/Amortized				
Buildings and improvements	379,325,170	-	2,711,580	382,036,750
Furniture and equipment	32,398,845	3,404,235	-	35,803,080
Right-to-use leased equipment	1,340,680	-	(1,209,960)	130,720
Subscription based IT arrangements	893,907	-	(645,940)	247,967
Total Capital Assets, Being Depreciated/Amortized	413,958,602	3,404,235	1,501,620	418,218,517
Less accumulated depreciation/amortization				
Buildings and improvements	(202,859,165)	(9,004,801)	-	(211,863,966)
Furniture and equipment	(28,588,683)	(1,381,179)	-	(29,969,862)
Right-to-use leased equipment	(1,034,808)	(264,272)	1,209,960	(89,120)
Subscription based IT arrangements	(763,313)	(58,687)	645,940	(176,060)
Total Accumulated Depreciation/Amortization	(233,245,969)	(10,708,939)	1,209,960	(242,099,008)
Governmental (Net) Capital Assets	$ 187,897,181	$ 14,878,793	$ -	$ 202,775,974

Note 7 - Capital Assets (continued)

Depreciation/amortization expense was charged to governmental functions as follows:

Function	Depreciation/ Amortization Expense
Instruction	$ 8,075,422
Instructional resources and media services	39,625
Curriculum and staff development	2,291
Instructional leadership	70,123
School leadership	96,609
Guidance, counseling and evaluation services	32,731
Social work services	556
Health services	2,131
Student transportation	949,184
Food Services	189,828
Extracurricular activities	108,064
General administration	162,500
Facilities maintenance and operations	412,351
Security and monitoring services	154,663
Data processing services	408,640
Community services	4,221
Total Depreciation/Amortization expense	$ 10,708,939

As of June 30, 2025 the District has the following construction commitments for ongoing projects:

Project	Approved Construction Budget	Construction in Progress	Estimated Remaining Commitment
Bryd Middle School	$ 5,072,285	$ 631,098	$ 4,441,187
Daniel Elementary School	4,971,384	1,218,806	3,752,578
Alexander Elementary School	3,893,197	1,707,657	2,185,540
Hardin Elementary School	4,120,911	1,236,674	2,884,237
Bilhartz Elementary School	1,971,236	659,556	1,311,680
Fairmeadows Elementary School	3,430,404	1,654,175	1,776,229
Merrifield Elementary School	1,974,316	483,129	1,491,187
Hyman Elementary School	1,950,960	666,091	1,284,869
Central Elementary School	20,633,907	1,121,040	19,512,867
Kennemer Middle School	2,546,803	408,447	2,138,356
Bradenburg IS	10,877,634	504,611	10,373,023
Reed Middle School	2,101,519	594,649	1,506,870
Summit	352,319	5,142	347,177
Smith Elementary School	18,187,911	970,024	17,217,887
Hasting Elementary School	548,173	8,286	539,887
Transportation and Maintenance	8,108,743	26,308	8,082,435
Warehouse	874,117	30,152	843,965
Nutrition	436,787	9,971	426,816
PACE	392,216	5,820	386,396
Duncanville High School	62,674,044	6,755,289	55,918,755
Acton Elementary School	368,963	5,577	363,386
District-wide projects	14,512,171	2,802,604	11,709,567
	$ 170,000,000	$ 21,505,106	$ 148,494,894

Note 7 - Capital Assets (continued)

As of June 30, 2025, the District's calculation of net investments in capital assets is as follows:

Capital Assets, net	$ 202,775,974
Related debt (bonds, premium, lease/SBITA liability)	(345,348,568)
Deferred charges from refunding	216,309
Unspent bond proceeds	159,054,059
Related short-term liabilities	(6,495,971)
Net Investment in Capital Assets	$ 10,201,803

Note 8 – Revenue from Local and Intermediate sources

Revenue from local and intermediate sources during the year ended June 30, 2025, were as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Non-major Governmental Funds	Total
Property taxes	$ 49,040,584	$ 23,617,692	$ -	$ -	$ 72,658,276
Food sales	-	-	-	647,742	647,742
Investment income	2,759,412	787,460	7,700,057	104,367	11,351,296
Co-curricular student activities	219,101	-	-	851,253	1,070,354
Insurance recovery	80,936	-		-	80,936
Other	464,737	-	-	50,229	514,966
	$ 52,564,770	$ 24,405,152	$ 7,700,057	$ 1,653,591	$ 86,323,570

Note 9 - Long-Term Debt

Long-Term obligation activities during the year ended June 30, 2025, were as follows:

	Balance July 01, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
General obligation bonds	$ 333,240,000	$ -	$ (10,495,000)	$ 322,745,000	$ 10,930,000
Premium on capital appreciation bonds	2,854,085	-	(269,516)	2,584,569	296,391
Accumulated accretion on capital appreciation bonds	156,987	68,962	(20,484)	205,465	34,357
Premium on bonds	24,051,592	-	(1,565,127)	22,486,465	-
Total Bonds Payable	360,302,664	68,962	(12,350,127)	348,021,499	11,260,748
Net pension liability	47,308,141	-	(6,898,888)	40,409,253	-
Net OPEB liability	20,017,005	7,418,330	-	27,435,335	-
Lease liability	318,236	-	(277,059)	41,177	17,681
SBITA liability	135,292	-	(59,366)	75,926	17,860
Total Long-Term Liabilities	$ 428,081,338	$ 7,487,292	$ (19,585,440)	$ 415,983,190	$ 11,296,289

Note 9 - Long-Term Debt (continued)

Bonds Payable

General Obligation Bonds outstanding, at June 30, 2025, are comprised of the following:

