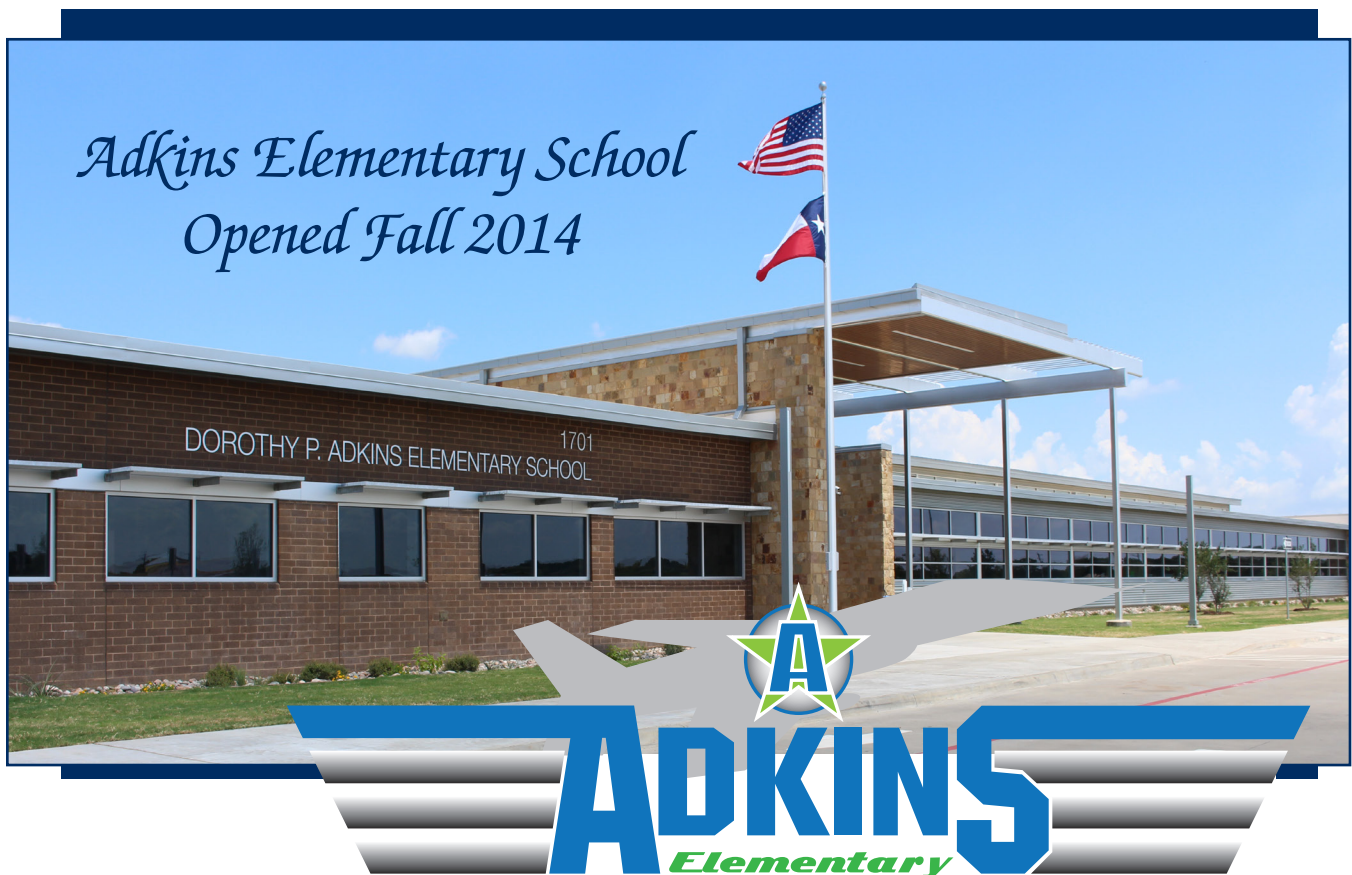




Comprehensive Annual Financial Report



*Adkins Elementary School
Opened Fall 2014*

Fiscal Year Ended June 30, 2015

1307 N. LOCUST STREET | DENTON, TEXAS 76201

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

DENTON INDEPENDENT SCHOOL DISTRICT

for the

Fiscal Year Ended June 30, 2015



Prepared by:

Division of Administrative Services

Deborah Monschke

Assistant Superintendent of Administrative Services

1307 N. Locust Street • Denton, Texas 76201



DENTON INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2015

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INTRODUCTORY SECTION



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

December 18, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the Denton Independent School District (“DISD” or the “District”) for the year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the DISD. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The DISD is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 as amended in 1996 and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information relating to this single audit, including the schedule of expenditures of federal awards, findings and recommendations and independent auditors’ reports on internal controls and compliance with applicable laws and regulations, is included in the single audit section.

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

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

GOVERNING BODY

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

Regular meetings are typically scheduled the second and fourth Tuesdays of the month and are held in the District's administration building. Special meetings and study sessions are scheduled as needed and announced in compliance with public notice requirements.

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

ECONOMIC CONDITION AND OUTLOOK

The Denton Independent School District is located in the city of Denton, in Denton County of North Central Texas and encompasses approximately 180 square miles. While the major portion of the District boundaries includes the 97.411 square miles of the City of Denton, all or part of the following additional cities, communities or major developments in Denton County comprise the 180 square miles: Argyle, Bartonville, Copper Canyon, Corinth, Cross Roads, Cross Oaks Ranch, Double Oak, Lantana, Lincoln Park, Oak Point, Prosper, Providence, Paloma Creek, Robson Ranch, Savannah and Shady Shores. According to the U.S. Census Bureau and the City of Denton, Denton County's population increased 3.3 percent from 2013 to 2014 census estimate, which resulted in a population of 753,363 in 2014 compared to 729,152 in 2013. The city of Denton reported a growth rate of 4.15 percent for the same period of time with a population of 128,205, compared to 123,099 in 2013. Denton has a diverse labor pool of both skilled and professional workers. At June 30, 2015, the Texas Workforce Commission reported an available workforce in the City of Denton of 67,008 with an unemployment rate of 3.50%.

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

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

The student population has steadily increased over the past five years at an average growth rate of approximately 3.71 percent annually. The school district plans its budget based on estimated student enrollment and state aid earned based on student attendance. Total enrollment for the year ended June 30, 2015 was 26,746 with an average daily attendance rate of 94.43%. Enrollment is projected to be 27,259 for the 2015-2016 school year.

The school district's facilities are in excellent condition and its major maintenance plan continues to improve all of its facilities and operations. The average age of instructional campuses in the District is twenty four years. Twelve of the twenty two elementary campuses have been built since 2001. Of the twelve secondary campuses in the District, six campuses have been built since 2001, and both early childhood campuses were built since 2001. The district has begun construction on Braswell High School, Bell Elementary School, and is in the planning phase of middle school number eight and an administrative support services building. Two of these campuses are scheduled for an August 2016 opening and are located in the fast growth 380 corridor. The 2015 total tax rate for the school district is \$1.54/\$100 valuation. The tax rate has two components: maintenance and operations and debt service. The maintenance and operations portion funds the daily operations of the school district. The debt service portion funds the principal and interest on general obligation long-term debt.

MAJOR INITIATIVES

The Denton Independent School District (DISD) continues to meet the standards of the Texas Accountability System outlined by the Texas Education Agency. In 2014-2015, all but one DISD campus met these standards with many campuses receiving distinction. This assessment is more rigorous, and the accountability standards have risen with the rigor. In addition, the graduation rate of DISD students continues to be above 98%.

Under the new assessment system the district and all of its campuses were rated by the Texas Education Agency for the third year. While there is no comparative data for the newly developed assessment, the performance of district students continues to outpace both the state and the region in all grade levels in all content areas.

All of the schools in the Denton ISD are accredited by the Texas Education Agency and is one of only a handful of districts in Texas that is accredited by the Southern Association of Colleges and Schools. The district and Board of Trustees are committed to providing the best educational programs possible in the critical areas of Science, Technology, Engineering, Arts and Math. These content areas are integrated so students are better prepared for 21st century challenges and careers.

Another strong commitment of the district is its International Baccalaureate Programme (IB), an elite universal educational program. Denton ISD is one of a handful of districts nationwide to offer IB programs at all grade levels. The IB program is offered at two elementary schools, one middle school, and one high school.

The district continues to focus on early childhood education by not only committing physical and financial resources to our youngest learners, but also by partnering with local nonprofits to bring Ready Rosie a parenting enrichment program to parents, grandparents, and care givers within the community. The district continues its partnership with two local non-profit child care centers, Fred Moore Day Nursery School and Denton City County Day School to expand early childhood education to our families.

The district is also committed to engaging the community with district students through a community partnership known as Mentor Denton. The purpose of the program is to provide mentors to work one-on-one with students at each Denton ISD campus. The program has grown to over 2000 mentor volunteers, offers a human library designed for one time engagements and provides internship opportunities for high school students who are considered most “at-risk” of not completing high school.

DISTRICT ACCOMPLISHMENTS

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

- Three Denton ISD students won medals at the UIL State Academic Meet. A Denton High School student earned third place in headline writing and two Guyer High School students placed second in persuasive speaking and editorial writing.
- The Ryan High School Business Professionals of America Parliamentary Procedure Team placed among the top 10 teams at the 2015 National Leadership Conference in Anaheim, California.
- The Guyer High School Business Professional of America Financial Analyst Team placed third at the 2015 National Leadership Conference in Anaheim, California.
- A Guyer High School senior was named to the Texas Association of Secondary School Principal’s All-State Academic Excellence team, an honor annually bestowed upon only 50 students from across the state.
- A Guyer High School senior was named the Dallas Summer Musicals’ best actress at the High School Musical Theatre Awards. She performed on Broadway in New York City as part of the award.
- Five Ryan High School i-TECH club students won first place in various categories at the Technology Students Association State Competition.
- The Harpool Middle School Symphonic Band was one of five middle school bands in the United States to perform at the 2015 Music For All National Festival in Indianapolis, Indiana.
- Eight elementary students from several campuses had their artwork displayed at the State Capitol and Bob Bullock Texas State History Museum in Austin, Texas as part of the Texas Art Education Association’s Youth Art Month Capitol Celebration.
- An advance welding team from the LaGrone Advanced Technology Complex won a national educational contest sponsored by Victor Technologies. Over fifty entries were submitted from high schools, technology centers and colleges across the United States.
- A Denton High School junior was honored with the President’s Award from the Texas School Nurses Organization for his work in promoting the advancement of healthy practices for students of all ages and the advancement of standards for professional school nurses. The student also represented Texas and Denton ISD on Constitution Day at the Capitol in Washington, D.C.

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

- Six Denton ISD campuses earned the prestigious CREST Award which recognizes the top counseling staffs in the state by the Texas School Counselor Association. Both Harpool Middle School and McNair Elementary School have earned this recognition for three consecutive years.

- An Executive Director for Human Resources was named the recipient of the Dr. Mary Hopkins Personnel Administrator of the Year Award by the Texas Association of School Personnel Administrators.
- A high school career and technology counselor earned the 2015 Career Guidance Award by the Association for Career and Technical Education. The counselor was one of five finalists for this national award.
- Two teachers from Stephens Elementary School were the recipients of the 2015 Claudia A. Balach Teacher Researcher Award. The national honor is awarded to school personnel who demonstrate the true spirit of school-university collaboration. One teacher was an eight year veteran of Denton ISD and served as a mentor-teacher to the other teacher who was in her first year of teaching with the district. The honor was awarded by the Professional Development School Research Special Interest Group of the American Educational Research Association.

RELEVANT FINANCIAL POLICIES

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

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

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

Two factors that impact the District significantly are the tax rate and property value. In 2014-2015 the maintenance and operations tax rate was \$1.04. The debt service tax rate was \$0.50 for a total rate of \$1.54. The District's certified property values increased 5.03% for 2013-2014 and increased 11.83% for 2014-2015. The certified property values for 2015-2016 increased by \$866,128,019 or 8.08%.

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

As part of the District's single audit, tests were made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance awards, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the year ended June 30, 2015, provided no instances of material weaknesses in the internal control structure and no instances of noncompliance that are required to be reported under Government Auditing Standards.

Budgetary Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's governing body. Activities of the general fund, child nutrition fund and debt service fund are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund, function and object. Budgetary control is enhanced by an encumbrance accounting system that includes an on-line purchasing system for all campuses and departments. The purchasing system will not allow a purchase exceeding legally appropriated budgetary amounts. There were no functions within the annual appropriated budget that exceeded the budgeted amount. Outstanding encumbrances at the end of a fiscal year generally are rolled forward into the subsequent fiscal period with the subsequent budget amended accordingly. As demonstrated by the statements and schedules included in the financial section of this report, the school district continues to meet its responsibility for sound financial management.

INDEPENDENT AUDIT

State law and District policy require an annual audit by independent certified public accountants. The District's Board of Trustees selected the accounting firm of Hankins, Eastup, Deaton, Tonn and Seay. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act of 1984 as amended in 1996 and related OMB Circular A-133. The auditors' report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Denton Independent School District for its comprehensive annual financial report (CAFR) for the year ending June 30, 2014. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

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

The Association of School Business Officials International (ASBO) awards its Certificate of Excellence in

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

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

ACKNOWLEDGMENTS

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

Respectfully submitted,



Dr. Jamie Wilson
Superintendent



Debbie Monschke
Assistant Superintendent of Administrative Services

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Denton Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Handwritten signature of Mark C. Pepera.

Mark C. Pepera, MBA, RSBO, SFO
President

Handwritten signature of John D. Musso.

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

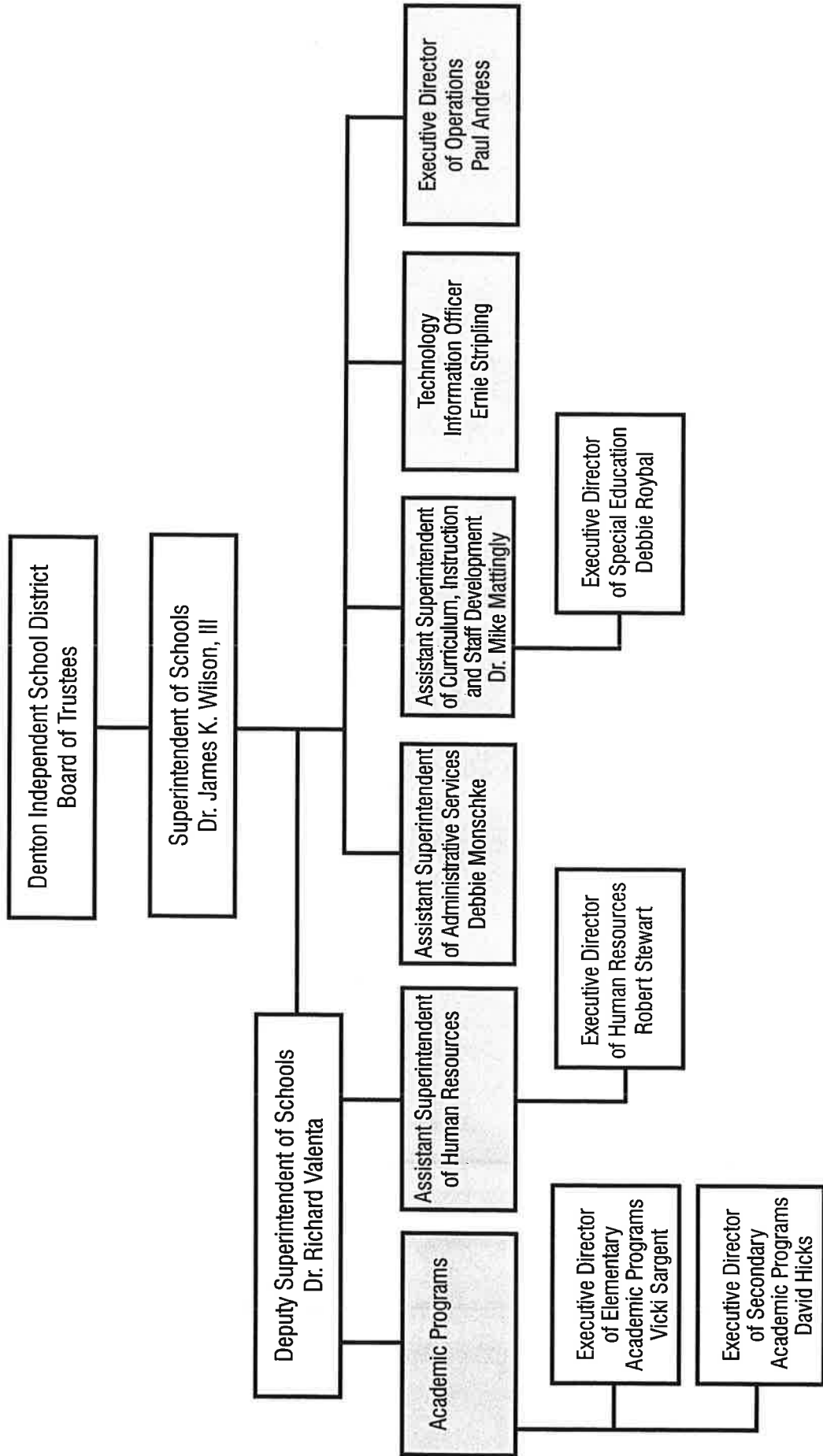
**Denton Independent School District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Denton Independent School District's Organizational Chart



DENTON INDEPENDENT SCHOOL DISTRICT

ELECTED OFFICIALS

BOARD OF TRUSTEES

<u>Name</u>	<u>Term Expires</u>	<u>Occupation</u>
Ms. Barbara Burns, President	May, 2018	Retired Educator
Dr. Jeanetta Smith, Vice President	May, 2018	Retired Educator
Ms. Dorothy Martinez, Secretary	May, 2017	Retired Educator
Dr. Glenna G. Harris, Member	May, 2016	Physician
Ms. Mia Price, Member	May, 2016	Business Manager
Mr. Charles Stafford, Member	May, 2016	Real Estate Broker
Dr. Jim Alexander, Member	May, 2017	College Professor

DENTON INDEPENDENT SCHOOL DISTRICT

APPOINTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Years in District</u>
Dr. Jamie Wilson	Superintendent	10 years
Dr. Richard Valenta	Deputy Superintendent	3 years
Dr. Mike Mattingly	Assistant Superintendent Curriculum And Instruction and Staff Development	8 years
Ms. Debbie Monschke	Assistant Superintendent Administrative Services	20 years
Dr. Robert Stewart	Executive Director Human Resources	8 years
Mr. Ernie Stripling	Technology Information Officer	15 years
Mr. Paul Andress	Executive Director Operations	20 years
Dr. David Hicks	Executive Director Secondary Academic Programs	3 years
Mrs. Vicki Sargent	Executive Director Elementary Academic Programs	29 years
Mrs. Debbie Roybal	Executive Director Special Education	5 years

DENTON INDEPENDENT SCHOOL DISTRICT

Consultants and Advisors

ARCHITECTS

VLK Architects

2821 West 7th Street, Suite 300
Fort Worth, Texas 76107

Stantec Architecture, Inc.

5717 Legacy Drive, Suite 250
Plano, Texas 75024

Corgan Associates, Inc

401 North Houston Street
Dallas, Texas 75202

AUDIT FIRM

Hankins, Eastup, Deaton, Tonn & Seay P.C.

A Professional Corporation
902 N. Locust Street
Denton, Texas 76201

BOND ATTORNEYS

McCall, Parkhurst & Horton L.L.P.

717 North Harwood Suite 900
Dallas, Texas 75201-6587

FISCAL AGENT

BOSC, Inc.

333 W Campbell Road, Suite 350
Richardson, Texas 75080

OFFICIAL DEPOSITORY

Northstar Bank of Texas

400 N. Carroll Blvd.
Denton, Texas 76201

TAX COLLECTION ATTORNEY

Sawko & Burroughs, P.C.

1172 Bent Oaks Drive
Denton, Texas 76210

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FINANCIAL SECTION

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

**HANKINS, EASTUP, DEATON,
TONN & SEAY**
A PROFESSIONAL CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS

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

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

UNMODIFIED OPINION ON BASIC FINANCIAL STATEMENTS
ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER
SUPPLEMENTARY INFORMATION
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Denton Independent School District (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Denton Independent School District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements, in 2015, the District adopted new accounting guidance prescribed by GASB #68 for its pension plan - a multiple-employer, cost-sharing, defined benefit pension plan that has a special funding situation. Because GASB #68 implements new measurement criteria and reporting provisions, significant information has been added to the Government Wide Statements. The Statement of Net Position discloses the District's Net Pension Liability and some deferred resource outflows and deferred resource inflows related to the District's pension plan. The Statement of Activities discloses the adjustment to the District's Beginning Net Position. Our opinion is not modified with respect to the matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* on pages 17 through 25, the budgetary comparison information on page 77 and the Teacher Retirement System schedules on pages 78 and 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Denton Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements and the schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, the schedules listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the District. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2015 on our consideration of Denton Independent School District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Denton Independent School District's internal control over financial reporting and compliance.



Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

November 10, 2015

**DENTON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015
(UNAUDITED)**

As management of Denton Independent School District, we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2015. Please read this narrative in conjunction with the independent auditors' report on page 15, and the District's Basic Financial Statements that begin on page 27.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Denton Independent School District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$20,455,090 (net position). Included in the total is \$5,934,513 of unrestricted net position that may be used to meet the District's ongoing obligations to citizens and creditors in accordance with the District's fund designation and fiscal policies.
- The District's total net position increased by \$17,556,561 during the fiscal year from the results of current year operations. However, total net position also decreased by \$35,299,811 due to new standards that required recording of the District's proportionate share of the Teacher Retirement System's net pension liability.
- As of the close of the current fiscal period, the District's governmental funds reported combined ending fund balances of \$277,849,422. Over 23% of this total amount (\$64,686,288) is unassigned and available for use within the District's commitments and policies.
- At the end of the current fiscal period, the unassigned fund balance of the general fund of \$64,686,288 was 30.48% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 17 through 19). These provide information about the activities of the District as a whole and present a longer-term view of the District's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting on page 30) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental activities, these statements tell how services were financed in the short term as well as what resources remain for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to departments within the District or to external customers and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District. The District has no component units for which it is financially accountable.

The notes to the financial statements (starting on page 43) provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements.

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

Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

The analysis of the District's overall financial condition and operations begins on page 27. Its primary purpose is to show whether the financial position of the District is improving or deteriorating as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources at the end of the year while the Statement of Activities includes all revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting (the basis used by private sector companies).

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the district and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report the District's net position and changes in them. The District's net position provides one measure of the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The fund financial statements begin on page 30 and provide detailed information about the most significant funds—not the District as a whole. Laws and contracts require the District to establish some funds, such as grants received under the No Child Left Behind Act from the U.S. Department of Education. The District's administration establishes many other funds to help it control and manage money for particular purposes (like campus activities).

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains thirty governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and capital projects fund, each of which are considered to be major funds. Data from the other twenty-seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The District adopts an annual appropriated budget for its general fund, debt service fund and food service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 27 through 34 of this report.
- Proprietary funds.** The District reports the activities for which it charges users (whether outside customers or other units of the District) in proprietary funds using the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the District's enterprise funds (one category of proprietary funds) are the business-type activities reported in the government-wide statements but containing more detail and additional information, such as cash flows. The internal service funds (the other category of proprietary funds) report activities that provide supplies and services for the District's other programs and activities—such as the District's self-insurance programs and the print shop.
- Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position that can be found on page 42. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Governmental Activities

Net Position. The net position of the District's governmental activities at June 30, 2015 was \$18,575,777. Investment in capital assets (e.g. land, building, furniture, vehicles and equipment) less any related debt used to acquire those assets that is still outstanding was a deficit of \$47,396,513 at June 30, 2015. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's governmental activities net position (\$60,705,267) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is \$5,267,023 which may be used to meet the District's ongoing obligations.

Changes in Net Position. The District's total revenues of its governmental activities were \$291,777,594. A significant portion, approximately 63.2 percent, of the revenue comes from property taxes. Another 25.1 percent comes from state aid - formula grants while only 2.3 percent relates to charges for services. This reflects a \$19.0 million increase in revenues from 2013-2014, primarily from increases in property taxes and state aid. The total revenues were used to fund the cost of all programs and services in the amount of \$274,556,586, and to pay down the District's debt. This reflects a \$5.0 million increase in expenses from 2013-2014, or approximately 1.8%.

