



*In Klein ISD, EVERY student enters with a PROMISE and exits with a PURPOSE.*

*-Klein ISD Shared Vision*

**Board of Trustees**

- Ms. Georgan Reitmeier, President
- Mr. Doug James, Secretary
- Mr. Ronnie K. Anderson
- Ms. Cathy M. Arellano
- Ms. Julie Benes
- Mr. Rob Ellis
- Mr. Chris Todd

*We will achieve our shared vision by focusing on...*

- PATHWAYS:** *Providing every student with a rich, relevant, and clear pathway to success.*
- CHALLENGE:** *Focusing on the whole student so that every one will engage in rigorous learning and build excellent character.*
- EQUITY:** *Closing gaps by personalizing learning by knowing every student by name, strength, and need.*
- LEADERSHIP:** *Retaining, attaining, and growing excellent leaders throughout our system so that every student learns in a quality environment.*
- CONTINUOUS IMPROVEMENT:** *Gathering feedback from every voice in order to eliminate silos, build strategic partnerships, and foster a culture of learning.*

## Klein Independent School District

### Audit Meeting

Monday, December 9, 2019 5:00 PM

| <b>ASPIRATIONAL MEASURES AND INDICATORS OF SUCCESS:</b>   | <b>STRATEGIC PRIORITIES:</b>   |
|---|--|
| <p><i>While there are multiple measures, we will focus on three primary ones:</i><br/> <i>Every student graduates from high school with a purpose.</i><br/> <i>Every student makes at least one year's growth every year.</i><br/> <i>Every indicator in the Whole Student and Community Engagement Indicator System is at the highest level.</i></p> | <p><i>As Promise2Purpose Investors, we will focus our resources and relationships on three strategic priorities, while always looking for ways to innovate to improve the system for students:</i></p> <p><b>REIMAGINE LEARNING:</b><br/>           Personalized Learning • Flexible and Challenging Curriculum<br/>           • Standardized Evaluation</p> <p><b>CULTIVATE TALENT:</b><br/>           Best in Class Leadership Pipeline • Feedback Loops and Self-reflection • Targeted Professional Learning</p> <p><b>BUILD COMMUNITY:</b><br/>           Relationships, Mentoring, and Partnerships • Engaging, Educating, and Equipping Families • Cultural Responsiveness</p> |

# Agenda of Audit Meeting

## The Board of Trustees Klein Independent School District

---

An Audit Meeting of the Board of Trustees of Klein Independent School District will be held December 9, 2019, beginning at 5:00 PM in the Klein Multipurpose Center, 7500 FM 2920, Klein, Texas 77379.

A closed meeting may be held at any time during the open meeting as authorized by various sections of the *Texas Government Code*. When this occurs, a formal statement will be made by the chairperson of the Audit Committee of the Board of Trustees.

1. Review of future audit committee dates: March 16, 2020, June 8, 2020, October 12, 2020
2. Review draft audit report and financial statements 3
3. Update from internal audit, including scheduled audits (completed and in process) 162
4. Review and approval of minutes from prior audit committee meeting 163
5. Comments from board members and administrators
  
6. Adjournment

|   |
|---|
| <b>Klein ISD<br/>Board of Trustees' Goals</b> |
| 1 – Improved Student Achievement              |
| 2 – Positive & Safe School Environment        |
| 3 – Financial Accountability                  |
| 4 – Quality Personnel                         |
| 5 – Sound Policy Development & Oversight      |

**KLEIN INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
AUGUST 31, 2019**

**PREPARED BY THE FINANCE DEPARTMENT  
KLEIN INDEPENDENT SCHOOL DISTRICT  
7200 SPRING-CYPRESS ROAD  
KLEIN, TX 77379**

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

**TABLE OF CONTENTS**

|   | <u>Page</u> | <u>Exhibit</u> |
|---|-------------|----------------|
| <b>INTRODUCTORY SECTION</b>   |             |                |
| Letter of Transmittal.....  | 2           |                |
| Certificate of Achievement for Excellence in Financial Reporting.....   | 8           |                |
| Certificate of Excellence in Financial Reporting .....  | 9           |                |
| Organizational Chart .....  | 10          |                |
| Principal School District Officials.....  | 11          |                |
| Consultants and Advisors .....  | 12          |                |
| Certificate of Board .....  | 13          |                |
| <b>FINANCIAL SECTION</b>  |             |                |
| Independent Auditors’ Report .....  | 17          |                |
| Management’s Discussion and Analysis .....  | 19          |                |
| <b><u>BASIC FINANCIAL STATEMENTS</u></b>  |             |                |
| <b>Government-wide Financial Statements:</b>  |             |                |
| Statement of Net Position.....  | 30          | A-1            |
| Statement of Activities .....   | 31          | A-2            |
| <b>Fund Financial Statements:</b>   |             |                |
| Balance Sheet – Governmental Funds.....   | 32          | B-1            |
| Reconciliation of the Governmental Funds Balance Sheet to the<br>Statement of Net Position.....   | 35          | B-1R           |
| Statement of Revenues, Expenditures, and Changes in<br>Fund Balances – Governmental Funds.....  | 36          | B-2            |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in<br>Fund Balances of Governmental Funds to the Statement of Activities.....                        | 39          | B-2R           |
| Statement of Assets and Liabilities – Fiduciary Fund.....   | 40          | C-1            |
| Notes to the Financial Statements .....   | 41          |                |
| <b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>  |             |                |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance –<br>Budget and Actual – General Fund .....   | 73          | D-1            |
| Schedule of the District’s Proportionate Share of the Net Pension<br>Liability of a Cost-Sharing Multiple-Employer<br>Pension Plan Teacher Retirement System of Texas ..... | 74          | E-1            |

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

**TABLE OF CONTENTS**  
**(CONTINUED)**

|   | <u>Page</u> | <u>Exhibit</u> |
|---|-------------|----------------|
| Schedule of the District’s Contributions to the Teacher Retirement System of Texas Pension Plan.....  | 75          | E-2            |
| Schedule of the District’s Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas ..... | 76          | E-3            |
| Schedule of the District’s Contributions to the Teacher Retirement System of Texas OPEB Plan.....   | 77          | E-4            |
| Notes to the Required Supplementary Information .....   | 78          |                |

**SUPPLEMENTARY INFORMATION**

**Combining and Individual Fund Financial Statements and Schedules:**

**Major Governmental Funds:**

|   |    |     |
|---|----|-----|
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund ..... | 81 | F-1 |
|---|----|-----|

**Nonmajor Governmental Funds:**

|   |     |     |
|---|-----|-----|
| Fund Descriptions – Nonmajor Governmental Funds – Special Revenue Funds.....  | 83  |     |
| Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds.....  | 86  | G-1 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds ..... | 94  | G-2 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – National School Breakfast and Lunch Program ..... | 103 | G-3 |

**Fiduciary Fund:**

|   |     |     |
|---|-----|-----|
| Statement of Changes in Assets and Liabilities – Fiduciary Fund ..... | 105 | H-1 |
|---|-----|-----|

**Compliance Schedule:**

|   |     |     |
|---|-----|-----|
| Schedule of Delinquent Taxes Receivable ..... | 108 | I-1 |
|---|-----|-----|

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

**TABLE OF CONTENTS**  
**(CONTINUED)**

| <b>STATISTICAL SECTION</b>  | <b><u>Page</u></b> | <b><u>Table</u></b> |
|---|--------------------|---------------------|
| <b>Financial Trends:</b>  |                    |                     |
| Net Position by Component – Last Ten Fiscal Years.....                                    | 112                | 1                   |
| Changes in Net Position – Last Ten Fiscal Years .....                                     | 114                | 2                   |
| Fund Balances of Governmental Funds – Last Ten Fiscal Years.....                          | 116                | 3                   |
| Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....               | 118                | 4                   |
| <b>Revenue Capacity:</b>  |                    |                     |
| Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years .....         | 121                | 5                   |
| Property Tax Rates – Direct and Overlapping Governments –<br>Last Ten Fiscal Years .....  | 122                | 6                   |
| Principal Property Taxpayers – Current Year and Nine Years Ago.....                       | 124                | 7                   |
| Property Tax Levies and Collections – Last Ten Fiscal Years.....                          | 125                | 8                   |
| <b>Debt Capacity:</b>   |                    |                     |
| Outstanding Debt by Type – Last Ten Fiscal Years.....                                     | 126                | 9                   |
| Ratios of Net General Obligation Bonded Debt Outstanding –<br>Last Ten Fiscal Years ..... | 127                | 10                  |
| Direct and Overlapping Governmental Activities Debt .....                                 | 129                | 11                  |
| <b>Demographic and Economic Information:</b>  |                    |                     |
| Demographic and Economic Statistics – Last Ten Fiscal Years .....                         | 130                | 12                  |
| Principal Employers – Current Year and Nine Years Ago.....                                | 131                | 13                  |
| <b>Operating Information:</b>   |                    |                     |
| Full-time Equivalent District Employees by Position – Last Ten Fiscal Years .....         | 132                | 14                  |
| Operating Statistics – Last Ten Fiscal Years.....   | 134                | 15                  |
| Teacher Base Salaries – Last Ten Fiscal Years.....  | 137                | 16                  |
| School Building Information – Last Ten Fiscal Years .....                                 | 138                | 17                  |
| District Map.....   | 144                | 18                  |

## **Introductory Section**

# Klein Independent School District

Central Office  
7200 Spring-Cypress Road  
Klein, TX 77379-3215  
832.249.4000  
[www.kleinisd.net](http://www.kleinisd.net)



January 13, 2020

Board of Trustees and Citizens of  
Klein Independent School District  
7200 Spring-Cypress Road  
Klein, Texas 77379

Dear Board of Trustees and Citizens:

As you are aware, state law requires that each school district must have its fiscal accounts audited annually. A copy of the annual financial report, approved by the Board of Trustees, must be filed with the Texas Education Agency (TEA) by the 150<sup>th</sup> day after the end of the fiscal year. The Comprehensive Annual Financial Report (CAFR) of the Klein Independent School District (the District) is published to fulfill that requirement for the fiscal year ended August 31, 2019.

The independent audit of the financial statements is part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District’s separately issued Single Audit Report.

The CAFR consists of management’s representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District’s administration. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework. The framework is designed to protect the District’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Weaver and Tidwell, LLP, a firm of licensed certified public accountants, has issued an unmodified opinion based upon the audit of the District’s financial statements for the fiscal year ended August 31, 2019. The independent auditors’ report is presented as the first component of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the report of the independent auditors and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction.

## **PROFILE OF THE DISTRICT**

The area was settled in 1845 by German immigrants and later named after immigrant, Adam Klein. In July 1928, the present boundary lines of the school district were established with the consolidation of five common school districts, and the official name became Rural High School District Number One. The total enrollment was 582. In March 1938, the school district was incorporated and renamed the Klein Independent School District. The District is not included in any other governmental reporting entity and there are no component units.

A seven-member Board of Trustees (the Board) governs the District and has governance responsibilities over all activities related to public elementary and secondary education. Each member is elected to an at-large position for three years in a non-partisan election. An election is held each November for either two or three positions. Based on legislative authority codified in the Texas Education Code, the Board (1) has exclusive power to manage and govern the District; (2) can acquire and hold real and personal property; (3) shall have power to levy and collect taxes and to issue bonds; (4) can contract for appointed officers, teachers, and other personnel as well as for goods and services; and (5) has the right of eminent domain to acquire real property.

Klein Independent School District, encompassing approximately 87.5 square miles, is located in northwestern Harris County, Texas. Most of the District is located between Interstate Highway 45 (IH 45) on the east and State Highway 249 (SH 249) on the west. The southern boundary follows Cypress Creek for a considerable distance and a portion of the northern boundary of the District is coterminous with the northern boundary of Harris County. The District is comprised of five high schools, ten intermediate schools, and thirty-two elementary schools and serves an average daily attendance of 50,130 students. The ages of the school buildings range from one to forty-eight years. Construction began on elementary #33 during spring 2018 and substantial completion is expected January 2020. Elementary #33 is expected to open in August 2020.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten (PK) through 12. These include regular and enriched academic education, special education, career and technical education, language training for those with limited English proficiency, a disciplinary alternative education program, and an alternative high school program offering an accelerated and individualized curriculum. These basic programs are supplemented by a wide variety of offerings in the fine arts and athletics.

The annual budget serves as the foundation for the District's financial planning and control. The Board adopts an appropriated budget for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund on a basis consistent with GAAP. Prior to August 20 each year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them. A meeting of the Board is called for the purpose of adopting the proposed budget after a ten-day public notice of the meeting has been given. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. The appropriated budget is prepared by fund, function, and campus/department. Transfers of appropriations between campuses/departments require the approval of the District's management. However, transfers of appropriations between functions require the approval of the Board as recommended by the Superintendent.

## **LOCAL ECONOMY**

The District is primarily residential in character, with an average home price of approximately \$215,225. Job creation in the northern suburbs has maintained the positive trajectory over the last several years. As the Houston Metro Area matures and land values in the urban core increase, many companies in need of large industrial and distribution space are consolidating fragmented operations to the area. Also, new thoroughfares and decades of population growth have created new commercial opportunities with proximity to Bush Intercontinental Airport.

Springwoods Village: Recent relocation announcements by several large corporations will continue to fuel growth in the region in the short-term. ExxonMobil recently acquired XTO Energy and relocated 1,200 positions from downtown Fort Worth to its northside Houston campus in the spring of 2018. Another 400 XTO positions will be relocated to the campus in 2020. Other relocations to Springwoods Village include both Hewlett Packard Inc. (HP Inc.) and HP Enterprise, as well as the American Bureau of Shipping (ABS). The first multi-tenant commercial building, CityPlace 1, was recently completed, with approximately 150,000 square feet. Moving from The Woodlands, Arroyo Energy Investors was the first tenant to sign a lease to operate out of the building. Springwoods Village is planned to consist of 9 million square feet of office space. With a workforce of approximately 18,000 already located within the development, new retail and multi-family development is beginning to increase more rapidly, also growing the number of jobs in the area. The residential portion of this master-planned community has yet to develop in the District. Coventry Development Corporation is planning approximately 600 homes within the District, but no infrastructure exists currently. Population and Survey Analysts (PASA) is projecting 547 homes to be occupied within the 10-year period. Nearly all these occupancies are expected to occur in the latter half of the projection period.

Valley Ranch: This new commercial center has recently developed east of the District along the Grand Parkway at Interstate 69. Valley Ranch Town Center, developed by Signorelli Company, is in the early stages of development. An outlet mall is planned along and south of TX-99. Also, Signorelli has planned Vivacity, a 186-acre master-planned medical district. The first partner in Vivacity will be CHI St. Luke's Health. The organization is currently exploring options for building a facility in the development.

Pinto Business Park: Several companies have recently invested in projects in Pinto Business Park or other areas of North Harris County. In 2017, Amazon completed the 855,000-sq. ft. fulfillment center along Ella Blvd., south of Beltway 8. This center has already created more than 1,500 jobs. In late 2018, Mexico-based Coca-Cola bottler Arca Continental broke ground on a 1 million-square foot bottling plant in Pinto at 600 Fallbrook Drive. The facility will allow the bottler to consolidate two local manufacturing plants and four warehouse/distribution centers, and also to sell the older properties. The facility is scheduled to open in the beginning of 2020.