Description	Amount of Original Issue	Interest Rate (%)	Maturity Date
Unlimited Tax School Building Bonds - Series 2015	$ 88,170,000	2.00 - 5.00%	2/15/2035
Unlimited Tax Refunding Bonds - Series 2015	54,460,000	2.00 - 5.00%	2/15/2032
Unlimited Tax Refunding Bonds - Series 2020	24,165,000	3.00 - 4.00%	2/15/2026
Unlimited Tax Refunding Bonds - Series 2022A	13,055,000	5.00%	2/15/2033
Unlimited Tax Refunding Bonds - Series 2022B	107,180,000	2.48 - 5.00%	2/15/2045
Unlimited Tax School Building Bonds - Series 2024	166,020,000	4.125 - 5.00%	2/15/2054

Unlimited tax bonds outstanding as of June 30, 2025, are as follows:

Description	Amount Outstanding July 1, 2024	Issued	Retired	Amount Outstanding June 30, 2025	Amount Due Within One Year
Unlimited Tax School Building Bonds - Series 2015	$ 18,905,000	$ -	$ (2,370,000)	$ 16,535,000	$ 2,560,000
Unlimited Tax Refunding Bonds - Series 2015	12,870,000	-	-	12,870,000	-
Unlimited Tax Refunding Bonds - Series 2020	16,390,000	-	(8,055,000)	8,335,000	8,335,000
Unlimited Tax Refunding Bonds - Series 2022A	13,010,000	-	-	13,010,000	-
Unlimited Tax Refunding Bonds - Series 2022B	106,045,000	-	(70,000)	105,975,000	35,000
Unlimited Tax School Building Bonds - Series 2024	166,020,000	-	-	166,020,000	-
	$ 333,240,000	$ -	$ (10,495,000)	$ 322,745,000	$ 10,930,000

Debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	$ 10,930,000	$ 14,690,206	$ 25,620,206
2027	9,045,000	16,468,806	25,513,806
2028	12,640,000	13,460,306	26,100,306
2029	13,800,000	12,828,306	26,628,306
2030	14,500,000	12,145,806	26,645,806
2031 - 2034	64,650,000	50,385,699	115,035,699
2035 - 2039	48,635,000	39,142,783	87,777,783
2040 - 2044	59,640,000	28,424,823	88,064,823
2045 - 2049	44,670,000	16,500,250	61,170,250
2050 - 2054	44,235,000	4,748,350	48,983,350
	$ 322,745,000	$ 208,795,335	$ 531,540,335

The District has one bond series, 2022B, that includes capital appreciation bonds and capital appreciation bond premiums. No interest is paid on these bonds prior to maturity. The bonds mature variously in 2025. Interest accrues on these bonds each February 15 and August 15 even though the interest is not paid until maturity.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management has indicated that the District is in compliance with all significant limitations and restrictions.

The District placed the proceeds of the 2020 and 2022B refunding bonds in an irrevocable trust that will provide all future debt service payments on the original bonds. As of June 30, 2025, the outstanding balance of defeased bonds is $16,390,000 and $106,170,000 respectively.

Note 9 - Long-Term Debt (continued)

Right to Use Leases payable

The District has several agreements to lease copier, mail equipment, and a fiber network. As of June 30, 2025, the value of the lease liability was $41,177. The District is required to make monthly principal and interest payments ranging from $433 to $28,903. The leases have an interest rate of 4.00%. The corresponding RTU assets estimated useful lives are the same as their corresponding lease terms. The value of the right-to-use assets as of the end of the current fiscal year was $41,600 which includes the asset at $130,720 and accumulated amortization of $89,120.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Year Ending June 30,	Principal	Interest	Amount
2026	$ 17,681	$ 1,255	$ 18,936
2027	17,504	566	18,070
2028	5,992	32	6,024
Total	$ 41,177	$ 1,853	$ 43,030

SBITA Liability

As of June 30, 2025, the value of the SBITA liability was $75,926. The District is required to make monthly principal and interest payments ranging from $1,714 to $16,289. The SBITAs have an interest rate of 4.00%. The corresponding SBITA assets estimated useful lives are the same as their corresponding agreement terms. The value of the SBITA assets as of the end of the current fiscal year was $71,907 which includes the asset at $247,967 and accumulated amortization of $176,060.

The future principal and interest SBITA payments as of June 30, 2025, were as follows:

Year Ending June 30,	Principal	Interest	Amount
2026	$ 17,860	$ 2,712	$ 20,572
2027	18,588	1,984	20,572
2028	19,345	1,227	20,572
2029	20,133	439	20,572
Total	$ 75,926	$ 6,362	$ 82,288

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan

Plan Description

The District participates in a multiple-employer, cost-sharing, defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

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

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment 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 2024 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.

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Benefits Provided (continued)

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS's 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 TRS 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 through 2025.

	Contribution Rates		
	September 1, 2024 to June 30, 2025	July 1, 2024 to August 31, 2024	Contribution Amounts
Member	8.25%	8.25%	$ 8,025,579
Non-employer contributing agency	8.25%	8.25%	5,871,437
Employers	8.25%	8.25%	3,774,826

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

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

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

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Contributions (continued)

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

- All public schools, charter schools, and regional education service centers must contribute 1.9% of the member's salary beginning in fiscal year 2024, gradually increasing to 2.0% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Component	Result
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 Rate	7.00%
Municipal Bond Rate as of August 2024	3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions 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 21, 2023.