Governmental Activities. The District's total net position of its governmental activities increased \$17,253,470 from the results of current year operations. However, beginning net position decreased \$33,550,000 due to recording of the District's proportionate share of the Teacher Retirement System's net pension liability. The total cost of all government activities for the fiscal year ended June 30, 2015 was \$274,556,586. Funding for these governmental activities is by specific program revenue or through general revenues such as property taxes, state aid and investment earnings. Program revenues directly attributable to specific activities funded some of the governmental activities costs. These program revenues amounted to \$33,299,131 (grant revenues, tuition and facility leasing, for example). The remaining cost of governmental activities not directly funded by program revenues was \$241,257,455, which were primarily funded by property taxes in the amount of \$184,500,913 and state revenue plus grants and contributions of \$73,253,961.

Business-type Activities

Net Position. The net position of the District's business-type activities at June 30, 2015 were \$1,879,313. Investment in capital assets (e.g. furniture, vehicles and equipment) was \$1,211,823 at June 30, 2015. The remaining balance of unrestricted net position is \$667,490 which may be used to meet the District's ongoing obligations in the child nutrition program and stadium concessions operations.

Changes in Net Position. The District's total revenues of its business-type activities were \$9,684,681. The revenues come from two primary sources - approximately 63.3 percent from federal reimbursements for the school breakfast and lunch program, and approximately 36.7 percent from charges for services. The total revenues were used to fund program costs that totaled \$9,381,590.

Business-type Activities. The District's total net position of its business-type activities increased \$303,091 from the results of current year operations. However, beginning net position decreased \$1,749,811 due to recording of the District's proportionate share of the Teacher Retirement System's net pension liability. The total cost of all business-type activities for the fiscal year ended June 30, 2015 was \$9,381,590. Funding for these business-type activities is primarily by specific program revenue. Program revenues directly attributable to the two activities funded virtually of the costs. These program revenues amounted to \$9,683,834. The volume of activity in the District's business-type activities during the year was virtually unchanged from the prior year.

Table I
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	325,054,594	369,902,756	2,725,429	2,434,574	327,780,023	372,337,330
Capital assets	603,189,771	568,618,911	1,211,823	1,333,128	604,401,594	569,952,039
Total assets	928,244,365	938,521,667	3,937,252	3,767,702	932,181,617	942,289,369
Deferred outflows of resources	31,068,679	11,586,235	331,875	-	31,400,554	11,586,235
Total assets and deferred outflows of resources	959,313,044	950,107,902	4,269,127	3,767,702	963,582,171	953,875,604
Long-term liabilities	886,000,419	875,449,627	1,524,853	-	887,525,272	875,449,627
Other liabilities	45,793,325	39,785,968	398,509	441,669	46,191,834	40,227,637
Total liabilities	931,793,744	915,235,595	1,923,362	441,669	933,717,106	915,677,264
Deferred inflows of resources	8,943,523	-	466,452	-	9,409,975	-
Total liabilities and deferred inflows of resources	940,737,267	915,235,595	2,389,814	441,669	943,127,081	915,677,264
Net Position:						
Net investment in capital assets	(47,396,513)	(59,743,833)	1,211,823	1,333,128	(46,184,690)	(58,410,705)
Restricted	60,691,059	57,205,391	-	-	60,691,059	57,205,391
Unrestricted	5,281,231	37,410,749	667,490	1,992,905	5,948,721	39,403,654
Total net position	18,575,777	34,872,307	1,879,313	3,326,033	20,455,090	38,198,340

Table II
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	3,455,288	6,145,847	3,556,737	3,300,464	7,012,025	9,446,311
Operating grants and contributions	29,843,843	26,818,264	6,127,097	5,704,292	35,970,940	32,522,556
General Revenues:						
Maintenance and operations taxes	124,715,983	110,871,393	-	-	124,715,983	110,871,393
Debt service taxes	59,784,930	52,151,214	-	-	59,784,930	52,151,214
State aid - formula grants	73,253,961	75,113,566	-	-	73,253,961	75,113,566
Grants and Contributions	319,157	1,322,103	-	-	319,157	1,322,103
Investment Earnings	151,411	85,849	847	994	152,258	86,843
Miscellaneous	253,021	285,204	-	-	253,021	285,204
Total Revenue	291,777,594	272,793,440	9,684,681	9,005,750	301,462,275	281,799,190
Expenses:						
Instruction, curriculum and media services	169,580,077	162,667,004	-	-	169,580,077	162,667,004
Instructional and school leadership	15,816,833	15,218,321	-	-	15,816,833	15,218,321
Student support services	20,654,594	20,068,786	-	-	20,654,594	20,068,786
Food Services	229,921	169,939	9,315,767	9,227,871	9,545,688	9,397,810
Cocurricular activities	5,959,471	6,092,564	65,823	58,672	6,025,594	6,151,236
General administration	5,258,341	5,736,385	-	-	5,258,341	5,736,385
Plant maintenance, security & data processing	29,761,071	27,370,829	-	-	29,761,071	27,370,829
Community services	903,044	841,290	-	-	903,044	841,290
Debt services	24,834,487	29,914,489	-	-	24,834,487	29,914,489
Intergovernmental charges	1,558,747	1,491,988	-	-	1,558,747	1,491,988
Total Expenses	274,556,586	269,571,595	9,381,590	9,286,543	283,938,176	278,858,138
Increase (decrease) in net position before transfers and special items	17,221,008	3,221,845	303,091	(280,793)	17,524,099	2,941,052
Transfers in	32,462	-	-	-	32,462	-
Increase (decrease) in net position	17,253,470	3,221,845	303,091	(280,793)	17,556,561	2,941,052
Net Position – beginning of year	34,872,307	31,650,462	3,326,033	3,606,826	38,198,340	35,257,288
Prior period adjustment	(33,550,000)	-	(1,749,811)	-	(35,299,811)	-
Net Position – end of year	18,575,777	34,872,307	1,879,313	3,326,033	20,455,090	38,198,340

- The Board of Trustees maintained the maintenance and operation property tax rate of \$1.04 for the fiscal year 2014-2015. This is the maximum rate allowed by law without a rollback election. The debt service rate was set at \$0.50. The total tax rate necessary to fund the 2014-2015 budget was \$1.54.
- The District continues to experience an increase in property values over the prior year. The actual increase in certified and under review values for 2014 was \$1,134,848,961 or 11.83%.
- The District has worked with Texas Association of School Boards (TASB) over the past two years to examine pay equity for employees and to determine if pay practices were internally fair and externally competitive. Several adjustments were implemented during the 2013-2014 school year. The 2014-2015 Salary Compensation Plan included \$2,880,558 for pay adjustments. Additionally, the District's Teacher Retirement System (TRS) contribution increased 1.5% on certain salaries. There were additional staffing costs related to the opening of Dorothy Adkins Elementary School.

The cost of all governmental activities for the current fiscal period was \$274,556,586. However, as shown in the Statement of Activities on pages 28 and 29, the amount that our taxpayers ultimately financed for these activities through District taxes was only \$184,500,913 because some of the costs were paid by those who directly benefited from the programs (\$3,455,288) or by other governments and organizations that subsidized certain programs with grants and contributions (\$29,843,843) or by State equalization funding (\$73,253,961).

THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$277,849,422 a decrease of \$49,909,064. Approximately 30 percent of this total amount (\$84,365,139) constitutes *committed, assigned and unassigned fund balance*, which is available for spending at the District's discretion. The remainder of fund balance is *nonspendable or restricted* to indicate that it is not available for new spending because it is already restricted to pay debt service (\$59,552,880), or for capital projects (\$133,632,078), or already spent on prepaid items (\$140,316), inventories (\$158,009) or endowment principal (\$1,000).

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$64,686,288, while the total fund balance was \$81,795,330. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 30.48 percent of the total general fund expenditures, while the total fund balance represents 38.54 percent of that same amount.

The fund balance of the District's general fund increased by \$5,135,467 during the current fiscal year, compared to a \$3,014,464 increase in the previous year. Key factors related to this change are as follows:

- A \$13,721,989 increase in property tax revenues combined with a \$3,424,565 decrease in the state foundation and per capita funding contributed to a \$11,640,213 overall increase in total revenues. Expenditures increased \$8,281,968 or 4.06% with increases in most functional categories.
- \$347,029 of general fund monies were transferred to the capital projects fund to set aside for future capital replacement needs, compared to \$1,929,047 transferred in the previous year.

The debt service fund has a total fund balance of \$59,552,880, all of which is reserved for the payment of debt service. The net increase in fund balance during the period in the debt service fund was \$3,386,356, compared to a \$5,334,453 increase in the previous year. Tax revenues were \$7,548,325 higher than the previous year, but debt service expenditures were \$10,431,096 higher as well.

Other changes in fund balances should also be noted. The fund balance in the capital projects fund decreased by \$58,530,206 due primarily to amounts spent on construction-related costs. Although these and other capital expenditures reduce available fund balances, they create new assets for the District as reported in the Statement of Net Position and discussed in Note 5 to the financial statements.

Over the course of the year, the Board of Trustees revised the District's budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in June, 2014). The second category includes changes that the Board made during the year to reflect new information regarding revenue sources and expenditure needs. The principal amendment in this case was an increase in the anticipated amount of State funding to be received. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs.

The District's General Fund balance of \$81,795,330 reported on page 34 differs from the General Fund's budgetary fund balance of \$70,143,141 reported in the budgetary comparison schedule on page 77. For the year ended June 30, 2015, actual general fund expenditures on a budgetary basis were \$212,211,543, below the original budget expenditures of \$212,463,381. The actual expenditures were also below the revised final budget of \$220,484,305. The majority of the actual variance of \$8,272,762 consists of savings achieved in payroll costs in the instructional area and savings achieved in utilities costs in the facilities maintenance and operations area. Actual revenue on a budgetary basis was \$216,223,245 compared to the original budget of \$206,521,731 and a revised budget of \$212,843,818. The actual variance of \$3,379,427 was due primarily to higher than expected tax revenue.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had \$603,189,771 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance. This amount represents a net increase of \$34,570,860, or 6.08 percent, above last year.

This fiscal year's major additions included:

Initial construction costs on a new high school, paid for with proceeds of general obligation bonds issued in a prior year.	\$39,663,138
Final construction costs on a new elementary school, paid for with proceeds of general obligation bonds issued in a prior year.	3,751,978
Land purchases	<u>6,493,932</u>
Totaling	<u>\$49,909,048</u>

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

Debt Administration

At year-end, the District had \$801,922,265 in bonds outstanding (including accreted interest on bonds) versus \$833,787,958 last year—a decrease of 3.82 percent. New debt was incurred during the fiscal period through the issuance of two refunding bond series. The District's underlying rating for unlimited tax bonds is "AA" by S&P, and "AA-" by Fitch but is considered AAA as a result of guarantees of the Texas Permanent School Fund.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the District is \$1,182,326,844, which is significantly in excess of the District's outstanding general obligation debt.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board of Trustees of the Denton Independent School District adopted a total tax rate of \$1.54 per \$100 of assessed value for 2015-2016. The M & O tax rate will remain at \$1.04. The debt service tax rate will remain at \$0.50 for a total rate of \$1.54. The District's certified values increased \$866,128,019 or 8.08% for 2015.

State funding for 2015-2016 is projected to be \$79,113,114 or 35.77% of the total budget compared to \$84,056,041 or 40.46% for 2014-2015.

During the 2012-2013 school year the District worked with TASB to examine pay equity for employees and to determine if pay practices were internally fair and externally competitive. Several adjustments were implemented during the 2013-2014 school year as well as the 2014-2015 school year. The Salary Compensation Plan includes \$4,031,895 in the proposed budget. The District also increased the Teacher Retirement System (TRS) insurance contribution by \$25 per month per eligible employee. The proposed budget includes preliminary staffing for the startup of Braswell High School.

The main focus for the 2015-2016 budget was the projected increase in student enrollment of 2.91% while maintaining current programs. Denton ISD will receive approximately \$4,942,927 less in state funding for 2015-2016 than in the prior year's adopted budget. Property tax collections are expected to increase by \$16,634,303.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 304,420,588	\$ 2,472,514	\$ 306,893,102
Property Taxes Receivable (Delinquent)	3,919,803	-	3,919,803
Allowance for Uncollectible Taxes	(167,570)	-	(167,570)
Due from Other Governments	16,241,197	111,216	16,352,413
Internal Balances	163,142	(163,142)	-
Other Receivables, net	81,303	12,868	94,171
Inventories	176,934	291,973	468,907
Prepayments	204,989	-	204,989
Capital Assets:			
Land	45,228,616	-	45,228,616
Buildings, Net	498,146,955	-	498,146,955
Furniture and Equipment, Net	9,483,151	1,211,823	10,694,974
Construction in Progress	50,331,049	-	50,331,049
Other Assets	14,208	-	14,208
Total Assets	<u>928,244,365</u>	<u>3,937,252</u>	<u>932,181,617</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge for Refunding	24,706,011	-	24,706,011
Deferred Outflow Related to TRS	6,362,668	331,875	6,694,543
Total Deferred Outflows of Resources	<u>31,068,679</u>	<u>331,875</u>	<u>31,400,554</u>
LIABILITIES			
Accounts Payable	11,780,642	40,448	11,821,090
Payroll Deductions & Withholdings	190,646	-	190,646
Accrued Wages Payable	22,275,784	40,608	22,316,392
Accrued Expenses	10,677,983	-	10,677,983
Unearned Revenue	868,270	317,453	1,185,723
Noncurrent Liabilities			
Due Within One Year	31,584,455	-	31,584,455
Due in More Than One Year	825,179,507	1,524,853	826,704,360
Net Pension Liability (District's Share)	29,236,457	-	29,236,457
Total Liabilities	<u>931,793,744</u>	<u>1,923,362</u>	<u>933,717,106</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to TRS	8,943,523	466,452	9,409,975
Total Deferred Inflows of Resources	<u>8,943,523</u>	<u>466,452</u>	<u>9,409,975</u>
NET POSITION			
Net Investment in Capital Assets	(47,396,513)	1,211,823	(46,184,690)
Restricted:			
Restricted for Debt Service	59,552,880	-	59,552,880
Restricted for Campus Activities	1,138,179	-	1,138,179
Restricted (nonexpendable) for Corpus	1,000	-	1,000
Restricted (expendable) for Playground Equipment	13,208	-	13,208
Unrestricted	5,267,023	667,490	5,934,513
Total Net Position	<u>\$ 18,575,777</u>	<u>\$ 1,879,313</u>	<u>\$ 20,455,090</u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:			
GOVERNMENTAL ACTIVITIES:			
Instruction	\$ 161,194,546	\$ 1,903,617	\$ 18,165,872
Instructional Resources and Media Services	4,229,966	-	306,072
Curriculum and Staff Development	4,155,565	-	1,041,006
Instructional Leadership	2,611,553	336,356	177,296
School Leadership	13,205,280	-	568,988
Guidance, Counseling and Evaluation Services	12,033,024	-	1,681,081
Social Work Services	802,931	-	183,444
Health Services	2,531,987	2,527,939	104,355
Student (Pupil) Transportation	5,286,652	-	2,528,319
Food Services	229,921	-	229,921
Extracurricular Activities	5,959,471	529,259	614,309
General Administration	5,258,341	654,937	650,119
Facilities Maintenance and Operations	24,917,855	284,745	165,164
Security and Monitoring Services	819,257	-	7,307
Data Processing Services	4,023,959	-	89,016
Community Services	903,044	401,311	148,698
Debt Service - Interest on Long Term Debt	22,293,193	-	-
Debt Service - Bond Issuance Cost and Fees	2,541,294	-	-
Payments related to Shared Services Arrangements	336,200	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	534	-	-
Other Intergovernmental Charges	1,222,013	-	-
Total Governmental Activities:	274,556,586	6,638,164	26,660,967
BUSINESS-TYPE ACTIVITIES:			
National School Breakfast & Lunch	9,315,767	3,493,623	6,127,097
Stadium Concessions	65,823	63,114	-
Total Business-Type Activities:	9,381,590	3,556,737	6,127,097
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 283,938,176	\$ 10,194,901	\$ 32,788,064

General Revenues:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

State Aid - Formula Grants

Grants and Contributions not Restricted

Investment Earnings

Miscellaneous Local and Intermediate Revenue

Transfers In (Out)

Total General Revenues & Transfers

Change in Net Position

Net Position - Beginning

Prior Period Adjustment "Required by GASB 68"

Net Position--Ending

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

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business Type Activities	Total
\$ (141,125,057)	\$ -	\$ (141,125,057)
(3,923,894)	-	(3,923,894)
(3,114,559)	-	(3,114,559)
(2,097,901)	-	(2,097,901)
(12,636,292)	-	(12,636,292)
(10,351,943)	-	(10,351,943)
(619,487)	-	(619,487)
100,307	-	100,307
(2,758,333)	-	(2,758,333)
-	-	-
(4,815,903)	-	(4,815,903)
(3,953,285)	-	(3,953,285)
(24,467,946)	-	(24,467,946)
(811,950)	-	(811,950)
(3,934,943)	-	(3,934,943)
(353,035)	-	(353,035)
(22,293,193)	-	(22,293,193)
(2,541,294)	-	(2,541,294)
(336,200)	-	(336,200)
(534)	-	(534)
(1,222,013)	-	(1,222,013)
(241,257,455)	-	(241,257,455)
-	304,953	304,953
-	(2,709)	(2,709)
-	302,244	302,244
(241,257,455)	302,244	(240,955,211)
124,715,983	-	124,715,983
59,784,930	-	59,784,930
73,253,961	-	73,253,961
319,157	-	319,157
151,411	847	152,258
253,021	-	253,021
32,462	-	32,462
258,510,925	847	258,511,772
17,253,470	303,091	17,556,561
34,872,307	3,326,033	38,198,340
(33,550,000)	(1,749,811)	(35,299,811)
\$ 18,575,777	\$ 1,879,313	\$ 20,455,090

DENTON INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Debt Service Fund	Capital Projects
ASSETS			
Cash and Cash Equivalents	\$ 89,171,127	\$ 59,363,381	\$ 144,844,435
Property Taxes - Delinquent	2,684,342	1,235,461	-
Allowance for Uncollectible Taxes (Credit)	(113,904)	(53,666)	-
Receivables from Other Governments	13,911,882	-	-
Due from Other Funds	1,394,523	-	-
Other Receivables	38,441	-	14,754
Inventories	158,009	-	-
Prepayments	140,316	8,803	-
Other Assets	-	-	-
Total Assets	\$ 107,384,736	\$ 60,553,979	\$ 144,859,189
LIABILITIES			
Accounts Payable	\$ 2,068,993	\$ -	\$ 9,510,364
Payroll Deductions and Withholdings Payable	190,646	-	-
Accrued Wages Payable	21,135,683	-	-
Due to Other Funds	3,689	-	-
Unearned Revenues	-	-	-
Total Liabilities	23,399,011	-	9,510,364
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	2,190,395	1,001,099	-
Total Deferred Inflows of Resources	2,190,395	1,001,099	-
FUND BALANCES			
Nonspendable Fund Balance:			
Inventories	158,009	-	-
Endowment Principal	-	-	-
Prepaid Items	140,316	-	-
Restricted Fund Balance:			
Capital Acquisition and Contractual Obligation	-	-	133,632,078
Retirement of Long-Term Debt	-	59,552,880	-
Committed Fund Balance:			
Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
Other Assigned Fund Balance	16,810,717	-	1,716,747
Unassigned Fund Balance	64,686,288	-	-
Total Fund Balances	81,795,330	59,552,880	135,348,825
Total Liabilities, Deferred Inflows & Fund Balances	\$ 107,384,736	\$ 60,553,979	\$ 144,859,189

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

	Other Funds	Total Governmental Funds
\$	2,136,192	\$ 295,515,135
	-	3,919,803
	-	(167,570)
	2,329,315	16,241,197
	-	1,394,523
	26,161	79,356
	13,121	171,130
	55,870	204,989
	14,208	14,208
<u>\$</u>	<u>4,574,867</u>	<u>\$ 317,372,771</u>
\$	186,687	\$ 11,766,044
	-	190,646
	1,139,831	22,275,514
	1,227,692	1,231,381
	868,270	868,270
<u></u>	<u>3,422,480</u>	<u>36,331,855</u>
	-	3,191,494
<u></u>	<u>-</u>	<u>3,191,494</u>
	-	158,009
	1,000	1,000
	-	140,316
	-	133,632,078
	-	59,552,880
	1,138,179	1,138,179
	13,208	18,540,672
	-	64,686,288
<u></u>	<u>1,152,387</u>	<u>277,849,422</u>
<u>\$</u>	<u>4,574,867</u>	<u>\$ 317,372,771</u>

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DENTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2015

Total Fund Balances - Governmental Funds	\$ 277,849,422
Assets and liabilities of the internal service funds are not included in the fund financial statements.	7,859,484
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.	858,934,553
Accumulated depreciation is not reported in the fund financial statements.	(255,744,782)
Bonds payable are not reported in the fund financial statements.	(755,312,979)
Bond premiums and discounts are not recognized in the fund financial statements.	(53,611,394)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.	(9,639,131)
Property tax revenue reported as deferred revenue in the fund financial statements was recognized as revenue in the government-wide financial statements.	3,191,494
Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$29,236,457, a Deferred Resource Inflow related to TRS in the amount of \$8,943,523, and a Deferred Resource Outflow related to TRS in the amount of \$6,362,668. This amounted to a decrease in Net Position in the amount of \$31,817,312.	(31,817,312)
Accrued vacation benefits and special termination benefits have not been recorded in the fund financial statements.	(1,230,303)
Deferred charge on bond refundings is not recognized in the fund financial statements.	24,706,011
Accreted interest on capital appreciation bonds has not been recorded in the fund financial statements.	(46,609,286)
Net Position of Governmental Activities	\$ 18,575,777

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

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Debt Service Fund	Capital Projects
REVENUES:			
Total Local and Intermediate Sources	\$ 128,588,552	\$ 59,697,046	\$ 77,140
State Program Revenues	84,035,018	-	-
Federal Program Revenues	3,599,675	-	-
Total Revenues	216,223,245	59,697,046	77,140
EXPENDITURES:			
Current:			
Instruction	134,124,249	-	40,128
Instructional Resources and Media Services	3,705,028	-	-
Curriculum and Instructional Staff Development	2,896,767	-	-
Instructional Leadership	2,277,650	-	-
School Leadership	11,754,667	-	-
Guidance, Counseling and Evaluation Services	9,580,841	-	-
Social Work Services	562,498	-	-
Health Services	2,288,068	-	-
Student (Pupil) Transportation	4,649,760	-	-
Food Services	143,405	-	-
Extracurricular Activities	5,226,988	-	-
General Administration	5,307,422	-	-
Facilities Maintenance and Operations	22,718,120	-	-
Security and Monitoring Services	815,266	-	-
Data Processing Services	3,789,408	-	192,983
Community Services	713,441	-	-
Debt Service:			
Principal on Long Term Debt	-	27,884,304	-
Interest on Long Term Debt	-	27,933,418	-
Bond Issuance Cost and Fees	-	1,525,573	-
Capital Outlay:			
Facilities Acquisition and Construction	99,218	-	58,721,240
Intergovernmental:			
Payments to Fiscal Agent/Member Districts of SSA	336,200	-	-
Payments to Juvenile Justice Alternative Ed. Prg.	534	-	-
Other Intergovernmental Charges	1,222,013	-	-
Total Expenditures	212,211,543	57,343,295	58,954,351
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,011,702	2,353,751	(58,877,211)
OTHER FINANCING SOURCES (USES):			
Capital Related Debt Issued (Refunding Bonds)	-	133,210,000	-
Sale of Real and Personal Property	56,423	-	-
Transfers In	1,416,121	24	347,029
Premium or Discount on Issuance of Bonds	-	22,078,078	-
Transfers Out (Use)	(347,029)	-	(24)
Payment to Bond Refunding Escrow Agent (Use)	-	(154,255,497)	-
Total Other Financing Sources (Uses)	1,125,515	1,032,605	347,005
EXTRAORDINARY ITEMS:			
Extraordinary Item - Lawsuit Settlement	(1,750)	-	-
Net Change in Fund Balances	5,135,467	3,386,356	(58,530,206)
Fund Balance - July 1 (Beginning)	76,659,863	56,166,524	193,879,031
 Fund Balance - June 30 (Ending)	 \$ 81,795,330	 \$ 59,552,880	 \$ 135,348,825