Generation Park: Flanking the east and west sides of Beltway 8, this 4,000-acre master-planned business park by McCord Development is progressing with the construction of Redemption Square, the development's first mixed-use center along the west side of Beltway 8 at W. Lake Houston Parkway. Altogether, Redemption Square will consist of approximately 1.5 million square feet of office space, 265,000 square feet of retail, and 650 hotel rooms. Technip FMC has been relocating its Houston workforce to the new campus in Generation Park, which is located along and east of Lockwood Road. Approximately 100 acres of the 173-acre FMC site remains undeveloped, and it is expected to be home to 8,000 FMC employees in 3 million square feet of office and industrial space upon completion. Other corporate headquarters are being targeted for the new Park as well. In late 2018, IKEA purchased 143 acres of land in the development for a distribution center of 1–2 million square feet. Other nearby distribution and office projects will add to the local workforce as well. Grocer's Supply is consolidating into a new 727,600-sq. ft. facility at 14803 Woodham Drive. The company has purchased additional acreage and is slowly constructing a regional distribution center that will replace many aging sites around the entire Metro Area. Appliance retailer Conn's recently completed warehouse/distribution facility along Hardy Toll Road in the Spring Area. These large projects ultimately will result in more jobs located in North Harris County.

Due to the effects of Hurricane Harvey and limited acreage availability, the District has seen a slowdown in growth, with a student gain of only 260 students (0.49%) between PEIMS 2017-18 and PEIMS 2018-19. This placed the gain of students at 5,075 students between 2013-14 and 2018-19, which is a similar growth rate to adjacent districts. The District has seen a 10.52% increase in the 5-year period. Even with the abnormally slow enrollment growth for 2018-2019, the District's percentage of growth ranked 6th in the State when compared to the 20 largest school districts in Texas.

There are very few large land tracts remaining in the District, as most single-family development is now being planned on smaller infill tracts, typically less than 50 acres. Since land is in short supply, the density of many of the new subdivisions is significantly higher than older developments.

Alexander Estates: Development is slated to begin soon on 251 lots adjacent to the Tomball Country Club along Hufsmith-Kohrville Rd. PASA anticipates 30–40 occupancies annually once development ramps up.

Lakes at Creekside: Split between the District and neighboring district, Tomball ISD, this development by J. Alan Kent is rapidly building out. The District's portion will consist of approximately 200 lots. As of August 2019, Section 5, consisting of 98 lots, was developed with new streets and utilities. Home construction will begin this year. Approximately 40 housing occupancies are projected annually over the next 5–6 years.

Villas at Meadowhill: K. Hovanian recently platted 150 lots on approximately 25 acres west of Falvel Road and north along FM 2920.

Villas at Fountain River: The Dowdell Road PUD has stated that 126 single-family units are planned across from Mahaffey Elementary along and west of Mahaffey Road.

Multi-Family Housing: Commercial job growth in the TX-99 Corridor and retail growth drives most multi-family development in the District. Another factor causing multi-family development to increase is the lack of available

land in The Woodlands. With small tracts of commercial land available in numerous, individual Municipal Utility Districts, apartment developers are building in almost every part of the District. In the first half of 2018, the first properties in the latest wave of multi-family development broke ground. Today, those properties are now in the initial lease-up phase, and numerous other developments are in the initial development phase. This wave of multi-family development will last through 2022. However, even more properties are planned for multi-family development beyond this timeframe. PASA has identified 51 sites that are either developing, or planned as multi-family, or have the potential for multi-family development throughout the ten-year projection period.

The District's total tax base grew 3.49% to \$19.76 billion in 2018-19. The tax base has increased on average more than 10 percent annually over the last five years. The District's total tax base only grew on average 1.7 percent the five years prior to that. The slowdown in growth was mainly due to Hurricane Harvey along with reduced acreage availability in the area. The District's student average daily attendance, 50,130, has increased 19 percent over a ten-year period and its enrollment is the sixteenth largest in the State. Over the past ten-year period, the unemployment rate in Harris County has ranged from a low of 3.9 percent in 2019 to a high of 8.5 percent in 2011.

### **LONG-TERM FINANCIAL PLANNING**

The District remains one of the fastest growing school districts in the county; however, the disruption due to Hurricane Harvey along with limited land availability have led to a slower growth rate. Enrollment is projected to increase by 1.08 percent to 53,878 students during the 2019-20 school year. The level of student growth is expected to average 1.27 percent over the next several years. The square footage of the District's schools ranges from 65,500 to 679,289 square feet. Based on the District's current total of forty-seven schools, the District has reached approximately 90 percent of its permanent classroom facility requirements. The percentage of students at each instructional level is expected to be approximately 45 percent in grade levels PK through 5, 24 percent in grade levels 6 through 8, and 31 percent in grade levels 9 through 12. The long-range estimate of pupil density per square mile is expected to be approximately 715 students or more. The students per square mile are based on an enrollment that would stabilize after a peak in excess of 65,000 students. In May 2015, the District passed a \$498.1 million bond issue as part of a five-year plan that will address growth and facility needs for our students in five general areas: growth, technology, renovations, school buses, and safety and security. To date, the District has sold \$454.2 million of the 2015 bond authorization.

The District approach to managing increased academic standards in a fluctuating funding environment is to ensure the budget process is instructionally driven and guided by the Strategic Plan. The major budget priorities in 2019-2020 are to create and offer a competitive compensation package for District employees, align budget requests to build on strong academic performance in the state accountability system, and to support program requests based on new funding allotments from House Bill 3.

The Board and administration review the Strategic Plan at least annually, focusing on aligning the allocation of resources, both personnel and financial, with the accomplishment of the goals and objectives. This facilitates identification of target areas for both operating cost reductions and increases.

### **RELEVANT FINANCIAL POLICIES**

Budget planning is an integral part of overall program planning so that the budget effectively reflects the District's programs and activities, and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals are considered, as well as input from the District and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and are a part of monthly activities.

### **MAJOR INITIATIVES**

Klein Independent School District shares a vision that every student enters with a promise and exits with a purpose. We will achieve this vision through a focus on pathways, challenge, equity, leadership, and continuous improvement. During the 2018-2019 school year, the District continued aligning workstreams and resources to three strategic priorities: Reimagine Learning, Cultivate Talent, and Build Community. Strategies such as

personalizing learning; providing a flexible and challenging curriculum; exploring standards-based evaluation; ensuring targeted professional learning; building a best-in-class leadership pipeline; forming strategic partnerships and mentoring; engaging, educating, and equipping families; exemplifying cultural responsiveness; and utilizing ongoing feedback loops in a culture of learning for continuous improvement allow the District to work toward its goals.

The District received an overall “B” rating from the TEA in 2018-2019. Additionally, all campuses in Klein ISD received a passing rating. The District improved in every accountability domain including student achievement, student progress, and closing performance gaps. In May 2017, the Board of Trustees adopted system measures and indicators of success, including aspirational measures including every student exiting with a purpose and every student making at least one year’s growth every year.

Students engaging in rigorous and advanced coursework is paramount to every student exiting with a purpose; to that end, the District offers high school advanced placement courses, an international baccalaureate program, and classes with dual high school and college credit through the Lone Star College System. The District continues to offer a pre-advanced placement program in intermediate and high schools in all core subject areas to support student preparation for academic success. In 2018-2019, advanced offerings and pathways were expanded and increased, as more students expressed a desire to participate. Klein ISD educators are continually provided personalized professional learning and development focusing on research-based instructional strategies and leadership and technical competencies necessary to fulfill the District’s promise to its students.

#### **AWARDS AND ACKNOWLEDGEMENTS**

Klein Independent School District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its CAFR for the fiscal year ended August 31, 2018. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report will conform to the Certificate of Achievement Program requirements, and is being submitted to the GFOA for review. The District received the Association of School Business Officials’ (ASBO) Certificate of Excellence in Financial Reporting for the prior year. This award certifies that the CAFR for the fiscal year ended August 31, 2018, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO. We believe our current report will conform to the Certificate of Excellence Program requirements, and is being submitted to the ASBO for review. In addition, the District was awarded the ASBO Meritorious Budget Award for its 2018-19 adopted budget document. To receive this award, a school district must publish a budget document that substantially conforms to the principles and standards of this organization.

We would like to express our appreciation to the Board of Trustees for their attention in providing fiscal accountability to the patrons of our District and for their expertise in financial decisions. Special appreciation goes to the District's finance department and the independent auditors’ staff. The preparation of this report could not have been accomplished without their efficient and dedicated service.

Respectfully submitted,

Dr. Jenny McGown  
Superintendent

Daniel A. Schaefer, CPA  
Chief Financial Officer

Jason Gossett, RTSBA  
Executive Director of Business Services

Amanda Boles, CPA, RTSBA  
Director of Accounting

(This page intentionally left blank)



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Klein Independent School District**  
**Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2018**

*Christopher P. Morill*

Executive Director/CEO



The Certificate of Excellence in Financial Reporting  
is presented to

**Klein Independent School District**

for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended August 31, 2018.

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



Tom Wohleber, CSRM  
President

David J. Lewis  
Executive Director



**KLEIN ISD**

**PROMISE<sup>2</sup>PURPOSE**

# Klein ISD Organization Chart

**Stakeholders:** Students | Parents | Employees | Taxpayers | Families | Businesses | Community

## Board of Trustees

Ms. Georgan Reitmeier, *President* | Mr. Rick Mann, *Vice President* | Mr. Doug James, *Secretary* |  
Mr. Ronnie Anderson | Ms. Cathy Arellano | Ms. Julie Benes | Mr. Chris Todd

**DR. JENNY MCGOWN**  
Superintendent

**Larry Whitehead**  
Interim Deputy  
Superintendent

Teaching & Learning,  
Campus Safety & Support,  
School Leadership &  
Supervision, IT & Data  
Services, Special Programs

**Kelly Schumacher**  
Associate Superintendent

Human Resource Services  
Workers' Compensation &  
Unemployment  
Staffing  
Employee Relations

**Robert Robertson**  
Associate Superintendent

Facility & School Services,  
Capital Projects, Energy  
Maintenance, Nutrition &  
Food Services, Plant  
Operations, Safety,  
Transportation

**Daniel Schaefer**  
Chief Financial Officer

Accounting, Budget,  
Purchasing, Tax Office,  
Warehouse, Risk  
Management, Benefits,  
Payroll  
State & Federal  
Programs

**Chief of Police**  
David Kimberly

**Klein Education  
Foundation/Community  
Relations**  
Cindy Doyle, Director

**Research & Program  
Evaluations**  
Amanda Salinas,  
Director

**Internal Audit**  
Stephanie Duran,  
Director

**Communications**  
Rachel Trotter, Director

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL SCHOOL DISTRICT OFFICIALS**

**Elected Officials – Board of Trustees**

|                         |                |
|-------------------------|----------------|
| Georgan Reitmeier.....  | President      |
| Rick Mann.....          | Vice-President |
| Doug James.....         | Secretary      |
| Ronnie K. Anderson..... | Trustee        |
| Cathy M. Arellano.....  | Trustee        |
| Julie Benes.....        | Trustee        |
| Chris Todd.....         | Trustee        |

**Appointed Administrators**

|                                     |  |
|-------------------------------------|--|
| Dr. Jenny McGown.....               | Superintendent   |
| Larry Whitehead.....                | Interim Deputy Superintendent                          |
| Daniel A. Schaefer, CPA.....        | Chief Financial Officer                                |
| Robert Robertson.....               | Associate Superintendent of Facility & School Services |
| Kelly Schumacher.....               | Associate Superintendent of Human Resource Services    |
| Dr. Kirsten Allman.....             | Executive Director of Special Programs                 |
| Audrey Ambridge, RTSBA.....         | Executive Director of Financial Services               |
| Dr. Jeff Bailey.....                | Executive Director of Teaching & Learning              |
| Beth Gilleland.....                 | Executive Director of College & Career Pathways        |
| Jason Gossett, RTSBA.....           | Executive Director of Business Services                |
| Dayna Hernandez.....                | Executive Director of Teaching & Learning              |
| Cassandra Christian.....            | Executive Director of Teaching and Learning            |
| Katie Turner.....                   | Executive Director of Teaching and Learning            |
| Dr. Joffery Jones.....              | Executive Director of Campus Safety & Support          |
| Amy Miller.....                     | Executive Director of Curriculum Design & Delivery     |
| Ron Webster.....                    | Executive Director of Campus Safety & Support          |
| Martha Werner.....                  | Executive Director of Employee Talent                  |
| August Wunderlich.....              | Executive Director of Facilities & School Services     |
| David Kimberly.....                 | Chief of Police  |
| Amanda Boles, CPA, RTSBA.....       | Director of Accounting                                 |
| Deborah Bronner-Westerduin.....     | Director of Career & Technical Education               |
| Chris Cummings.....                 | Director of Information Technology                     |
| Deedra Davis.....                   | Director of Staffing & Employee Relations              |
| Cindy Doyle.....                    | Director of Community Relations & Education Foundation |
| Stephanie B. Duran, CPA, RTSBA..... | Director of Internal Audit                             |
| Brad Froebel.....                   | Director of Data Services                              |
| Thomas Haggerty.....                | Director of Capital Projects                           |
| Lauren Ivins-McFarland.....         | Director of Special Education                          |
| Stacy Kindsfather.....              | Director of Assessment & Accountability                |
| Scott Lazar.....                    | Director of Plant Operations                           |
| Brian Marr.....                     | Director of Disciplinary Alternative Education Program |
| Doug Massey.....                    | Director of Nutrition & Food Services                  |
| Laura Padron, RTSBA.....            | Director of Budget                                     |
| Joshua Rice.....                    | Director of Transportation                             |
| Chris Ruggiero.....                 | Director of State & Federal Programs                   |
| Amanda Salinas.....                 | Director of Research & Evaluation                      |
| Todd Schultz, RTSBA.....            | Director of Warehousing                                |
| Jody Simpson.....                   | Director of Therapeutic Education Program              |
| Dawn Proctor.....                   | Director of Special Education                          |
| Rachel Trotter.....                 | Director of Communications                             |
| Lisa Turner, CTSBO.....             | Director of Purchasing                                 |
| Deborah Wehner, RTA.....            | Tax Assessor-Collector                                 |
| Fran Whitaker, RTSBA.....           | Director of Payroll                                    |
| Kevin Wieghat.....                  | Director of Maintenance                                |
| Joel Wren.....                      | Director of Fine Arts                                  |
| Darby Young.....                    | Director of Athletics, Physical Education & Health     |

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**CONSULTANTS AND ADVISORS**

**ARCHITECTS**

PBK Architects Inc.  
11 Greenway Plaza, 22nd Floor  
Houston, Texas 77046

RWS Architects Incorporated  
3100 Timmons Lane, Suite 410  
Houston, Texas 77027

Joiner Partnership, Inc.  
700 Rockmead Drive, Suite 265  
Kingwood, Texas 77339

Huckabee & Associates, Inc.  
One Hughes Landing  
1800 Hughes Landing Blvd., Suite 701  
The Woodlands, Texas 77380

Brown, Reynolds, Watford Architects, Inc.  
4501 Magnolia Cove Drive  
Suite 250, Bldg. 6  
Houston, Texas 77345

GPD Group  
2121 Sage Road, Suite 240  
Houston, Texas 77056

Texas - IBI Group  
455 E. Medical Center Blvd., Suite 500  
Webster, Texas 77598

**AUDITOR**

Weaver and Tidwell, L.L.P.  
1406 Wilson Road, Suite 100  
Conroe, Texas 77304

**GENERAL COUNSEL**

Rogers, Morris & Grover, L.L.P.  
5718 Westheimer, Suite 1200  
Houston, Texas 77057

Karczewski | Bradshaw | Spalding  
3700 Buffalo Speedway, Suite 560  
Houston, Texas 77098

**BOND COUNSEL**

Bracewell LLP  
711 Louisiana Street, Suite 2300  
Houston, Texas 77002

**PROPERTY TAX ATTORNEY**

Perdue, Brandon, Fielder, Collins & Mott, L.L.P.  
1235 North Loop West, Suite 600  
Houston, Texas 77008

**FINANCIAL ADVISOR**

RBC Capital Markets  
First City Tower, Suite 1200  
1001 Fannin  
Houston, Texas 77002

**OFFICIAL DEPOSITORY**

Wells Fargo  
420 Montgomery  
San Francisco, CA 94104

**CERTIFICATE OF BOARD**

**KLEIN INDEPENDENT SCHOOL DISTRICT**

Name of School

**HARRIS**

County

**101-915**

Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and

**[ X ] APPROVED --- [ ] DISAPPROVED**  
(Check One)

for the year ended August 31, 2019 at a meeting of the Board of Trustees of such school district on the 13<sup>th</sup> day of January, 2020.