Discount Rate

A single discount rate of 7.00% 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%. 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% of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Discount Rate (continued)

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 System's target asset allocation as of August 31, 2024, are summarized below:

Asset Class[1]	Target Allocation[2]	Long-Term Expected Geometric Real Rate of Return[3]	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity[1]	14.00%	6.70%	1.20%
Stable Value			
Government Bonds	16.00%	1.90%	0.40%
Absolute Return[1]	0.00%	4.00%	0.00%
Stable Value Hedge Funds	5.00%	3.00%	0.20%
Real Return			
Real Estate	15.00%	6.60%	1.20%
Energy, Natural Resources & Infrastructure	6.00%	5.60%	0.40%
Commodities	0.00%	2.50%	0.00%
Risk Parity	8.00%	4.00%	0.40%
Asset Allocation Leverage			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation Expectation			2.40%
Volatility Drag[4]			-0.70%
Expected Return	100.00%		7.90%

[1] Absolute Return includes Credit Sensitive Investments.

[2] Target allocations are based on the fiscal year 2024 policy model.

[3] Capital Market Assumptions (CMA) come from 2024 AAA Study CMA Survey (as of 12/31/2023)

[4] The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (7.00%) in measuring the Net pension liability

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportional share of the net pension liability	$ 64,543,816	$ 40,409,253	$ 20,412,052

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

On June 30, 2025, the District reported a liability of $40,409,253 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 40,409,253
State's proportionate share of the net pension liability associated with the District	60,874,322
Total	$ 101,283,575

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 District'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 through August 31, 2024.

On August 31, 2024, the employer's proportion of the collective net pension liability was 0.0662% which was a decrease of -0.0027% from its proportion measured as of 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 2024. 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, 2024. SB 10 and House Joint Resolution 2 (HJR 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.

Note 10 - Defined Benefit Pension Plan Employees' Retirement Plan (continued)

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation (continued)

The amount of pension expense recognized by the District in the reporting period was $5,078,388.

For the year ended June 30, 2025, the District recognized on-behalf pension expense of $7,275,499 and revenue of $7,275,499 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 pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 2,227,303	$ (315,496)
Changes of assumption	2,086,417	(279,717)
Net difference between projected and actual earnings on pension plan investments	245,634	-
Changes in proportion and differences between District contributions and proportionate share of contributions	227,894	(1,671,455)
District contributions subsequent to the measurement date of the net pension liability	3,178,442	-
Total	$ 7,965,690	$ (2,266,668)

The District recognized $3,178,442 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 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:

Year ended June 30	Amount	Balance of Deferred Outflows (Inflows)
2026	$ (362,553)	$ 2,883,133
2027	3,959,910	(1,076,777)
2028	202,523	(1,279,300)
2029	(1,253,363)	(25,937)
2030	(25,937)	-
	$ 2,520,580	

Note 11 - Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing, defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The 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 Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/learning-resources/publications, or by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

Benefits Provided

TRS-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. The Board of Trustees of TRS 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 premium rates for retirees are reflected in the following table.

	TRS-Care Monthly Premium Rates	
	Medicare	Non-Medicare
Retiree or Surviving Spouse	$ 135	$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions, and contributions from the state, active employees, and participating employers are based on active employee compensation. The TRS Board 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 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2025. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates		
	September 1, 2024 to June 30, 2025	**January 0, 1900 to August 31,**	**Contribution Amounts**
Active Employee	0.65%	0.65%	$ 632,321
Non-Employer Contributing Entity (State)	1.25%	1.25%	1,835,008
District:			
District, Excluding Federal/Private Funding	0.75%	0.75%	745,651
Federal/Private Funding	1.25%	1.25%	78,906
Total District			824,557
Total			$ 3,291,886

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 TRS-Care, a monthly surcharge of $535 per retiree.

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

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 was determined using the following actuarial assumptions:

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
Healthcare Trend Rates	The initial medical trend rates were 6.75% for non-Medicare retirees. For Medicare retirees, trend rates are higher in the first two years due to anticipated growth but thereafter match those of non-Medicare retirees. The initial prescription drug trend was 7.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 11 years.
Election Rates	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

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: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

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

Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability. There was a decrease 0.26% 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 Bond Buyer's "20-Bond GO 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.

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (3.87%) in measuring the net OPEB Liability.

	Discount Rate		
	1% Decrease (2.87%)	Current Rate (3.87%)	1% Increase (4.87%)
District's proportional share of the net OPEB liability	$ 32,594,460	$ 27,435,335	$ 23,266,684

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

At June 30, 2025, the District reported a liability of $20,017,005 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$ 27,435,335
State's proportionate share that is associated with the District	34,376,102
Total	$ 61,811,437

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 OPEB relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

On August 31, 2024 the District's proportion of the collective Net OPEB Liability was 0.0904% which was a change of 0.0% from its proportion measured as of August 31, 2023.

Healthcare Trend Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	$ 22,342,007	$ 27,435,335	$ 34,072,449

Changes Since the Prior Actuarial Valuation

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

- The single discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2025, the District recognized negative OPEB expense of $3,506,325. The District also recognized an additional negative on-behalf expense and revenue of $4,468,259 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 from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 5,258,433	$ (13,691,719)
Changes of assumption	3,511,399	(8,951,832)
Net difference between projected and actual earnings on OPEB plan investments	-	(76,828)
Changes in proportion and differences between District contributions and proportionate share of contributions	709,108	(3,607,302)
District contributions subsequent to the measurement date of the net OPEB liability	688,554	-
Total	$ 10,167,494	$ (26,327,681)

The District recognized $688,554 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the measurement year ended August 31, 2025. The other amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	OPEB Expense Amount	Balance of Deferred Outflows (Inflows)
2026	$ (4,220,353)	$ (12,628,388)
2027	(2,977,775)	(9,650,613)
2028	(3,693,499)	(5,957,114)
2029	(3,132,257)	(2,824,857)
2030	(2,039,640)	(785,217)
Thereafter	(785,217)	-
	$ (16,848,741)	

Note 11 - Defined Other Post-Employment Benefit Plan (continued)

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective. January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part 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. For the fiscal years ended June 30, 2025, 2024, and 2023, the subsidy payments received by TRS-Care on-behalf of the District were $697,918, $518,842, $496,045, respectively. The information for the year ended June 30, 2025 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 12 - 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; and natural disasters for which the District carries commercial insurance. 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.