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

	Other Funds	Total Governmental Funds
\$	2,845,037	\$ 191,207,775
	3,060,744	87,095,762
	9,557,297	13,156,972
	15,463,078	291,460,509
	11,784,253	145,948,630
	159,433	3,864,461
	942,661	3,839,428
	111,250	2,388,900
	161,203	11,915,870
	1,273,029	10,853,870
	157,686	720,184
	3,637	2,291,705
	160,211	4,809,971
	86,516	229,921
	399,960	5,626,948
	11,945	5,319,367
	8,730	22,726,850
	3,991	819,257
	48	3,982,439
	131,885	845,326
	-	27,884,304
	-	27,933,418
	-	1,525,573
	-	58,820,458
	-	336,200
	-	534
	-	1,222,013
	15,396,438	343,905,627
	66,640	(52,445,118)
	-	133,210,000
	-	56,423
	32,679	1,795,853
	-	22,078,078
	-	(347,053)
	-	(154,255,497)
	32,679	2,537,804
	-	(1,750)
	99,319	(49,909,064)
	1,053,068	327,758,486
\$	1,152,387	\$ 277,849,422

DENTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds	\$	(49,909,064)
Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position.		57,654,221
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.		(23,083,361)
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.		(223,954)
Revenues from property taxes are shown as unavailable in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectable amounts, in the government-wide financial statements.		258,750
Current year amortization of the premium/discount on bonds payable is not recorded in the fund financial statements, but is shown as a reduction in long-term debt in the government-wide financial statements.		8,793,150
Current year interest accretion on capital appreciation bonds is not recognized in the fund financial statements, but is shown as an increase in long-term debt in the government-wide financial statements.		(2,928,971)
The net loss of internal service funds is not included in the fund financial statements but is reported with governmental activities in the government-wide financial statements.		(981,251)
Current year principal payments on bonds payable are expenditures in the fund financial statements, but are shown as reductions in long-term debt in the government-wide financial statements.		27,884,304
The premium on the current year issuances of bonds is recorded as an other resource in the fund financial statements, but is capitalized in the government-wide financial statements.		(22,078,078)
Current year net decreases in accrued vacation benefit obligations and special termination benefit obligations are shown as expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.		105,260
Current year issuances of bonds are shown as other resources in the fund financial statements but are shown as increases in long-term debt in the government-wide financial statements.		(133,210,000)

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

DENTON INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

<p>Payments to refund bonds payable are shown as other financing uses in the fund financial statements, but are shown as a reduction in long-term debt in the government-wide financial statements.</p>	154,255,497
<p>The implementation of GASB 68 required that certain expenditures be de-expended and recorded as deferred resource outflows. Contributions made after the measurement date of 8/31/2014 caused the change in the ending net position to increase in the amount of \$4,010,113. Contributions made before the measurement but during the 2015 FY were also de-expended and recorded as a reduction in the net pension liability for the District. This also caused an increase in the change in net position in the amount of \$424,952. These contributions were replaced with the District's pension expense for the year of \$2,702,377, which caused a decrease in the change in net position. The impact of all of these is to increase the change in net position by \$1,732,688.</p>	1,732,688
<p>Current year amortization of deferred charge on bond refunding is not recorded in the fund financial statements, but is shown as a reduction of the deferred loss in the government-wide financial statements.</p>	(1,015,721)
<p>Change in Net Position of Governmental Activities</p>	<hr style="border: 0.5px solid black;"/> \$ 17,253,470 <hr style="border: 0.5px solid black;"/>

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

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 2,472,514	\$ 8,905,453
Due from Other Governments	111,216	-
Due from Other Funds	3,689	-
Other Receivables	12,868	1,947
Inventories	291,973	5,804
Total Current Assets	<u>2,892,260</u>	<u>8,913,204</u>
Noncurrent Assets:		
Capital Assets:		
Furniture and Equipment	4,221,154	8,756
Depreciation on Furniture and Equipment	(3,009,331)	(5,837)
Total Noncurrent Assets	<u>1,211,823</u>	<u>2,919</u>
Total Assets	<u>4,104,083</u>	<u>8,916,123</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflow Related to TRS	<u>331,875</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>331,875</u>	<u>-</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	40,448	14,598
Accrued Wages Payable	40,608	270
Due to Other Funds	166,831	-
Accrued Expenses	-	1,038,852
Unearned Revenues	317,453	-
Total Current Liabilities	<u>565,340</u>	<u>1,053,720</u>
Noncurrent Liabilities:		
Net Pension Liability	<u>1,524,853</u>	<u>-</u>
Total Noncurrent Liabilities	<u>1,524,853</u>	<u>-</u>
Total Liabilities	<u>2,090,193</u>	<u>1,053,720</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow Related to TRS	<u>466,452</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>466,452</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	1,211,823	2,919
Unrestricted Net Position	667,490	7,859,484
Total Net Position	<u>\$ 1,879,313</u>	<u>\$ 7,862,403</u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities -	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
OPERATING REVENUES:		
Local and Intermediate Sources	\$ 3,498,711	\$ 1,365,591
State Program Revenues	57,442	-
Federal Revenues	584	-
Total Operating Revenues	<u>3,556,737</u>	<u>1,365,591</u>
OPERATING EXPENSES:		
Payroll Costs	3,545,501	360,685
Professional and Contracted Services	100,993	196,619
Supplies and Materials	5,333,314	107,824
Other Operating Costs	27,749	267,493
Depreciation Expense	374,033	1,751
Total Operating Expenses	<u>9,381,590</u>	<u>934,372</u>
Operating Income (Loss)	<u>(5,824,853)</u>	<u>431,219</u>
NONOPERATING REVENUES (EXPENSES):		
National School Breakfast Program	1,226,632	-
National School Lunch Program	4,358,990	-
Donated Commodities (USDA)	541,475	-
Earnings from Temporary Deposits & Investments	847	2,117
Total Nonoperating Revenues (Expenses)	<u>6,127,944</u>	<u>2,117</u>
Income Before Transfers	303,091	433,336
Transfers Out	-	(1,416,338)
Change in Net Position	303,091	(983,002)
Total Net Position - July 1 (Beginning)	3,326,033	8,845,405
Prior Period Adj. "Required by GASB 68"	(1,749,811)	-
Total Net Position - June 30 (Ending)	<u>\$ 1,879,313</u>	<u>\$ 7,862,403</u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>		
Cash Received from District	\$ -	\$ 999,209
Cash Received from Charges and Fees	3,436,306	309,924
Cash Received from Employees	-	69,255
Cash Payments for Payroll Costs	(3,386,457)	(360,426)
Cash Payments for Purchased Services	(100,993)	(196,619)
Cash Payments for Supplies and Materials	(4,663,306)	(101,867)
Cash Payments for Other Expenses	(27,749)	(55,888)
Cash Payments for Claims	-	(344,466)
Net Cash Provided by (Used for) Operating Activities	<u>(4,742,199)</u>	<u>319,122</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>		
Cash Received from Federal Programs	<u>5,585,622</u>	<u>-</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>		
Acquisition of Capital Assets	(252,728)	-
Transfers Out	-	(1,416,338)
Change in Net Pension Liability	(224,958)	-
Net Cash Provided by (Used for) Capital & Related Financing Activities	<u>(477,686)</u>	<u>(1,416,338)</u>
<u>Cash Flows from Investing Activities:</u>		
Interest and Dividends on Investments	<u>847</u>	<u>2,117</u>
Net Increase (Decrease) in Cash and Cash Equivalents	366,584	(1,095,099)
Cash and Cash Equivalents at Beginning of Year	2,105,930	10,000,552
Cash and Cash Equivalents at End of Year	<u>\$ 2,472,514</u>	<u>\$ 8,905,453</u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities	Governmental Activities -
	Total Enterprise Funds	Total Internal Service Funds
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>		
<u> Provided by (Used for) Operating Activities:</u>		
Operating Income (Loss):	\$ (5,824,853)	\$ 431,219
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:		
Depreciation	374,033	1,751
Commodities	541,475	-
Effect of Increases and Decreases in Current Assets and Liabilities:		
Decrease (increase) in Due from Other Gov.	(109,241)	-
Decrease (increase) in Receivables	(11,190)	12,797
Decrease (increase) in Inv./Prepayments	33,018	4,621
Decrease (increase) in Deferred Outflows	(331,875)	-
Increase (decrease) in Accounts Payable	(11,038)	1,336
Increase (decrease) in Accrued Wages Payable	(4,098)	259
Decrease (increase) in Accrued Expenses	-	(132,861)
Increase (decrease) in Duc to/from Other Funds	163,142	-
Increase (decrease) in Unearned Revenues	(28,024)	-
Increase (decrease) in Deferred Inflows	466,452	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ (4,742,199)</u>	<u>\$ 319,122</u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015

	Agency Funds
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 1,114,847
Other Receivables	359
Total Assets	<u>\$ 1,115,206</u>
LIABILITIES	
Accounts Payable	\$ 2,287
Due to Student Groups	1,112,919
Total Liabilities	<u>\$ 1,115,206</u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Denton Independent School District's (the "District") combined financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (FAR). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

A. REPORTING ENTITY

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

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

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

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

B. BASIS OF PRESENTATION

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

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

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Fund Financial Statements:

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

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

1. **General Fund** - This fund is established to account for resources financing the fundamental operations of the District, in partnership with the community, in enabling and motivating students to reach their full potential. All revenues and expenditures not required to be accounted for in other funds are included here. This is a budgeted fund and any fund balances are considered resources available for current operations. Fund balances may be appropriated by the Board of Trustees to implement its responsibilities.
2. **Debt Service Fund** - This fund is established to account for payment of principal and interest on long-term general obligation debt and other long-term debts for which a tax has been dedicated. This is a budgeted fund. Any unused sinking fund balances are transferred to the General Fund after all of the related debt obligations have been met.
3. **Capital Projects Fund** - This fund is established to account for proceeds, from the sale of bonds and other resources to be used for Board authorized acquisition, construction, or renovation, as well as, furnishings and equipping of major capital facilities. Upon completion of a project, any unused bond proceeds are transferred to the Debt Service Fund and are used to retire related bond principal.

Additionally, the District reports the following fund types:

1. **Special Revenue Funds** - These funds are established to account for federally financed or expenditures legally restricted for specified purposes. In many special revenue funds, any unused balances are returned to the grantor at the close of specified project periods. For funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds.
2. **Enterprise Fund** - The District utilizes enterprise funds to account for the Districts' activities for which outside users are charged a fee roughly equal to the cost of providing the goods or services of those activities. The District uses this fund to account for its food service operations and for its athletic stadium concessions, because these programs are self-supporting and do not require subsidies from the general fund.
3. **Internal Service Funds** - The District utilizes Internal Service Funds to account for revenues and expenses related to services provided to parties inside the District on a cost reimbursement basis. These funds facilitate distribution of support costs to the users of support services. The District has internal service funds for its health and workers compensation self-insurance plans, its print shop and iPad insurance.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

4. **Permanent Fund** - The District utilizes a permanent fund to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes to support the District's programs. The District uses this fund to account for the Lewis Price Memorial Fund, the earnings on which are to be used for playground equipment.
5. **Agency Funds** - These custodial funds are used to account for activities of student groups and other organizational activities requiring clearing accounts. Financial resources for the Agency funds are recorded as assets and liabilities; therefore, these funds do not include revenues and expenditures and have no fund equity. If any unused resources are declared surplus by the student groups, they are transferred to the General Fund with a recommendation to the Board for an appropriate utilization through a budgeted program.

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

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting", all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, proprietary funds will have the option of either 1) choosing not to apply future FASB standards (including amendments or earlier pronouncements), or 2) continuing to follow new FASB pronouncements (unless they conflict with GASB guidance). The District has chosen not to apply future FASB standards.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers property taxes as available if they are collected within 60 days after year-end. A 90 day availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

DENTON INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

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

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

Revenues from state and federal grants are recognized as earned when the related program expenditures are incurred. Funds received but unearned are reflected as unearned revenues, and funds expended but not yet received are shown as receivables.

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

In accordance with the FAR, the District has adopted and installed an accounting system which exceeds the minimum requirements prescribed by the State Board of Education and approved by the State Auditor. Specifically, the District's accounting system uses codes and the code structure presented in the Accounting Code Section of the FAR.

D. ENCUMBRANCE ACCOUNTING

The District employs encumbrance accounting, whereby encumbrances for goods or purchased services are documented by purchase orders and contracts. An encumbrance represents a commitment of Board appropriation related to unperformed contracts for goods and services. The issuance of a purchase order or the signing of a contract creates an encumbrance but does not represent an expenditure for the period, only a commitment to expend resources. Appropriations lapse at June 30 and encumbrances outstanding at that time are either canceled or appropriately provided for in the subsequent year's budget. At June 30, 2015 the District had the following encumbrances as significant commitments for which resources had not already been restricted, committed or assigned.

General Fund	\$ 505,290
Capital Projects Fund	<u>100,510,020</u>
Total	<u>\$101,015,310</u>

E. CASH AND CASH EQUIVALENTS

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

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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

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

The District has no investments at year-end that require adjustment to fair value.

F. PREPAID ITEMS

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

G. INVENTORIES

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

The amount of unused commodities at balance sheet date is also reported as inventory and unearned revenue. Commodities on hand at June 30, 2015 totaled \$180,575.

H. INTERFUND RECEIVABLES AND PAYABLES

During the course of normal operations, the District has numerous transactions between funds: The most significant are:

- (A) Inventory is maintained in the General Fund but available for consumption by all funds on a cost reimbursement basis, and

Short-term interfund loans, due to the fact that checking account balances for most governmental funds are pooled into one demand account.

I. CAPITAL ASSETS

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

Assets capitalized have an original cost of \$5,000 or more and over one-year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Buildings	20-40 Years
Furniture and Equipment	5-10 Years

J. COMPENSATED ABSENCES

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

K. CASH EQUIVALENTS

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

L. NET POSITION

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

M. LONG-TERM OBLIGATIONS

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

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

N. FINANCIAL REPORTING MODEL

The District follows the financial reporting model for state and local governments that includes the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities to the already required fund financial statements and notes.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve *fiscal accountability* and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow users of financial reports to assess a government's *operational accountability*. The GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

As a result, the financial statements include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. The government-wide financial statements split the District programs between governmental and business-type activities.

O. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal 2015, the district purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

P. 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.

Q. IMPLEMENTATION OF NEW STANDARD

In the current fiscal year, the District implemented the following new standards:

GASB Statement 68, *Accounting and Financial Reporting for Pensions* ("GASB 68") establishes accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts or similar arrangements that meet certain criteria. The Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation is reflected in the financial statements, notes to the financial statements and required supplementary information.

GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* ("GASB 71") amends the transition provisions of GASB 68. GASB 71 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability. Implementation is reflected in the financial statements and the notes to the financial statements.

NOTE 2. FUND BALANCE

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

DENTON INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Balance July 1</u>	<u>Additions/ Completions</u>	<u>Retirement/ Adjustments</u>	<u>Balance June 30</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 38,734,684	\$ 6,493,932	\$ -	\$ 45,228,616
Construction in Progress	<u>20,607,948</u>	<u>44,416,766</u>	<u>(14,693,665)</u>	<u>50,331,049</u>
Total capital assets, not being depreciated	<u>59,342,632</u>	<u>50,910,698</u>	<u>(14,693,665)</u>	<u>95,559,665</u>
Capital assets, being depreciated:				
Buildings and Improvements	700,631,695	19,285,558	-	719,917,253
Furniture and Equipment	<u>41,306,005</u>	<u>2,151,630</u>	-	<u>43,457,635</u>
Total capital assets, being depreciated	<u>741,937,700</u>	<u>21,437,188</u>	-	<u>763,374,888</u>
Less accumulated depreciation for:				
Buildings and Improvements	(200,963,533)	(20,806,765)	-	(221,770,298)
Furniture and Equipment	<u>(31,697,888)</u>	<u>(2,276,596)</u>	-	<u>(33,974,484)</u>
Total accumulated depreciation	<u>(232,661,421)</u>	<u>(23,083,361)</u>	-	<u>(255,744,782)</u>
Total capital assets being depreciated, net	<u>509,276,279</u>	<u>(1,646,173)</u>	-	<u>507,630,106</u>
Governmental activities capital assets, net	<u>\$ 568,618,911</u>	<u>\$ 49,264,525</u>	<u>\$ (14,693,665)</u>	<u>\$ 603,189,771</u>
Business-type activities:				
Furniture and Equipment	\$ 3,968,426	\$ 252,728	\$ -	\$ 4,221,154
Totals at historic cost	<u>3,968,426</u>	<u>252,728</u>	-	<u>4,221,154</u>
Less accumulated depreciation for:				
Furniture and Equipment	(2,635,298)	(374,033)	-	(3,009,331)
Total accumulated depreciation	<u>(2,635,298)</u>	<u>(374,033)</u>	-	<u>(3,009,331)</u>
Business-type activities capital assets net	<u>\$ 1,333,128</u>	<u>\$ (121,305)</u>	<u>\$ -</u>	<u>\$ 1,211,823</u>

Construction in progress includes the following construction contract in progress as of June 30, 2015:

<u>Project</u>	<u>Estimated Cost to Complete</u>	<u>Expended to Date</u>	<u>Balance to Complete</u>
Elementary School Construction	\$ 19,459,633	\$ 727,698	\$18,731,935
High School Construction	<u>113,857,682</u>	<u>39,633,138</u>	<u>74,224,544</u>
Total	<u>\$133,317,315</u>	<u>\$40,360,836</u>	<u>\$92,956,479</u>

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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

Governmental activities:	
Instruction	\$16,699,729
Instructional Resources & Media Services	402,007
Curriculum & Instructional Staff Development	341,197
Instructional Leadership	241,123
School Leadership	1,412,005
Guidance, Counseling & Evaluation Services	1,278,178
Social Work Services	87,580
Health Services	263,520
Student (Pupil) Transportation	510,977
Cocurricular/Extracurricular Activities	416,691
General Administration	496,383
Plant Maintenance and Operations	587,904
Data Processing Services	285,370
Community Services	<u>60,697</u>
Total depreciation expense-Governmental activities	<u>\$23,083,361</u>
Business-type activities:	
Food Services	\$ 374,033
Stadium Concessions	<u>-</u>
Total depreciation expense Business-type activities	<u>\$ 374,033</u>

NOTE 5. LONG-TERM DEBT

Long-term debt includes twenty series of general obligation bonds, accreted interest on capital appreciation bonds, premiums on issuance of debt, compensated absences, interest rate swap agreements, and special termination benefits. All long-term debt represents transactions in the District's governmental activities. No long-term debt exists in the District's business-type activities.

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

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

The following is a summary of the changes in the District's Long-term Debt for the year ended June 30, 2015:

Description	Interest Rate Payable	Amount Original Issue	Amounts Outstanding 7/1/14	Additions	Refunded/ Retired	Amounts Outstanding 6/30/15	Due Within One Year
Bonded Indebtedness:							
2001 Bldg/Refunding	3.64-4.40%	60,920,000	\$18,430,000	\$ -	\$ -	\$18,430,000	\$ -
2002 Bldg/Ref CAB	3.58-5.88%	69,195,675	7,645,378	-	3,166,105	4,479,273	2,981,120
2004 Bldg/Refunding	2.58-5.00%	84,070,000	2,470,000	-	2,470,000	-	-
2005A Building	Variable	46,500,000	46,500,000	-	-	46,500,000	-
2005B Bldg/Refunding	3.00-5.00%	13,315,000	5,295,000	-	5,295,000	-	-
2005B Bldg/Ref CAB	3.45-4.13%	4,045,445	728,199	-	728,199	-	-
2005C Refunding	3.00-5.00%	50,240,000	6,035,000	-	6,035,000	-	-
2006 Refunding CAB	4.81-5.22%	62,670,339	62,670,339	-	-	62,670,339	-
2006A Building	4.25-5.00%	21,580,000	19,660,000	-	15,600,000	4,060,000	1,695,000
2006B Building	Variable	30,000,000	30,000,000	-	-	30,000,000	-
2007 Building	4.00-5.00%	39,365,000	31,060,000	-	20,095,000	10,965,000	815,000
2008 Building	3.375-5.0%	158,215,000	154,815,000	-	107,775,000	47,040,000	2,040,000
2009 Refunding	4.00-5.25%	31,875,000	31,875,000	-	-	31,875,000	-
2011 Refunding	2.00-5.00%	24,325,000	21,315,000	-	2,185,000	19,130,000	2,200,000
2012A Building	Variable	40,000,000	40,000,000	-	-	40,000,000	5,120,000
2012B Refunding	2.00-5.00%	57,210,000	56,280,000	-	-	56,280,000	-
2012B Refunding CAB	0.85%	3,658,367	3,658,367	-	-	3,658,367	3,658,367
2012C Refunding	2.00-2.50%	24,875,000	24,035,000	-	170,000	23,865,000	4,805,000
2012D Refunding	2.00-5.00%	40,030,000	39,205,000	-	-	39,205,000	-
2013 Building	2.00%	44,300,000	44,300,000	-	4,485,000	39,815,000	-
2014A Building	1.25-5.00%	75,055,000	75,055,000	-	-	75,055,000	830,000
2014B Building	2.00%	69,075,000	69,075,000	-	-	69,075,000	-
2014C Refunding	2.00-5.00%	14,435,000	-	14,435,000	-	14,435,000	305,000
2015 Refunding	3.00-5.00%	118,775,000	-	118,775,000	-	118,775,000	1,295,000
Total Bonded Indebtedness			<u>790,107,283</u>	<u>133,210,000</u>	<u>168,004,304</u>	<u>755,312,979</u>	<u>25,744,487</u>
Accreted Interest	4.10-5.20%		43,680,315	5,539,667	2,610,696	46,609,286	2,560,513
Premiums on Bond Issuance			40,326,466	22,078,078	8,793,150	53,611,394	3,213,269
Accrued Vacation Benefits			1,170,982	297,527	327,726	1,140,783	-
Special Termination Benefits			164,581	-	75,061	89,520	66,186
Total Other Obligations			<u>85,342,344</u>	<u>27,915,272</u>	<u>11,806,633</u>	<u>101,450,983</u>	<u>5,839,968</u>
Total Obligations of District			<u>\$875,449,627</u>	<u>\$161,125,272</u>	<u>\$179,810,937</u>	<u>\$856,763,962</u>	<u>\$31,584,455</u>

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

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

There are a number of limitations and restrictions contained in the various general obligation bonds indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2015.

Interest Rate Swap Agreements

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

2005 Swap Agreements

As a means to reduce its borrowing cost in comparison to the issuance of traditional fixed rate bonds at the time of issuance, on January 27, 2005 the District entered into an interest rate swap transaction pursuant to agreements (the "2005 Swap Agreements") with Bear Stearns Financial Products Inc. ("BSFP") and UBS AG ("UBS"), each in an original notional amount of \$23,250,000, in order to synthetically fix the interest obligation on the District's \$46,500,000 Variable Rate Unlimited Tax School Building Bonds, Series 2005-A (the "Series 2005-A Bonds"). Subsequent to entering into the 2005 Swap Agreements, JPMorgan Chase & Co. purchased and merged with BSFP and as result JPMorgan Chase Bank, N.A. ("JPMCB") has been substituted for BSFP as a swap counterparty for the 2005 Swap Agreements.

Under the 2005 Swap Agreements, the District is obligated to make payments to JPMCB and UBS calculated on a notional amount that is equal to the scheduled outstanding principal amount of the Series 2005-A Bonds at a fixed rate of 3.42% per annum and JPMCB and UBS are each obligated to make floating rate payments to the District calculated on a notional amount that is equal to the scheduled outstanding principal amount of the Series 2005-A Bonds at a rate equal to 67% of the one-month London Interbank Offered Rate (LIBOR) for U.S. deposits. The Series 2005-A Bonds and the 2005 Swap Agreements have a stated final maturity date of August 1, 2035.

As of June 30, 2015, the debt service requirements of the Series 2005-A Bonds were as follows. As interest rates change in the future, the differences between the floating rates payable to the District under the 2005 Swap Agreements and the actual interest rates payable by the District on the Series 2005-A Bonds will vary.

Year Ended June 30	Principal	Interest	Total Requirements
2016	\$ -	\$ 2,032,050	\$ 2,032,050
2017	1,760,000	1,993,594	3,753,594
2018	1,840,000	1,914,934	3,754,934
2019	1,890,000	1,833,433	3,723,433
2020	1,950,000	1,749,530	3,699,530
2021-2025	9,970,000	7,461,557	17,431,557
2026-2030	11,770,000	5,103,941	16,873,941
2031-2035	14,130,000	2,289,224	16,419,224
2036	<u>3,190,000</u>	<u>69,702</u>	<u>3,259,702</u>
Totals	<u>\$ 46,500,000</u>	<u>\$ 24,447,965</u>	<u>\$ 70,947,965</u>

Note: Interest was calculated at a rate, representing the sum of: (a) the actual fixed payment swap rate of 3.420% pursuant to the 2005 Swap Agreements; (b) the estimated cost of the liquidity facility for the Series 2005-A Bonds (0.550%); (c) the estimated cost of remarketing the Series 2005-A Bonds (0.050%); and (d) 0.350% per year to offset the potential differences between the floating rates payable to the District under the 2005 Swap Agreements and the actual interest rates payable by the District on the Series 2005-A Bonds.