\_\_\_\_\_  
**SIGNATURE OF BOARD SECRETARY**

\_\_\_\_\_  
**SIGNATURE OF BOARD PRESIDENT**

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

(This page intentionally left blank)

## **Financial Section**

(This page intentionally left blank)



Austin | Conroe | Dallas | Fort Worth | Houston  
Los Angeles | Midland | New York City | San Antonio

## Independent Auditor's Report

The Board of Trustees of  
Klein Independent School District  
Klein, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Klein Independent School District (the District), as of and for the year ended August 31, 2019, 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 Standards*, 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 entity'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, each major fund, and the aggregate remaining fund information of Klein Independent School District, as of August 31, 2019, and the respective changes in financial position 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 I. D. to the basic financial statements, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Beginning net position has been restated to reflect the change in accounting principle resulting from this statement. Our opinion is not modified with respect to this matter.

The Board of Trustees of  
Klein Independent School District

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, 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 such information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Klein Independent School District’s basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section, as 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 Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections (Other Information) have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **December 19, 2019** on our consideration of Klein Independent School District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Klein Independent School District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Klein Independent School District’s internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
**December 19, 2019**

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

As management of the Klein Independent School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2019.

**Financial Highlights**

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$40,100,146 (*net position*).
- The District's total net position increased by \$18,604,965.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$304,512,261, an increase of \$39,491,893 in comparison with the prior year. The increase in governmental fund balances was primarily due to increases of \$38,035,139 in the general fund, \$3,540,719 in the capital projects fund, and offset by decreases of \$891,936 in other governmental funds and \$1,192,029 in the debt service fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$85,024,544 or 19 percent of total general fund expenditures.
- The District's bonded debt, at par, increased by \$32,615,000 (3 percent) during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information and supplementary and other information in addition to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include: Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Bond Issuance Costs and Fees, Facilities Repair and Maintenance, Payments to Shared Services Arrangements, Payments to Juvenile Justice Alternative Education Programs, and Other Intergovernmental Charges.

The government-wide financial statements are referenced as Exhibits A-1 and A-2 in this report.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

**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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental 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 District'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 District'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-one individual 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 the capital projects fund, all of which are considered to be major funds. Data from the other twenty-eight 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 the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and the *National School Breakfast and Lunch Program* special revenue fund.

The basic governmental fund financial statements are referenced as Exhibits B-1, B-1R, B-2 and B-2R in this report.

**Fiduciary fund.** The fiduciary fund is used to account for resources held for the benefit of students. The fiduciary fund is *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

The basic fiduciary fund financial statement is referenced as Exhibit C-1 in this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements in this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the general fund is presented as required supplementary information. The required supplementary information also provides information on the District's cost-sharing multiple-employer pension and OPEB plans of which the District is a participant. The required supplementary information is referenced as Exhibits D-1, E-1 through E-4, and the associated notes immediately following the exhibits in this report.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

**Supplementary information.** The combining and individual fund statements and schedules and the compliance schedule comprise the supplementary information and are presented immediately following the required supplementary information. The supplementary information is referenced as Exhibits F-1, G-1, G-2, G-3, H-1 and I-1 in this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$40,100,146 at the close of the fiscal year ended August 31, 2019.

**KLEIN INDEPENDENT SCHOOL DISTRICT'S NET POSITION**

|   | <b>Governmental Activities</b> |                        |
|---|--------------------------------|------------------------|
|   | <b>2019</b>                    | <b>2018</b>            |
| Current and Other Assets                        | \$ 366,859,824                 | \$ 331,025,844         |
| Capital Assets, net of Accumulated Depreciation | 1,166,330,244                  | 1,128,058,987          |
| <b>Total Assets</b>                             | <b>1,533,190,068</b>           | <b>1,459,084,831</b>   |
| <b>Total Deferred Outflows of Resources</b>     | <b>157,112,257</b>             | <b>64,514,950</b>      |
| Other Liabilities                               | 55,262,311                     | 60,123,425             |
| Long-term Liabilities Outstanding               | 1,599,430,849                  | 1,436,598,903          |
| <b>Total Liabilities</b>                        | <b>1,654,693,160</b>           | <b>1,496,722,328</b>   |
| <b>Total Deferred Inflows of Resources</b>      | <b>75,709,311</b>              | <b>85,582,564</b>      |
| <b>Net Position:</b>                            |                                |                        |
| Net Investment in Capital Assets                | 76,345,695                     | 74,915,595             |
| Restricted                                      | 28,482,722                     | 27,925,315             |
| Unrestricted (Deficit)                          | (144,928,563)                  | (161,546,021)          |
| <b>Total Net Position (Deficit)</b>             | <b>\$ (40,100,146)</b>         | <b>\$ (58,705,111)</b> |

Net investment in capital assets of \$76,345,695 reflects the District's investment of \$1.16 billion in capital assets (e.g., deferred charges on refundings, land, buildings and improvements, furniture and equipment and construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position of \$28,482,722 is an additional portion of the District's net position which represents resources that are subject to external restrictions on how they may be used, such as debt service and grants. Net position of \$23,136,752 is restricted for debt service, \$5,341,846 is restricted for Grants – Food Services, and \$4,124 is restricted for Grants – Instructional Services.

Unrestricted net position of (\$144,928,563) reflects a deficit created by a prior period adjustment in fiscal year 2018 resulting from the implementation of GASB 75 for OPEB. Although the District reports a deficit, the deficit is primarily due to reporting the District's proportionate share of the net OPEB liability. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

**Governmental activities.** Governmental activities increased the District's net position by \$18,604,965. Key elements of this increase are as follows:

**KLEIN INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION**

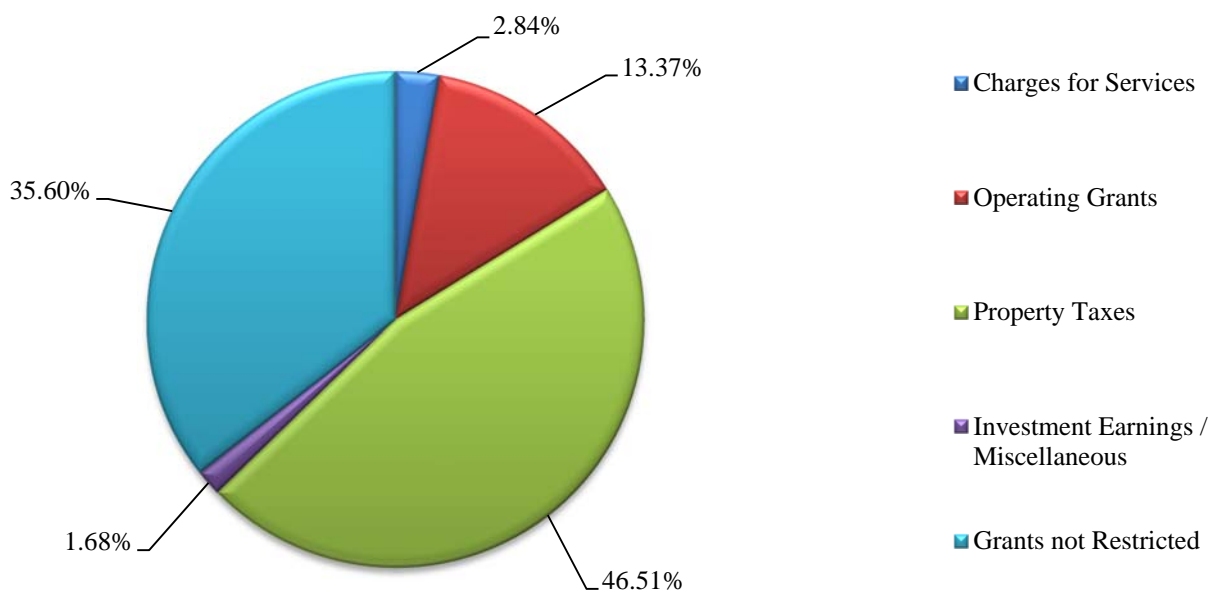
|  | <b>Governmental Activities</b> |                               |
|--|--------------------------------|-------------------------------|
|  | <b>2019</b>                    | <b>2018</b>                   |
| <b>REVENUE</b>   |                                |                               |
| Program Revenues:  |                                |                               |
| Charges for Services   | \$ 18,108,887                  | \$ 21,353,264                 |
| Operating Grants and Contributions                           | 85,314,159                     | (24,538,225)                  |
| General Revenues:  |                                |                               |
| Taxes:   |                                |                               |
| Property Taxes, Levied for General Purpose                   | 219,961,386                    | 209,896,563                   |
| Property Taxes, Levied for Debt Service                      | 76,710,403                     | 78,631,659                    |
| Grants and Contributions Not Restricted to Specific Programs | 227,081,601                    | 202,377,983                   |
| Investment Earnings  | 8,296,940                      | 5,204,773                     |
| Miscellaneous  | 2,400,981                      | 6,079,242                     |
| <b>Total Revenues</b>  | <b><u>637,874,357</u></b>      | <b><u>499,005,259</u></b>     |
| <b>EXPENSES</b>  |                                |                               |
| Instruction  | 336,498,692                    | 219,985,174                   |
| Instructional Resources and Media Services                   | 5,758,912                      | 4,012,887                     |
| Curriculum and Instructional Staff Development               | 16,774,036                     | 9,912,203                     |
| Instructional Leadership                                     | 4,393,010                      | 2,960,023                     |
| School Leadership  | 35,265,987                     | 22,411,053                    |
| Guidance, Counseling, and Evaluation Services                | 31,178,493                     | 18,153,980                    |
| Social Work Services   | 619,209                        | 319,702                       |
| Health Services  | 6,521,194                      | 4,222,768                     |
| Student Transportation                                       | 16,498,887                     | 13,451,366                    |
| Food Services  | 27,399,035                     | 19,098,672                    |
| Extracurricular Activities                                   | 17,393,410                     | 14,585,567                    |
| General Administration                                       | 11,259,864                     | 8,729,159                     |
| Plant Maintenance and Operations                             | 36,637,208                     | 32,872,126                    |
| Security and Monitoring Services                             | 6,816,190                      | 5,613,791                     |
| Data Processing Services                                     | 11,937,060                     | 9,465,491                     |
| Community Services   | 1,564,297                      | 696,243                       |
| Interest on Long-term Debt                                   | 45,342,509                     | 44,781,279                    |
| Bond Issuance Costs and Fees                                 | 847,885                        | 1,128,181                     |
| Facilities Repair and Maintenance                            | 3,436,397                      | 7,271,334                     |
| Payments to Shared Services Arrangements                     | 601,690                        | 614,273                       |
| Payments to Juvenile Justice Alternative Education Programs  | 334,361                        | 344,556                       |
| Other Intergovernmental Charges                              | 2,191,066                      | 2,122,804                     |
| <b>Total Expenses</b>  | <b><u>619,269,392</u></b>      | <b><u>442,752,632</u></b>     |
| <b>Excess of Revenues over Expenses</b>                      | <b><u>18,604,965</u></b>       | <b><u>56,252,627</u></b>      |
| Extraordinary Items  | -                              | 712,170                       |
| Change in Net Position                                       | 18,604,965                     | 56,964,797                    |
| Net Position (Deficit) - Beginning                           | (58,705,111)                   | 178,494,833                   |
| Prior Period Adjustment - Implement GASB 75 for OPEB (a)     | -                              | (294,164,741)                 |
| Net Position (Deficit) - Beginning, as restated              | (58,705,111)                   | (115,669,908)                 |
| <b>Net Position (Deficit) - Ending</b>                       | <b><u>\$ (40,100,146)</u></b>  | <b><u>\$ (58,705,111)</u></b> |

(a) The restatement of the beginning net position is the result of the District implementing GASB Statement No. 75 in fiscal year 2018.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

Revenues are generated primarily from two sources (see Figure A-1). Grants and contributions (program and general revenues totaling \$312,395,760) represent 49 percent of total revenues and property taxes (\$296,671,789) represent 46.5 percent of total revenues. The remaining 4.5 percent is generated from charges for services, investment earnings, and miscellaneous revenues. The increase in grants and contributions is the result of an increase in state allotment and hurricane state aid and the effect of a negative on-behalf contribution from the state related to GASB Statement No. 75 recorded in the prior year. Property taxes increased primarily due to an increase in property values.

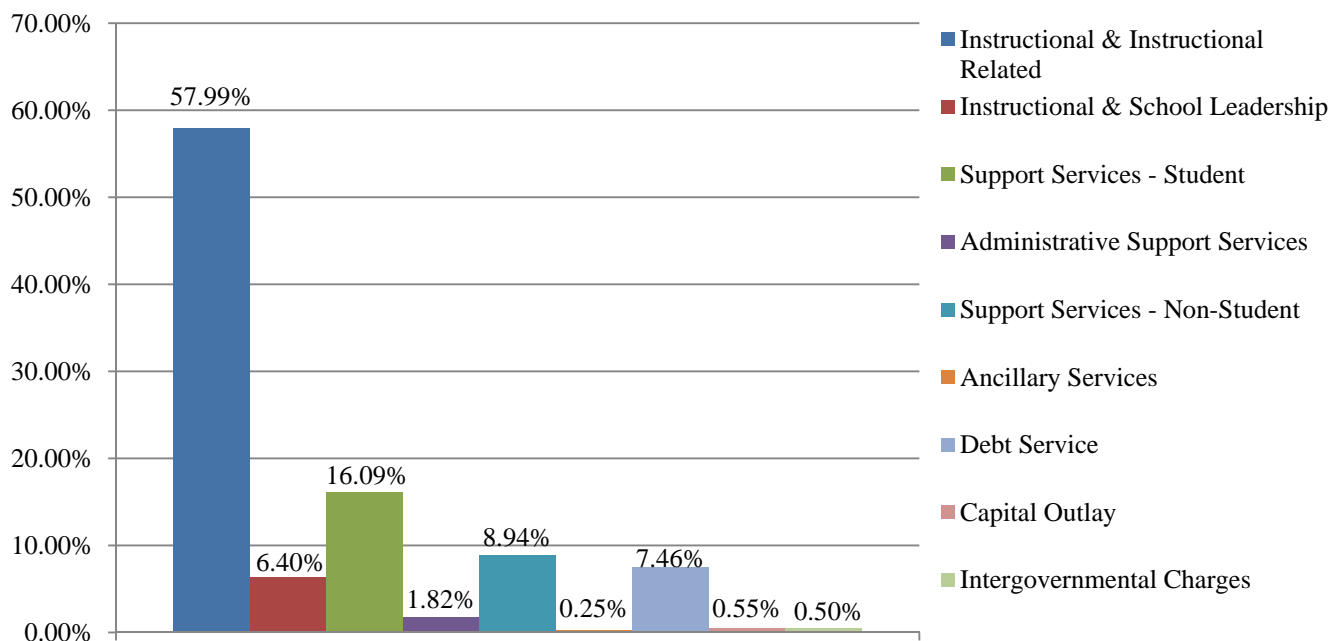
**Figure A-1**  
**Revenues by Source – Governmental Activities**  
**for the Fiscal Year ended August 31, 2019**



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

The primary functional expense (see figure A-2) of the District is instruction (\$336,498,692), which represents 54 percent of total expenses and interest on long-term debt (\$45,342,509) represents 7 percent of total expenses. The remaining individual functional categories of expenses are each less than 6 percent of total expenses. The major change in the current year is there was no reduction in expenses affected by a negative on-behalf contribution as reported in the prior year related to GASB Statement No. 75.