The District maintains a self –insured worker's compensation plan through membership in a self-insured pool. For this pool, stop-loss coverage was in effect for individual claims exceeding $450,000 with an aggregate limit of $2,000,000. The District is partially self-funded to a loss fund maximum of $383,655. Additionally, the District incurred fixed costs of $157,415 for its share of claims administration, loss control, record keeping, and cost of excess insurance.

Settled claims have not exceeded the aggregate coverage in any of the past three fiscal years. Insurance coverage has not been reduced for the year from the prior year. Self-insurance fund revenues and expenses are recognized on the accrual basis. Unpaid claims filed prior to June 30 and subsequently approved by the administrator of the plan are recorded as a liability.

The District accrues a liability for incurred but not reported claims if considered material.

	2025	2024
Claims Payable, Beginning of Year	$ 259,587	$ 60,762
Claims incurred and changes in estimates	157,415	438,067
Claims payments	(157,415)	(239,242)
Claims Payable, End of Year	$ 259,587	$ 259,587


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REQUIRED SUPPLEMENTARY INFORMATION

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit G-1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Local and intermediate sources	$ 58,068,300	$ 58,078,083	$ 52,564,770	$ (5,513,313)
State program revenues	67,075,756	67,075,756	71,237,211	4,161,455
Federal program revenues	715,000	1,261,351	1,569,248	307,897
Total Revenues	125,859,056	126,415,190	125,371,229	(1,043,961)
Expenditures				
Current:				
Instruction	76,606,919	72,239,542	67,599,914	4,639,628
Instructional resources and media services	1,788,251	1,786,229	1,546,542	239,687
Curriculum and staff development	3,943,131	3,942,131	2,896,206	1,045,925
Instructional leadership	4,112,969	4,766,751	4,155,639	611,112
School leadership	10,074,131	10,076,231	9,273,852	802,379
Guidance, counseling and evaluation services	6,194,612	6,424,898	6,214,075	210,823
Social work services	330,133	350,133	289,528	60,605
Health services	1,883,332	1,883,332	1,879,504	3,828
Student transportation	5,101,074	5,101,074	4,208,130	892,944
Extracurricular activities	4,520,699	5,518,019	4,983,778	534,241
General administration	5,271,707	6,203,901	5,362,801	841,100
Facilities maintenance and operations	16,566,319	19,126,435	17,236,568	1,889,867
Security and monitoring services	2,576,256	2,596,256	2,391,707	204,549
Data processing services	4,175,823	4,345,823	3,641,986	703,837
Community services	735,841	778,887	595,674	183,213
Debt Service:				
Principal on long-term debt	-	-	336,425	(336,425)
Interest on long-term debt	-	-	10,670	(10,670)
Capital outlay:				
Facilities acquisition and construction	97,000	97,000	-	97,000
Intergovernmental:				
Payments to Juvenile Justice Alternative Ed. Program	25,000	25,000	3,456	21,544
Other intergovernmental charges	400,000	515,000	406,628	108,372
Total Expenditures	144,403,197	145,776,642	133,033,083	12,743,559
Excess (deficiency) of revenues over expenditures	(18,544,141)	(19,361,452)	(7,661,854)	11,699,598
Other Financing Sources (Uses)				
Transfers out	-	-	(276,545)	(276,545)
Total Other Financing Sources (Uses)	-	-	(276,545)	(276,545)
Net change in fund balances	(18,544,141)	(19,361,452)	(7,938,399)	11,423,053
Fund Balances - Beginning	71,763,058	71,763,058	71,763,058	-
Fund Balances - Ending	$ 53,218,917	$ 52,401,606	$ 63,824,659	$ 11,423,053

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETS

For the Year Ended June 30, 2025

Budgets

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the Child Nutrition Program, which is reported as a nonmajor governmental fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget report appears in Exhibit G-1 and the other two reports are in Exhibits H-3 and H-4.

The following procedures were followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to June 29, the District prepared a budget for the next succeeding fiscal year beginning July 1. The operating budget included proposed expenditures and the means of financing them.

2. A meeting of the Board was then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given

3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end. The budget was properly amended throughout the period by the Board of Trustees.

Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Excess of expenditures over appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the following functions by these amounts:

General Fund:		
Principal on long-term debt	$	336,425
Interest on long-term debt	$	10,670

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit G-2

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teacher Retirement System of Texas

Last Ten Measurement Years

	2024	2023	2022	2021	2020
District's Proportion of the net pension liability	0.0662%	0.0689%	0.0682%	0.0681%	0.0693%
District's proportionate share of the net pension liability	$ 40,409,253	$ 47,308,141	$ 40,505,846	$ 17,332,445	$ 37,089,083
State's proportionate share of the net pension liability associated with the District	60,874,322	67,131,513	62,331,510	30,332,403	64,571,953
Total	$ 101,283,575	$ 114,439,654	$ 102,837,356	$ 47,664,848	$ 101,661,036
District's covered payroll (for Measurement Year)	$ 96,829,201	$ 92,118,936	$ 89,358,635	$ 90,424,969	$ 88,966,315
District's proportionate share of the net pension liability as a percentage of its covered payroll	41.7%	51.4%	45.3%	19.2%	41.7%
Plan fiduciary net position as a percentage of the total pension liability *	77.51%	73.15%	75.65%	88.79%	75.54%