2006 Swap Agreement

As a means to reduce its borrowing cost in comparison to the issuance of traditional fixed rate bonds at the time of issuance, on June 29, 2006 the District entered into an interest rate swap transaction pursuant to an agreement (the "2006 Swap Agreement") with Bear Stearns Financial Products Inc. ("BSFP"), in an original notional amount of \$30,000,000, in order to synthetically fix the interest obligation on the District's \$30,000,000 Variable Rate Unlimited Tax School Building Bonds, Series 2006-B (the "Series 2006-B Bonds"). Subsequent to entering into the 2006 Swap Agreement, JPMorgan Chase & Co. purchased and merged with BSFP and as a result JPMorgan Chase Bank, N.A. ("JPMCB") has been substituted for BSFP as swap counterparty for the 2006 Swap Agreement.

DENTON INDEPENDENT SCHOOL DISTRICT
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Under the 2006 Swap Agreement, the District is obligated to make payments to JPMCB calculated on a notional amount equal to the scheduled outstanding principal amount of the Series 2006-B Bonds at a fixed rate of 4.077% per annum, and JPMCB is obligated to make floating rate payments to the District calculated on a notional amount this is equal to the scheduled outstanding principal amount of the Series 2006-B Bonds at a rate equal to equal to 62.5% of the 10-year constant maturity swap rate (a reported market fixed rate at which 10-year interest rate swaps for a one-month U.S. dollar LIBOR rate are entered into from time to time). The Series 2006-B Bonds and the 2006 Swap Agreement have a stated final maturity date of August 1, 2035.

As of June 30, 2015, the debt service requirements of the Series 2006-B Bonds were as follows. As interest rates change in the future, the differences between the floating rates payable to the District under the 2006 Swap Agreement and the actual interest rates payable by the District on the Series 2006-B Bonds will vary.

Year Ended	Total		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2016	\$ -	\$ 1,571,100	\$ 1,571,100
2017	-	1,571,100	1,571,100
2018	-	1,571,100	1,571,100
2019	-	1,571,100	1,571,100
2020	-	1,571,100	1,571,100
2021-2025	1,815,000	7,762,936	9,577,936
2026-2030	5,430,000	6,692,624	12,122,624
2031-2035	13,815,000	4,925,791	18,740,791
2036	<u>8,940,000</u>	<u>234,094</u>	<u>9,174,094</u>
Totals	<u>\$ 30,000,000</u>	<u>\$ 27,470,945</u>	<u>\$ 57,470,945</u>

Note: Interest was calculated at a rate, representing the sum of: (a) the actual fixed payment swap rate of 4.077% pursuant to the 2006 Swap Agreement; (b) the estimated cost of the liquidity facility for the Series 2006-B Bonds (0.250%); (c) the estimated cost of remarketing the Series 2006-B Bonds (0.060%); and (d) 0.700% per year to offset the potential differences between the floating rates payable to the District under the 2006 Swap Agreement and the actual interest rates payable by the District on the Series 2006-B Bonds.

Other Information Common To Both The 2005 And 2006 Swap Agreements

Arrangements made in respect of the 2005 Swap Agreements and 2006 Swap Agreement (collectively, the "Swap Agreements") do not alter the District's obligation to pay principal of and interest on the Series 2005-A Bonds and Series 2006-B Bonds. The Swap Agreements do not provide a source of security or other credit for the Series 2005-A Bonds and Series 2006-B Bonds. The District's obligations under the Swap Agreements are secured by a levy of an annual ad valorem tax on parity with the District's obligation to pay principal and interest on the Series 2005-A Bonds and Series 2006-B Bonds.

As of June 30, 2015, the District was not exposed to credit risk with JPMCB and UBS on the 2005 Swap Agreements as such agreements had a negative fair value of \$8,855,765. The District was not exposed to credit risk with JPMCB on the 2006 Swap Agreement as such agreement had a negative fair value of \$8,135,124. Collectively, as of June 30, 2015, the Swap Agreements had a net negative fair value of \$16,990,889.

As of June 30, 2015, JPMCB was rated "Aa1," "AA-" and "AA-" by Moody's Investors Service ("Moody's"), Standard & Poor's ("S&P") and Fitch Ratings ("Fitch"), respectively, while UBS was rated "Aa3," "A+" and "A+" by Moody's, S&P and Fitch, respectively.

**DENTON INDEPENDENT SCHOOL DISTRICT
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The Swap Agreements are subject to mandatory redemption in the event of default or as follows:

2005 and 2006 Swap Agreement with JPMCB: If the ratings assigned to the District's unenhanced long-term debt obligations are withdrawn or reduced to "BBB" by S&P, "BBB" by Fitch or "Ba1" by Moody's (if Moody's, S&P and Fitch assign ratings to the District's unenhanced long-term debt obligations) or "BBB+" by S&P or Fitch (if Moody's does not assign ratings to the District's unenhanced long-term debt obligations), or if the ratings assigned to JPMCB's unenhanced long-term debt obligations are withdrawn or reduced to "BBB" by S&P or "Baa2" by Moody's.

2005 Swap Agreement with UBS: If the ratings assigned to either the District's or UBS's unenhanced long-term debt obligations are withdrawn or reduced to "BBB+" by S&P or "BBB+" by Fitch.

The Swap Agreements are also subject to optional termination by the District at any time over the term of the Swap Agreements at the then prevailing market value. JPMCB and UBS do not have the elective right to optionally terminate the Swap Agreements.

NOTE 6. DEBT SERVICE REQUIREMENTS - BONDS

Debt service requirements to maturity are as follows (excluding maturities on the 2005-A issue and 2006-B issue, which are reflected in Note 5 above):

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirements</u>
2016	\$ 25,744,487	\$ 25,368,357	\$ 51,112,844
2017	19,909,508	28,572,790	48,482,298
2018	21,143,645	28,270,521	49,414,166
2019	22,245,279	24,626,969	46,872,248
2020	24,323,648	24,621,186	48,944,834
2021-2025	108,649,737	136,005,340	244,655,077
2026-2030	114,941,306	127,737,110	242,678,416
2031-2035	141,040,369	83,002,133	224,042,502
2036-2040	117,355,000	29,401,525	146,756,525
2041-2045	<u>83,460,000</u>	<u>7,984,200</u>	<u>91,444,200</u>
	<u>\$678,812,979</u>	<u>\$515,590,131</u>	<u>\$1,194,403,110</u>

NOTE 7. DEFEASED BONDS OUTSTANDING

On November 13, 2014, the District issued \$14,435,000 (par value) in unlimited tax refunding bonds (current interest bonds) with interest rates ranging from 2.0% to 5.0% to advance refund \$15,010,000 of unlimited tax school building and tax refunding bonds. The unlimited tax refunding bonds were issued at a net premium of \$2,147,180, and, after paying issuance costs of \$175,326, the net proceeds were \$16,406,854. The net proceeds from the issuance of the unlimited tax refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bond matures. The advance refunding met the requirements of an in-substance debt defeasance and the unlimited tax school building bonds were removed from the District's long-term liabilities.

As a result of the advance refunding, the District decreased its total debt service requirements by \$1,252,934 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,154,104.

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On March 25, 2015, the District issued \$118,775,000 (par value) in unlimited tax refunding bonds (current interest bonds) with interest rates ranging from 3.0% to 5.0% to advance refund \$125,110,000 of unlimited tax school building and tax refunding bonds. The unlimited tax refunding bonds were issued at a net premium of \$19,930,898, and, after paying issuance costs of \$857,255, the net proceeds were \$137,848,643. The net proceeds from the issuance of the unlimited tax refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bond matures. The advance refunding met the requirements of an in-substance debt defeasance and the unlimited tax school building bonds were removed from the District's long-term liabilities.

As a result of the advance refunding, the District decreased its total debt service requirements by \$17,203,964 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$14,846,935.

In prior years, the District issued refunding bonds to defease certain outstanding bonds for the purpose of consolidation and to achieve debt service savings. The District has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to ensure payment of debt service on the refunded bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. Although defeased, the refunded debt from those earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On June 30, 2015, \$140,120,000 of bonds outstanding are considered defeased.

NOTE 8. SPECIAL TERMINATION BENEFITS

During the year ended August 31, 1997, the District adopted a Voluntary Exit Program for the purpose of rewarding eligible employees with compensation upon their voluntary leave from employment with the District, without regard to having reached the retirement provisions of the Teacher Retirement System of Texas.

From 1997 through 2001, any employee with a minimum of 25 years experience, at least 15 years of which had been with the District and at least the immediately preceding 5 years, was eligible to receive upon voluntary leave from employment a percentage of the employee's base salary, ranging from 50% to 100%, payable annually over a four-year period. During the year ended August 31, 2000, the District approved guidelines to phase out the program.

From 1999 through 2014, 118 employees elected participation in the program. The District's liability for these special termination benefits is considered a long-term liability and is recorded in the Statement of Net Position at the present value at June 30, 2015 of all future periodic payments to be made to the 6 former employees currently in the program.

A summary of the future payments that the District is obligated to make under this program is as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Total</u> <u>Payments</u>
2016	\$ 38,544
2017	12,140
2018	<u>6,121</u>
Total	<u>\$ 56,805</u>
Present Value	<u>\$ 56,003</u>

DENTON INDEPENDENT SCHOOL DISTRICT
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NOTE 9. ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS

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

A summary of changes in the accumulated vacation leave liability is as follows:

Balance, July 1, 2014	\$1,170,982
Additions – New Entrants and Salary Increments	194,575
Deductions – Payments to Participants	<u>(224,774)</u>
Balance, June 30, 2015	<u>\$1,140,783</u>

On retirement of an employee, the District pays to the employee lump cash payment equal to one-tenth of the employee's annual salary, if the employee has accumulated a minimum amount of unused sick leave. It is impractical to estimate the amount of future liability because of uncertainty of the number of such employees who will remain with the District until retirement. Accordingly, no liability has been recorded in the accompanying financial statements. The District's policy is to recognize the cost of compensated absences when actually paid to employees.

NOTE 10. PROPERTY TAXES

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code which established an appraisal district and an appraisal review board in each county in the State of Texas. Denton Central Appraisal District (DCAD) is responsible for the appraisal of property for all taxing units in Denton County, including the District. Under the terms of a contract for appraisal services, the District paid DCAD \$1,222,013 in fiscal year 2015 for appraising property.

The District levies its taxes on October 1 on the assessed (appraised) value listed as of the prior January 1 for all real and business personal property located in the District in conformity with Subtitle E, Texas Property Tax Code. The appraisal and recording of all property within the District is the responsibility of the Denton Central Appraisal District (DCAD), an independent government unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. DCAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years. Under certain circumstances taxpayers and taxing units, including the District, may challenge orders of the DCAD Review Board through various appeals and, if necessary, legal action. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll upon which the levy for the 2014-15 fiscal year was based was \$11,823,268,442. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 % delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2015, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$1.04 and \$0.50 per \$100 valuation, respectively, for a total of \$1.54 per \$ 100 valuation.

Current tax collections for the year ended June 30, 2015 were 99.04% of the year-end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2015, property taxes receivable, net of estimated uncollectible taxes, totaled \$2,570,438 and \$1,181,795 for the General and Debt Service Funds, respectively.

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Property taxes are recorded as receivables and as unavailable revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes become available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year ending are recorded as unavailable revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as unavailable revenues and recognized as revenue of the period to which they apply.

NOTE 11. DEFINED BENEFIT PENSION PLAN

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

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

Pension Plan Fiduciary Net Position. Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2014 Comprehensive Annual Financial Report for TRS provides the following information regarding the Pension Plan fiduciary net position as of August 31, 2014.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$159,496,075,886
Less: Plan Fiduciary Net Position	<u>(132,779,243,085)</u>
Net Pension Liability	<u>\$ 26,716,832,801</u>
Net Position as percentage of Total Pension Liability	83.25%

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 post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

DENTON INDEPENDENT SCHOOL DISTRICT
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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. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

	<u>Contribution Rates</u>	
	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Denton ISD 2014 Employer Contributions	\$	2,919,672
Denton ISD 2014 Member Contributions	\$	10,853,606
Denton ISD 2014 NECE On-Behalf Contributions	\$	7,923,683

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during the fiscal year reduced by the amounts described below which are paid by the employers. Employers including public schools are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding source or a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above, 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.

DENTON INDEPENDENT SCHOOL DISTRICT
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Actuarial Assumptions. The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Normal
Amortization Method of Payroll, Open	Individual Entry Age Level Percentage of
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%
*Includes Inflation of 3%	

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

DENTON INDEPENDENT SCHOOL DISTRICT
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Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	7.0%	1.4%
Non-U.S. Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha	0%		1.0%
Total	<u>100%</u>		<u>8.7%</u>

* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
Denton ISD's proportionate share of the net pension liability:	\$ 54,968,596	\$ 30,761,310	\$ 12,658,769

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2014, Denton Independent School District reported a liability of \$30,761,310 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to Denton Independent School District. The amount recognized by Denton Independent School District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with Denton Independent School District were as follows:

District's Proportionate share of the collective net pension liability	\$ 30,761,310
State's proportionate share that is associated with the District	<u>83,661,060</u>
Total	<u>\$114,422,370</u>

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 thru August 31, 2014.

At August 31, 2014 the employer's proportion of the collective net pension liability was .001151618%. Since this is the first year of implementation, the District does not have the proportion measured as of August 31, 2013. The Notes to the Financial Statements for August 31, 2014 for TRS stated that the change in proportion was immaterial and therefore disregarded this year.

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There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2014, Denton Independent School District recognized pension expense of \$7,734,309 and revenue of \$7,923,683 for support provided by the State.

At August 31, 2014, Denton Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 475,734	\$ -
Changes in actuarial assumptions	1,999,519	-
Difference between projected and actual investment earnings	-	9,401,912
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	8,063
Contributions paid to TRS subsequent to the measurement date	4,219,290	-
Total	\$6,694,543	\$9,409,975

\$4,219,290 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2016	\$ (1,934,264)
2017	(1,934,264)
2018	(1,934,264)
2019	(1,934,264)
2020	416,214
2021	386,120

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 12. SCHOOL DISTRICT RETIREE HEALTH PLAN

Plan Description. Denton Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees authority to establish and amend the basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us, by writing to the Communications Department of the Teacher Retirement System of Texas at 1000 Red River Street, Austin, Texas 78701, or by calling 1-800-223-8778.

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.0% and 0.65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at 0.55% for fiscal years 2015, 2014 and 2013. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. For the years ended June 30, 2015, 2014, and 2013, the State's contributions to the TRS-Care were \$1,043,735, \$1,003,591, and \$540,787, respectively, the active member contributions were \$678,428, \$652,334, and \$351,610, respectively, and the school district's contribution were \$574,054, \$551,975, and \$297,515, respectively, which equaled the required contributions each year.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments are recognized as equal revenues and expenditures/expenses by the District. For the year ended June 30, 2015, the contribution made on behalf of the District was \$512,108.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 13. INTERFUND BALANCES AND TRANSFERS

Interfund balances at June 30, 2015, were as follows:

<u>Fund</u>	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund:		
Special Revenue Fund:		
Head Start	\$ 148,738	\$ -
ESEA Title I	240,715	-
IDEA-B Formula	367,508	-
IDEA-B Preschool	6,413	-
Summer Feeding Program	46,872	-
ESEA II Training and Recruiting	76,836	-
English Language Acquisition	73,281	-
Title IV, B Community Learning	43,329	-
Medicaid Admin Claim MAC	32,288	-
SSA Adult Basic Education	62,789	-
SSA TANF Family Assistance	4,092	-
SSA IDEA-B Deaf	8,879	-
SSA Career and Technical	19,982	-
SSA ABE Technology	12,802	-
SSA Regional Day School-Deaf	70,374	-
Deaf Educ Management Board	12,794	-
Enterprise Fund	166,831	3,689
Special Revenue Fund:		
General Fund	-	1,227,692
Enterprise Fund:		
General Fund	3,689	166,831
TOTAL	<u>\$1,398,212</u>	<u>\$1,398,212</u>

Virtually all of the above interfund balances are short-term loans due to the fact that checking account balances for most governmental funds are pooled into one demand account. There are no interfund balances that are not expected to be repaid within one year.

Interfunds transfers for the year ended June 30, 2015 consisted of the following individual amounts:

<u>Fund</u>	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
General Fund:		
Capital Projects Fund	\$ 347,029	\$ -
Internal Service Fund	-	1,416,121
Internal Service Fund:		
General Fund	1,416,121	-
Special Revenue Fund	217	-
Capital Projects Fund:		
General Fund	-	347,029
Debt Service Fund	24	-
Debt Service Fund:		
Capital Projects Fund	-	24
Special Revenue Fund:		
Internal Service Fund	<u>-</u>	<u>217</u>
TOTAL	<u>\$1,763,391</u>	<u>\$1,763,391</u>

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

The purpose of the \$347,029 transfer was to transfer local funds from the general fund to the capital projects fund to set them aside for future capital replacements needs. The purpose of a \$1,244,440 transfer was to transfer excess funds from the workers compensation and health insurance trust internal service funds to the general fund. The purpose of the \$24 transfer was to transfer unused bond proceeds to the debt service fund. The purpose of a \$171,898 transfer was to close the iPad Insurance internal service fund and transfer its remaining net position to the general fund and special revenue fund. There was also a \$32,462 transfer from the student activity funds to the campus activity fund.

NOTE 14. HEALTH CARE

For many years the District sponsored a modified self-insurance plan to provide health care benefits to staff members and their dependents. Transactions related to the plan were accounted for in Health Insurance Fund, and internal service fund of the District.

Effective January 1, 2012, the District changed to the State-sponsored TRS Active-Care health insurance plan. During the year ended June 30, 2015, the District contributed \$235 monthly to the TRS Active Care plan. Employees, at their option, authorized payroll withholdings to pay any additional contribution and contributions for dependents.

NOTE 15. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2015, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Other</u>	<u>Total Receivables</u>
Governmental Activities:					
General Fund	\$2,684,342	\$13,911,882	\$304,486	\$ 38,441	\$16,939,151
Debt Service Fund	1,235,461	-	-	-	1,235,461
Capital Projects Fund	-	-	-	14,754	14,754
Special Revenue Fund	-	<u>2,329,315</u>	-	<u>26,161</u>	<u>2,355,476</u>
Total - Governmental Activities	<u>\$3,919,803</u>	<u>\$16,241,197</u>	<u>\$304,486</u>	<u>\$ 79,356</u>	<u>\$20,544,842</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 167,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,570</u>
Business-type Activities:					
Enterprise Fund	\$ -	\$ 111,216	\$ 3,689	\$ 12,868	\$ 127,773
Internal Service Fund	-	-	-	<u>1,947</u>	<u>1,947</u>
Total Business-type Activities	<u>\$ -</u>	<u>\$ 111,216</u>	<u>\$ 3,689</u>	<u>\$ 14,815</u>	<u>\$ 129,720</u>

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Payables at June 30, 2015, were as follows:

	<u>Accounts</u>	<u>Salaries and Benefits</u>	<u>Due To Other Funds</u>	<u>Other</u>	<u>Total Payables</u>
Governmental Activities:					
General Fund	\$ 2,068,993	\$21,326,329	\$ 3,868	\$ -	\$23,399,190
Debt Service Fund	-	-	-	-	-
Capital Projects Fund	9,510,364	-	-	-	9,510,364
Special Revenue Funds	<u>186,686</u>	<u>1,139,831</u>	<u>137,837</u>	-	<u>1,464,354</u>
Total-Governmental Activities	<u>\$11,766,043</u>	<u>\$22,466,160</u>	<u>\$ 141,705</u>	<u>\$ -</u>	<u>\$34,373,908</u>
Amounts not scheduled for payment during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type Activities:					
Enterprise Fund	\$ 40,448	\$ 40,608	\$ 166,831	\$ -	\$ 247,887
Internal Service Fund	<u>14,598</u>	<u>270</u>	<u>-</u>	<u>1,038,852</u>	<u>1,053,720</u>
Total Business-type Activities	<u>\$ 55,046</u>	<u>\$ 40,878</u>	<u>\$ 166,831</u>	<u>\$1,038,852</u>	<u>\$ 1,301,607</u>

NOTE 16. SELF-INSURED WORKERS' COMPENSATION

During the year ended August 31, 1992, the District established a workers compensation self-insurance fund for District employees to minimize the total cost of workers compensation to the District. All premiums were paid to a third party administrator acting on behalf of a self-funded pool. Like the health care self-insurance fund, the District has retained the risk of loss, and thus uses an Internal Service Fund to account for the activity. The District records activities of the plan in accordance with governmental accounting standards. These costs are reported as interfund services provided and used to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Fund and operating expenditures of the General Fund. Additional payments, if any, to the self-insurance funds are treated as an equity transfer. Advanced Risk Management Techniques, Inc., through an actuarial review of the self-insurance program, projected an estimated outstanding loss of \$1,038,852 as of June 30, 2015. Claims administration is provided by TASB.

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

The accrued liability for Workers' Compensation self-insurance of \$1,038,852 includes incurred but not reported claims. This liability reported in the fund at June 30, 2015, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability booked was the present value of the estimate of the actuary. Aggregate stop-loss coverage for 2015 was \$500,000.

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Changes in the workers' compensation claims liability amounts in fiscal 2015 and 2014 are represented below:

	<u>Year Ended June 30, 2015</u>	<u>Year Ended June 30, 2014</u>
Unpaid claims, beginning of year	\$1,171,713	\$1,667,157
Incurred claims (including IBNR'S)	389,598	17,617
Claim payments	<u>522,459</u>	<u>513,061</u>
 Unpaid claims, end of fiscal year	 <u>\$1,038,852</u>	 <u>\$1,171,713</u>

The amount of claims and judgements due within one year is estimated to be \$500,000.

NOTE 17. 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, 2015, 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.

<u>Fund</u>	<u>State Grants & Entitlements</u>	<u>Federal Grants</u>	<u>Local Governments</u>	<u>Total</u>
General	\$13,815,420	\$ 86,733	\$ 9,729	\$13,911,882
Special Revenue	<u>135,703</u>	<u>2,186,979</u>	<u>6,633</u>	<u>2,329,315</u>
Total	<u>\$13,951,123</u>	<u>\$2,273,712</u>	<u>\$ 16,362</u>	<u>\$16,241,197</u>

NOTE 18. CONTINGENT LIABILITIES

The Tax Reform Act of 1986 imposed regulations on tax-exempt bond issues. Governmental bonds issued after August 31, 1986 are subject to the rebate provisions of the Tax Reform Act of 1986. The rebate applies to earnings from bond issue proceeds investments which exceed bond issue stated interest rates. The exact amount of liability, if any, is not known until as long as five years from the bond issuance date. At June 30, 2015, the estimated rebate liability on outstanding bond series was \$49,611.

NOTE 19. LITIGATION AND CONTINGENCIES

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

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

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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

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

NOTE 20. REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property Taxes	\$123,524,140	\$ -	\$59,329,208	\$ -	\$182,853,348
Investment Income	51,413	-	22,865	77,140	151,418
Penalties, interest and other tax related income	1,043,842	-	344,973	-	1,388,815
Co-curricular student activities	529,259	1,629,158	-	-	2,158,417
Tuition and fees	2,641,284	836,895	-	-	3,478,179
Gifts and bequests	319,157	339,460	-	-	658,617
Facilities rentals	275,613	-	-	-	275,613
Insurance recovery	9,172	-	-	-	9,172
Other	194,672	39,517	-	-	234,189
Total	<u>\$128,588,552</u>	<u>\$2,845,030</u>	<u>\$59,697,046</u>	<u>\$ 77,140</u>	<u>\$191,207,768</u>

NOTE 21. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	Special Revenue Fund	Enterprise Fund	Total
Lunchroom receipts	\$ -	\$136,878	\$ 136,878
Food Commodities	-	180,575	180,575
State Textbook Fund	598,791	-	598,791
Summer Feeding Program	18,700	-	18,700
Summer School LEP	20,152	-	20,152
Read to Succeed	627	-	627
Advanced Placement Incentives	94,538	-	94,538
Deaf Ed Mgmt Board	135,462	-	135,462
	<u>\$868,270</u>	<u>\$317,453</u>	<u>\$1,185,723</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 22. COMMITMENTS UNDER LEASES

Commitments under operating (noncapitalized) lease agreements for equipment provide for minimum future rental payments as of June 30, 2015, as follows:

Year Ending <u>June 30,</u>	
2016	\$ 451,088
2017	426,116
2018	<u>98,523</u>
Total Minimum Rentals	<u>\$ 975,727</u>
Rental Expenditures in Fiscal Year 2015	<u>\$ 455,624</u>

NOTE 23. GENERAL FUND FEDERAL SOURCE REVENUES

<u>Program or Source</u>	<u>Total Grant or Entitlement</u>
General Fund:	
Medicaid Reimbursement	\$2,527,939
Impact Aid	133,885
Junior ROTC	197,318
Indirect Costs	654,937
i3 Grant	9,391
Federal Excise Tax Rebate	<u>76,205</u>
Total for General Fund	<u>\$3,599,675</u>

NOTE 24. EXCESS OF EXPENDITURES OVER APPROPRIATIONS BY FUNCTION

The Texas Education Agency requires the budgets for the Governmental fund types to be filed with the Texas Education Agency. The budget should not be exceeded in any functional category under TEA requirements. Expenditures exceeded appropriations in no functional category for the year ended June 30, 2015.