**Figure A-2**  
**Expenses by Major Function Categories – Governmental Activities**  
**for the Fiscal Year ended August 31, 2019**



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

**Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$304,512,261, an increase of \$39,491,893 in comparison with the prior year. The increase in governmental fund balances was primarily due to increases in the general fund and capital projects fund. Out of the combined ending fund balances, \$85,024,544 constitutes unassigned fund balances. The remaining \$219,487,717 is nonspendable, restricted, committed or assigned to indicate that it is not available for spending because it has already been committed.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$85,024,544 while total fund balance reached \$177,757,327. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 19 percent of total general fund expenditures, while total fund balance represents 40.5 percent of that same amount. The District's general fund balance increased by \$38,035,139 during the current fiscal year primarily due to an increase in interest earnings, an increase in state aid due to Hurricane Harvey property value loss, property value audits from prior years, and additional special education funding due to Senate Bill 500. Instructional and counseling payroll costs were lower than anticipated, and costs for contracted services and supplies were also lower than anticipated.

The debt service fund has a total fund balance of \$24,315,173, all of which is reserved for the payment of debt service. The District makes semi-annual debt service payments in February and August of each year. Debt service payments including bond fees for the year ended August 31, 2019 were \$85,584,805. The net decrease in fund balance of \$1,192,029 relates to the temporary tax rate swap of \$0.02 as allowed by the Property Tax Code of Texas Section 26.08.

The capital projects fund has a total fund balance of \$90,494,630, a majority is reserved for authorized construction and technology projects. The net increase in fund balance during the current year of \$3,540,719 was primarily due to the sale of bonds for construction and renovation of facilities.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

**General Fund Budgetary Highlights**

The primary differences between the original budget and the final amended budget of the general fund can be briefly summarized as follows:

| <b>Estimated Revenues and<br/>Other Financing<br/>Sources</b> |                          |   |
|---|--------------------------|---|
| \$  | 14,690,320               | Net increase in state aid due to TEA Hold Harmless payments to offset levy loss on property value due to Hurricane Harvey, an increase in state aid due to higher realized Weighted Average Daily Attendance, and prior year state aid revenue.   |
|   | 2,608,552                | Net increase in supplemental state aid funding due to property value study audits for years 2014 and 2015.  |
|   | 1,790,023                | Net increase in interest income revenues.   |
|   | 1,151,594                | Net increase in SHARS, eRate, and indirect cost revenues.   |
|   | 898,441                  | Net increase in supplemental state aid funding due to Senate Bill 500, which provided additional special education funding to assist in meeting special education maintenance of effort.  |
|   | 623,339                  | Net increase in local revenues due to UHC provider recoveries, property tax collections, and other miscellaneous local revenues.  |
|   | (723,158)                | Net decrease due to decrease in TRS on Behalf appropriation.  |
| \$  | <u><u>21,039,111</u></u> | <b><i>Total Estimated Revenues and Other Financing Sources Increase</i></b>   |
|   |                          |   |
| <b>Appropriations and<br/>Other Financing Uses</b>            |                          |   |
| \$  | 10,329,900               | Increase in payroll appropriations due to the Klein Family Loyalty Incentive and the Klein Family Health Insurance Contribution Supplement for employees.   |
|   | 1,760,000                | Net increase in salary and related fringe benefit appropriations due to the addition of 20 professional positions and 22.5 new paraprofessional positions based on the increase to the special populations enrollment.  |
|   | 552,885                  | Net increase due to increase in SHARS billing, Property Value Study Audit fees, and bank cost recovery fees.  |
|   | 384,048                  | Net increase in general supplies due to carryover resources from fiscal year 2018.  |
|   | 287,596                  | Net increase in payroll appropriations due to retro pay of pay raise for July and August employees and Workers' Compensation increase.  |
|   | 116,861                  | Net increase due to increase in contracted services for vehicle repairs, increase for security software, decrease for the wellness program, increase in campus allocations due to enrollment, increase in travel professional development for police officers, and miscellaneous supplies from donations. |
|   | (723,158)                | Net decrease due to decrease in TRS on Behalf appropriation.  |
| \$  | <u><u>12,708,132</u></u> | <b><i>Total Appropriations and Other Financing Uses Increase</i></b>  |

The review of the final amended budget versus actual for the general fund reflected that revenues were more than budgetary estimates and expenditures were less than budgetary estimates. At year end, actual revenues exceeded estimated revenue amounts by \$5,846,889. Operating expenditures were \$13,201,534 less than final budgeted amounts primarily due to instructional and counseling payroll costs being lower than anticipated, and costs for contracted services and supplies were lower than budgeted.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

**Capital Assets and Long-term Debt**

**Capital assets.** The District's investment in capital assets for its governmental type activities as of August 31, 2019, amounts to \$1,166,330,244 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The total increase in the District's investment in capital assets for the current fiscal year was 3.4 percent.

Major capital asset events during the current fiscal year included the following:

- Construction on Elementary #33
- Construction of Klein Oak High School Auditorium Remodel
- Facility Renovation Roofing Project
- Elementary Safety Improvements & Renovations
- Klein Memorial Stadium Sound System and Elementary Sound Enhancement
- Restroom and Concession Additions
- Renovation of Front Vestibule Projects for Epps Island and Greenwood Forest Elementary Schools
- Renovations of Existing Facilities

**KLEIN INDEPENDENT SCHOOL DISTRICT'S CAPITAL ASSETS**

(Net of Depreciation)

|                            | <b>Governmental Activities</b> |                         |
|----------------------------|--------------------------------|-------------------------|
|                            | <b>2019</b>                    | <b>2018</b>             |
| Land                       | \$ 111,792,428                 | \$ 108,511,313          |
| Buildings and Improvements | 995,252,136                    | 983,017,908             |
| Furniture and Equipment    | 35,123,842                     | 33,166,339              |
| Construction in Progress   | 24,161,838                     | 3,363,427               |
| <b>Totals</b>              | <b>\$ 1,166,330,244</b>        | <b>\$ 1,128,058,987</b> |

**Construction commitments.** The District has active construction projects as of August 31, 2019. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$10,867,524 for all ongoing projects.

Additional information on the District's capital assets can be found in Note III, C. of the notes to the financial statements.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2019**

**Long-term debt.** At the end of the current fiscal year, the District had total long-term liabilities outstanding of \$1,599,430,849. Of this amount, \$1,114,535,000 (par value) is backed by the full faith and credit of the District.

**KLEIN INDEPENDENT SCHOOL DISTRICT'S OUTSTANDING DEBT**

|                       | <u>Governmental Activities</u> |                         |
|-----------------------|--------------------------------|-------------------------|
|                       | <u>2019</u>                    | <u>2018</u>             |
| Bonds Payable         | \$ 1,199,656,248               | \$ 1,160,896,683        |
| Compensated Absences  | 4,830,771                      | 5,385,882               |
| Workers' Compensation | 1,202,973                      | 1,814,669               |
| Net Pension Liability | 186,674,619                    | 100,742,471             |
| Net OPEB Liability    | 207,066,238                    | 167,759,198             |
| <b>Totals</b>         | <b>\$ 1,599,430,849</b>        | <b>\$ 1,436,598,903</b> |

The District's bonded debt at par increased by \$32,615,000 (3 percent) during the current fiscal year.

The District has sold \$454.2 million of the bonds authorized leaving \$43.9 million of authorized but unissued bonds as of August 31, 2019.

The District's net pension liability increased by \$85,932,148 as a result of differences between projected and actual investment earnings, changes in assumptions, and changes in the District's contributions and its proportionate share of contributions.

The District's net OPEB liability increased by \$39,307,040 as a result of differences between projected and actual investment earnings, changes in assumptions, and changes in the District's contributions and its proportionate share of contributions.

Additional information on the District's long-term liabilities can be found in Note III, E. and Note IV C. and D. of the notes to the financial statements.

**Economic Factors and Next Year's Budgets and Tax Rates**

- Average daily attendance (ADA) totaled 50,130 students, which is a 0.51 percent increase from the prior year.
- District staff totals 7,526 employees, which primarily consists of 3,521 teachers and 1,179 teachers' aides and secretaries.
- The District maintains 47 campuses for instruction.
- The unemployment rate for the County is currently 3.9 percent, which is a decrease from a rate of 4.5 percent a year ago. This compares to the State's unemployment rate of 3.4 percent, which is a decrease from a rate of 3.9 percent a year ago.
- Property values of the district have increased 3.49 percent over the past year.
- The property tax rate will decrease by 7 cents to \$1.36 per \$100 of assessed value for 2019-20.

All of these factors were considered in preparing the District's budget for the 2019-20 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Superintendent of Schools, Klein Independent School District, 7200 Spring-Cypress Road, Klein, Texas, 77379.

## **Basic Financial Statements**

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2019**

Exhibit A-1

| <u>Data<br/>Control<br/>Codes</u>   | <u>Primary<br/>Governmental<br/>Activities</u> |
|---|--|
| <b>ASSETS</b>   |  |
| 1110 <i>Cash and Cash Equivalents</i>                                       | \$ 271,869,431                                 |
| 1120 <i>Current Investments</i>   | 28,267,210                                     |
| 1225 <i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i> | 11,149,237                                     |
| 1240 <i>Due from Other Governments</i>                                      | 19,694,052                                     |
| 1290 <i>Other Receivables</i>   | 1,857,737                                      |
| 1300 <i>Inventories, at Cost</i>  | 2,011,684                                      |
| 1410 <i>Prepaid Items</i>   | 1,898,716                                      |
| 1910 <i>Long-term Investments</i>   | 30,111,757                                     |
| Capital Assets, Not Being Depreciated:                                      |  |
| 1510 <i>Land</i>  | 111,792,428                                    |
| 1580 <i>Construction in Progress</i>  | 24,161,838                                     |
| Capital Assets, Net of Accumulated Depreciation:                            |  |
| 1520 <i>Buildings and Improvements</i>                                      | 995,252,136                                    |
| 1530 <i>Furniture and Equipment</i>   | 35,123,842                                     |
| 1000 <b>Total Assets</b>  | <u>1,533,190,068</u>                           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                                       |  |
| 1704 <i>Deferred Outflows - Bond Refunding</i>                              | 19,177,069                                     |
| 1705 <i>Deferred Outflows - Pension</i>                                     | 104,718,436                                    |
| 1706 <i>Deferred Outflows - OPEB</i>  | 33,216,752                                     |
| Total Deferred Outflows of Resources  | <u>157,112,257</u>                             |
| <b>LIABILITIES</b>  |  |
| 2110 <i>Accounts Payable</i>  | 21,401,478                                     |
| 2140 <i>Interest Payable</i>  | 4,063,985                                      |
| 2160 <i>Accrued Wages Payable</i>   | 28,482,973                                     |
| 2180 <i>Due to Other Governments</i>  | 209,269  |
| 2300 <i>Unearned Revenue</i>  | 1,104,606                                      |
| Noncurrent Liabilities:   |  |
| 2501 <i>Due within One Year</i>   | 39,619,918                                     |
| 2502 <i>Due in More Than One Year</i>                                       | 1,166,070,074                                  |
| 2540 <i>Net Pension Liabilities</i>   | 186,674,619                                    |
| 2545 <i>Net OPEB Liabilities</i>  | 207,066,238                                    |
| 2000 <b>Total Liabilities</b>   | <u>1,654,693,160</u>                           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |  |
| 2605 <i>Deferred Inflows - Pension</i>                                      | 10,229,979                                     |
| 2606 <i>Deferred Inflows - OPEB</i>   | 65,479,332                                     |
| Total Deferred Inflows of Resources   | <u>75,709,311</u>                              |
| <b>NET POSITION (DEFICIT)</b>   |  |
| 3200 <i>Net Investment in Capital Assets</i>                                | 76,345,695                                     |
| Restricted for:   |  |
| 3820 <i>Grants - Food Services</i>  | 5,341,846                                      |
| 3820 <i>Grants - Instructional Services</i>                                 | 4,124  |
| 3850 <i>Debt Service</i>  | 23,136,752                                     |
| 3900 <i>Unrestricted (Deficit)</i>  | (144,928,563)                                  |
| 3000 <b>Total Net Position (Deficit)</b>                                    | <u>\$ (40,100,146)</u>                         |