	2019	2018	2017	2016	2015
District's Proportion of the net pension liability	0.0719%	0.0749%	0.0733%	0.0752%	0.0821%
District's proportionate share of the net pension liability	$ 37,368,701	$ 41,239,726	$ 23,430,930	$ 28,419,455	$ 29,012,526
State's proportionate share of the net pension liability associated with the District	61,037,063	65,761,572	40,129,144	47,451,454	43,742,911
Total	$ 98,405,764	$ 107,001,298	$ 63,560,074	$ 75,870,909	$ 72,755,437
District's covered payroll (for Measurement Year)	$ 83,495,378	$ 82,292,474	$ 81,112,207	$ 78,643,878	$ 76,040,667
District's proportionate share of the net pension liability as a percentage of its covered payroll	44.8%	50.1%	28.9%	36.1%	38.2%
Plan fiduciary net position as a percentage of the total pension liability *	75.24%	73.74%	82.17%	78.00%	78.43%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.
Net pension liability is calculated using an new methodology and will be presented prospectively in accordance with GASB 68.
* Per Teachers Retirement System of Texas Annual Comprehensive Financial Report

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit G-3*

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

Teacher Retirement System of Texas

Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Contractually required contributions	$ 3,774,826	$ 3,730,488	$ 3,499,030	$ 3,122,230	$ 2,812,548
Contributions in relation to the contractual required contributions	3,774,826	3,730,488	3,499,030	3,122,230	2,812,548
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 97,279,714	$ 96,017,912	$ 91,657,744	$ 89,832,847	$ 89,547,650
Contributions as a percentage of covered payroll	3.88%	3.89%	3.82%	3.48%	3.14%

	2020	2019	2018	2017	2016
Contractually required contributions	$ 2,829,666	$ 2,399,531	$ 2,401,684	$ 2,385,794	$ 2,363,167
Contributions in relation to the contractual required contributions	2,829,666	2,399,531	2,401,684	2,385,794	2,363,167
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 88,966,315	$ 83,047,979	$ 81,866,064	$ 81,246,452	$ 77,893,794
Contributions as a percentage of covered payroll	3.18%	2.89%	2.93%	2.94%	3.03%

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Measurement Year 2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

Measurement Year 2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

Measurement Year 2022: The discount rate changed from 7.25% to 7.00%.

Measurement Year 2023: None.

Measurement Year 2024: None.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

Exhibit G-4

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Teacher Retirement System of Texas

Last Eight Measurement Years

	2024	2023	2022	2021
District's proportion of the net OPEB liability	0.0904%	0.0904%	0.0930%	0.0959%
District's proportionate share of the net OPEB liability	$ 27,435,335	$ 20,017,005	$ 22,273,407	$ 37,003,986
State's proportionate share of the net OPEB liability associated with the District	34,376,102	24,153,593	27,170,057	49,577,094
Total	$ 61,811,437	$ 44,170,598	$ 49,443,464	$ 86,581,080
District's covered payroll (for Measurement Year)	$ 96,829,201	$ 92,118,936	$ 89,358,635	$ 90,424,969
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	28.3%	21.7%	24.9%	40.9%
Plan fiduciary net position as a percentage of the total OPEB liability *	13.70%	14.94%	11.52%	6.18%

	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.0995%	0.0995%	0.0997%	0.0947%
District's proportionate share of the net OPEB liability	$ 37,825,718	$ 47,040,271	$ 49,803,886	$ 41,186,633
State's proportionate share of the net OPEB liability associated with the District	50,828,697	62,505,998	69,692,806	63,621,467
Total	$ 88,654,415	$ 109,546,269	$ 119,496,692	$ 104,808,100
District's covered payroll (for Measurement Year)	$ 88,966,315	$ 83,495,378	$ 82,292,474	$ 81,112,207
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	42.5%	56.3%	60.5%	50.8%
Plan fiduciary net position as a percentage of the total OPEB liability *	4.99%	2.66%	1.57%	0.91%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.
Net OPEB liability is calculated using an new methodology and will be presented prospectively in accordance with GASB 75.
* Per Teachers Retirement System of Texas Annual Comprehensive Financial Report
Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2017. Net OPEB liability and related ratios will be presented prospectively as data becomes available.

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit G-5*

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS

Teacher Retirement System of Texas

Last Eight Fiscal Years

	2025	2024	2023	2022
Contractually required contributions	$ 824,557	$ 816,846	$ 780,861	$ 753,342
Contributions in relation to the contractual required contributions	824,557	816,846	780,861	753,342
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 97,279,714	$ 96,017,912	$ 91,657,744	$ 89,832,847
Contributions as a percentage of covered payroll	0.85%	0.85%	0.85%	0.84%

	2021	2020	2019	2018
Contractually required contributions	$ 748,288	$ 753,718	$ 682,608	$ 492,408
Contributions in relation to the contractual required contributions	748,288	753,718	682,608	492,408
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 89,547,650	$ 88,966,315	$ 83,047,979	$ 81,866,064
Contributions as a percentage of covered payroll	0.84%	0.85%	0.82%	0.60%

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2018. Net OPEB liability and related ratios will be presented prospectively as data becomes available.

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

Measurement Year 2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

Measurement Year 2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

Measurement Year 2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

Measurement Year 2022: The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022, lowered the participation rates, and updated the healthcare trend rate assumption.

Measurement Year 2023: The discount rate changed from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

Measurement Year 2024: The discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, the tables used to model the impact of aging on the underlying claims were revised.