NOTE 25. SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Services Arrangement (“SSA”) which provides a regional day school for the deaf to various member districts. All services are provided by the fiscal agent. The member districts and the State provide the funds to the fiscal agent. According to guidance provided in TEA’s Resource Guide, the District has accounted for the fiscal agent’s activities of the SSA in Special Revenue Funds No. 315, 316, 317, 340, 435 and 446 and such activities have been accounted for using Model 3 in the SSA section of the Resource Guide.

In a manner similar to that described above, the District is also the fiscal agent for an adult education SSA accounted for in Special Revenue Fund No. 309, a vocational education SSA accounted for in Special Revenue Fund No. 331, and a TANF SSA accounted for in Special Revenue Fund No. 312.

DENTON INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

The District participates in a shared services arrangement for juvenile justice alternative education services with ten other school districts. Although the District contributes to the shared services arrangement based on its participation, the District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant resources nor fiscal exigencies that would give rise to a future additional benefit or burden to Denton ISD. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. During the year ended June 30, 2015, the District contributed \$534 to the fiscal agent as its share of the costs of the joint venture. Separate financial statements of the shared services arrangement for juvenile justice alternative education services are not available.

NOTE 26. SUBSEQUENT EVENT

On August 4, 2015 the District issued \$164,580,000 of unlimited tax school building bonds and, after receipt of premium on the bonds less issuance costs, received \$187,745,000 in proceeds that will be used to fund construction and renovation costs related to new and existing campuses.

NOTE 27. PRIOR PERIOD ADJUSTMENT

In fiscal year 2015, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As such, the prior period adjustment was necessary to record the beginning pension liability of the District. The following illustrates the effect of the prior period adjustment:

Beginning Net Position – As Originally Presented	\$38,198,340
Restatement due to:	
Net pension liability (measurement date as of August 31, 2013)	(37,772,365)
Deferred Outflows:	
District contributions made to TRS during the fiscal year	<u>2,472,554</u>
 Beginning Net Position – As Restated	 <u>\$ 2,898,529</u>

NOTE 28. EXPENDITURES BY CHARACTER

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

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Expenditures by fund and character are as follows:

	<u>Governmental Fund Types</u>				Total (Memorandum Only)
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
Current	\$211,288,375	\$15,396,438	\$ -	\$ 2,971,830	\$229,656,643
Capital Outlay	923,168	-	-	55,982,521	56,905,689
Debt Service:					
Principal	-	-	27,884,304	-	27,884,304
Interest and Fiscal Charges	-	-	<u>29,458,991</u>	-	<u>29,458,991</u>
Total Expenditures	<u>\$212,211,543</u>	<u>\$15,396,438</u>	<u>\$57,343,295</u>	<u>\$58,954,351</u>	<u>\$343,905,627</u>

NOTE 29. EXTRAORDINARY ITEM - LAWSUIT SETTLEMENT

The amount shown in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance as an extraordinary item represents proceeds paid toward settlement of a lawsuit related to the needs of a special education student.

NOTE 30. PROPRIETARY FUND NONCASH ACTIVITIES

The following noncash investing or financing activity occurred in the National Breakfast and Lunch Program enterprise fund during the year ended June 30, 2015:

Receipt and use of donated USDA commodities	<u>\$541,475</u>
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REQUIRED SUPPLEMENTARY INFORMATION

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DENTON INDEPENDENT SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Total Local and Intermediate Sources	\$ 120,205,690	\$ 126,441,531	\$ 128,588,552	\$ 2,147,021
State Program Revenues	84,056,041	83,619,357	84,035,018	415,661
Federal Program Revenues	2,260,000	2,782,929	3,599,675	816,746
Total Revenues	<u>206,521,731</u>	<u>212,843,818</u>	<u>216,223,245</u>	<u>3,379,427</u>
EXPENDITURES:				
Current:				
Instruction	136,618,032	137,954,408	134,124,249	3,830,159
Instructional Resources and Media Services	3,745,016	3,848,692	3,705,028	143,664
Curriculum and Instructional Staff Development	2,623,728	3,142,556	2,896,767	245,789
Instructional Leadership	2,516,595	2,493,087	2,277,650	215,437
School Leadership	10,986,722	11,792,512	11,754,667	37,845
Guidance, Counseling and Evaluation Services	9,335,781	9,603,231	9,580,841	22,390
Social Work Services	565,657	572,609	562,498	10,111
Health Services	2,322,351	2,355,405	2,288,068	67,337
Student (Pupil) Transportation	4,195,987	4,862,136	4,649,760	212,376
Food Services	138,762	147,695	143,405	4,290
Extracurricular Activities	5,026,978	5,433,222	5,226,988	206,234
General Administration	5,719,638	5,648,965	5,307,422	341,543
Facilities Maintenance and Operations	22,058,120	25,543,512	22,718,120	2,825,392
Security and Monitoring Services	799,408	844,108	815,266	28,842
Data Processing Services	3,566,415	3,818,599	3,789,408	29,191
Community Services	662,217	764,821	713,441	51,380
Capital Outlay:				
Facilities Acquisition and Construction	-	100,000	99,218	782
Intergovernmental:				
Payments to Fiscal Agent/Member Districts of SSA	264,500	336,200	336,200	-
Payments to Juvenile Justice Alternative Ed. Prg.	28,500	534	534	-
Other Intergovernmental Charges	1,288,974	1,222,013	1,222,013	-
Total Expenditures	<u>212,463,381</u>	<u>220,484,305</u>	<u>212,211,543</u>	<u>8,272,762</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,941,650)</u>	<u>(7,640,487)</u>	<u>4,011,702</u>	<u>11,652,189</u>
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	56,423	56,423	-
Transfers In	1,244,440	1,416,121	1,416,121	-
Transfers Out (Use)	-	(347,029)	(347,029)	-
Total Other Financing Sources (Uses)	<u>1,244,440</u>	<u>1,125,515</u>	<u>1,125,515</u>	<u>-</u>
EXTRAORDINARY ITEMS:				
Extraordinary Item - Lawsuit Settlement	-	(1,750)	(1,750)	-
Net Change in Fund Balances	<u>(4,697,210)</u>	<u>(6,516,722)</u>	<u>5,135,467</u>	<u>11,652,189</u>
Fund Balance - July 1 (Beginning)	<u>76,659,863</u>	<u>76,659,863</u>	<u>76,659,863</u>	<u>-</u>
Fund Balance - June 30 (Ending)	<u>\$ 71,962,653</u>	<u>\$ 70,143,141</u>	<u>\$ 81,795,330</u>	<u>\$ 11,652,189</u>

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

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2015

	2015
District's Proportion of the Net Pension Liability (Asset)	0.001151618%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 30,761,310
State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	83,661,060
Total	\$ 114,422,370
District's Covered-Employee Payroll	\$ 163,129,441
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-Employee Payroll	18.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

Note: GASB 68, Paragraph 81 requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of August 31, 2014 - the period from September 1, 2013 - August 31, 2014.

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

DENTON INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS
 FOR FISCAL YEAR 2015

	2015
Contractually Required Contribution	\$ 4,666,408
Contribution in Relation to the Contractually Required Contribution	(4,666,408)
Contribution Deficiency (Excess)	\$ -0-
District's Covered-Employee Payroll	\$ 163,129,441
Contributions as a Percentage of Covered-Employee Payroll	2.86%

Note: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1, 2013 - August 31, 2014.

Note: Only one year of data is presented in accordance with GASB 68, Paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

DENTON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The Board adopts an “appropriated budget” on a basis consistent with GAAP for the general fund, debt service fund and food service fund (which is included in the enterprise fund). At a minimum, the District is required to present the original and the final amended budgets for revenues and expenditures compared to actual revenues and expenditures for these three funds. The special revenue funds and the capital project fund adopt project-length budgets which do not correspond to the District’s fiscal year.

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

- Prior to June 19th the District prepares a budget based on the modified zero-based budgeting concept for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- After one or more budget workshops with the Board, a meeting is called for the purpose of adopting the proposed budget. At least ten days but not more than 30 days public notice of the meeting is required.
- Prior to June 30th the Board legally adopts the budget for the general fund, debt service fund and food service fund.
- After the budget for the above listed funds is approved, any amendment that causes an increase or decrease in a fund or functional spending category or total revenue or other resources object category requires Board approval prior to the fact. These amendments are presented to the Board at its regular monthly meeting and are reflected in the official minutes. Because the District has a policy of careful budgetary control, several budgetary amendments were necessary throughout the year.
- Expenditure budgets are controlled at the expenditure functional and object level by the appropriate budget manager (principal, department director or divisional administrator). Budget managers may authorize transfers within functional and organizational categories that do not affect the total functional and organizational appropriation. All budget appropriations lapse at year-end.

The general fund, debt service fund and food service fund budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Over the course of the year, the Board of Trustees revised the District’s budget several times. These budget amendments fall into three categories. The first category includes amendments and supplemental appropriations that were approved shortly after the beginning of the year and reflect the actual beginning balances (versus the amounts we estimated in June, 2014). The second category includes changes that the Board made during the year to reflect new information regarding revenue sources and expenditure needs. The principal amendment in this case was an increase in the anticipated amount of State funding to be received. The third category involves amendments moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs. Budget amendments to general fund revenues totaled \$6,322,087, and budget amendments to general fund expenditures totaled \$8,020,924.

B. Teacher Retirement System

Changes of benefit terms and changes of assumptions

There were no changes of benefit terms or changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

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

Activities accounted for in the Special Revenue Funds are:

Head Start - funds granted for the Head Start program for preschool children
ESEA I, A Improving Basic Programs - funds granted to serve students needing reading and math assistance
IDEA-Part B Formula - funds granted for children with disabilities
IDEA-Part B Preschool - funds granted for preschool children with disabilities
Summer Feeding Program - funds granted to provide summer meals to community children
ESEA II, A Training and Recruiting - funds for training to improve teacher and principal quality
Title III, A English Lang. Acquisition - funds to improve the education of limited English proficient children
Title IV, B Community Learning - funds for community learning center activities
Medicaid Admin. Claim MAC - funds to reimburse Medicaid state plan administrative costs
Title III Nexus - funds granted for professional development costs for math and science teachers
Summer School LEP - funds for summer education of limited English proficient students
SSA Adult Education - funds granted to provide adult education literacy services
SSA-TANF Family Assistance - funds granted to promote services to undereducated adults under TANF
SSA-IDEA, Part B Discretionary - funds granted for special education private residential placements
SSA-IDEA, Part B Deaf - funds granted for children with hearing disabilities
SSA-IDEA, B Preschool Deaf - funds granted for preschool children with hearing disabilities
SSA-Vocational Ed Basic Grant - funds granted to provide career and technical education
SSA-IDEA C Deaf-Early Intervention - funds granted to provide service to hearing impaired infants and toddlers
Visually Impaired - funds granted for visually impaired students
Advanced Placement Incentives - funds granted under the Texas Advanced Placement Award incentive program
State Textbook Fund - funds granted for textbook and technology needs
Read to Succeed - funds from state license plate fees for reading programs
SSA-Adult Basic Education - funds granted to provide adult education and literacy services
SSA Regional Day School-Deaf - funds granted to provide a regional day school program for the deaf (RDSD)
Deaf Educ Management Board - funds contributed by member districts to support the RDSD program
Campus Activity Funds - accounts for funds raised by a campus for the benefit of that campus

PERMANENT FUNDS

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

Activities accounted for in the Permanent Fund are:

Lewis Price Memorial Fund - accounts for the original corpus and accumulated earnings related to a gift for playground equipment

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	Head Start	ESEA I, A Improving Basic Program	IDEA - Part B Formula
ASSETS			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Receivables from Other Governments	326,035	530,285	720,637
Other Receivables	-	-	3,060
Inventories	-	-	-
Prepayments	-	4,590	1,500
Other Assets	-	-	-
Total Assets	<u>\$ 326,035</u>	<u>\$ 534,875</u>	<u>\$ 725,197</u>
LIABILITIES			
Accounts Payable	\$ -	\$ 2,795	\$ 11,053
Accrued Wages Payable	177,297	291,365	346,636
Due to Other Funds	148,738	240,715	367,508
Unearned Revenues	-	-	-
Total Liabilities	<u>326,035</u>	<u>534,875</u>	<u>725,197</u>
FUND BALANCES			
Nonspendable Fund Balance:			
Endowment Principal	-	-	-
Committed Fund Balance:			
Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
Other Assigned Fund Balance	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 326,035</u>	<u>\$ 534,875</u>	<u>\$ 725,197</u>

IDEA - Part B Preschool	Summer Feeding Program	ESEA II,A Training and Recruiting	Title III, A English Lang. Acquisition	Title IV, B Community Learning	Medicaid Admin. Claim MAC	Title III Nexus	Summer School LEP
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,362
14,680	59,242	115,902	161,912	43,329	32,288	-	-
-	-	-	-	-	-	-	-
-	13,121	-	-	-	-	-	-
-	-	21,697	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 14,680</u>	<u>\$ 72,363</u>	<u>\$ 137,599</u>	<u>\$ 161,912</u>	<u>\$ 43,329</u>	<u>\$ 32,288</u>	<u>\$ -</u>	<u>\$ 39,362</u>
\$ -	\$ 3,932	\$ 32,425	\$ 27,271	\$ -	\$ -	\$ -	\$ -
8,267	2,859	28,338	61,360	-	-	-	19,210
6,413	46,872	76,836	73,281	43,329	32,288	-	-
-	18,700	-	-	-	-	-	20,152
<u>14,680</u>	<u>72,363</u>	<u>137,599</u>	<u>161,912</u>	<u>43,329</u>	<u>32,288</u>	<u>-</u>	<u>39,362</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 14,680</u>	<u>\$ 72,363</u>	<u>\$ 137,599</u>	<u>\$ 161,912</u>	<u>\$ 43,329</u>	<u>\$ 32,288</u>	<u>\$ -</u>	<u>\$ 39,362</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	SSA Adult Basic Education	SSA - TANF Family Assistance	SSA IDEA, Part B Discretionary	SSA IDEA, Part B Deaf
ASSETS				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Receivables from Other Governments	121,888	5,498	-	14,837
Other Receivables	-	-	-	-
Inventories	-	-	-	-
Prepayments	-	-	-	-
Other Assets	-	-	-	-
Total Assets	<u>\$ 121,888</u>	<u>\$ 5,498</u>	<u>\$ -</u>	<u>\$ 14,837</u>
LIABILITIES				
Accounts Payable	\$ 49,143	\$ -	\$ -	\$ 3,998
Accrued Wages Payable	9,956	1,406	-	1,960
Due to Other Funds	62,789	4,092	-	8,879
Unearned Revenues	-	-	-	-
Total Liabilities	<u>121,888</u>	<u>5,498</u>	<u>-</u>	<u>14,837</u>
FUND BALANCES				
Nonspendable Fund Balance:				
Endowment Principal	-	-	-	-
Committed Fund Balance:				
Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:				
Other Assigned Fund Balance	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 121,888</u>	<u>\$ 5,498</u>	<u>\$ -</u>	<u>\$ 14,837</u>

SSA - IDEA, B Preschool Deaf	SSA - Career & Technical - Basic Grant	SSA - IDEA C Deaf - Early Intervention	Visually Impaired SSVI	Advanced Placement Incentives	State Textbook Fund	Read to Succeed	SSA - ABE Educational Technology
\$ -	\$ -	\$ -	\$ -	\$ 94,538	\$ 589,959	\$ 627	\$ -
-	40,446	-	-	-	-	-	16,652
-	-	-	-	-	-	-	-
-	-	-	-	-	8,832	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 40,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,538</u>	<u>\$ 598,791</u>	<u>\$ 627</u>	<u>\$ 16,652</u>
\$ -	\$ 6,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	13,878	-	-	-	-	-	3,850
-	19,982	-	-	-	-	-	12,802
-	-	-	-	94,538	598,791	627	-
-	40,446	-	-	94,538	598,791	627	16,652
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 40,446</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,538</u>	<u>\$ 598,791</u>	<u>\$ 627</u>	<u>\$ 16,652</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	SSA Regional Day School - Deaf	Deaf Educ Management Board	Campus Activity Funds	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 281,122	\$ 1,130,584	\$ 2,136,192
Receivables from Other Governments	119,051	4,848	1,785	2,329,315
Other Receivables	-	-	23,101	26,161
Inventories	-	-	-	13,121
Prepayments	-	-	19,251	55,870
Other Assets	-	-	-	-
Total Assets	<u>\$ 119,051</u>	<u>\$ 285,970</u>	<u>\$ 1,174,721</u>	<u>\$ 4,560,659</u>
LIABILITIES				
Accounts Payable	\$ 7,000	\$ 10,697	\$ 31,787	\$ 186,687
Accrued Wages Payable	41,677	127,017	4,755	1,139,831
Due to Other Funds	70,374	12,794	-	1,227,692
Unearned Revenues	-	135,462	-	868,270
Total Liabilities	<u>119,051</u>	<u>285,970</u>	<u>36,542</u>	<u>3,422,480</u>
FUND BALANCES				
Nonspendable Fund Balance:				
Endowment Principal	-	-	-	-
Committed Fund Balance:				
Other Committed Fund Balance	-	-	1,138,179	1,138,179
Assigned Fund Balance:				
Other Assigned Fund Balance	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>1,138,179</u>	<u>1,138,179</u>
Total Liabilities and Fund Balances	<u>\$ 119,051</u>	<u>\$ 285,970</u>	<u>\$ 1,174,721</u>	<u>\$ 4,560,659</u>

Permanent Fund	Total Nonmajor Governmental Funds
\$ -	\$ 2,136,192
-	2,329,315
-	26,161
-	13,121
-	55,870
<u>14,208</u>	<u>14,208</u>
<u>\$ 14,208</u>	<u>\$ 4,574,867</u>
\$ -	\$ 186,687
-	1,139,831
-	1,227,692
<u>-</u>	<u>868,270</u>
<u>-</u>	<u>3,422,480</u>
1,000	1,000
-	1,138,179
<u>13,208</u>	<u>13,208</u>
<u>14,208</u>	<u>1,152,387</u>
<u>\$ 14,208</u>	<u>\$ 4,574,867</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	SSA Adult Basic Education	SSA - TANF Family Assistance	SSA IDEA, Part B Discretionary	SSA IDEA, Part B Deaf
REVENUES:				
Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
State Program Revenues	-	-	-	-
Federal Program Revenues	561,938	23,779	30,495	38,896
Total Revenues	<u>561,938</u>	<u>23,779</u>	<u>30,495</u>	<u>38,896</u>
EXPENDITURES:				
Current:				
Instruction	509,001	23,054	30,495	11,647
Instructional Resources and Media Services	-	-	-	-
Curriculum and Instructional Staff Development	37,599	-	-	-
Instructional Leadership	15,338	725	-	-
School Leadership	-	-	-	-
Guidance, Counseling and Evaluation Services	-	-	-	27,249
Social Work Services	-	-	-	-
Health Services	-	-	-	-
Student (Pupil) Transportation	-	-	-	-
Food Services	-	-	-	-
Extracurricular Activities	-	-	-	-
General Administration	-	-	-	-
Facilities Maintenance and Operations	-	-	-	-
Security and Monitoring Services	-	-	-	-
Data Processing Services	-	-	-	-
Community Services	-	-	-	-
Total Expenditures	<u>561,938</u>	<u>23,779</u>	<u>30,495</u>	<u>38,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1 (Beginning)	-	-	-	-
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SSA - IDEA, B Preschool Deaf	SSA - Career & Technical - Basic Grant	SSA - IDEA C Deaf - Early Intervention	Visually Impaired SSVI	Advanced Placement Incentives	State Textbook Fund	Read to Succeed	SSA - ABE Educational Technology
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,517	\$ -	\$ -
-	-	-	12,705	4,416	2,602,141	239	92,868
4,246	261,166	2,110	-	-	-	-	-
<u>4,246</u>	<u>261,166</u>	<u>2,110</u>	<u>12,705</u>	<u>4,416</u>	<u>2,641,658</u>	<u>239</u>	<u>92,868</u>
4,246	130,302	2,110	12,705	3,615	2,641,658	-	85,125
-	-	-	-	-	-	239	-
-	43,750	-	-	801	-	-	2,547
-	5,914	-	-	-	-	-	5,139
-	-	-	-	-	-	-	-
-	81,200	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	57
<u>4,246</u>	<u>261,166</u>	<u>2,110</u>	<u>12,705</u>	<u>4,416</u>	<u>2,641,658</u>	<u>239</u>	<u>92,868</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	SSA Regional Day School - Deaf	Deaf Educ Management Board	Campus Activity Funds	Total Nonmajor Special Revenue Funds
REVENUES:				
Total Local and Intermediate Sources	\$ -	\$ 836,895	\$ 1,968,618	\$ 2,845,030
State Program Revenues	348,375	-	-	3,060,744
Federal Program Revenues	-	-	-	9,557,297
Total Revenues	<u>348,375</u>	<u>836,895</u>	<u>1,968,618</u>	<u>15,463,071</u>
EXPENDITURES:				
Current:				
Instruction	329,777	778,889	1,235,140	11,784,253
Instructional Resources and Media Services	-	-	139,837	159,433
Curriculum and Instructional Staff Development	796	11,123	29,763	942,661
Instructional Leadership	-	-	-	111,250
School Leadership	-	-	64,992	161,203
Guidance, Counseling and Evaluation Services	17,802	46,500	2,251	1,273,029
Social Work Services	-	-	-	157,686
Health Services	-	-	534	3,637
Student (Pupil) Transportation	-	-	1,161	160,211
Food Services	-	-	-	86,516
Extracurricular Activities	-	-	399,960	399,960
General Administration	-	-	11,945	11,945
Facilities Maintenance and Operations	-	-	7,610	8,730
Security and Monitoring Services	-	-	3,991	3,991
Data Processing Services	-	-	48	48
Community Services	-	600	4,536	131,885
Total Expenditures	<u>348,375</u>	<u>837,112</u>	<u>1,901,768</u>	<u>15,396,438</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(217)	66,850	66,633
OTHER FINANCING SOURCES (USES):				
Transfers In	-	217	32,462	32,679
Net Change in Fund Balance	-	-	99,312	99,312
Fund Balance - July 1 (Beginning)	-	-	1,038,867	1,038,867
Fund Balance - June 30 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,138,179</u>	<u>\$ 1,138,179</u>

Permanent Fund	Total Nonmajor Governmental Funds
\$ 7	\$ 2,845,037
-	3,060,744
-	9,557,297
<u>7</u>	<u>15,463,078</u>
-	11,784,253
-	159,433
-	942,661
-	111,250
-	161,203
-	1,273,029
-	157,686
-	3,637
-	160,211
-	86,516
-	399,960
-	11,945
-	8,730
-	3,991
-	48
-	<u>131,885</u>
<u>-</u>	<u>15,396,438</u>
7	66,640
-	32,679
<u>7</u>	<u>99,319</u>
14,201	1,053,068
<u>\$ 14,208</u>	<u>\$ 1,152,387</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 JUNE 30, 2015