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

Exhibit A-2

| Data Control Codes | Functions/Programs   | Expenses              | Program Revenues     |                                    | Net (Expense) Revenue and Changes in Net Position |
|--------------------|--|-----------------------|----------------------|------------------------------------|---|
|                    |  |                       | Charges for Services | Operating Grants and Contributions |   |
|                    | <b>Primary Government:</b>                                   |                       |                      |                                    |   |
|                    | Governmental Activities:                                     |                       |                      |                                    |   |
| 0011               | Instruction  | \$ 336,498,692        | \$ 567,257           | \$ 40,043,897                      | \$ (295,887,538)                                  |
| 0012               | Intructional Resource and Media Services                     | 5,758,912             | -                    | 910,668                            | (4,848,244)                                       |
| 0013               | Curriculum and Instructional Staff Development               | 16,774,036            | -                    | 5,025,544                          | (11,748,492)                                      |
| 0021               | Instructional Leadership                                     | 4,393,010             | -                    | 615,973                            | (3,777,037)                                       |
| 0023               | School Leadership  | 35,265,987            | -                    | 3,051,934                          | (32,214,053)                                      |
| 0031               | Guidance, Counseling, and Evaluation Services                | 31,178,493            | 777                  | 7,659,049                          | (23,518,667)                                      |
| 0032               | Social Work Services   | 619,209               | -                    | 49,823                             | (569,386)   |
| 0033               | Health Services  | 6,521,194             | -                    | 706,963                            | (5,814,231)                                       |
| 0034               | Student Transportation                                       | 16,498,887            | 6,618                | 885,259                            | (15,607,010)                                      |
| 0035               | Food Services  | 27,399,035            | 8,440,734            | 16,728,359                         | (2,229,942)                                       |
| 0036               | Extracurricular Activities                                   | 17,393,410            | 7,345,793            | 962,444                            | (9,085,173)                                       |
| 0041               | General Administration                                       | 11,259,864            | -                    | 1,327,325                          | (9,932,539)                                       |
| 0051               | Plant Maintenance and Operations                             | 36,637,208            | 1,464,793            | 1,327,222                          | (33,845,193)                                      |
| 0052               | Security amd Monitoring Services                             | 6,816,190             | -                    | 351,166                            | (6,465,024)                                       |
| 0053               | Data Processing Services                                     | 11,937,060            | -                    | 415,900                            | (11,521,160)                                      |
| 0061               | Community Services   | 1,564,297             | -                    | 1,102,183                          | (462,114)   |
| 0072               | Interest on Long-term Debt                                   | 45,342,509            | -                    | 4,092,225                          | (41,250,284)                                      |
| 0073               | Bond Issuance Costs and Fees                                 | 847,885               | -                    | -                                  | (847,885)   |
| 0081               | Facilities Repair and Maintenance                            | 3,436,397             | 282,915              | 58,225                             | (3,095,257)                                       |
| 0093               | Payments to Shared Services Arrangements                     | 601,690               | -                    | -                                  | (601,690)   |
| 0095               | Payments to Juvenile Justice Alternative Ed. Programs        | 334,361               | -                    | -                                  | (334,361)   |
| 0099               | Other Intergovernmental Charges                              | 2,191,066             | -                    | -                                  | (2,191,066)                                       |
| TG                 | Total Governmental Activities                                | <u>619,269,392</u>    | <u>18,108,887</u>    | <u>85,314,159</u>                  | <u>(515,846,346)</u>                              |
| TP                 | Total Primary Government                                     | <u>\$ 619,269,392</u> | <u>\$ 18,108,887</u> | <u>\$ 85,314,159</u>               | <u>\$ (515,846,346)</u>                           |
|                    | General Revenues:  |                       |                      |                                    |   |
| MT                 | Property Taxes, Levied for General Purposes                  |                       |                      |                                    | 219,961,386                                       |
| DT                 | Property Taxes, Levied for Debt Services                     |                       |                      |                                    | 76,710,403  |
| GC                 | Grants and Contributions Not Restricted to Specific Programs |                       |                      |                                    | 227,081,601                                       |
| IE                 | Investment Earnings  |                       |                      |                                    | 8,296,940   |
| MI                 | Miscellaneous  |                       |                      |                                    | 2,400,981   |
| TR                 | Total General Revenues                                       |                       |                      |                                    | <u>534,451,311</u>                                |
| CN                 | Change in Net Position                                       |                       |                      |                                    | 18,604,965  |
| NB                 | Net Position (Deficit) - Beginning                           |                       |                      |                                    | (58,705,111)                                      |
| NE                 | Net Position (Deficit) - Ending                              |                       |                      |                                    | <u>\$ (40,100,146)</u>                            |

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AUGUST 31, 2019**

| <u>Data<br/>Control<br/>Codes</u>  | <u>General Fund</u>   | <u>Debt Service<br/>Fund</u> |
|--|-----------------------|------------------------------|
| <b>ASSETS</b>  |                       |                              |
| 1110 <i>Cash and Cash Equivalents</i>  | \$ 145,709,852        | \$ 13,279,589                |
| 1120 <i>Current Investments</i>  | 22,785,551            | 5,481,659                    |
| 1225 <i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i>    | 8,263,673             | 2,885,564                    |
| 1240 <i>Due from Other Governments</i>   | 13,064,288            | -                            |
| 1260 <i>Due from Other Funds</i>   | 4,886,076             | 188,349                      |
| 1290 <i>Other Receivables</i>  | 260,119               | -                            |
| 1300 <i>Inventories, at Cost</i>   | 1,352,413             | -                            |
| 1410 <i>Prepaid Items</i>  | 1,345,351             | -                            |
| 1910 <i>Long-term Investments</i>  | 24,745,986            | 5,365,771                    |
| 1000 <b>Total Assets</b>   | <b>\$ 222,413,309</b> | <b>\$ 27,200,932</b>         |
| <b>LIABILITIES</b>   |                       |                              |
| 2110 <i>Accounts Payable</i>   | \$ 8,464,536          | \$ -                         |
| 2160 <i>Accrued Wages Payable</i>  | 26,831,641            | -                            |
| 2170 <i>Due to Other Funds</i>   | 26,240                | 195                          |
| 2180 <i>Due to Other Governments</i>   | 209,269               | -                            |
| 2300 <i>Unearned Revenue</i>   | 860,623               | -                            |
| 2000 <b>Total Liabilities</b>  | <b>36,392,309</b>     | <b>195</b>                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                       |                              |
| 2600 <i>Unavailable Revenue-Property Taxes</i>                                 | 8,263,673             | 2,885,564                    |
| <b>Total Deferred Inflows of Resources</b>                                     | <b>8,263,673</b>      | <b>2,885,564</b>             |
| <b>FUND BALANCES</b>   |                       |                              |
| Nonspendable:  |                       |                              |
| 3410 <i>Inventories</i>  | 1,352,413             | -                            |
| 3430 <i>Prepaid Items</i>  | 1,345,351             | -                            |
| Restricted For:  |                       |                              |
| 3450 <i>Grants - Food Services</i>   | -                     | -                            |
| 3450 <i>Grants - Instructional Services</i>                                    | -                     | -                            |
| 3470 <i>Land Acquisitions and Construction Projects</i>                        | -                     | -                            |
| 3480 <i>Retirement of Long-term Debt</i>                                       | -                     | 24,315,173                   |
| Committed To:  |                       |                              |
| 3545 <i>Other</i>  | -                     | -                            |
| Assigned To:   |                       |                              |
| 3580 <i>Self-Insurance</i>   | 3,000,000             | -                            |
| 3590 <i>Other</i>  | 87,035,019            | -                            |
| 3600 <i>Unassigned</i>   | 85,024,544            | -                            |
| 3000 <b>Total Fund Balances</b>  | <b>177,757,327</b>    | <b>24,315,173</b>            |
| 4000 <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b> | <b>\$ 222,413,309</b> | <b>\$ 27,200,932</b>         |

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

| <u>Capital<br/>Projects Fund</u> | <u>Nonmajor<br/>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|----------------------------------|--|---|
| \$ 98,854,588                    | \$ 14,025,402  | \$ 271,869,431                          |
| -                                | -  | 28,267,210                              |
| -                                | -  | 11,149,237                              |
| 221,609                          | 6,408,155  | 19,694,052                              |
| 2,401,250                        | 6,311  | 7,481,986                               |
| -                                | 1,597,618  | 1,857,737                               |
| -                                | 659,271  | 2,011,684                               |
| 11,100                           | 542,265  | 1,898,716                               |
| -                                | -  | 30,111,757                              |
| <u>\$ 101,488,547</u>            | <u>\$ 23,239,022</u>                                 | <u>\$ 374,341,810</u>                   |
| <br>                             |  |   |
| \$ 10,784,936                    | \$ 2,152,006   | \$ 21,401,478                           |
| 7,554                            | 1,643,778  | 28,482,973                              |
| 201,427                          | 7,254,124  | 7,481,986                               |
| -                                | -  | 209,269                                 |
| -                                | 243,983  | 1,104,606                               |
| <u>10,993,917</u>                | <u>11,293,891</u>                                    | <u>58,680,312</u>                       |
| <br>                             |  |   |
| -                                | -  | 11,149,237                              |
| -                                | -  | 11,149,237                              |
| <br>                             |  |   |
| -                                | -  | 1,352,413                               |
| 11,100                           | 37,386   | 1,393,837                               |
| -                                | 5,341,846  | 5,341,846                               |
| -                                | 4,124  | 4,124                                   |
| 90,483,530                       | -  | 90,483,530                              |
| -                                | -  | 24,315,173                              |
| -                                | 6,561,775  | 6,561,775                               |
| -                                | -  | 3,000,000                               |
| -                                | -  | 87,035,019                              |
| -                                | -  | 85,024,544                              |
| 90,494,630                       | 11,945,131   | 304,512,261                             |
| <u>\$ 101,488,547</u>            | <u>\$ 23,239,022</u>                                 | <u>\$ 374,341,810</u>                   |

(This page intentionally left blank)

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2019**

**Exhibit B-1R**

**Total Fund Balances - Governmental Funds (Exhibit B-1)** \$ 304,512,261

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:

|   |                      |               |
|---|----------------------|---------------|
| Governmental Capital Assets Costs                       | \$ 1,486,373,158     |               |
| Accumulated Depreciation of Governmental Capital Assets | <u>(320,042,914)</u> | 1,166,330,244 |

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds. 11,149,237

Long-term liabilities, including bonds payable, compensated absences, workers' compensation, and net pension and OPEB liability are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

|   |                      |                 |
|---|----------------------|-----------------|
| Bonds Payable, at Original Par          | \$ (1,114,535,000)   |                 |
| Premiums on Bonds Payable               | (85,121,248)         |                 |
| Deferred Charge on Refunding Adjustment | 19,177,069           |                 |
| Accrued Interest on Bonds               | (4,063,985)          |                 |
| Workers' Compensation                   | (1,202,973)          |                 |
| Compensated Absences                    | (4,830,771)          |                 |
| Net Pension Liability                   | (186,674,619)        |                 |
| Net OPEB Liability                      | <u>(207,066,238)</u> | (1,584,317,765) |

Deferred outflows for pension represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. 104,718,436

Deferred inflows for pension represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (10,229,979)

Deferred outflows for OPEB represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. 33,216,752

Deferred inflows for OPEB represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. (65,479,332)

**Total Net Position (Deficit) - Governmental Activities (Exhibit A-1)** \$ (40,100,146)

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

| <b>Data<br/>Control<br/>Codes</b>                                       | <b>General Fund</b>   | <b>Debt Service<br/>Fund</b> |
|---|-----------------------|------------------------------|
| <b>REVENUES</b>   |                       |                              |
| 5700 <i>Local, Intermediate, and Out-of-State</i>                       | \$ 228,066,376        | \$ 80,212,749                |
| 5800 <i>State Programs</i>  | 240,842,503           | 2,412,115                    |
| 5900 <i>Federal Programs</i>  | 7,244,360             | 1,680,110                    |
| 5020 <b>Total Revenues</b>  | <u>476,153,239</u>    | <u>84,304,974</u>            |
| <b>EXPENDITURES</b>   |                       |                              |
| Current:  |                       |                              |
| 0011 <i>Instruction</i>   | 272,252,973           | -                            |
| 0012 <i>Instructional Resources and Media Services</i>                  | 4,372,336             | -                            |
| 0013 <i>Curriculum and Instructional Staff Development</i>              | 11,315,669            | -                            |
| 0021 <i>Instructional Leadership</i>                                    | 3,732,155             | -                            |
| 0023 <i>School Leadership</i>   | 30,892,282            | -                            |
| 0031 <i>Guidance, Counseling, and Evaluation Services</i>               | 22,575,203            | -                            |
| 0032 <i>Social Work Services</i>  | 571,120               | -                            |
| 0033 <i>Health Services</i>   | 5,550,755             | -                            |
| 0034 <i>Student Transportation</i>                                      | 14,438,460            | -                            |
| 0035 <i>Food Services</i>   | 648,993               | -                            |
| 0036 <i>Extracurricular Activities</i>                                  | 9,586,963             | -                            |
| 0041 <i>General Administration</i>                                      | 10,695,710            | -                            |
| 0051 <i>Plant Maintenance and Operations</i>                            | 33,870,896            | -                            |
| 0052 <i>Security and Monitoring Services</i>                            | 6,012,132             | -                            |
| 0053 <i>Data Processing Services</i>                                    | 8,629,333             | -                            |
| 0061 <i>Community Services</i>  | 381,362               | -                            |
| Debt Service:   |                       |                              |
| 0071 <i>Principal on Long-term Debt</i>                                 | -                     | 35,855,000                   |
| 0072 <i>Interest on Long-term Debt</i>                                  | -                     | 49,572,697                   |
| 0073 <i>Bond Issuance Costs and Fees</i>                                | -                     | 157,108                      |
| Capital Outlay:   |                       |                              |
| 0081 <i>Facilities Acquisition and Construction</i>                     | -                     | -                            |
| Intergovernmental:  |                       |                              |
| 0093 <i>Payments to Shared Services Arrangements</i>                    | 601,690               | -                            |
| 0095 <i>Payments to Juvenile Justice Alternative Education Programs</i> | 334,361               | -                            |
| 0099 <i>Other Intergovernmental Charges</i>                             | 2,191,066             | -                            |
| 6030 <b>Total Expenditures</b>  | <u>438,653,459</u>    | <u>85,584,805</u>            |
| 1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>   | <u>37,499,780</u>     | <u>(1,279,831)</u>           |
| <b>OTHER FINANCING SOURCES (USES)</b>                                   |                       |                              |
| 7901 <i>Issuance of Refunding Bonds</i>                                 | -                     | 8,100,000                    |
| 7911 <i>Issuance of Capital-related Bonds</i>                           | -                     | -                            |
| 7912 <i>Sale of Real and Personal Property</i>                          | 131,872               | -                            |
| 7915 <i>Transfers In</i>  | 475,987               | -                            |
| 7916 <i>Premium from Issuance of Bonds</i>                              | -                     | 1,663,200                    |
| 8911 <i>Transfers Out</i>   | (72,500)              | -                            |
| 8949 <i>Payment to Refunded Bond Escrow Agent</i>                       | -                     | (9,675,398)                  |
| 7080 <b>Total Other Financing Sources (Uses)</b>                        | <u>535,359</u>        | <u>87,802</u>                |
| 1200 <b>Net Change in Fund Balances</b>                                 | 38,035,139            | (1,192,029)                  |
| 0100 <b>Fund Balances - Beginning</b>                                   | 139,722,188           | 25,507,202                   |
| 3000 <b>Fund Balances - Ending</b>                                      | <u>\$ 177,757,327</u> | <u>\$ 24,315,173</u>         |

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

| <u>Capital Projects<br/>Fund</u> | <u>Nonmajor<br/>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|----------------------------------|--|---|
| \$ 2,006,296                     | \$ 17,177,490  | \$ 327,462,911                          |
| -                                | 5,046,117  | 248,300,735                             |
| 821,749                          | 36,810,940   | 46,557,159                              |
| <u>2,828,045</u>                 | <u>59,034,547</u>                                    | <u>622,320,805</u>                      |
| 5,788,237                        | 15,786,111   | 293,827,321                             |
| -                                | 803,868  | 5,176,204                               |
| -                                | 3,786,723  | 15,102,392                              |
| 8,358                            | 250,094  | 3,990,607                               |
| 705                              | 497,724  | 31,390,711                              |
| -                                | 4,824,385  | 27,399,588                              |
| -                                | 35   | 571,155                                 |
| -                                | 271,075  | 5,821,830                               |
| 1,796,442                        | 228,748  | 16,463,650                              |
| -                                | 23,627,888   | 24,276,881                              |
| 7,637                            | 6,506,291  | 16,100,891                              |
| -                                | 1,060  | 10,696,770                              |
| 596,579                          | 385,466  | 34,852,941                              |
| 57,931                           | 51,388   | 6,121,451                               |
| 4,221,137                        | 42,193   | 12,892,663                              |
| -                                | 898,667  | 1,280,029                               |
| -                                | -  | 35,855,000                              |
| -                                | -  | 49,572,697                              |
| 690,777                          | -  | 847,885                                 |
| 65,890,733                       | 515,544  | 66,406,277                              |
| -                                | -  | 601,690                                 |
| -                                | -  | 334,361                                 |
| -                                | -  | 2,191,066                               |
| <u>79,058,536</u>                | <u>58,477,260</u>                                    | <u>661,774,060</u>                      |
| <u>(76,230,491)</u>              | <u>557,287</u>                                       | <u>(39,453,255)</u>                     |
| -                                | -  | 8,100,000                               |
| 69,865,000                       | -  | 69,865,000                              |
| -                                | 34,697   | 166,569                                 |
| 1,080,433                        | 76,311   | 1,632,731                               |
| 8,825,777                        | -  | 10,488,977                              |
| -                                | (1,560,231)  | (1,632,731)                             |
| -                                | -  | (9,675,398)                             |
| <u>79,771,210</u>                | <u>(1,449,223)</u>                                   | <u>78,945,148</u>                       |
| 3,540,719                        | (891,936)  | 39,491,893                              |
| 86,953,911                       | 12,837,067   | 265,020,368                             |
| <u>\$ 90,494,630</u>             | <u>\$ 11,945,131</u>                                 | <u>\$ 304,512,261</u>                   |