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OTHER SUPPLEMENTARY INFORMATION

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit H-1*

COMBINING BALANCE SHEET *Page 1 of 4*

ALL NONMAJOR GOVERNMENTAL FUNDS

June 30, 2025

Data Control Codes		211 ESEA Title I, Part A	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 Child Nutrition Program
	Assets				
1110	Cash and temporary investments	$ -	$ 7,565	$ -	$ 4,078,216
	Receivables:				
1240	Receivables from other governments	827,770	353,851	-	95,168
1300	Inventories	-	-	-	223,685
1000	**Total Assets**	$ 827,770	$ 361,416	$ -	$ 4,397,069
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ 33,675	$ -	$ -	$ 19,673
2150	Payroll deduction and withholdings payable	30,587	31,954	-	35,113
2160	Accrued wages payable	353,314	329,462	-	96,190
2170	Due to other funds	410,194	-	-	820,625
2300	Unearned revenue	-	-	-	-
2000	**Total Liabilities**	827,770	361,416	-	971,601
	Fund Balance:				
	Nonspendable:				
3410	Inventories	-	-	-	223,685
	Restricted:				
3450	Grants	-	-	-	3,201,783
	Committed:				
3545	Campus activity funds	-	-	-	-
3000	**Total Fund Balances**	-	-	-	3,425,468
4000	**Total Liabilities and Fund Balances**	$ 827,770	$ 361,416	$ -	$ 4,397,069

Data Control Codes		244 Career and Technical Basic Grant	255 ESSA II, A Training and Recruiting	263 ESSA III, A English Lang. Acquisition	280 ARPA - Education for Homeless
	Assets				
1110	Cash and temporary investments	$ 24,279	$ -	$ -	$ -
	Receivables:				
1240	Receivables from other governments	-	141,009	9,870	-
1300	Inventories	-	-	-	-
1000	**Total Assets**	$ 24,279	$ 141,009	$ 9,870	$ -
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ 24,279	$ 51,304	$ 9,870	$ -
2150	Payroll deduction and withholdings payable	-	485	-	-
2160	Accrued wages payable	-	5,654	-	-
2170	Due to other funds	-	83,566	-	-
2300	Unearned revenue	-	-	-	-
2000	**Total Liabilities**	24,279	141,009	9,870	-
	Fund Balance:				
	Nonspendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Grants	-	-	-	-
	Committed:				
3545	Campus activity funds	-	-	-	-
3000	**Total Fund Balances**	-	-	-	-
4000	**Total Liabilities and Fund Balances**	$ 24,279	$ 141,009	$ 9,870	$ -

Data Control Codes		282 ARPA - ESSER III	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Textbook Fund
	Assets				
1110	Cash and temporary investments	$ -	$ -	$ 8,522	$ 66,251
	Receivables:				
1240	Receivables from other governments	-	399,814	-	-
1300	Inventories	-	-	-	-
1000	**Total Assets**	$ -	$ 399,814	$ 8,522	$ 66,251
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ -	$ 10,323	$ -	$ -
2150	Payroll deduction and withholdings payable	-	-	-	-
2160	Accrued wages payable	-	-	-	-
2170	Due to other funds	-	307,175	-	-
2300	Unearned revenue	-	3,013	-	-
2000	**Total Liabilities**	-	320,511	-	-
	Fund Balance:				
	Nonspendable:				
3410	Inventories	-	-	-	-
	Restricted:				
3450	Grants	-	79,303	8,522	66,251
	Committed:				
3545	Campus activity funds	-	-	-	-
3000	**Total Fund Balances**	-	79,303	8,522	66,251
4000	**Total Liabilities and Fund Balances**	$ -	$ 399,814	$ 8,522	$ 66,251

Data Control Codes		429 State Funded Special Revenue Funds	461 Campus Activity Funds	499 Local Miscellaneous Grants	Total Nonmajor Governmental Funds
	Assets				
1110	Cash and temporary investments	$ -	$ 665,321	$ 51,942	$ 4,902,096
	Receivables:				
1240	Receivables from other governments	268,880	-	-	2,096,362
1300	Inventories	-	-	-	223,685
1000	**Total Assets**	$ 268,880	$ 665,321	$ 51,942	$ 7,222,143
	Liabilities and Fund Balance				
	Liabilities:				
	Current Liabilities:				
2110	Accounts payable	$ 6,192	$ 43,001	$ -	$ 198,317
2150	Payroll deduction and withholdings payable	-	-	-	98,139
2160	Accrued wages payable	-	-	-	784,620
2170	Due to other funds	221,109	-	-	1,842,669
2300	Unearned revenue	-	-	-	3,013
2000	**Total Liabilities**	227,301	43,001	-	2,926,758
	Fund Balance:				
	Nonspendable:				
3410	Inventories	-	-	-	223,685
	Restricted:				
3450	Grants	41,579	-	51,942	3,449,380
	Committed:				
3545	Campus activity funds	-	622,320	-	622,320
3000	**Total Fund Balances**	41,579	622,320	51,942	4,295,385
4000	**Total Liabilities and Fund Balances**	$ 268,880	$ 665,321	$ 51,942	$ 7,222,143

Data Control Codes		211 ESEA Title I, Part A	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	240 Child Nutrition Program
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ 744,998
5800	State program revenues	-	-	-	167,887
5900	Federal program revenues	4,658,385	2,553,692	39,895	6,197,724
5020	**Total Revenues**	4,658,385	2,553,692	39,895	7,110,609
	Expenditures				
	Current:				
0011	Instruction	3,383,264	1,831,430	34,770	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	719,531	399,676	-	-
0021	Instructional leadership	410,034	103,773	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	218,813	5,125	-
0032	Social work services	3,284	-	-	-
0035	Food service	-	-	-	7,134,091
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	85,600
0052	Security and monitoring services	-	-	-	20,000
0061	Community services	142,272	-	-	-
6030	**Total Expenditures**	4,658,385	2,553,692	39,895	7,239,691
1100	Excess (deficiency) of revenues over expenditures	-	-	-	(129,082)
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	276,545
7080	**Total Other Financing Sources (Uses)**	-	-	-	276,545
1200	Net change in fund balances	-	-	-	147,463
0100	**Fund Balance - July 1 (beginning)**	-	-	-	3,278,005
3000	**Fund Balance - June 30 (ending)**	$ -	$ -	$ -	$ 3,425,468