	National Breakfast and Lunch Program	Stadium Concessions	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 2,372,508	\$ 100,006	\$ 2,472,514
Due from Other Governments	111,216	-	111,216
Due from Other Funds	3,689	-	3,689
Other Receivables	12,868	-	12,868
Inventories	291,973	-	291,973
Total Current Assets	<u>2,792,254</u>	<u>100,006</u>	<u>2,892,260</u>
Noncurrent Assets:			
Capital Assets:			
Furniture and Equipment	4,193,931	27,223	4,221,154
Depreciation on Furniture and Equipment	(2,982,108)	(27,223)	(3,009,331)
Total Noncurrent Assets	<u>1,211,823</u>	<u>-</u>	<u>1,211,823</u>
Total Assets	<u>4,004,077</u>	<u>100,006</u>	<u>4,104,083</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflow Related to TRS	<u>331,875</u>	<u>-</u>	<u>331,875</u>
Total Deferred Outflows of Resources	<u>331,875</u>	<u>-</u>	<u>331,875</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	40,448	-	40,448
Accrued Wages Payable	40,608	-	40,608
Due to Other Funds	166,831	-	166,831
Unearned Revenues	317,453	-	317,453
Total Current Liabilities	<u>565,340</u>	<u>-</u>	<u>565,340</u>
NonCurrent Liabilities:			
Net Pension Liability	<u>1,524,853</u>	<u>-</u>	<u>1,524,853</u>
Total Noncurrent Liabilities	<u>1,524,853</u>	<u>-</u>	<u>1,524,853</u>
Total Liabilities	<u>2,090,193</u>	<u>-</u>	<u>2,090,193</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow Related to TRS	<u>466,452</u>	<u>-</u>	<u>466,452</u>
Total Deferred Inflows of Resources	<u>466,452</u>	<u>-</u>	<u>466,452</u>
NET POSITION			
Net Investment in Capital Assets	1,211,823	-	1,211,823
Unrestricted Net Position	567,484	100,006	667,490
Total Net Position	<u>\$ 1,779,307</u>	<u>\$ 100,006</u>	<u>\$ 1,879,313</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	National Breakfast and Lunch Program	Stadium Concessions	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 3,435,597	\$ 63,114	\$ 3,498,711
State Program Revenues	57,442	-	57,442
Federal Revenues	584	-	584
Total Operating Revenues	<u>3,493,623</u>	<u>63,114</u>	<u>3,556,737</u>
OPERATING EXPENSES:			
Payroll Costs	3,520,750	24,751	3,545,501
Professional and Contracted Services	98,493	2,500	100,993
Supplies and Materials	5,294,917	38,397	5,333,314
Other Operating Costs	27,574	175	27,749
Depreciation Expense	374,033	-	374,033
Total Operating Expenses	<u>9,315,767</u>	<u>65,823</u>	<u>9,381,590</u>
Operating Income (Loss)	<u>(5,822,144)</u>	<u>(2,709)</u>	<u>(5,824,853)</u>
NONOPERATING REVENUES (EXPENSES):			
National School Breakfast Program	1,226,632	-	1,226,632
National School Lunch Program	4,358,990	-	4,358,990
Donated Commodities (USDA)	541,475	-	541,475
Earnings from Temporary Deposits & Investments	847	-	847
Total Nonoperating Revenues (Expenses)	<u>6,127,944</u>	<u>-</u>	<u>6,127,944</u>
Change in Net Position	305,800	(2,709)	303,091
Total Net Position - July 1 (Beginning)	3,223,318	102,715	3,326,033
Prior Period Adj. "Required by GASB 68"	<u>(1,749,811)</u>	<u>-</u>	<u>(1,749,811)</u>
Total Net Position June 30 (Ending)	<u>\$ 1,779,307</u>	<u>\$ 100,006</u>	<u>\$ 1,879,313</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	National Breakfast and Lunch Program	Stadium Concessions	Total Nonmajor Enterprise Funds
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Charges and Fees	\$ 3,373,192	\$ 63,114	\$ 3,436,306
Cash Payments for Payroll Costs	(3,361,706)	(24,751)	(3,386,457)
Cash Payments for Purchased Services	(98,493)	(2,500)	(100,993)
Cash Payments for Supplies and Materials	(4,624,909)	(38,397)	(4,663,306)
Cash Payments for Other Expenses	(27,574)	(175)	(27,749)
Net Cash Used For Operating Activities	<u>(4,739,490)</u>	<u>(2,709)</u>	<u>(4,742,199)</u>
<u>Cash Flows from Non-Capital Financing Activities:</u>			
Cash Received from Federal Programs	<u>5,585,622</u>	-	<u>5,585,622</u>
<u>Cash Flows from Capital & Related Financing Activities:</u>			
Acquisition of Capital Assets	(252,728)	-	(252,728)
Change in Net Pension Liability	(224,958)	-	(224,958)
Net Cash Used For Capital and Related Financing Activities	<u>(477,686)</u>	-	<u>(477,686)</u>
<u>Cash Flows from Investing Activities:</u>			
Interest and Dividends on Investments	<u>847</u>	-	<u>847</u>
Net Increase (Decrease) in Cash and Cash Equivalents	369,293	(2,709)	366,584
Cash and Cash Equivalents at Beginning of Year	<u>2,003,215</u>	<u>102,715</u>	<u>2,105,930</u>
Cash and Cash Equivalents at End of Year	<u>\$ 2,372,508</u>	<u>\$ 100,006</u>	<u>\$ 2,472,514</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	National Breakfast and Lunch Program	Stadium Concessions	Total Nonmajor Enterprise Funds
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>			
<u>Used for Operating Activities:</u>			
Operating Income (Loss):	\$ (5,822,144)	\$ (2,709)	\$ (5,824,853)
Adjustments to Reconcile Operating Income to Net Cash Used for Operating Activities:			
Depreciation	374,033	-	374,033
Commodities	541,475	-	541,475
Effect of Increases and Decreases in Current Assets and Liabilities:			
Decrease (increase) in Due from Other Gov.	(109,241)	-	(109,241)
Decrease (increase) in Receivables	(11,190)	-	(11,190)
Decrease (increase) in Inv./Prepayments	33,018	-	33,018
Decrease (increase) in Deferred Outflows	(331,875)	-	(331,875)
Increase (decrease) in Accounts Payable	(11,038)	-	(11,038)
Increase (decrease) in Accrued Wages Payable	(4,098)	-	(4,098)
Increase (decrease) in Due to/from Other Funds	163,142	-	163,142
Increase (decrease) in Unearned Revenues	(28,024)	-	(28,024)
Increase (decrease) in Deferred Inflows	466,452	-	466,452
Net Cash Used for Operating Activities	<u>\$ (4,739,490)</u>	<u>\$ (2,709)</u>	<u>\$ (4,742,199)</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2015

	Print Shop	Workers Insurance	Health Insurance	iPad Insurance	Total Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 331,702	\$ 4,502,718	\$ 4,071,033	\$ -	\$ 8,905,453
Other Receivables	147	1,800	-	-	1,947
Inventories	5,804	-	-	-	5,804
Total Current Assets	<u>337,653</u>	<u>4,504,518</u>	<u>4,071,033</u>	<u>-</u>	<u>8,913,204</u>
Noncurrent Assets:					
Capital Assets:					
Furniture and Equipment	8,756	-	-	-	8,756
Depreciation on Furniture and Equipment	(5,837)	-	-	-	(5,837)
Total Noncurrent Assets	<u>2,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,919</u>
Total Assets	<u>340,572</u>	<u>4,504,518</u>	<u>4,071,033</u>	<u>-</u>	<u>8,916,123</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	3,755	9,104	1,739	-	14,598
Accrued Wages Payable	40	-	230	-	270
Accrued Expenses	-	1,038,852	-	-	1,038,852
Total Liabilities	<u>3,795</u>	<u>1,047,956</u>	<u>1,969</u>	<u>-</u>	<u>1,053,720</u>
NET POSITION					
Net Investment in Capital Assets	\$ 2,919	\$ -	\$ -	\$ -	\$ 2,919
Unrestricted Net Position	333,858	3,456,562	4,069,064	-	7,859,484
Total Net Position	<u>\$ 336,777</u>	<u>\$ 3,456,562</u>	<u>\$ 4,069,064</u>	<u>\$ -</u>	<u>\$ 7,862,403</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Print Shop	Workers Insurance	Health Insurance	iPad Insurance	Total Internal Service Funds
OPERATING REVENUES:					
Local and Intermediate Sources	\$ 298,291	\$ 986,809	\$ 68,841	\$ 11,650	\$ 1,365,591
Total Operating Revenues	298,291	986,809	68,841	11,650	1,365,591
OPERATING EXPENSES:					
Payroll Costs	155,484	68,866	136,335	-	360,685
Professional and Contracted Services	140,436	37,470	18,088	625	196,619
Supplies and Materials	62,552	15,395	13,041	16,836	107,824
Other Operating Costs	881	252,237	14,375	-	267,493
Depreciation Expense	1,751	-	-	-	1,751
Total Operating Expenses	361,104	373,968	181,839	17,461	934,372
Operating Income (Loss)	(62,813)	612,841	(112,998)	(5,811)	431,219
NONOPERATING REVENUES (EXPENSES):					
Earnings from Temporary Deposits	-	295	1,822	-	2,117
Total Nonoperating Revenues (Expenses)	-	295	1,822	-	2,117
Income (Loss) Before Transfers	(62,813)	613,136	(111,176)	(5,811)	433,336
Transfers Out	-	(1,000,000)	(244,440)	(171,898)	(1,416,338)
Change in Net Position	(62,813)	(386,864)	(355,616)	(177,709)	(983,002)
Total Net Position - July 1 (Beginning)	399,590	3,843,426	4,424,680	177,709	8,845,405
Total Net Position - June 30 (Ending)	\$ 336,777	\$ 3,456,562	\$ 4,069,064	\$ -	\$ 7,862,403

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	Print Shop	Workers Insurance	Health Insurance	iPad Insurance	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>					
Cash Received from District	\$ -	\$ 999,209	\$ -	\$ -	\$ 999,209
Cash Received from Charges and Fees	298,274	-	-	11,650	309,924
Cash Received from Employees	-	-	69,255	-	69,255
Cash Payments for Payroll Costs	(155,446)	(68,875)	(136,105)	-	(360,426)
Cash Payments for Purchased Services	(140,436)	(37,470)	(18,088)	(625)	(196,619)
Cash Payments for Supplies and Materials	(59,994)	(12,190)	(12,847)	(16,836)	(101,867)
Cash Payments for Other Expenses	(881)	(40,632)	(14,375)	-	(55,888)
Cash Payments for Claims	-	(344,466)	-	-	(344,466)
Net Cash Provided by (Used for) Operating Activities	(58,483)	495,576	(112,160)	(5,811)	319,122
<u>Cash Flows from Capital & Related Financing Activities:</u>					
Transfers Out	-	(1,000,000)	(244,440)	(171,898)	(1,416,338)
<u>Cash Flows from Investing Activities:</u>					
Interest and Dividends on Investments	-	295	1,822	-	2,117
Net Decrease in Cash and Cash Equivalents	(58,483)	(504,129)	(354,778)	(177,709)	(1,095,099)
Cash and Cash Equivalents at Beginning of Year	390,185	5,006,847	4,425,811	177,709	10,000,552
Cash and Cash Equivalents at End of Year	\$ 331,702	\$ 4,502,718	\$ 4,071,033	\$ -	\$ 8,905,453
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>					
<u>Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss):	\$ (62,813)	\$ 612,841	\$ (112,998)	\$ (5,811)	\$ 431,219
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used For) Operating Activities:					
Depreciation	1,751	-	-	-	1,751
Effect of Increases and Decreases in Current Assets and Liabilities:					
Decrease (increase) in Receivables	(17)	12,400	414	-	12,797
Decrease (increase) in Inv./Prepayments	246	4,375	-	-	4,621
Increase (decrease) in Accounts Payable	2,312	(1,170)	194	-	1,336
Increase (decrease) in Accrued Wages Payable	38	(9)	230	-	259
Decrease (increase) in Accrued Expenses	-	(132,861)	-	-	(132,861)
Net Cash Provided by (Used for) Operating Activities	\$ (58,483)	\$ 495,576	\$ (112,160)	\$ (5,811)	\$ 319,122

DENTON INDEPENDENT SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Total Local and Intermediate Sources	\$ 56,339,455	\$ 59,000,294	\$ 59,697,046	\$ 696,752
Total Revenues	56,339,455	59,000,294	59,697,046	696,752
EXPENDITURES:				
Debt Service:				
Principal on Long Term Debt	27,884,304	27,884,304	27,884,304	-
Interest on Long Term Debt	27,857,801	28,141,415	27,933,418	207,997
Bond Issuance Cost and Fees	597,350	1,650,000	1,525,573	124,427
Total Expenditures	56,339,455	57,675,719	57,343,295	332,424
Excess of Revenues Over Expenditures	-	1,324,575	2,353,751	1,029,176
OTHER FINANCING SOURCES (USES):				
Capital Related Debt Issued (Refunding Bonds)	-	133,210,000	133,210,000	-
Transfers In	-	-	24	24
Premium or Discount on Issuance of Bonds	-	22,078,078	22,078,078	-
Payment to Bond Refunding Escrow Agent (Use)	-	(154,255,497)	(154,255,497)	-
Total Other Financing Sources (Uses)	-	1,032,581	1,032,605	24
Net Change in Fund Balances	-	2,357,156	3,386,356	1,029,200
Fund Balance - July 1 (Beginning)	56,166,524	56,166,524	56,166,524	-
 Fund Balance - June 30 (Ending)	 \$ 56,166,524	 \$ 58,523,680	 \$ 59,552,880	 \$ 1,029,200

DENTON INDEPENDENT SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE - CHILD NUTRITION PROGRAM
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Total Local and Intermediate Sources	\$ 3,030,138	\$ 3,030,138	\$ 3,435,597	\$ 405,459
State Program Revenues	60,000	60,000	57,442	(2,558)
Federal Program Revenues	-	-	584	584
Total Revenues	<u>3,090,138</u>	<u>3,090,138</u>	<u>3,493,623</u>	<u>403,485</u>
EXPENDITURES:				
Food Services	9,428,500	9,428,500	9,406,148	22,352
Total Expenditures	<u>9,428,500</u>	<u>9,428,500</u>	<u>9,406,148</u>	<u>22,352</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,338,362)</u>	<u>(6,338,362)</u>	<u>(5,912,525)</u>	<u>425,837</u>
OTHER FINANCING SOURCES (USES):				
National School Breakfast Program	1,216,527	1,216,527	1,226,632	10,105
National School Lunch Program	4,620,835	4,620,835	4,358,990	(261,845)
Donated Commodities (USDA)	500,000	500,000	541,475	41,475
Investment Income	1,000	1,000	847	(153)
Total Other Financing Sources (Uses)	<u>6,338,362</u>	<u>6,338,362</u>	<u>6,127,944</u>	<u>(210,418)</u>
Change in Net Position	-	-	215,419	215,419
Total Net Position - July 1 (Beginning)	<u>3,223,318</u>	<u>3,223,318</u>	<u>3,223,318</u>	<u>-</u>
Total Net Position - June 30 (Ending)	<u>\$ 3,223,318</u>	<u>\$ 3,223,318</u>	<u>\$ 3,438,737</u>	<u>\$ 215,419</u>

DENTON INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1 2014	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30 2015
STUDENT ACTIVITY ACCOUNT				
Assets:				
Cash and Temporary Investments	\$ 1,113,419	\$ 3,374,532	\$ 3,373,104	\$ 1,114,847
Other Receivables	189	359	189	359
Total Assets	<u>\$ 1,113,608</u>	<u>\$ 3,374,891</u>	<u>\$ 3,373,293</u>	<u>\$ 1,115,206</u>
Liabilities:				
Accounts Payable	\$ 3,582	\$ 2,287	\$ 3,582	\$ 2,287
Accrued Wages Payable	200	-	200	-
Due to Student Groups	1,109,826	3,372,604	3,369,511	1,112,919
Total Liabilities	<u>\$ 1,113,608</u>	<u>\$ 3,374,891</u>	<u>\$ 3,373,293</u>	<u>\$ 1,115,206</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and Temporary Investments	\$ 1,113,419	\$ 3,374,532	\$ 3,373,104	\$ 1,114,847
Other Receivables	189	359	189	359
Total Assets	<u>\$ 1,113,608</u>	<u>\$ 3,374,891</u>	<u>\$ 3,373,293</u>	<u>\$ 1,115,206</u>
Liabilities:				
Accounts Payable	\$ 3,582	\$ 2,287	\$ 3,582	\$ 2,287
Accrued Wages Payable	200	-	200	-
Due to Student Groups	1,109,826	3,372,604	3,369,511	1,112,919
Total Liabilities	<u>\$ 1,113,608</u>	<u>\$ 3,374,891</u>	<u>\$ 3,373,293</u>	<u>\$ 1,115,206</u>

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STATISTICAL SECTION

Statistical Section

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

Contents	Page
Financial Trends	108
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	118
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	124
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	130
These schedules offer demographic and economic indicators to help the reader understand the environment within the government's financial activities take place.	
Operating Information	134
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

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

Fiscal Year	2006	2007	2008	2009
Governmental Activities:				
Net Investment in Capital Assets	\$ (29,384,189)	\$(103,706,370)	\$(222,929,208)	\$(134,747,773)
Restricted for Campus Activities	291,614	352,602	398,666	506,111
Restricted for Debt Service	16,686,050	24,503,593	31,828,436	34,131,436
Restricted for Corpus	-	-	-	-
Restricted for Playground Equipment	-	-	-	-
Unrestricted Net Position	<u>50,834,774</u>	<u>122,786,171</u>	<u>232,962,255</u>	<u>127,244,017</u>
Total Governmental Activities Net Position	<u>\$ 38,428,249</u>	<u>\$ 43,935,996</u>	<u>\$ 42,260,149</u>	<u>\$ 27,133,791</u>
Business-Type Activities:				
Net Investment in Capital Assets	\$ 785,325	\$ 585,014	\$ 421,774	\$ 323,527
Unrestricted Net Position	<u>1,133,030</u>	<u>1,250,217</u>	<u>1,430,324</u>	<u>1,933,823</u>
Total Business-Type Activities	<u>\$ 1,918,355</u>	<u>\$ 1,835,231</u>	<u>\$ 1,852,098</u>	<u>\$ 2,257,350</u>
Primary Government:				
Net Investment in Capital Assets	\$ (28,598,864)	\$(103,121,356)	\$(222,507,434)	\$(134,424,246)
Restricted for Campus Activities	291,614	352,602	398,666	506,111
Restricted for Debt Service	16,686,050	24,503,593	31,828,436	34,131,436
Restricted for Corpus	-	-	-	-
Restricted for Playground Equipment	-	-	-	-
Unrestricted Net Position	<u>51,967,804</u>	<u>124,036,388</u>	<u>234,392,579</u>	<u>129,177,840</u>
Total Primary Government	<u>\$ 40,346,604</u>	<u>\$ 45,771,227</u>	<u>\$ 44,112,247</u>	<u>\$ 29,391,141</u>

2010	2011	2012	2013	2014	2015
\$ (98,597,897)	\$ (98,448,425)	\$ (63,550,092)	\$ (60,034,706)	\$ (59,743,833)	\$ (47,396,513)
609,215	834,344	909,653	978,332	1,038,867	1,138,179
38,048,039	42,142,928	47,127,851	50,832,071	56,166,524	59,552,880
1,000	1,000	1,000	1,000	1,000	1,000
12,958	13,052	13,123	13,194	13,201	13,208
83,693,383	77,842,110	42,348,960	39,860,571	37,396,548	5,267,023
<u>\$ 23,766,698</u>	<u>\$ 22,385,009</u>	<u>\$ 26,850,495</u>	<u>\$ 31,650,462</u>	<u>\$ 34,872,307</u>	<u>\$ 18,575,777</u>
\$ 215,811	\$ 737,761	\$ 1,438,433	\$ 1,596,924	\$ 1,333,128	\$ 1,211,823
2,908,761	2,381,579	2,061,722	2,009,902	1,992,905	667,490
<u>\$ 3,124,572</u>	<u>\$ 3,119,340</u>	<u>\$ 3,500,155</u>	<u>\$ 3,606,826</u>	<u>\$ 3,326,033</u>	<u>\$ 1,879,313</u>
\$ (98,382,086)	\$ (97,710,664)	\$ (62,111,659)	\$ (58,437,782)	\$ (58,410,705)	\$ (46,184,690)
609,215	834,344	909,653	978,332	1,038,867	1,138,179
38,048,039	42,142,928	47,127,851	50,832,071	56,166,524	59,552,880
1,000	1,000	1,000	1,000	1,000	1,000
12,958	13,052	13,123	13,194	13,201	13,208
86,602,144	80,223,689	44,410,682	41,870,473	39,389,453	5,934,513
<u>\$ 26,891,270</u>	<u>\$ 25,504,349</u>	<u>\$ 30,350,650</u>	<u>\$ 35,257,288</u>	<u>\$ 38,198,340</u>	<u>\$ 20,455,090</u>

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

Fiscal Year	2006	2007	2008	2009
Expenses				
Governmental Activities:				
Instruction	\$ 90,325,309	\$ 108,188,073	\$ 120,963,361	\$ 134,726,267
Instructional Resources & Media Services	2,523,359	3,157,377	3,509,026	3,866,009
Curriculum & Staff Development	2,964,723	3,837,453	3,945,407	4,417,941
Instructional Leadership	2,084,955	2,505,233	2,580,909	2,600,380
School Leadership	8,058,790	9,520,563	10,571,369	11,812,262
Guidance, Counseling & Evaluation Services	6,134,689	7,398,859	8,251,825	9,754,789
Social Work Services	597,539	665,386	766,224	822,572
Health Services	1,477,767	1,718,626	2,022,307	2,279,459
Student (Pupil) Transportation	4,357,368	4,413,485	5,212,374	5,357,101
Food Services	186,469	231,689	183,583	193,650
Extracurricular Activities	3,194,107	3,748,905	4,452,419	5,121,928
General Administration	3,835,148	4,421,559	4,816,372	4,493,238
Plant Maintenance & Operations	24,878,114	21,825,280	33,008,080	30,022,194
Security Monitoring Services	492,350	462,786	437,029	490,413
Data Processing Services	3,075,097	2,914,633	3,216,520	3,245,135
Community Services	273,212	262,414	148,626	351,956
Debt Service - Interest and Fees	20,375,676	24,610,585	26,470,091	30,890,612
Payments for Fiscal Agent/Member Districts	241,100	212,557	226,800	187,200
Payments to Juvenile Justice Alternative Ed. Prg.	26,386	17,696	27,323	13,261
Other Intergovernmental Charges	-	-	-	1,167,478
Total Governmental Activities Expenses	<u>175,102,158</u>	<u>200,113,159</u>	<u>230,809,645</u>	<u>251,813,845</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction	1,119,717	1,223,431	1,251,757	1,409,347
Instructional Leadership	-	-	-	-
School Leadership	-	-	-	-
Health Services	-	-	-	-
Extracurricular Activities	380,748	374,677	351,546	448,086
General Administration	-	-	-	-
Plant Maintenance & Operations	126,196	115,591	266,043	282,994
Community Services	-	-	-	-
Operating Grants and Contributions	20,355,580	22,792,584	24,077,720	24,123,906
Capital Grants and Contributions	-	-	-	-
Total Governmental Activities Program Revenues	<u>21,982,241</u>	<u>24,506,283</u>	<u>25,947,066</u>	<u>26,264,333</u>
Total Governmental Activities Net (Expense) Revenue	<u><u>\$(153,119,917)</u></u>	<u><u>\$(175,606,876)</u></u>	<u><u>\$(204,862,579)</u></u>	<u><u>\$(225,549,512)</u></u>

2010	2011	2012	2013	2014	2015
\$ 142,846,874	\$ 147,791,384	\$ 142,879,926	\$ 144,877,249	\$ 154,357,950	\$ 161,194,546
3,954,485	4,055,167	4,004,174	3,980,838	4,226,963	4,229,966
4,896,737	4,578,304	3,974,083	4,241,167	4,082,091	4,155,565
2,888,262	3,160,725	2,677,319	2,726,823	2,645,733	2,611,553
12,022,194	12,098,591	11,380,604	12,220,012	12,572,588	13,205,280
10,678,636	10,850,839	10,596,400	11,088,010	11,435,409	12,033,024
736,414	734,395	662,420	710,187	790,420	802,931
2,391,738	2,416,596	2,354,611	2,340,531	2,502,551	2,531,987
5,509,515	5,136,357	5,117,453	5,119,826	5,340,406	5,286,652
205,511	216,441	212,456	128,876	169,939	229,921
5,494,874	5,565,786	5,678,981	5,597,180	6,092,564	5,959,471
4,925,859	5,157,358	5,498,784	5,296,713	5,736,385	5,258,341
22,650,584	22,341,395	20,947,561	22,367,887	22,806,826	24,917,855
551,780	588,702	625,486	709,408	798,731	819,257
3,540,253	3,484,135	3,537,840	3,597,124	3,765,272	4,023,959
544,167	568,928	631,841	813,366	841,290	903,044
30,633,392	32,117,047	28,330,206	26,456,836	29,914,489	24,834,487
231,000	255,750	232,500	263,500	270,600	336,200
6,853	6,853	6,408	13,350	3,827	534
<u>1,190,866</u>	<u>1,223,154</u>	<u>1,231,054</u>	<u>1,226,213</u>	<u>1,217,561</u>	<u>1,222,013</u>
<u>255,899,994</u>	<u>262,347,907</u>	<u>250,580,107</u>	<u>253,775,096</u>	<u>269,571,595</u>	<u>274,556,586</u>
1,775,223	1,589,656	1,699,448	1,548,972	1,356,458	1,903,617
-	227,700	273,714	301,750	305,878	336,356
-	-	-	-	381,712	-
1,693,877	2,229,547	1,884,174	2,064,530	2,773,984	2,527,939
459,584	725,993	462,348	542,967	492,828	529,259
-	-	644,338	642,736	637,367	654,937
284,358	729,776	382,137	354,256	3,216,099	284,745
-	335,130	362,217	340,210	392,872	401,311
32,029,618	33,145,949	27,320,158	23,121,232	23,406,913	26,660,967
-	56,000	-	632,120	-	-
<u>36,242,660</u>	<u>39,039,751</u>	<u>33,028,534</u>	<u>29,548,773</u>	<u>32,964,111</u>	<u>33,299,131</u>
<u>\$(219,657,334)</u>	<u>\$(223,308,156)</u>	<u>\$(217,551,573)</u>	<u>\$(224,226,323)</u>	<u>\$(236,607,484)</u>	<u>\$(241,257,455)</u>