(This page intentionally left blank)

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

Exhibit B-2R

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 39,491,893

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

|                                 |                     |            |
|---------------------------------|---------------------|------------|
| Capital Assets <i>increased</i> | \$ 69,152,050       |            |
| Depreciation Expense            | <u>(30,332,470)</u> | 38,819,580 |

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (548,323)

Because some property taxes will not be collected for several months after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount this year. (485,284)

Issuance of bonds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

|                    |                     |              |
|--------------------|---------------------|--------------|
| Par Value          | \$ (77,965,000)     |              |
| (Premium) Discount | <u>(10,488,977)</u> | (88,453,977) |

Payment to the escrow agent to refund bonds from refunding proceeds reduces long-term liabilities. 9,675,398

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 35,855,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due and includes the amortization of debt related items. The (increase) decrease in interest reported in the statement of activities consists of the following:

|  |                    |           |
|--|--------------------|-----------|
| Accrued Interest on Current Interest Bonds Payable | \$ 1,688,485       |           |
| Amortization of Bond Premium                       | 4,242,720          |           |
| Amortization of Deferred Charge on Refunding       | <u>(1,701,017)</u> | 4,230,188 |

The (increase) decrease in compensated absences is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 555,111

The (increase) decrease in workers' compensation is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. 611,696

The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

|   |                     |              |
|---|---------------------|--------------|
| Deferred Outflows increased (decreased)     | \$ 63,907,152       |              |
| Deferred Inflows (increased) decreased      | 5,178,595           |              |
| Net Pension Liability (increased) decreased | <u>(85,932,148)</u> | (16,846,401) |

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

|  |                     |                    |
|--|---------------------|--------------------|
| Deferred Outflows increased (decreased)  | \$ 30,312,466       |                    |
| Deferred Inflows (increased) decreased   | 4,694,658           |                    |
| Net OPEB Liability (increased) decreased | <u>(39,307,040)</u> | <u>(4,299,916)</u> |

**Change in Net Position for Governmental Activities (Exhibit A-2)** \$ 18,604,965

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**AUGUST 31, 2019**

Exhibit C-1

| <u>Data<br/>Control<br/>Codes</u> |                                  | <u>Agency Fund</u>  |
|-----------------------------------|----------------------------------|---------------------|
|                                   | <b>ASSETS</b>                    |                     |
| 1110                              | <i>Cash and Cash Equivalents</i> | \$ 2,332,238        |
| 1290                              | <i>Other Receivables</i>         | 28,923              |
| 1000                              | <b>Total Assets</b>              | <b>\$ 2,361,161</b> |
|                                   | <br><b>LIABILITIES</b>           |                     |
| 2110                              | <i>Accounts Payable</i>          | \$ 1,335,766        |
| 2190                              | <i>Due to Student Groups</i>     | 1,025,395           |
| 2000                              | <b>Total Liabilities</b>         | <b>\$ 2,361,161</b> |

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

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

### I. Summary of Significant Accounting Policies

#### A. Reporting Entity

The Klein Independent School District (District) is governed by a seven-member Board of Trustees (Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Because members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity. The accompanying financial statements present the District. There are no component units, entities for which the District is considered to be financially accountable, included within the reporting entity.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding sources.

#### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Direct expenses are not eliminated from the various functional categories. Interfund services that are provided and used are not eliminated in the process of consolidation. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Depreciation expense and workers' compensation claims have been allocated to all applicable functions in order to present the expenses of the District more accurately in the statement of activities. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The fiduciary fund financial statements reflect the District's agency fund, reporting only assets and liabilities, and do not have a measurement focus. The agency fund utilizes the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues, excluding property taxes, to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

Grant and similar revenues, revenues received from the State of Texas, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* is used to account for proceeds from sales of bonds and other revenues to be used for authorized construction and technology projects.

Additionally, the District reports the following fund type:

The *agency fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement or results of operation.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services that are provided and used are not eliminated in the process of consolidation.

Amounts reported as *program revenues* include 1) charges to students or users for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and investment income.

### **D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances**

#### **1. Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and investment pools.

Investments for the District, except for certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations, and are reported at amortized costs or fair value.

#### **2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property tax receivables include unpaid property taxes at year-end along with penalties and interests assessed on these unpaid taxes and are shown net of an allowance for uncollectibles. Net property tax receivables are stated at the amount estimated to be collectible based on the District's collection experience. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

Property values are determined by the Harris County Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

### 3. Inventories and Prepaid Items

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, transportation, office and instructional supplies, and food service supplies. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Food service commodity inventory is recorded at fair market value on the date received. Commodities are recognized as revenues in the period received when all the eligibility requirements are met. Commodity inventory items are recorded as expenditures when distributed to user locations. A portion of fund balance is restricted to reflect minimum inventory quantities considered necessary for the District's continuing operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid expenditures are recorded when purchased rather than when consumed.

### 4. Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, furniture and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental column in the government-wide financial statements. The District's infrastructure includes parking lots and roads associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost which equals or exceeds \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 15-60        |
| Furniture and Equipment    | 7-25         |

Land and construction in progress are not depreciated.

# **KLEIN INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2019**

### **5. *Compensated Absences***

It is the District's policy to permit employees to accumulate earned but unused state personal and sick leave days and local sick leave days. Upon retirement, an employee is entitled to reimbursement for accumulated, unused days if the employee (1) has a minimum of ten (10) years of consecutive service in the District immediately preceding retirement; and (2) begins receiving benefits under the Texas Teacher Retirement System (TRS) on an unreduced pension/annuity immediately upon separation from the District. An eligible employee will be reimbursed for an unlimited amount of unused personal and sick leave days. Compensation for unused days is based on half of the daily rate of substitute pay effective at the time of the employee's retirement. Employees hired prior to September 3, 1974 may opt, upon retirement, to be paid at their daily rate in effect at the time of their retirement for up to thirty (30) days of accumulated local sick days. All accumulated personal and sick leave for qualifying employees is reported in the government-wide financial statements. A liability is recorded in the governmental funds for only the amount of personal and sick leave that is due to those employees who had retired, but had not yet been paid as of August 31, 2019.

Exempt staff members under contract July 1 through June 30 earn non-duty days based on the difference between the number of work days as set by the annual school calendar/the staff member's annual contract and the actual days worked by the staff member. All exempt staff members may carry no more than 25 days of accrued vacation or non-duty days (carryover days) to the following year and all non-exempt staff members working more than 226 days may carry no more than 200 compensatory hours to the following year. Staff members are paid for accumulated unused carryover days only upon termination of employment. In the government-wide financial statements, a liability is recorded for all accumulated carryover days as of August 31, 2019. A liability is recorded in the governmental funds for only those employees with carryover days that had retired, but had not yet been paid as of August 31, 2019.

### **6. *Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are 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.

In the fund financial statements, governmental funds 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 expenditures.

### **7. *Deferred Outflows/Inflows of Resources***

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions to the pension and OPEB plans after the measurement date of each plan are recognized in the subsequent fiscal year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period the amount becomes available.

# **KLEIN INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2019**

### **8. Net Position Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

### **9. Fund Balance Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). It is the District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental funds financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used.

### **10. Fund Balance Policies**

In the fund financial statements, governmental funds report fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which the amounts in the respective governmental funds can be spent. The District reports the following classifications of fund balance:

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts can only be used for the purpose intended, which requires formal Board action to establish (as noted in Board minutes), unless the Board modifies or removes the specified use by taking the same formal Board action. The amounts reported in this category include the campus activity fund balances in the special revenue fund.
- Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the Board or by an official or body to which the Board delegates the authority pursuant to Board Policy CE (Local).
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The District has adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned and assigned fund balance at fiscal year-end to be at least equal to two and a half months of regular General Fund operating expenditures. The District may reduce unassigned and assigned fund balance below two and a half months with prior Board approval.

### **11. Pension**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net 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 Pension Plan 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.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

### 12. Other Post-Employment Benefits

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

### 13. Use of Estimates

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

### 14. Data Control Codes

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

## II. Stewardship, Compliance, and Accountability

### A. Budgetary Information

The Board of Trustees adopts an appropriated budget for the general fund, debt service fund, and the *National School Breakfast and Lunch Program* special revenue fund on a basis consistent with generally accepted accounting principles. Budgetary information for the general fund appears in the required supplementary information subsection where the District compares the final amended budget to actual revenues and expenditures. Per regulatory requirements, the debt service fund and the *National School Breakfast and Lunch Program* special revenue fund are required to be reported with the original budget, final amended budget and actual revenues and expenditures. These schedules are included in the combining and individual fund statements and schedules subsection. All other governmental funds adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

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

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campus/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. The District made several supplemental budgetary appropriations throughout the year, primarily in the general fund. These revisions are further detailed in the notes to the required supplementary information.

**KLEIN INDEPENDENT SCHOOL DISTRICT**

*NOTES TO THE FINANCIAL STATEMENTS*

*AUGUST 31, 2019*

**B. Encumbrances**

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Encumbrances are reported in the financial statements as restricted, committed, or assigned for specific purposes in the governmental funds. As of August 31, 2019, the District had sufficient resources to liquidate encumbrances and such encumbrances are included in the governmental fund balances as follows:

|   | <b>Encumbrances Included in:</b>   |                                   |                                  |
|---|------------------------------------|-----------------------------------|----------------------------------|
|   | <b>Restricted<br/>Fund Balance</b> | <b>Committed<br/>Fund Balance</b> | <b>Assigned<br/>Fund Balance</b> |
| General Fund                                | \$ -                               | \$ -                              | \$ 414,717                       |
| National School Breakfast and Lunch Program | 136,123                            | -                                 | -                                |
| Campus Activity Funds                       | -                                  | 25,063                            | -                                |
| Dual Credit Program                         | -                                  | 24,474                            | -                                |
| Capital Projects Fund                       | 14,470,631                         | -                                 | -                                |
| <b><i>Total Encumbrances</i></b>            | <b><u>\$ 14,606,754</u></b>        | <b><u>\$ 49,537</u></b>           | <b><u>\$ 414,717</u></b>         |

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

*Cash Deposits:* The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities are approved by the TEA and shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

*Investments:* The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of governmental entities as permitted by Government Code 2256.009, certificates of deposit, commercial paper investments limited to investment pools, no-load money market funds, fully collateralized repurchase agreements, or investment pools.

For fiscal year 2019, the District invested in U.S. Treasuries, Federal Agency Securities, Municipal Securities, the TexPool Local Government Investment Pool, the Texas Association of School Board's Lone Star Investment Pool, and Texas CLASS Investment Pool. The District had investments in one custodial account at U.S. Bank whereby RBC Global Asset Management was hired as an Investment Advisor.

TexPool is duly chartered and overseen by the State Comptroller's Office and administered and managed by Federated Investors, Inc. The State Street Bank is the custodial bank. The portfolio consists of U.S. Government securities, collateralized repurchase and reverse repurchase agreements, no-load money market mutual funds regulated by the Securities and Exchange Commission (SEC) and rated AAA or equivalent by at least one nationally recognized statistical rating organization (NRSRO), and securities lending programs.

# **KLEIN INDEPENDENT SCHOOL DISTRICT**

## ***NOTES TO THE FINANCIAL STATEMENTS***

***AUGUST 31, 2019***

Lone Star Investment Pool is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, and managed by American Beacon Advisors and Standish. The State Street Bank is the custodial bank. Lone Star Investment Pool is restricted to invest in obligations of the U.S. or its agencies and instrumentalities, other obligations insured by the U.S., fully collateralized repurchase agreements having a defined termination date, secured by obligations described previously, reverse repurchase agreements, and SEC-regulated no-load money market mutual funds that invest exclusively in the obligations described above.

Texas Class is organized under the Sixth Amended Act. Texas CLASS is administered by Public Trust Advisors, LLC and all funds are held by the custodial agent, Wells Fargo N.A. Texas CLASS may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1, or equivalent by two nationally recognized rating agencies.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

The District, including fiduciary funds, has recurring fair value measurements as presented in the table below. The pools are reported as cash equivalents in the financial statements. The District's investment balances and weighted average maturity of such investments are as follows:

|  | Fair Value Measurements Using |  |   |  |                                    |     | Weighted<br>Average<br>Maturity<br>(Days) | Credit<br>Risk* |
|--|-------------------------------|--|---|--|------------------------------------|-----|---|-----------------|
|  | August 31, 2019               | Quoted<br>Prices in<br>Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Percent<br>of Total<br>Investments |     |   |                 |
| <i>Investments Pools, not subject to level reporting:</i>  |                               |  |   |  |                                    |     |   |                 |
| <b>Investments Measured at Amortized Cost</b>  |                               |  |   |  |                                    |     |   |                 |
| Texpool  | \$ 86,425,797                 | \$ -   | \$ -  | \$ -   | 27.73%                             | 36  | AAAm                                      |                 |
| Lone Star  | 83,332,125                    | -  | -   | -  | 26.73%                             | 27  | AAAm                                      |                 |
| <b>Investments Measured at Fair Value</b>  |                               |  |   |  |                                    |     |   |                 |
| Texas CLASS - Commercial Paper   | 61,088,695                    | -  | -   | -  | 19.60%                             | 52  | AAAm                                      |                 |
| Texas CLASS - Government Overnight   | 22,489,246                    | -  | -   | -  | 7.21%                              | 50  | AAAm                                      |                 |
| <i>Investments Measured at Fair Value, subject to level reporting:</i>   |                               |  |   |  |                                    |     |   |                 |
| Municipal Securities   | 12,104,833                    | -  | 12,104,833  | -  | 3.88%                              | 392 | *   |                 |
| Federal Agency Securities  | 40,328,789                    | -  | 40,328,789  | -  | 12.94%                             | 316 | AA+                                       |                 |
| U.S. Treasuries  | 5,945,345                     | 5,945,345  | -   | -  | 1.91%                              | 354 | AA+                                       |                 |
| <b>Total Investments</b>   | <b>\$ 311,714,830</b>         | <b>\$ 5,945,345</b>  | <b>\$ 52,433,622</b>                                      | <b>\$ -</b>  | <b>100.00%</b>                     |     |   |                 |
| Cash and Checking Accounts   | 20,865,806                    |  |   |  |                                    |     |   |                 |
| <b>Total District Cash &amp; Cash Equivalents and<br/>Current &amp; Long-term Investments, including Fiduciary</b> | <b>\$ 332,580,636</b>         |  |   |  |                                    |     |   |                 |

Investment Portfolio Weighted Average Maturity

102

\*Ratings by Standard and Poors range from A to AAA

*Investment Pools* are measured at amortized cost or fair value. Such investments are not required to be reported by levels in the table above.