Data Control Codes		244 Career and Technical Basic Grant	255 ESSA II, A Training and Recruiting	263 ESSA III, A English Lang. Acquisition	280 ARPA - Education for Homeless
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	199,971	1,048,467	334,059	10,298
5020	**Total Revenues**	199,971	1,048,467	334,059	10,298
	Expenditures				
	Current:				
0011	Instruction	199,971	224,413	155,222	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	694,143	110,687	-
0021	Instructional leadership	-	129,911	6,148	10,298
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0035	Food service	-	-	1,000	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	-	61,002	-
6030	**Total Expenditures**	199,971	1,048,467	334,059	10,298
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	**Fund Balance - July 1 (beginning)**	-	-	-	-
3000	**Fund Balance - June 30 (ending)**	$ -	$ -	$ -	$ -

Data Control Codes		282 ARPA - ESSER III	289 Other Federal Special Revenue Funds	397 Advanced Placement Incentives	410 State Textbook Fund
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ -	$ -	$ -
5800	State program revenues	-	-	204	551,088
5900	Federal program revenues	1,193,345	432,074	-	-
5020	**Total Revenues**	1,193,345	432,074	204	551,088
	Expenditures				
	Current:				
0011	Instruction	1,007,273	429,794	-	551,088
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	35,500	1,416	-	-
0021	Instructional leadership	150,572	-	-	-
0023	School leadership	-	864	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0035	Food service	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0061	Community services	-	-	-	-
6030	**Total Expenditures**	1,193,345	432,074	-	551,088
1100	Excess (deficiency) of revenues over expenditures	-	-	204	-
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	-
7080	**Total Other Financing Sources (Uses)**	-	-	-	-
1200	Net change in fund balances	-	-	204	-
0100	**Fund Balance - July 1 (beginning)**	-	79,303	8,318	66,251
3000	**Fund Balance - June 30 (ending)**	$ -	$ 79,303	$ 8,522	$ 66,251

Data Control Codes		429 State Funded Special Revenue Funds	461 Campus Activity Funds	499 Local Miscellaneous Grants	Total Nonmajor Special Revenue Funds
	Revenues				
5700	Local, intermediate, and out-of-state	$ -	$ 852,924	$ 55,669	$ 1,653,591
5800	State program revenues	2,842,466	-	-	3,561,645
5900	Federal program revenues	-	-	-	16,667,910
5020	**Total Revenues**	2,842,466	852,924	55,669	21,883,146
	Expenditures				
	Current:				
0011	Instruction	995,483	142,390	-	8,955,098
0012	Instruction resources and media services	-	53,170	-	53,170
0013	Curriculum and instructional staff development	-	-	-	1,960,953
0021	Instructional leadership	-	-	-	810,736
0023	School leadership	-	17,458	-	18,322
0031	Guidance, counseling and evaluation services	-	-	-	223,938
0032	Social work services	-	-	-	3,284
0035	Food service	-	-	-	7,135,091
0036	Extracurricular activities	-	602,911	-	602,911
0041	General administration	-	2,315	-	2,315
0051	Facilities maintenance and operations	1,842,240	-	-	1,927,840
0052	Security and monitoring services	-	-	-	20,000
0061	Community services	-	20,193	-	223,467
6030	**Total Expenditures**	2,837,723	838,437	-	21,937,125
1100	Excess (deficiency) of revenues over expenditures	4,743	14,487	55,669	(53,979)
	Other Financing Sources (Uses)				
7915	Transfers in	-	-	-	276,545
7080	**Total Other Financing Sources (Uses)**	-	-		276,545
1200	Net change in fund balances	4,743	14,487	55,669	222,566
0100	**Fund Balance - July 1 (beginning)**	36,836	607,833	(3,727)	4,072,819
3000	**Fund Balance - June 30 (ending)**	$ 41,579	$ 622,320	$ 51,942	$ 4,295,385

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit H-3*

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

June 30, 2025

	751 Transportation	753 Workers' Compensation Insurance	Total
Assets			
Current Assets:			
Cash and cash equivalents	$ 734,899	$ 89,962	$ 824,861
Receivables:			
Due from other funds	-	1,092,615	1,092,615
Total Assets	734,899	1,182,577	1,917,476
Liabilities			
Current Liabilities:			
Accrued expenses	-	259,587	259,587
Total Liabilities	-	259,587	259,587
Net Position			
Unrestricted	734,899	922,990	1,657,889
Total Net Position	$ 734,899	$ 922,990	$ 1,657,889

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit H-4*

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2025

	751 Transportation	751 Workers' Compensation Insurance	Total
Operating Revenues			
Local and intermediate sources	$ 220,551	$ 2,325	$ 222,876
State program revenues	-	7,988	7,988
Total Operating Revenues	220,551	10,313	230,864
Operating Expenses			
Payroll costs	-	101,434	101,434
Supplies and materials	112,947	-	112,947
Claims expense and other operating expenses	-	735	735
Total Operating Expenses	112,947	102,169	215,116
Change in net position	107,604	(91,856)	15,748
Net Position - July 1 (Beginning)	627,295	1,014,846	1,642,141
Net Position - June 30 (Ending)	$ 734,899	$ 922,990	$ 1,657,889

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit H-5*

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS

For the Year Ended June 30, 2025

	751 Transportation	753 Workers' Compensation Insurance	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Internal activity - payment to other funds	$ 220,551	$ 9,375	$ 229,926
Cash payments to employees for services	-	(101,434)	(101,434)
Cash payments from insurance claims and other expenses	-	(735)	(735)
Cash payments for suppliers	(112,947)	-	(112,947)
Net Cash Provided by (Used for) Operating Activities	107,604	(92,794)	14,810
Net change in cash and cash equivalents	107,604	(92,794)	14,810
Cash and Cash Equivalents at Beginning of Year	627,295	182,756	810,051
Cash and Cash Equivalents at End of Year	$ 734,899	$ 89,962	$ 824,861
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating income (loss)	$ 107,604	$ (91,856)	$ 15,748
Change in Assets and Liabilities:			
Decrease (Increase) in interfund receivable	-	(938)	(938)
Net Cash Provided by (Used for) Operating Activities	$ 107,604	$ (92,794)	$ 14,810