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

Fiscal Year	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes - General Purposes	\$ 101,328,274	\$ 107,041,924	\$ 93,722,191	\$ 98,785,810
Property Taxes - Debt Service	24,590,109	30,726,849	35,258,115	42,658,104
State Aid-Formula Grants	13,873,518	31,103,330	65,089,322	64,834,487
Unrestricted Grants and Contributions	610,500	3,798,787	153,087	142,903
Investment Earnings	5,457,224	7,863,894	7,352,177	3,553,496
Miscellaneous	301,145	632,976	1,600,676	583,290
Special Items	31,399	131,793	11,164	(134,936)
Extraordinary Items	-	(200,000)	-	-
Transfers In (Out)	-	15,070	-	-
Total Governmental Activities General Revenues and Other Changes in Net Position	<u>146,192,169</u>	<u>181,114,623</u>	<u>203,186,732</u>	<u>210,423,154</u>
Governmental Activities Change in Net Position	<u>\$ (6,927,748)</u>	<u>\$ 5,507,747</u>	<u>\$ (1,675,847)</u>	<u>\$ (15,126,358)</u>
Expenses				
Business-Type Activities:				
National School Breakfast & Lunch	\$ 5,749,938	\$ 6,628,911	\$ 7,358,557	\$ 7,628,068
Stadium Concessions	93,542	88,174	76,456	88,512
Total Business-Type Activities Expenses	<u>5,843,480</u>	<u>6,717,085</u>	<u>7,435,013</u>	<u>7,716,580</u>
Program Revenues				
Business-Type Activities:				
Charges for Services:				
National School Breakfast & Lunch	2,669,776	3,029,081	3,428,138	3,735,550
Stadium Concessions	90,675	107,858	92,338	106,994
Operating Grants and Contributions:				
National School Breakfast & Lunch	3,092,713	3,434,630	3,881,365	4,264,393
Total Business-Type Activities Program Revenues	<u>5,853,164</u>	<u>6,571,569</u>	<u>7,401,841</u>	<u>8,106,937</u>
Total Business-Type Activities Net (Expense) Revenue	<u>9,684</u>	<u>(145,516)</u>	<u>(33,172)</u>	<u>390,357</u>
General Revenues and Other Changes in Net Position				
Business-Type Activities:				
Unrestricted Grants and Contributions	-	9,070	-	-
Investment Earnings	53,221	68,392	50,039	14,895
Special Items	-	-	-	-
Transfer In (Out)	-	(15,070)	-	-
Total Business-Type Activities General Revenues and Other Changes in Net Position	<u>53,221</u>	<u>62,392</u>	<u>50,039</u>	<u>14,895</u>
Business-Type Activities Change in Net Position	<u>\$ 62,905</u>	<u>\$ (83,124)</u>	<u>\$ 16,867</u>	<u>\$ 405,252</u>
Total Primary Government Change in Net Position	<u>\$ (6,864,843)</u>	<u>\$ 5,424,623</u>	<u>\$ (1,658,980)</u>	<u>\$ (14,721,106)</u>

2010	2011	2012	2013	2014	2015
\$ 100,862,948	\$ 99,804,875	\$ 101,470,882	\$ 105,882,631	\$ 110,871,393	\$ 124,715,983
43,521,508	46,887,776	47,721,609	49,808,593	52,151,214	59,784,930
70,925,666	74,391,559	76,298,049	72,633,199	75,113,566	73,253,961
89,987	175,362	563,453	131,686	1,322,103	319,157
261,271	266,294	208,758	262,100	85,849	151,411
512,982	393,101	302,867	308,081	285,204	253,021
27,379	(2,895)	-	-	-	-
-	(533,091)	-	-	-	-
88,500	-	-	-	-	32,462
<u>216,290,241</u>	<u>221,382,981</u>	<u>226,565,618</u>	<u>229,026,290</u>	<u>239,829,329</u>	<u>258,510,925</u>
<u>\$ (3,367,093)</u>	<u>\$ (1,925,175)</u>	<u>\$ 9,014,045</u>	<u>\$ 4,799,967</u>	<u>\$ 3,221,845</u>	<u>\$ 17,253,470</u>
\$ 7,650,408	\$ 8,351,124	\$ 8,730,280	\$ 9,050,972	\$ 9,227,871	\$ 9,315,767
95,417	75,947	86,644	76,577	58,672	65,823
<u>7,745,825</u>	<u>8,427,071</u>	<u>8,816,924</u>	<u>9,127,549</u>	<u>9,286,543</u>	<u>9,381,590</u>
3,783,521	3,820,225	3,769,853	3,346,829	3,235,045	3,493,623
107,708	94,022	109,942	80,980	65,419	63,114
<u>4,832,660</u>	<u>4,505,230</u>	<u>5,313,520</u>	<u>5,802,533</u>	<u>5,704,292</u>	<u>6,127,097</u>
<u>8,723,889</u>	<u>8,419,477</u>	<u>9,193,315</u>	<u>9,230,342</u>	<u>9,004,756</u>	<u>9,683,834</u>
<u>978,064</u>	<u>(7,594)</u>	<u>376,391</u>	<u>102,793</u>	<u>(281,787)</u>	<u>302,244</u>
-	-	-	-	-	-
1,942	2,362	4,424	3,878	994	847
(22,784)	-	-	-	-	-
(90,000)	-	-	-	-	-
<u>(110,842)</u>	<u>2,362</u>	<u>4,424</u>	<u>3,878</u>	<u>994</u>	<u>847</u>
<u>\$ 867,222</u>	<u>\$ (5,232)</u>	<u>\$ 380,815</u>	<u>\$ 106,671</u>	<u>\$ (280,793)</u>	<u>\$ 303,091</u>
<u>\$ (2,499,871)</u>	<u>\$ (1,930,407)</u>	<u>\$ 9,394,860</u>	<u>\$ 4,906,638</u>	<u>\$ 2,941,052</u>	<u>\$ 17,556,561</u>

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

Fiscal Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Reserved:				
Investments in Inventory	\$ 232,467	\$ 245,712	\$ 235,852	\$ 187,857
Prepaid Items	349,224	383,386	381,780	299,473
Outstanding Encumbrances	47,526	31,107	28,275	102,653
Unreserved Designated	380,979	428,083	2,710,078	2,753,784
Unreserved Undesignated	<u>35,923,772</u>	<u>42,844,821</u>	<u>52,002,671</u>	<u>47,274,807</u>
Total General Fund	<u>\$ 36,933,968</u>	<u>\$ 43,933,109</u>	<u>\$ 55,358,656</u>	<u>\$ 50,618,574</u>
All Other Governmental Funds				
Reserved:				
Prepaid Items	\$ -	\$ 50,000	\$ -	\$ 9,020
Outstanding Encumbrances	29,765,244	29,940,054	23,038,033	31,231,585
Retirement of Long-Term Debt	16,686,050	24,503,593	31,828,436	34,122,416
Capital Projects	10,216,991	53,464,877	163,809,197	73,899,324
Scholarship	12,538	12,939	13,353	13,488
Unreserved Designated:				
Special Revenue Fund	146,019	151,536	267,920	119,979
Unreserved Undesignated:				
Special Revenue Fund	<u>291,614</u>	<u>352,602</u>	<u>398,666</u>	<u>507,611</u>
Total All Other Governmental Funds	<u>\$ 57,118,456</u>	<u>\$ 108,475,601</u>	<u>\$ 219,355,605</u>	<u>\$ 139,903,423</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total General and Other Governmental	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: Beginning with 2011 reporting, the format has changed to comply with GASB 34 (Fund Balance Reporting and Governmental Fund Type), which requires a revised presentation as of fiscal year June 30, 2011.

2010	2011	2012	2013	2014	2015
\$ 175,826	\$ -	\$ -	\$ -	\$ -	\$ -
365,581	-	-	-	-	-
16,565	-	-	-	-	-
1,636,326	-	-	-	-	-
53,451,035	-	-	-	-	-
<u>\$ 55,645,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11,266,351	-	-	-	-	-
38,048,039	-	-	-	-	-
34,997,646	-	-	-	-	-
13,958	-	-	-	-	-
-	-	-	-	-	-
727,828	-	-	-	-	-
<u>\$ 85,053,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 559,534	\$ 538,949	\$ 544,317	\$ 520,916	\$ 298,325
-	6,624,969	17,615,649	13,387,745	16,008,742	16,810,717
-	56,673,908	59,272,911	59,713,337	60,130,205	64,686,288
<u>\$ -</u>	<u>\$ 63,858,411</u>	<u>\$ 77,427,509</u>	<u>\$ 73,645,399</u>	<u>\$ 76,659,863</u>	<u>\$ 81,795,330</u>
\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
-	79,302,969	111,512,727	73,788,582	246,651,294	193,184,958
-	834,344	909,653	978,332	1,038,867	1,138,179
-	151,653	13,123	4,670,884	3,407,462	1,729,955
<u>\$ -</u>	<u>\$ 80,289,966</u>	<u>\$ 112,436,503</u>	<u>\$ 79,438,798</u>	<u>\$ 251,098,623</u>	<u>\$ 196,054,092</u>
<u>\$ -</u>	<u>\$ 144,148,377</u>	<u>\$ 189,864,012</u>	<u>\$ 153,084,197</u>	<u>\$ 327,758,486</u>	<u>\$ 277,849,422</u>

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

Fiscal Year	2006	2007	2008	2009
REVENUES:				
Total Local and Intermediate Sources	\$ 133,987,045	\$ 150,039,060	\$ 143,257,146	\$ 148,777,634
State Program Revenues	22,682,597	42,219,530	76,512,048	77,299,153
Federal Program Revenues	10,147,115	10,200,702	10,415,910	9,568,866
Total Revenues	<u>166,816,757</u>	<u>202,459,292</u>	<u>230,185,104</u>	<u>235,645,653</u>
EXPENDITURES:				
Current:				
Instruction	83,696,336	99,014,752	111,993,575	123,120,094
Instructional Resources & Media Services	2,346,362	2,913,854	3,239,999	3,517,721
Curriculum & Instructional Staff Development	2,829,954	3,638,068	3,763,661	4,188,221
Instructional Leadership	1,904,669	2,271,008	2,348,385	2,377,497
School Leadership	7,464,006	8,627,707	9,679,769	10,646,188
Guidance, Counseling & Evaluation Services	5,712,210	6,774,735	7,635,916	8,882,223
Social Work Services	561,099	632,754	740,079	782,188
Health Services	1,336,361	1,544,966	1,827,758	2,055,987
Student (Pupil) Transportation	3,617,485	4,032,789	4,831,919	4,868,941
Food Services	186,469	231,689	183,583	193,650
Extracurricular Activities	2,987,461	3,502,983	4,220,912	4,843,463
General Administration	3,669,246	4,188,881	4,588,043	5,324,987
Plant Maintenance and Operations	17,238,447	17,876,607	18,808,249	20,829,234
Security and Monitoring Services	492,350	462,786	437,029	490,413
Data Processing Services	2,825,284	2,661,492	3,102,906	3,502,871
Community Services	270,282	259,349	147,304	335,440
Debt Service:				
Debt Service - Principal on long-term debt	7,918,135	7,937,021	9,886,213	13,152,727
Debt Service - Interest on long-term debt	15,705,164	16,800,106	19,599,292	26,828,735
Debt Service - Bond Issuance Cost and Fees	319,962	182,191	1,531,103	588,176
Capital Outlay:				
Facilities Acquisition and Construction	64,135,362	53,229,689	67,071,792	84,481,660
Intergovernmental:				
Payments to Fiscal Agent/Member Districts of SSA	241,100	212,557	226,800	187,200
Payments to Juvenile Justice Alternative Ed. Prg.	26,386	17,696	27,323	13,261
Total Expenditures	<u>225,484,130</u>	<u>237,013,680</u>	<u>275,891,610</u>	<u>321,210,877</u>
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	<u>(58,667,373)</u>	<u>(34,554,388)</u>	<u>(45,706,506)</u>	<u>(85,565,224)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	2,337,598	518,746	500,000	1,001,982
Operating Transfers Out	-	(3,676)	-	(1,982)
Bonds Issued	-	155,250,686	167,444,769	31,875,000
Special Items/Other	-	139,355	59,730	839,362
Capital Lease Proceeds	-	-	-	-
Sale of Personal Property	36,871	22,905	7,558	46,090
Payments to Bond Refunding Escrow Agent	-	(62,817,342)	-	(32,387,492)
Extraordinary Items	-	(200,000)	-	-
Total Other Financing Sources (Uses)	<u>2,374,469</u>	<u>92,910,674</u>	<u>168,012,057</u>	<u>1,372,960</u>
Net Change in Fund Balances	<u>\$ (56,292,904)</u>	<u>\$ 58,356,286</u>	<u>\$ 122,305,551</u>	<u>\$ (84,192,264)</u>
Debt Service as a % of NonCapital Expenditures	<u>14.64%</u>	<u>13.46%</u>	<u>14.12%</u>	<u>16.89%</u>

2010	2011	2012	2013	2014	2015
\$ 150,706,517	\$ 153,347,264	\$ 156,862,515	\$ 162,378,579	\$ 170,363,784	\$ 191,207,775
82,085,642	86,136,834	87,702,084	83,819,960	86,320,940	87,095,762
20,593,887	21,414,943	16,371,413	12,151,734	13,039,484	13,156,972
<u>253,386,046</u>	<u>260,899,041</u>	<u>260,936,012</u>	<u>258,350,273</u>	<u>269,724,208</u>	<u>291,460,509</u>
129,393,866	130,139,204	126,202,752	129,657,486	138,160,344	145,948,630
3,568,334	3,611,056	3,531,023	3,579,185	3,791,605	3,864,461
4,626,641	4,294,608	3,683,180	3,952,219	3,805,665	3,839,428
2,731,993	2,815,403	2,443,133	2,443,167	2,412,505	2,388,900
10,633,829	10,663,907	10,011,536	10,876,235	11,184,491	11,915,870
9,695,325	9,693,117	9,429,079	9,936,571	10,558,117	10,853,870
683,759	674,725	600,940	661,562	701,850	720,184
2,137,451	2,129,084	2,068,641	2,069,221	2,225,129	2,291,705
4,977,969	4,582,663	4,798,576	5,933,765	4,873,891	4,809,971
205,511	216,441	212,456	222,785	257,377	229,921
5,155,006	5,174,715	5,271,013	5,225,717	5,690,673	5,626,948
5,702,588	5,904,559	6,017,696	6,081,955	6,434,591	6,541,380
20,273,709	20,672,274	19,964,472	19,629,213	20,458,235	22,726,850
551,780	588,702	625,486	709,408	798,731	819,257
3,296,016	3,160,312	3,590,466	3,684,953	3,586,921	3,982,439
505,830	521,489	579,863	769,513	779,939	845,326
13,107,975	15,590,289	17,713,901	19,212,047	21,316,366	27,884,304
26,608,270	26,779,044	26,003,427	24,506,771	25,049,036	27,933,418
151,737	662,675	1,255,135	1,153,027	1,845,847	1,525,573
58,957,368	9,228,018	12,818,274	43,305,949	37,542,474	58,820,458
231,000	255,750	232,500	263,500	270,600	336,200
6,853	6,853	6,408	13,350	3,827	534
<u>303,202,810</u>	<u>257,364,888</u>	<u>257,059,957</u>	<u>293,887,599</u>	<u>301,748,214</u>	<u>343,905,627</u>
<u>(49,816,764)</u>	<u>3,534,153</u>	<u>3,876,055</u>	<u>(35,537,326)</u>	<u>(32,024,006)</u>	<u>(52,445,118)</u>
90,000	230,264	140,730	6,472,625	3,175,047	1,795,853
(1,500)	(30,264)	(140,730)	(6,472,625)	(1,929,047)	(347,053)
-	27,547,209	111,586,989	69,985,174	202,403,367	155,288,078
(121,957)	(5,302)	-	-	-	-
-	-	-	-	-	-
27,379	251	39,904	151,751	72,256	56,423
-	(27,293,998)	(69,773,813)	(71,355,694)	-	(154,255,497)
-	(533,091)	(13,500)	(23,720)	2,976,672	(1,750)
<u>(6,078)</u>	<u>(84,931)</u>	<u>41,839,580</u>	<u>(1,242,489)</u>	<u>206,698,295</u>	<u>2,536,054</u>
<u>\$ (49,822,842)</u>	<u>\$ 3,449,222</u>	<u>\$ 45,715,635</u>	<u>\$ (36,779,815)</u>	<u>\$ 174,674,289</u>	<u>\$ (49,909,064)</u>
<u>16.26%</u>	<u>17.07%</u>	<u>17.91%</u>	<u>17.44%</u>	<u>18.13%</u>	<u>20.03%</u>

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

<u>Fiscal Year</u>	<u>Real Property</u> Assessed Value (1)	<u>Personal Property</u> Assessed Value (1)	<u>Total</u> Assessed Value (1)	<u>Tax Rate (2)</u>
2006	\$ 5,898,923	\$ 766,277	\$ 6,665,200	\$ 1.864
2007	6,881,223	811,266	7,692,489	1.764
2008	7,735,366	1,041,659	8,777,025	1.434
2009	8,331,111	1,075,681	9,406,792	1.490
2010	8,680,792	868,974	9,549,766	1.490
2011	8,858,830	901,495	9,760,325	1.530
2012	8,675,314	1,025,753	9,701,067	1.530
2013	8,928,439	1,186,715	10,115,154	1.530
2014	9,383,722	1,210,725	10,594,447	1.530
2015	10,478,328	1,344,940	11,823,268	1.540

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

(2) Per \$100 assessed value

Source of information: Denton Central Appraisal District

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

TAX RATES (PER \$100) (1)

Fiscal Year	Denton ISD Direct Rates			Overlapping Rates					
	Maintenance and Operations	Debt Service	Total	City of Denton	County of Denton	City of Corinth	Town of Flower Mound	City of Oak Point	Town of Bartonville
2006	1.500	.364	1.864	0.60815	0.24648	0.55698	0.4497	0.589	0.19766
2007	1.370	.394	1.764	0.62652	0.23192	0.55698	0.4497	0.579	0.19294
2008	1.040	.394	1.434	0.66652	0.23589	0.55698	0.4497	0.579	0.19294
2009	1.04	.45	1.49	0.66652	0.23577	0.57698	0.4497	0.579	0.19294
2010	1.04	.45	1.49	0.66652	0.24980	0.57698	0.4497	0.573264	0.19294
2011	1.04	.49	1.53	0.68975	0.27390	0.59292	0.4497	0.573264	0.19294
2012	1.04	.49	1.53	0.68975	0.277357	0.59135	0.4497	0.573	0.19294
2013	1.04	.49	1.53	0.68975	0.282867	0.60489	0.4497	0.573	0.19294
2014	1.04	.49	1.53	0.68975	0.284914	0.60489	0.4497	0.573	0.19294
2015	1.04	.50	1.54	0.68975	0.272200	0.59489	0.4390	0.573	0.19294

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

(1) Source of information: Denton County website.

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

Taxpayer	Description	2015		
		Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value
Columbia Medical Center	Hospital	\$ 90,618	1	0.77%
Paccar Inc.	Truck Manufacturer	68,199	2	0.58%
Target Corporation	Distribution Center	65,000	3	0.55%
Target Corporation	Retail Shopping	58,447	4	0.49%
Inland Western Crossing Ltd.	Retail Shopping	57,185	5	0.48%
Cypress Denton Station Ltd.	Residential Developer	51,402	6	0.43%
Denton Fry LLC	Student Housing Mgmt	51,300	7	0.43%
RR Marketplace LP	Retail Shopping	48,684	8	0.41%
Eagleridge Operating LLC	Oil and Gas	45,897	9	0.39%
Timberlinks Apartments, LLC	Apartment Leasing	44,500	10	0.38%
Anderson Merchandisers	Merch. Serv. Company			
TTHR Limited Partnership	Hospital			
Robson Denton Dev. LP	Real Estate Development			
Verizon Southwest	Communications Tech.			
Feldman Mall Properties	Retail Shopping			
Flowers Baking Co of Denton	Wholesale Bakery			
TOTAL		<u>\$ 581,232</u>		<u>4.91%</u>

Source of information: Denton Central Appraisal District

2006		
Taxable Assessed Value (in thousands)	Rank	Percentage of Total Taxable Assessed Value
\$ 57,873	3	0.87%
53,722	4	0.81%
62,605	2	0.94%
28,389	10	0.43%
36,049	6	0.54%
80,832	1	1.21%
33,656	7	0.50%
37,501	5	0.56%
29,316	8	0.44%
29,203	9	0.44%
<u>\$ 449,146</u>		<u>6.74%</u>

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

<u>Levy Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2005	\$ 124,239	\$ 120,756	97.2%	\$ 3,216	\$ 123,972
2006	135,695	132,685	97.8%	2,718	135,403
2007	125,862	123,303	97.9%	2,120	125,423
2008	140,161	136,754	97.6%	2,747	139,501
2009	142,291	139,947	98.4%	1,634	141,581
2010	145,429	143,143	98.4%	2,293	145,436
2011	148,426	146,577	98.8%	1,997	148,574
2012	154,762	152,993	98.8%	1,863	154,856
2013	162,095	160,468	99.0%	1,796	162,264
2014	182,078	180,330	99.0%	2,523	182,853

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

<u>Total Collected as % of Current Tax Levy (1)</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as % of Tax Levy</u>
99.79%	\$ 267	0.21%
99.78%	292	0.22%
99.65%	439	0.35%
99.53%	660	0.47%
99.50%	710	0.50%
100.01%	2,286	1.57%
100.10%	1,849	1.25%
100.06%	1,769	1.14%
100.10%	1,627	1.00%
100.43%	1,748	0.96%

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

Fiscal Year	Gross Bonded Debt	Population	Gross Bonded Debt Per Capita	Personal Income (thousands of dollars)	Gross Bonded Debt as % of Personal Income	Estimated Actual Value - Real and Personal Property (thousands of dollars)
2006	\$442,332,435	108,381	\$ 4,081	\$ 2,410,068	18.35%	\$ 6,665,200
2007	534,314,667	113,800	4,695	2,590,088	20.63%	7,692,489
2008	703,265,508	116,500	6,037	2,710,000	25.95%	8,777,025
2009	694,176,911	118,994	5,834	2,641,786	26.28%	9,406,792
2010	684,730,930	122,830	5,575	2,793,031	24.52%	9,549,766
2011	675,969,123	113,383	5,962	2,595,450	26.04%	9,760,325
2012	706,350,537	117,187	6,028	2,521,981	28.01%	9,701,067
2013	691,479,160	121,123	5,709	2,857,534	24.20%	10,115,154
2014	874,114,064	123,099	7,101	2,703,008	32.34%	10,594,447
2015	855,533,659	128,205	6,673	3,110,253	27.51%	11,823,268

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

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

Gross Debt as % of Estimated Actual Value	Net Bonded Debt	Net Bonded Debt Per Capita	Net Bonded Debt as % of Personal Income	Net Debt as % of Estimated Actual Value
6.64%	\$425,646,385	\$ 3,927	17.66%	6.39%
6.95%	509,811,074	4,480	19.68%	6.63%
8.01%	671,437,072	5,763	24.78%	7.65%
7.38%	660,045,475	5,547	24.98%	7.02%
7.17%	646,682,891	5,265	23.15%	6.77%
6.93%	631,490,966	5,570	24.33%	6.47%
7.28%	651,961,951	5,563	25.85%	6.72%
6.84%	628,138,257	5,186	21.98%	6.21%
8.25%	806,361,305	6,551	29.83%	7.61%
7.24%	771,274,768	6,016	24.80%	6.52%

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DENTON INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2015
(UNAUDITED)

<u>Taxing Body</u>	<u>Debt Outstanding</u>	<u>% Overlapping (1)</u>	<u>Amount Overlapping</u>
Copper Canyon, Town of	\$ 1,540,000	23.72%	\$ 365,288
Corinth, City of	22,405,000	56.82%	12,730,521
Denton, City of	570,625,000	97.38%	555,674,625
Denton County	609,410,000	16.37%	99,760,417
Denton Co. FWSD #6	52,607,029	100.00%	52,607,029
Denton Co. FWSD #7	60,240,580	100.00%	60,240,580
Denton Co. FWSD #8-A	12,887,896	100.00%	12,887,896
Denton Co. FWSD #8-B	11,325,000	100.00%	11,325,000
Denton Co. FWSD #10	52,982,755	70.12%	37,151,508
Denton Co. FWSD #11-A	28,770,580	100.00%	28,770,580
Denton Co. FWSD #11-B	10,175,000	100.00%	10,175,000
Denton Co. MUD #4	11,595,000	100.00%	11,595,000
Denton Co. MUD #5	4,660,000	100.00%	4,660,000
Flower Mound, Town of	122,300,000	0.86%	1,051,780
Oak Point, City of	370,000	38.15%	141,155
Providence Village WC & ID	33,803,464	51.26%	<u>17,327,656</u>
Total Overlapping Debt			916,464,035
Denton ISD	855,533,659	100.00%	<u>855,533,659</u>
Total Overlapping and Direct Debt			<u>\$1,771,997,694</u>

Source of information: Municipal Advisory Council of Texas

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

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of each entity's taxable assessed value that is within the District's boundaries and dividing it by each entity's total taxable assessed value.