*Municipal Securities and Federal Agency Securities* classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices, RBC Global Valuation Group.

*U.S. Treasuries* classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

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

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

The Texas CLASS investment pools are external investment pools measured at net asset value. Texas CLASS's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. Texas CLASS has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 547 days (18 months), with the exception of bond proceeds that are matched to a specific cash flow, diversification and by holding securities to maturity. In addition, the District shall not directly invest in securities maturing more than twenty-four months from the date of purchase unless matched to a specific cash flow.

*Custodial Credit Risk:* The District's agent holds securities in the District's name; therefore, the District is not exposed to custodial credit risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker/dealer) to a transaction, the District will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District's policy requires that the investments of the District shall be secured through third-party custody and safekeeping procedures as designated by the District.

*Credit Risk:* State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. The District's ratings and credit risks are reported in the table on the previous page.

*Concentration of Credit Risk:* The District's investment policy requires the investment portfolio to be diversified in terms of investment instruments, maturity scheduling, and financial institutions in order to reduce the risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Certain investments are reported by the District at fair value. The amount of increase in the fair value of these investments during the year ended August 31, 2019, is included in investment earnings as follows:

|   |                                   |
|---|-----------------------------------|
| Investment Earnings                       | \$ 7,796,816                      |
| Net Increase in Fair Value of Investments | <u>500,124</u>                    |
| <b>Total Investment Earnings</b>          | <b><u><u>\$ 8,296,940</u></u></b> |

**KLEIN INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2019**

**B. Receivables**

Receivables as of year-end for the District's individual major funds and nonmajor other governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

|                                    | <u>General</u>       | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total</u>         |
|------------------------------------|----------------------|-------------------------|--------------------------------------|---|----------------------|
| <b>Receivables:</b>                |                      |                         |                                      |   |                      |
| Property Taxes, including          |                      |                         |                                      |   |                      |
| Penalties and Interest             | \$ 9,599,987         | \$ 3,251,055            | \$ -                                 | \$ -                                    | \$ 12,851,042        |
| Due From Other Governments:        |                      |                         |                                      |   |                      |
| State                              | 13,053,638           | -                       | -                                    | 6,180,691                               | 19,234,329           |
| Federal                            | 10,650               | -                       | 221,609                              | 208,944                                 | 441,203              |
| Local                              | -                    | -                       | -                                    | 18,520                                  | 18,520               |
| Miscellaneous                      | 260,119              | -                       | -                                    | 1,597,618                               | 1,857,737            |
| Gross Receivables                  | 22,924,394           | 3,251,055               | 221,609                              | 8,005,773                               | 34,402,831           |
| Less: Allowance for Uncollectibles | (1,336,314)          | (365,491)               | -                                    | -                                       | (1,701,805)          |
| <b>Net Total Receivables</b>       | <b>\$ 21,588,080</b> | <b>\$ 2,885,564</b>     | <b>\$ 221,609</b>                    | <b>\$ 8,005,773</b>                     | <b>\$ 32,701,026</b> |

Fifty-eight percent of property taxes receivable is not scheduled to be collected in the subsequent year.

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

|  | <u>Unearned</u>     |
|--|---------------------|
| 2019-2020 Foundation School Program Payment (General Fund)                                 | \$ 806,969          |
| Facility Rentals (General Fund)  | 22,435              |
| Tuition (General Fund)   | 21,965              |
| Escrow Local Taxes (General Fund)  | 9,231               |
| Miscellaneous Revenue (General Fund)   | 23                  |
| Grant Funds Received Prior to Meeting all Eligibility Requirements (Special Revenue Funds) | 243,983             |
| <b>Total Unearned Revenue For Governmental Funds</b>                                       | <b>\$ 1,104,606</b> |

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

**C. Capital Assets**

Capital asset activity for the year ended August 31, 2019 was as follows:

|   | <u>Beginning<br/>Balance</u>   | <u>Additions</u>            | <u>Transfers,<br/>Adjustments and<br/>Dispositions</u> | <u>Ending<br/>Balance</u>      |
|---|--------------------------------|-----------------------------|--|--------------------------------|
| <b>Governmental Activities:</b>                     |                                |                             |  |                                |
| <b>Capital Assets, not being Depreciated:</b>       |                                |                             |  |                                |
| Land  | \$ 108,511,313                 | \$ 3,281,115                | \$ -   | \$ 111,792,428                 |
| Construction in Progress                            | 3,363,427                      | 18,131,122                  | 2,667,289  | 24,161,838                     |
| <b>Total Capital Assets, not being Depreciated</b>  | <b><u>111,874,740</u></b>      | <b><u>21,412,237</u></b>    | <b><u>2,667,289</u></b>                                | <b><u>135,954,266</u></b>      |
| <b>Capital Assets, being Depreciated:</b>           |                                |                             |  |                                |
| Buildings and Improvements                          | 1,233,254,158                  | 40,373,389                  | (2,668,588)  | 1,270,958,959                  |
| Furniture and Equipment                             | 74,141,079                     | 7,366,424                   | (2,047,570)  | 79,459,933                     |
| <b>Total Capital Assets, being Depreciated</b>      | <b><u>1,307,395,237</u></b>    | <b><u>47,739,813</u></b>    | <b><u>(4,716,158)</u></b>                              | <b><u>1,350,418,892</u></b>    |
| <b>Less Accumulated Depreciation for:</b>           |                                |                             |  |                                |
| Buildings and Improvements                          | (250,236,250)                  | (25,146,258)                | (324,315)  | (275,706,823)                  |
| Furniture and Equipment                             | (40,974,740)                   | (5,186,212)                 | 1,824,861  | (44,336,091)                   |
| <b>Total Accumulated Depreciation</b>               | <b><u>(291,210,990)</u></b>    | <b><u>(30,332,470)</u></b>  | <b><u>1,500,546</u></b>                                | <b><u>(320,042,914)</u></b>    |
| <b>Total Capital Assets, being Depreciated, net</b> | <b><u>1,016,184,247</u></b>    | <b><u>17,407,343</u></b>    | <b><u>(3,215,612)</u></b>                              | <b><u>1,030,375,978</u></b>    |
| <b>Governmental Activities Capital Assets, net</b>  | <b><u>\$ 1,128,058,987</u></b> | <b><u>\$ 38,819,580</u></b> | <b><u>\$ (548,323)</u></b>                             | <b><u>\$ 1,166,330,244</u></b> |

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

|   |                             |
|---|-----------------------------|
| <b>Governmental Activities:</b>                   |                             |
| 11 Instruction                                    | \$ 18,709,642               |
| 12 Instructional Resources and Media Services     | 310,324                     |
| 13 Curriculum and Instructional Staff Development | 276,718                     |
| 21 Instructional Leadership                       | 53,889                      |
| 23 School Leadership                              | 1,565,140                   |
| 31 Guidance, Counseling, and Evaluation Services  | 839,581                     |
| 33 Health Services                                | 304,079                     |
| 34 Student Transportation                         | 1,538,862                   |
| 35 Food Services                                  | 1,860,219                   |
| 36 Extracurricular Activities                     | 676,232                     |
| 41 General Administration                         | 58,213                      |
| 51 Plant Maintenance and Operations               | 2,032,825                   |
| 52 Security and Monitoring Services               | 527,656                     |
| 53 Data Processing Services                       | 1,559,846                   |
| 61 Community Services                             | 19,244                      |
| <b>Total Depreciation Expense</b>                 | <b><u>\$ 30,332,470</u></b> |

**KLEIN INDEPENDENT SCHOOL DISTRICT**

*NOTES TO THE FINANCIAL STATEMENTS*

*AUGUST 31, 2019*

**Construction Commitments**

The District has active construction projects as of August 31, 2019. The projects include the construction and equipment of school facilities. At year end, the District’s commitments with contractors are as follows:

| <b><u>Project</u></b>   | <b><u>Remaining<br/>Commitment</u></b> |
|---|--|
| Elementary #33  | \$ 5,274,903                           |
| 2019 Roofing Projects   | 2,610,920                              |
| Hildebrandt Intermediate Renovations                                  | 1,328,679                              |
| 2018 & 2019 Mechanical Engineering Projects                           | 429,660                                |
| Fuchs Tract   | 349,140                                |
| Elementary School Vestibule Renovations                               | 212,986                                |
| Hofius Intermediate   | 201,129                                |
| Klein Oak High School Auditorium                                      | 191,660                                |
| Access Control System Update  | 99,850                                 |
| Elementary School MOD Doors   | 61,206                                 |
| Central Office Utilities  | 48,153                                 |
| Klein Memorial Stadium System   | 15,436                                 |
| Ehrhardt Elementary & Student Services Parking                        | 15,162                                 |
| Front Entrance - Epps Island Elementary & Greenwood Forest Elementary | 12,800                                 |
| Elementary School Sound Enhancement                                   | 9,842                                  |
| Klein Forest CTE Addition & Renovation                                | 3,153                                  |
| Property Tract Survey   | 2,845                                  |
| <b><i>Total</i></b>   | <b><u><u>\$ 10,867,524</u></u></b>     |

The commitment for construction and equipment of school facilities is being financed by general obligation bonds secured by tax revenues.

**D. Interfund Receivables, Payables, and Transfers**

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more nonmajor governmental funds.

The composition of interfund balances as of August 31, 2019, is as follows:

|                             | <b><u>Interfund<br/>Receivables</u></b> | <b><u>Interfund<br/>Payables</u></b> |
|-----------------------------|---|--------------------------------------|
| <b>Governmental Funds:</b>  |   |                                      |
| General Fund                | \$ 4,886,076                            | \$ 26,240                            |
| Debt Service Fund           | 188,349                                 | 195                                  |
| Capital Projects Fund       | 2,401,250                               | 201,427                              |
| Nonmajor Governmental Funds | 6,311                                   | 7,254,124                            |
| <b><i>Totals</i></b>        | <b><u><u>\$ 7,481,986</u></u></b>       | <b><u><u>\$ 7,481,986</u></u></b>    |

**KLEIN INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2019**

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the year ended August 31, 2019:

| <u>Transfers Out</u>                | <u>Transfers In</u>                 | <u>Amount</u>              |
|-------------------------------------|-------------------------------------|----------------------------|
| General Fund                        | Other Governmental Funds - Nonmajor | \$ 72,500                  |
| Other Governmental Funds - Nonmajor | General Fund                        | 475,987                    |
| Other Governmental Funds - Nonmajor | Other Governmental Funds - Nonmajor | 3,811                      |
| Other Governmental Funds - Nonmajor | Capital Projects Fund               | 1,080,433                  |
| <b>Total</b>                        |                                     | <b>\$ <u>1,632,731</u></b> |

The transfer from the general fund to nonmajor governmental funds was made to enhance certain supplemental operations that are accounted for in the *National School Breakfast and Lunch Program* special revenue fund. The transfers from nonmajor governmental funds was made to reimburse the general fund, *National School Breakfast and Lunch Program* special revenue fund, and the capital projects fund for Hurricane Harvey related expenditures that were accounted for in those funds.

**E. Long-term Liabilities**

The District’s long-term liabilities consist of bond indebtedness, workers’ compensation, compensated absences, and net pension and net OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended August 31, 2019, was as follows:

|                                    | <u>Beginning<br/>Balance</u>   | <u>Additions</u>             | <u>Reductions</u>             | <u>Ending<br/>Balance</u>      | <u>Due Within<br/>One Year</u> |
|------------------------------------|--------------------------------|------------------------------|-------------------------------|--------------------------------|--------------------------------|
| <b>Governmental Activities:</b>    |                                |                              |                               |                                |                                |
| <b>Bonds Payable:</b>              |                                |                              |                               |                                |                                |
| General Obligation Bonds           | \$ 1,081,920,000               | \$ 77,965,000                | \$ (45,350,000)               | \$ 1,114,535,000               | \$ 38,130,000                  |
| Issuance Premiums                  | 78,976,683                     | 10,488,977                   | (4,344,412)                   | 85,121,248                     | -                              |
| <b>Total Bonds Payable</b>         | <b>1,160,896,683</b>           | <b>88,453,977</b>            | <b>(49,694,412)</b>           | <b>1,199,656,248</b>           | <b>38,130,000</b>              |
| Compensated Absences               | 5,385,882                      | -                            | (555,111)                     | 4,830,771                      | 286,945                        |
| Workers' Compensation              | 1,814,669                      | 39,124                       | (650,820)                     | 1,202,973                      | 1,202,973                      |
| Net Pension Liability              | 100,742,471                    | 97,357,145                   | (11,424,997)                  | 186,674,619                    | -                              |
| Net OPEB Liability                 | 167,759,198                    | 42,167,915                   | (2,860,875)                   | 207,066,238                    | -                              |
| <b>Total Long-term Liabilities</b> | <b>\$ <u>1,436,598,903</u></b> | <b>\$ <u>228,018,161</u></b> | <b>\$ <u>(65,186,215)</u></b> | <b>\$ <u>1,599,430,849</u></b> | <b>\$ <u>39,619,918</u></b>    |

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

**General Obligation Bonds**

The District issues general obligation bonds to provide funds for the construction and equipment of school facilities, buses, and refunding general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as current interest bonds, term bonds, and serial bonds with various amounts of principal maturing each year.

The following is a summary of changes in the general obligation bonds for the fiscal year:

| <b>Series</b> | <b>Interest Rate</b> | <b>Original Issue</b> | <b>Maturity Date</b> | <b>Beginning Balance</b> | <b>Additions</b>     | <b>Reductions</b>      | <b>Ending Balance</b>   |
|---------------|----------------------|-----------------------|----------------------|--------------------------|----------------------|------------------------|-------------------------|
| 2009A         | 2.00-5.00%           | 17,125,000            | 2019                 | 2,040,000                | -                    | (2,040,000)            | -                       |
| 2009B         | 2.25-5.03%           | 45,000,000            | 2039                 | 10,330,000               | -                    | (10,330,000)           | -                       |
| 2010A         | 2.50-5.00%           | 38,135,000            | 2023                 | 17,300,000               | -                    | (3,175,000)            | 14,125,000              |
| 2010B         | 4.982-5.96%          | 88,865,000            | 2040                 | 88,865,000               | -                    | -                      | 88,865,000              |
| 2010          | 2.00-5.00%           | 28,445,000            | 2023                 | 21,800,000               | -                    | (3,565,000)            | 18,235,000              |
| 2011          | 3.00-5.00%           | 83,900,000            | 2041                 | 75,100,000               | -                    | -                      | 75,100,000              |
| 2012A         | 2.00-5.00%           | 51,115,000            | 2042                 | 45,865,000               | -                    | -                      | 45,865,000              |
| 2012B         | 2.00-4.00%           | 18,390,000            | 2023                 | 13,230,000               | -                    | (2,820,000)            | 10,410,000              |
| 2013A         | 1.50-5.00%           | 79,305,000            | 2043                 | 66,960,000               | -                    | (3,400,000)            | 63,560,000              |
| 2013B         | 4.00-5.00%           | 27,480,000            | 2027                 | 23,435,000               | -                    | (2,130,000)            | 21,305,000              |
| 2014          | 3.00-4.00%           | 44,000,000            | 2044                 | 38,605,000               | -                    | (1,605,000)            | 37,000,000              |
| 2015          | 2.70-4.00%           | 80,000,000            | 2045                 | 75,590,000               | -                    | (1,750,000)            | 73,840,000              |
| 2015A         | 3.00-5.00%           | 224,600,000           | 2045                 | 206,810,000              | -                    | (6,940,000)            | 199,870,000             |
| 2016A         | 2.00-5.00%           | 137,500,000           | 2038                 | 137,500,000              | -                    | (5,595,000)            | 131,905,000             |
| 2016B         | 3.00-5.00%           | 15,370,000            | 2031                 | 13,245,000               | -                    | -                      | 13,245,000              |
| 2017          | 2.50-5.00%           | 145,890,000           | 2046                 | 143,950,000              | -                    | (2,000,000)            | 141,950,000             |
| 2018          | 3.00-5.00%           | 88,985,000            | 2048                 | 88,985,000               | -                    | -                      | 88,985,000              |
| 2018A         | 4.00-6.00%           | 12,310,000            | 2038                 | 12,310,000               | -                    | -                      | 12,310,000              |
| 2019          | 3.25-5.00%           | 77,965,000            | 2049                 | -                        | 77,965,000           | -                      | 77,965,000              |
| <b>Totals</b> |                      |                       |                      | <b>\$ 1,081,920,000</b>  | <b>\$ 77,965,000</b> | <b>\$ (45,350,000)</b> | <b>\$ 1,114,535,000</b> |

The 2010B taxable series Build America Bonds entitles the District to receive a subsidy payment from the federal government equal to 35% of the amount of each interest payment on these taxable bonds. In March 2013, sequestration began involving mid-year reductions from the federal government. The District's subsidy payment for August 2019 was reduced by 6.2 percent.