TEA REQUIRED INFORMATION

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit J-1*

SCHEDULE OF DELINQUENT TAXES RECEIVABLE *Page 1 of 2*

For the Year Ended June 30, 2025

	1	2	3	10	20
Last Ten Fiscal Years	Tax Rates Maintenance	Tax Rates Debt Service	Net Assessed/Appraised Value For School Tax Purposes	Beginning Balance 7/1/2024	Current Year's Total Levy
2016 and prior	Various	Various	Various	$ 570,566	$ -
2017	$ 1.0400	$ 0.4815	3,938,843,053	97,097	-
2018	1.0400	0.4815	4,267,725,999	111,289	-
2019	1.1700	0.3500	4,716,946,896	130,117	-
2020	1.0683	0.3500	5,079,772,408	403,019	-
2021	1.0176	0.3500	5,207,012,365	262,594	-
2022	0.9759	0.3400	5,768,240,506	310,710	-
2023	0.9329	0.3200	6,249,795,514	645,209	-
2024	0.7628	0.3200	6,048,424,455	1,176,455	-
2025	0.7452	0.3605	6,977,880,019	-	71,144,613
1000 Totals				$ 3,707,056	$ 71,144,613
8000 Taxes Refunded					
9000 Tax Increment					

Last Ten Fiscal Years	31 Maintenance Total Collections	32 Debt Service Total Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/2025	99 Total Taxes Refunded Under Section 26.1115(c)
2016 and prior	$ 9,545	$ 3,302	$ (48,118)	$ 509,601	
2017	764	354	-	95,979	
2018	3,342	1,547	(1,783)	104,617	
2019	2,689	804	(3,308)	123,316	
2020	66,576	21,812	(186,888)	127,743	
2021	48,124	16,552	(51,766)	146,152	
2022	67,357	23,467	(1,778)	218,108	
2023	102,319	35,097	(75,657)	432,136	
2024	(109,086)	(45,762)	(825,443)	505,860	
2025	48,453,551	23,440,024	2,384,052	1,635,090	
1000 Totals	$ 48,645,181	$ 23,497,197	$ 1,189,311	$ 3,898,602	
8000 Taxes Refunded					$ 17,168
9000 Tax Increment	$ -				

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit J-2*

BUDGETARY COMPARISON SCHEDULE
CHILD NUTRITION FUND
For the Year Ended June 30, 2025

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Local, intermediate, and out-of-state	$ 913,500	$ 913,500	$ 744,998	$ (168,502)
State program revenues	30,000	130,000	167,887	37,887
Federal program revenues	6,182,924	6,182,924	6,197,724	14,800
Total Revenues	7,126,424	7,226,424	7,110,609	(115,815)
Expenditures				
Current:				
Food services	9,023,078	9,025,078	7,134,091	1,890,987
Facilities maintenance and operations	142,000	240,000	85,600	154,400
Security and monitoring services	-	-	20,000	(20,000)
Total Expenditures	9,165,078	9,265,078	7,239,691	2,025,387
Excess (deficiency) revenues over expenditures	(2,038,654)	(2,038,654)	(129,082)	1,909,572
Other Financing Sources (Uses)				
Transfers in	-	-	276,545	276,545
Total Other Financing Sources (Uses)	-	-	276,545	276,545
Net change in fund balance	(2,038,654)	(2,038,654)	147,463	2,186,117
Fund Balance - Beginning	3,278,005	3,278,005	3,278,005	-
Fund Balance - Ending	$ 1,239,351	$ 1,239,351	$ 3,425,468	$ 2,186,117

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT *Exhibit J-3*

BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
For the Year Ended June 30, 2025

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Local, intermediate, and out-of-state	$ 25,865,000	$ 25,865,000	$ 24,405,152	$ (1,459,848)
State program revenues	1,000,000	4,020,700	2,812,212	(1,208,488)
Total Revenues	26,865,000	29,885,700	27,217,364	(2,668,336)
Expenditures				
Current:				
Debt Service:				
Principal and interest on long-term debt	14,476,515	26,865,000	10,495,000	16,370,000
Interest on long-term debt	12,280,468	12,280,468	12,280,468	-
Debt issuance costs and fees	108,017	108,017	108,017	-
Total Expenditures	26,865,000	39,253,485	22,883,485	16,370,000
Net change in fund balance	-	(9,367,785)	4,333,879	13,701,664
Fund Balance - Beginning	22,697,732	22,697,732	22,697,732	-
Fund Balance - Ending	$ 22,697,732	$ 13,329,947	$ 27,031,611	$ 13,701,664

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT ***Exhibit J-4***

COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2025

Data Codes	Section A: Compensatory Education Programs	Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$ 14,047,285
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	$ 2,597,422
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	$ 1,839,772
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	$ 2,497,770

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered **to not have made** timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end.	$ 205,465

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).


DUNCANVILLE ISD
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GOVERNMENT AUDITING STANDARD SECTION


DUNCANVILLE ISD
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Duncanville Independent School District

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 Duncanville Independent School District (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

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 financial statements. 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*.

To the Board of Trustees
Duncanville Independent School District

The District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Whitley Penn LLP

Dallas, Texas
November 17, 2025

DUNCANVILLE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2025

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

II. Financial Statement Findings

None reported.


DUNCANVILLE ISD
Writing success stories, one student at a time.