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

Fiscal Year	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Assessed Value	<u>\$6,665,199,839</u>	<u>\$7,692,488,889</u>	<u>\$8,777,025,035</u>	<u>\$9,406,791,745</u>
Debt Limit (10% of Total Assessed Value)	<u>\$ 666,519,984</u>	<u>\$ 769,248,889</u>	<u>\$ 877,702,503</u>	<u>\$ 940,679,174</u>
Debt Applicable to Limit:				
General Obligation Bonds	\$ 420,557,326	\$ 518,383,217	\$ 666,712,004	\$ 653,259,277
Less Net Position in Debt Service Fund	<u>16,686,050</u>	<u>24,503,593</u>	<u>31,828,436</u>	<u>34,131,436</u>
Total Amount of Debt Applicable to Debt Limit	<u>403,871,276</u>	<u>493,879,624</u>	<u>634,883,568</u>	<u>619,127,841</u>
Legal Debt Margin	<u>\$ 262,648,708</u>	<u>\$ 275,369,265</u>	<u>\$ 242,818,935</u>	<u>\$ 321,551,333</u>
Total Net Debt Applicable to the Limit as a percentage of Debt Limit	60.59%	64.20%	72.33%	65.82%

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

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>\$9,549,766,309</u>	<u>\$9,760,324,966</u>	<u>\$9,701,066,797</u>	<u>\$ 10,115,153,791</u>	<u>\$10,594,446,862</u>	<u>\$11,823,268,442</u>
<u>\$ 954,976,630</u>	<u>\$ 976,032,496</u>	<u>\$ 970,106,679</u>	<u>\$ 1,011,515,379</u>	<u>\$ 1,059,444,686</u>	<u>\$ 1,182,326,844</u>
<u>\$ 640,151,302</u>	<u>\$ 623,946,013</u>	<u>\$ 642,485,696</u>	<u>\$ 622,993,649</u>	<u>\$ 790,107,283</u>	<u>\$ 755,312,979</u>
<u>38,048,039</u>	<u>42,142,928</u>	<u>47,127,851</u>	<u>50,832,071</u>	<u>56,166,524</u>	<u>59,552,880</u>
<u>602,103,263</u>	<u>581,803,085</u>	<u>595,357,845</u>	<u>572,161,578</u>	<u>733,940,759</u>	<u>695,760,099</u>
<u>\$ 352,873,367</u>	<u>\$ 394,229,411</u>	<u>\$ 374,748,834</u>	<u>\$ 439,353,801</u>	<u>\$ 325,503,927</u>	<u>\$ 486,566,745</u>
63.05%	59.61%	61.37%	56.56%	69.27%	58.85%

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

Fiscal Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income (dollars)	Unemployment Rate
2006	108,381	\$ 2,410,068	\$ 22,237	3.50%
2007	113,800	2,590,088	22,760	3.40%
2008	116,500	2,710,000	23,262	3.50%
2009	118,994	2,641,786	22,201	6.00%
2010	122,830	2,793,031	22,739	6.90%
2011	113,383	2,595,450	22,891	7.30%
2012	117,187	2,521,981	21,521	6.40%
2013	121,123	2,857,534	23,592	5.80%
2014	123,099	2,703,008	21,958	3.90%
2015	128,205	3,110,253	24,260	3.50%

Source of Information: City of Denton "Statistical Trends and News of Denton" report and US Census Bureau.

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

School Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Early Childhood Facilities										
Buildings	1	1	1	2	2	3	3	3	3	3
Square Foot	41,200	41,200	41,200	49,418	49,418	109,809	109,809	109,809	109,809	109,809
Maximum capacity	315	315	315	385	499	1,134	1,134	1,134	1,134	1,134
Enrollment	492	508	506	498	388	813	921	953	729	813
Elementary Schools										
Buildings	15	16	18	20	20	21	21	21	21	22
Square Foot	1,272,274	1,273,042	1,433,710	1,568,266	1,643,788	1,739,469	1,741,161	1,755,811	1,755,811	1,840,645
Maximum capacity	12,150	12,960	14,580	12,932	15,977	16,878	16,898	16,984	16,984	17,708
Enrollment	9,211	9,862	10,485	11,254	11,508	11,927	12,275	12,567	12,652	12,718
Middle Schools										
Buildings	4	5	5	6	6	6	6	6	7	7
Square Foot	727,928	889,255	889,255	1,043,400	1,065,553	1,065,553	1,073,503	1,073,503	1,254,977	1,258,049
Maximum capacity	4,000	5,000	5,000	6,000	6,000	6,000	6,000	6,000	7,000	8,518
Enrollment	3,872	4,146	4,416	4,767	4,976	5,104	5,335	5,583	5,860	6,098
High Schools										
Buildings	5	5	5	5	5	5	5	5	5	5
Square Foot	1,227,150	1,243,116	1,244,616	1,365,316	1,487,176	1,487,176	1,487,176	1,533,548	1,533,548	1,533,548
Maximum capacity	6,135	6,135	6,135	10,166	10,166	10,166	10,166	10,166	10,166	11,071
Enrollment	4,729	5,145	5,419	5,497	5,685	5,988	6,207	6,611	6,806	7,117
Administration										
Buildings	9	10	10	10	10	10	10	10	10	10
Square Foot	258,779	379,479	388,795	268,095	268,095	274,239	274,239	274,849	274,849	274,081
Transportation										
Buildings	1	1	1	1	1	1	1	1	1	1
Square Foot	14,336	14,336	14,336	14,336	14,336	14,336	14,336	14,336	14,336	15,872
Buses	139	139	139	188	152	163	171	186	188	176
Totals for DISD										
Buildings	35	38	40	44	44	46	46	46	47	48
Square Foot	3,541,667	3,840,428	4,011,912	4,308,831	4,528,366	4,690,582	4,700,224	4,761,856	4,943,330	5,032,004
Maximum capacity	22,600	24,410	26,030	29,483	32,642	34,178	34,198	34,284	35,284	38,431
Enrollment	18,304	19,661	20,826	22,016	22,557	22,832	24,738	25,714	26,047	26,746
Athletics										
Football Stadiums	4	4	4	4	4	4	4	4	4	4
Track Field	3	3	3	3	3	3	3	3	3	3
Baseball Fields	3	3	3	3	3	3	3	3	3	3
Softball Fields	3	3	3	3	3	3	3	3	3	3
Tennis Court Sites	8	8	8	8	8	8	8	8	10	10
Swimming Pools	1	1	1	1	1	1	1	1	1	1

Source of information: District records

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

Employer	Description	2015		Percentage of Total City Employment
		Employees	Rank	
University of North Texas	University	8,738	1	13.04%
Denton Independent School District	School District	3,800	2	5.67%
Peterbilt Motors	Truck Manufacturer	2,100	3	3.13%
Denton State Supported Living Center	State Agency	1,700	4	2.54%
Texas Woman's University	University	1,672	5	2.50%
Denton County	County Government	1,581	6	2.36%
City of Denton	Municipal Government	1,300	7	1.94%
Texas Health Presbyterian of Denton	Hospital/Healthcare	1,076	8	1.61%
Denton Regional Medical Center	Hospital/Healthcare	950	9	1.42%
Sally Beauty Company, Inc.	Beauty Supplies Dist.	950	10	1.42%
TOTAL		<u>23,867</u>		<u>35.63%</u>

Source of Information: Denton Chamber of Commerce, Texas Workforce Commission and U.S. Dept. of Labor

2006		
<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
7,351	1	12.21%
2,457	2	4.08%
2,000	3	3.32%
1,450	4	2.41%
1,159	7	1.92%
1,441	5	2.39%
1,300	6	2.16%
750	10	1.25%
800	9	1.33%
<u>1,100</u>	8	<u>1.83%</u>
<u><u>19,808</u></u>		<u><u>32.90%</u></u>

DENTON INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>
2005-2006	18,304	\$ 123,320,070	\$ 6,737	4.88%	1,375	13.3
2006-2007	19,661	144,630,928	7,356	9.19%	1,515	13.0
2007-2008	20,826	163,170,071	7,835	6.51%	1,631	12.77
2008-2009	22,016	182,054,326	8,269	5.54%	1,791	12.29
2009-2010	22,557	182,484,305	8,090	-2.16%	1,827	12.35
2010-2011	23,832	183,960,787	7,719	-4.58%	1,835.5	12.98
2011-2012	24,738	182,115,069	7,362	-4.63%	1,763.2	14.03
2012-2013	25,714	192,780,903	7,497	1.83%	1,794.5	14.33
2013-2014	26,047	203,934,449	7,829	4.43%	1,898.4	13.72
2014-2015	26,746	212,211,345	7,934	1.34%	1,886.2	14.18

Source of Information: Texas Academic Performance Report

<u>Economically Disadvantaged</u>	<u>Limited English Proficient</u>	<u>Percentage of Students Receiving Free or Reduced-Price Meals</u>
6,797	2,829	36.94%
7,475	3,046	37.10%
7,830	3,208	37.57%
8,519	3,389	37.65%
8,951	3,255	40.91%
9,892	3,433	40.77%
10,689	3,564	41.91%
11,063	3,695	42.84%
11,022	3,751	44.23%
11,299	3,952	43.13%

DENTON INDEPENDENT SCHOOL DISTRICT
STAFF INFORMATION
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Teachers</u>	<u>Professional Support</u>	<u>Campus Administration</u>	<u>Central Administration</u>	<u>Total Professional Staff</u>	<u>Educational Aides</u>
2005-2006	1,375.2	279.0	63.5	27.0	1,744.7	198.3
2006-2007	1,514.9	316.3	71.4	28.0	1,930.6	215.1
2007-2008	1,630.5	348.0	79.0	24.0	2,081.5	235.3
2008-2009	1,791.0	364.0	87.0	28.0	2,270.0	250.3
2009-2010	1,826.5	389.5	87.0	27.0	2,330.0	217.4
2010-2011	1,835.5	418.6	88.7	18.0	2,360.8	257.3
2011-2012	1,763.2	394.8	84.7	15.0	2,257.7	210.7
2012-2013	1,794.5	427.0	86.9	13.3	2,321.7	217.5
2013-2014	1,898.4	425.0	89.0	13.6	2,426.0	247.3
2014-2015	1,886.2	458.2	94.4	13.0	2,451.8	260.0

Source of Information: Texas Academic Performance Report

<u>Auxiliary Staff</u>	<u>Total Staff</u>	<u>% Change</u>
514.4	2,457.4	8.46%
535.4	2,681.1	9.10%
631.7	2,948.5	9.97%
729.1	3,249.4	10.21%
669.7	3,217.1	-0.99%
648.1	3,266.2	1.52%
598.8	3,067.2	-6.09%
588.0	3,127.2	1.96%
552.9	3,226.2	3.16%
591.8	3,303.6	2.40%

DENTON INDEPENDENT SCHOOL DISTRICT
TEACHER SALARY DATA
JUNE 30, 2015

<u>Years of Experience</u>	<u>Bachelor's Degree</u>	<u>Master's Degree</u>	<u>Doctorate Degree</u>
0	\$ 50,000	\$ 51,750	\$ 53,500
1	50,200	51,950	53,700
2	50,475	52,225	53,975
3	51,275	53,025	54,775
4	51,675	53,425	55,175
5	51,875	53,625	55,375
6	52,075	53,825	55,575
7	52,275	54,025	55,775
8	52,475	54,225	55,975
9	52,675	54,425	56,175
10	52,875	54,625	56,375
11	53,075	54,825	56,575
12	53,275	55,025	56,775
13	53,475	55,225	56,975
14	53,675	55,425	57,175
15	53,875	55,625	57,375
16	54,425	56,175	57,925
17	54,625	56,375	58,125
18	54,825	56,575	58,325
19	55,025	56,775	58,525
20	55,895	57,645	59,395
21	57,095	58,845	60,595
22	57,865	59,615	61,365
23	59,090	60,840	62,590
24	60,335	62,085	63,835
25+	61,555	63,305	65,055

Average Salary by Years of Experience

Beginning Teachers	\$ 48,945
1-5 Years of Experience	\$ 50,321
6-10 Years of Experience	\$ 51,589
11-20 Years of Experience	\$ 53,421
Over -20 Years of Experience	\$ 62,995

Average Actual Salaries

Teachers	\$ 53,296
Professional Staff	\$ 59,944
Campus Administration	\$ 78,336
Central Administration	\$ 118,377

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

	Enrollment		Average Daily Attendance		
	Amount	Percent of Increase	Amount	Percent of Increase	Percent of Enrollment
2005/06	18,304	8.48%	17,113	8.83%	93.50%
2006/07	19,661	7.41%	18,427	7.68%	93.72%
2007/08	20,826	5.93%	19,537	6.02%	93.81%
2008/09	22,016	5.71%	20,659	5.74%	93.84%
2009/10	22,557	2.46%	21,299	3.10%	94.42%
2010/11	23,832	5.65%	22,454	5.42%	94.22%
2011/12	24,738	3.80%	23,440	4.39%	94.75%
2012/13	25,714	3.95%	24,088	2.76%	93.68%
2013/14	26,047	1.29%	24,625	2.23%	94.54%
2014/15	26,746	2.68%	25,255	2.56%	94.43%

Source of information: Summary of Finance Texas Education Agency and 2014-15 Texas Academic Performance Report.

DENTON INDEPENDENT SCHOOL DISTRICT
 MISCELLANEOUS STATISTICAL DATA
 JUNE 30, 2015
 (UNAUDITED)

Date of Organization: 1884
 Forms of Government: Independent School District

Number of Employees:

Teachers	1,886
Other Professional	566
Paraprofessionals	260
Auxiliary	592
	<u>3,304</u>

Denton Independent School District Facilities and Services:

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

Total square feet-campus	5,032,004
Total acreage-campus	815.36
Total acreage-future growth	516.07

Facilities include:

	Maximum Capacity	2014-15 Enrollment	Number of Facilities
Senior high schools	11,071	7,117	5
Middle schools	8,518	6,098	7
Elementary schools	17,708	12,718	22
Early childhood	1,134	813	3
Total	38,431	26,746	37
Central services and annex			4
Special education services			1
Maintenance/Transportation			2
Natorium			1
Technology Center			1
Athletic stadium complex			1
AEP facility			1
Total Facilities			48

Student Data:

National Merit Scholars Class of 2015	
Semi-finalists	3
Commended	12

SINGLE AUDIT SECTION

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

To the Board of Trustees
Denton Independent School District
Denton, Texas 76201

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Denton Independent School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Denton Independent School District's basic financial statements, and have issued our report dated November 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Hankins, Eastup, Deaton, Tonn & Seay

Hankins, Eastup, Deaton, Tonn & Seay, PC
Denton, Texas

November 10, 2015

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Trustees
Denton Independent School District
Denton, Texas 76201

Report on Compliance for Each Major Federal Program

We have audited Denton Independent School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Denton Independent School District's major federal programs for the year ended June 30, 2015. Denton Independent School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of finding and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Denton Independent School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Denton Independent School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Denton Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Denton Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Denton Independent School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Denton Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Denton Independent School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Hankins, Eastup, Deaton, Tomm & Seay

Hankins, Eastup, Deaton, Tomm & Seay, PC
Denton, Texas

November 10, 2015

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015

I. Summary of Auditor's Results

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
3. Noncompliance which is material to the financial statements: None
4. Internal controls over major federal programs:
Material weakness(es) identified: None
Significant deficiency(ies) identified that are not considered to be material weaknesses: None reported
5. Type of auditor's report on compliance for major federal programs: Unqualified.
6. Did the audit disclose findings which are required to be reported under Section .510(a)2-7 of OMB Circular A-133: No
7. Major programs include:

Child Nutrition Cluster:
CFDA 10.553 School Breakfast Program
CFDA 10.555 National School Lunch Program
CFDA 10.559 Summer Feeding Program

CFDA 84.367A ESEA, Title I, Part A
CFDA 84.002 Adult Education (ABE)
8. Dollar threshold used to distinguish between Type A and Type B programs: \$480,767.
9. Low risk auditee: Yes

II. Findings Related to the Financial Statements

None

III. Other Findings

Finding 2015-01 – Prior Approval for Child Nutrition Capital Outlay Expenditures

Criteria: The Texas Department of Agriculture's Administrative Reference Manual requires that prior to making a capital outlay expenditure from child nutrition funds, the District must submit a request to the Texas Department of Agriculture (TDOA) and must have TDOA approval before purchasing the capital outlay item.

Condition: During the fiscal year ended June 30, 2015 the District made several purchases of capital outlay items without obtaining prior approval from TDOA.

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS-CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015

III .Other Findings-continued

Questioned Costs: None.

Cause: The District was not aware of this requirement.

Effect: The District was not in compliance with this TDOA requirement.

Recommendation: The District is now aware of the requirement to obtain prior approval from TDOA for capital outlay purchases and plans to obtain such approval in the future.

DENTON INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2015

Contact for Corrective Action Plan:

Debbie Monschke, Assistant Superintendent of Administrative Services 940-369-0010

Finding 2015-01 – Prior Approval for Child Nutrition Capital Outlay Expenditures

Corrective Action: In the future, for purchases of capital outlay in the child nutrition program, the District will send a completed Request for Purchase form from the Administrator's Reference Manual for Child Nutrition Programs to the Texas Department of Agriculture (TDOA) for prior approval. In addition, our purchasing department will verify the approval of TDOA prior to issuing a purchase order.

DENTON INDEPENDENT SCHOOL DISTRICT
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015

No prior year findings.

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
DEPARTMENT OF THE ARMY, OFFICE OF THE CHIEF DEPT.			
<u>Passed through State of Texas</u>			
Federal Flood Control	12.106		\$ 133,885
Total Passed through State of Texas			\$ 133,885
TOTAL DEPARTMENT OF THE ARMY, OFFICE OF THE CHIEF DEPT.			\$ 133,885
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
ROTC	12.000	01-061901	\$ 197,318
Total Direct Programs			\$ 197,318
TOTAL U.S. DEPARTMENT OF DEFENSE			\$ 197,318
U.S. DEPARTMENT OF EDUCATION			
<u>Passed through Texas Woman's University</u>			
Investing in Innovation (i3) Fund - ARRA	84.411	U396A100027	\$ 9,391
Total Passed through Texas Woman's University			\$ 9,391
<u>Passed through University of North Texas</u>			
Title III, Part A - English Language Acq-Nexus	84.365	T365Z120143	\$ 4,627
Total Passed through University of North Texas			\$ 4,627
<u>Passed through Texas Workforce Commission</u>			
SSA-Adult Education (ABE) - Federal	84.002	0415ABE001	\$ 527,247
SSA-Adult Education (ABE) - Federal	84.002	0414ABE001	34,691
Total CFDA Number 84.002			561,938
SSA-Temporary Assistance for Needy Families	93.558	0415ABE001	23,684
SSA-Temporary Assistance for Needy Families	93.558	0414ABE001	95
Total CFDA Number 93.558			23,779
Total Passed through Texas Workforce Commission			\$ 585,717
<u>Passed Through State Department of Education</u>			
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	14610101061901	\$ 52,095
*ESEA, Title I, Part A - Improving Basic Programs	84.010A	15610101061901	2,344,600
*ESEA, Title I, Part D, Subpart 2	84.010A	14610103016901	3,434
*ESEA, Title I, Part D, Subpart 2	84.010A	15610103061901	172,127
Total CFDA Number 84.010A			2,572,256
*IDEA - Part B, Formula	84.027	146600010619016600	61,409
*IDEA - Part B, Formula	84.027	156600010619016600	3,298,898
*SSA - IDEA - Part B, Discretionary	84.027	156600020619016673	30,495
*SSA - IDEA - Part B, Deaf	84.027	156600010619016601	38,896
Total CFDA Number 84.027			3,429,698
*IDEA - Part B, Preschool	84.173	156610010619016610	58,454
*SSA - IDEA - Part B, Preschool Deaf	84.173	156610010619016611	4,246
Total CFDA Number 84.173			62,700
Total Special Education Cluster (IDEA)			3,492,398
SSA - Career and Technical - Basic Grant	84.048	15420006061901	261,166
SSA - IDEA, Part C - Early Intervention (Deaf)	84.181A	1539110106190139111	2,110
Title IV, Pt B-21st Cent. Community Learning Cent.	84.287	156950167110013	159,050
Title III, Part A - English Language Acquisition	84.365A	14671001061901	9,185

DENTON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

(1) FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	(2) Federal CFDA Number	(3) Pass-Through Entity Identifying Number	(4) Federal Expenditures
Title III, Part A - English Language Acquisition	84.365A	15671001061901	398,927
Title III, Part A - Immigrant	84.365A	15671003061901	40,049
Total CFDA Number 84.365A			448,161
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	14694501061901	7,172
ESEA, Title II, Part A, Teacher/Principal Training	84.367A	15694501061901	507,248
Total CFDA Number 84.367A			514,420
Summer School LEP	84.369A	69551402	34,778
Total Passed Through State Department of Education			\$ 7,484,339
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 8,084,074
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Direct Programs</u>			
Medicaid Administrative Claiming Program - MAC	93.778	01-061901	\$ 109,131
Head Start	93.600	06CH5416/49	1,285,847
Total Direct Programs			\$ 1,394,978
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 1,394,978
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the State Department of Agriculture</u>			
*School Breakfast Program	10.553	71401501	\$ 1,226,632
*National School Lunch Program - Cash Assistance	10.555	71301501	4,358,990
*National School Lunch Prog. - Non-Cash Assistance	10.555	71301501	541,475
Total CFDA Number 10.555			4,900,465
*Summer Feeding Program - Cash Assistance	10.559	TX061-1501	87,636
*Healthy Hunger-Free Kids Act of 2010	10.592	01-061901	584
Total Child Nutrition Cluster			6,215,317
Total Passed Through the State Department of Agriculture			\$ 6,215,317
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 6,215,317
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 16,025,572

*Clustered Programs

DENTON INDEPENDENT SCHOOL DISTRICT
 NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2015

1. The District uses the fund types specified in Texas Education Agency's Financial Accountability System Resource Guide. Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types and Agency Funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

3. The District participates in numerous state and Federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2015, may be impaired. In the opinion of the District, there are not significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions has been recorded in the accompanying combined financial statements for such contingencies.
4. The period of availability for federal grant funds for the purposes of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period ending date, in accordance with provisions in OMB Circular A-133 Compliance Supplement.
5. During the current year, the District received the following funds which are not included in the Schedule of Expenditures of Federal Awards.

Total Expenditures of Federal Awards	\$16,025,572
Indirect Costs	654,937
Federal Excise Tax Rebate	76,205
Medicaid Reimbursement	<u>2,527,939</u>
Federal Revenues per Financial Statements	<u>\$19,284,653</u>

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