On May 9, 2015, the authorized voters of the District approved the issuance of \$498,100,000 in general obligation bonds. As of August 31, 2019, the District had \$43,866,111 in authorized but unissued bonds remaining from the 2015 bond election.

In May 2019, the District issued \$77,965,000 of unlimited tax schoolhouse and refunding bonds. The proceeds of the refunding bonds were used to legally defease \$9,495,000 of previously issued District bonds in order to lower its overall debt service requirements. The reacquisition price exceeded the net carrying value of the old debt by \$78,706. The amount is amortized over the life of the new debt. The refunding resulted in a debt service savings of \$2,779,678 and an economic gain of \$1,842,113.

In prior years, the District defeased certain outstanding general obligation capital improvement bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the liability for the defeased bonds are not included in the District's financial statements. The District did not have outstanding defeased bonds at August 31, 2019.

**KLEIN INDEPENDENT SCHOOL DISTRICT**

*NOTES TO THE FINANCIAL STATEMENTS*

*AUGUST 31, 2019*

Annual debt service requirements to maturity for general obligation bonds are as follows:

| <u>Year Ending<br/>August 31</u> | <u>Principal<br/>Value</u>     | <u>Interest</u>              | <u>Total<br/>Requirements</u>  |
|----------------------------------|--------------------------------|------------------------------|--------------------------------|
| 2020                             | 38,130,000                     | 48,674,911                   | 86,804,911                     |
| 2021                             | 44,060,000                     | 47,023,098                   | 91,083,098                     |
| 2022                             | 43,430,000                     | 44,943,161                   | 88,373,161                     |
| 2023                             | 42,855,000                     | 42,845,036                   | 85,700,036                     |
| 2024                             | 38,985,000                     | 40,966,361                   | 79,951,361                     |
| 2025                             | 37,640,000                     | 39,189,164                   | 76,829,164                     |
| 2026                             | 39,535,000                     | 37,411,607                   | 76,946,607                     |
| 2027                             | 41,350,000                     | 35,543,902                   | 76,893,902                     |
| 2028                             | 42,925,000                     | 33,702,440                   | 76,627,440                     |
| 2029                             | 44,605,000                     | 31,879,594                   | 76,484,594                     |
| 2030                             | 46,715,000                     | 29,871,649                   | 76,586,649                     |
| 2031                             | 48,880,000                     | 27,793,947                   | 76,673,947                     |
| 2032                             | 47,190,000                     | 25,729,964                   | 72,919,964                     |
| 2033                             | 42,670,000                     | 23,760,842                   | 66,430,842                     |
| 2034                             | 42,490,000                     | 21,898,460                   | 64,388,460                     |
| 2035                             | 44,080,000                     | 19,961,005                   | 64,041,005                     |
| 2036                             | 46,005,000                     | 17,980,295                   | 63,985,295                     |
| 2037                             | 48,015,000                     | 15,908,886                   | 63,923,886                     |
| 2038                             | 50,115,000                     | 13,739,552                   | 63,854,552                     |
| 2039                             | 42,890,000                     | 11,472,455                   | 54,362,455                     |
| 2040                             | 42,930,000                     | 9,527,730                    | 52,457,730                     |
| 2041                             | 37,685,000                     | 7,527,421                    | 45,212,421                     |
| 2042                             | 33,590,000                     | 5,992,463                    | 39,582,463                     |
| 2043                             | 31,625,000                     | 4,676,703                    | 36,301,703                     |
| 2044                             | 31,045,000                     | 3,436,125                    | 34,481,125                     |
| 2045                             | 29,775,000                     | 2,255,475                    | 32,030,475                     |
| 2046                             | 16,285,000                     | 1,179,256                    | 17,464,256                     |
| 2047                             | 7,670,000                      | 545,788                      | 8,215,788                      |
| 2048                             | 7,960,000                      | 257,506                      | 8,217,506                      |
| 2049                             | 3,405,000                      | 55,331                       | 3,460,331                      |
| <b>Totals</b>                    | <b>\$ <u>1,114,535,000</u></b> | <b>\$ <u>645,750,124</u></b> | <b>\$ <u>1,760,285,124</u></b> |

In accordance with the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Rebtable arbitrage is the excess of the amount earned on investments purchased with bond proceeds over the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. Rebtable arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary of the bond issue and upon final redemption of all outstanding bonds of the issue.

**KLEIN INDEPENDENT SCHOOL DISTRICT**

*NOTES TO THE FINANCIAL STATEMENTS*

*AUGUST 31, 2019*

**F. Fund Balance**

Other committed fund balance includes the following commitment of funds:

**Nonmajor and Other Funds:**

|  |                            |
|--|----------------------------|
| Earned but unspent funds in special local programs including campus activity | 6,561,775                  |
| <b><i>Total Other Committed Fund Balance</i></b>                             | <b><u>\$ 6,561,775</u></b> |

Other assigned fund balance includes the following assignments of funds:

**General Fund:**

|   |                             |
|---|-----------------------------|
| Coca-Cola Funds                                 | \$ 3,781,082                |
| E-rate  | 851,364                     |
| High School Allotment                           | 4,161,099                   |
| Outstanding Encumbrances                        | 414,717                     |
| Long-term Investments                           | 24,745,986                  |
| Compensated Absences                            | 4,830,771                   |
| Operating Costs of Future School Openings       | 7,500,000                   |
| Land Purchases for Future School Sites          | 8,000,000                   |
| Building Purchase for Future District Sites     | 15,000,000                  |
| Property Insurance Deductible                   | 17,750,000                  |
| <b><i>Total Other Assigned Fund Balance</i></b> | <b><u>\$ 87,035,019</u></b> |

**G. Revenues from Local, Intermediate, and Out-of-State Sources**

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

|                             | <u>General</u>               | <u>Debt<br/>Service</u>     | <u>Capital<br/>Projects</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Totals</u>                |
|-----------------------------|------------------------------|-----------------------------|-----------------------------|---|------------------------------|
| Property Taxes              | \$ 218,542,811               | \$ 76,319,452               | \$ -                        | \$ -                                    | \$ 294,862,263               |
| Penalties, Interest & Other |                              |                             |                             |   |                              |
| Tax Related Income          | 1,763,027                    | 531,783                     | -                           | -                                       | 2,294,810                    |
| Charges for Services        | 2,272,872                    | -                           | 36,316                      | 15,799,699                              | 18,108,887                   |
| Investment Earnings         | 4,733,782                    | 3,361,514                   | 68,429                      | 132,988                                 | 8,296,713                    |
| Other                       | 753,884                      | -                           | 1,901,551                   | 1,244,803                               | 3,900,238                    |
| <b><i>Total</i></b>         | <b><u>\$ 228,066,376</u></b> | <b><u>\$ 80,212,749</u></b> | <b><u>\$ 2,006,296</u></b>  | <b><u>\$ 17,177,490</u></b>             | <b><u>\$ 327,462,911</u></b> |

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

### IV. Other Information

#### A. Risk Management

##### Property/Liability

The District is exposed to various risks of loss related to property/liability losses for which the District carries commercial insurance.

In addition, the District is a member of the Texas Association of School Boards Joint Account Self-Insurance Fund (Fund). The Fund was created to formulate, develop and administer a program of modified self-funding for the property and/or liability coverage for its membership, provide claims administration, and develop a comprehensive loss control program. The District pays contributions to the Fund for its automobile and school liability coverage. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts.

##### Workers' Compensation

The District established a limited risk management program for workers' compensation in 1988 by participating as a self-funded member of the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. As a self-funded member of the Fund, Klein ISD is solely responsible for all claims costs, both reported and unreported. The Fund provides administrative service to its self-funded members including claims administration and customer service.

The general fund services all claims for risk of loss to which the District is exposed. Premiums are paid into the general fund by the applicable special revenue funds on behalf of those employees paid from those funds. These interfund premiums are used to reduce the amount of claims expenditures reported in the general fund.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from stop-loss or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$400,000 up to the statutory limits for any given claim. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years.

Changes in the balances of claims liabilities during the past two years are as follows:

|  | <b>Year Ended</b><br><b>8/31/2019</b> | <b>Year Ended</b><br><b>8/31/2018</b> |
|--|---------------------------------------|---------------------------------------|
| <b>Unpaid Claims, Beginning of Fiscal Year</b> | \$ 1,814,669                          | \$ 1,987,320                          |
| Incurred Claims (including IBNRs)              | 39,124                                | 727,953                               |
| Claim Payments                                 | (650,820)                             | (900,604)                             |
| <b>Unpaid Claims, End of Fiscal Year</b>       | <b>\$ 1,202,973</b>                   | <b>\$ 1,814,669</b>                   |

# **KLEIN INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2019**

### **B. Contingent Liabilities**

The District is a defendant in various legal claims arising principally in the normal course of operations. In the opinion of the District's management, the potential losses, after insurance coverage, on all allegations and legal claims, will not have a material effect on the District's financial position, results of operations or liquidity.

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2019, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

### **C. Defined Benefit Pension Plan**

#### **Plan Description**

The Klein 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) and 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 TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/Pages/about\\_archive\\_cafr.aspx](http://www.trs.texas.gov/Pages/about_archive_cafr.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### **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 cost of living adjustments. Ad hoc post-employment benefit changes, including ad hoc cost of living adjustments can be granted by the Texas Legislature as noted in the Plan Description.

#### **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

**KLEIN INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2019**

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 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for plan fiscal years 2018 and 2019 would remain the same. Rates for such plan fiscal years are as follows:

|  | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|-------------|
| Member                                   | 7.7%        | 7.7%        | 7.7%        |
| Non-Employer Contributing Entity (State) | 6.8%        | 6.8%        | 6.8%        |
| Employers (District)                     | 6.8%        | 6.8%        | 6.8%        |
| Employers (District) OASDI               | 1.5%        | 1.5%        | 1.5%        |

The contribution amounts for the District’s fiscal year 2019 are as follows:

|                                      |               |
|--------------------------------------|---------------|
| District Contributions               | \$ 11,476,458 |
| Member Contributions                 | \$ 26,722,775 |
| NECE On-behalf Contributions (State) | \$ 16,124,929 |

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

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

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

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

- When employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

**Actuarial Assumptions**

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

|   |  |
|---|--|
| Valuation Date  | August 31, 2017, rolled forward to August 31, 2018 |
| Actuarial Cost Method                                       | Individual Entry Age Normal                        |
| Asset Valuation Method                                      | Market Value                                       |
| Single Discount Rate  | 6.907%   |
| Long-term Expected Rate                                     | 7.25%  |
| Municipal Bond Rate as of August 2018                       | 3.69%*   |
| Last year ending August 31 in projection period (100 years) | 2116   |
| Inflation   | 2.30%  |
| Salary Increases Including Inflation                        | 3.05% to 9.05%                                     |
| Ad Hoc Post-Employment Benefit Changes                      | None   |

\*The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20 Year Municipal GO AA Index".

The actuarial methods and assumptions are based primarily on a study of actual experience for the three year period ending August 31, 2017 and adopted in July 2018.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

### Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. 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 sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. 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 arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2018 are summarized below:

| Asset Class                   | Target Allocation* | Long-Term Arithmetic Real Rate of Return | Expected Contributions to Long-Term Portfolio Returns |
|-------------------------------|--------------------|--|---|
| <b>Global Equity:</b>         |                    |  |   |
| U.S.                          | 18.00%             | 5.70%                                    | 1.04%   |
| Non-U.S. Developed            | 13.00%             | 6.90%                                    | 0.90%   |
| Emerging Markets              | 9.00%              | 8.95%                                    | 0.80%   |
| Directional Hedge Funds       | 4.00%              | 3.53%                                    | 0.14%   |
| Private Equity                | 13.00%             | 10.18%                                   | 1.32%   |
| <b>Stable Value:</b>          |                    |  |   |
| U.S. Treasuries               | 11.00%             | 1.11%                                    | 0.12%   |
| Absolute Return               | 0.00%              | 0.00%                                    | 0.00%   |
| Stable Value Hedge Funds      | 4.00%              | 3.09%                                    | 0.12%   |
| Cash                          | 1.00%              | -0.30%                                   | 0.00%   |
| <b>Real Return:</b>           |                    |  |   |
| Global Inflation Linked Bonds | 3.00%              | 0.70%                                    | 0.02%   |
| Real Assets                   | 14.00%             | 5.21%                                    | 0.73%   |
| Energy and Natural Resources  | 5.00%              | 7.48%                                    | 0.37%   |
| Commodities                   | 0.00%              | 0.00%                                    | 0.00%   |
| <b>Risk Parity:</b>           |                    |  |   |
| Risk Parity                   | 5.00%              | 3.70%                                    | 0.18%   |
| Inflation Expectation         |                    |  | 2.30%   |
| Volatility drag**             |                    |  | -0.79%  |
| <b>Totals</b>                 | <b>100.00%</b>     |  | <b>7.25%</b>  |

\*Target allocations are based on the Fiscal Year 2016 policy model.

\*\*The expected contribution to long-term portfolio returns incorporates the volatility drag results from the conversion between arithmetic and geometric mean returns.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

### Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of net pension liability for TRS calculated using the discount rate of 6.907%, as well as the District's proportionate share of the respective net pension liability if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| <u>1% Decrease</u> | <u>Current</u><br><u>Discount Rate</u> | <u>1% Increase</u> |
|--------------------|--|--------------------|
| <u>(5.907%)</u>    | <u>(6.907%)</u>                        | <u>(7.907%)</u>    |
| \$ 281,736,762     | \$ 186,674,619                         | \$ 109,716,175     |

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

At August 31, 2019, the District reported a liability of \$186,674,619 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

|   |                              |
|---|------------------------------|
| District's proportionate share of the net pension liability                           | \$ 186,674,619               |
| State's proportionate share of the net pension liability associated with the District | 258,121,285                  |
| <b>Total</b>  | <b>\$ <u>444,795,904</u></b> |

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018, the employer's proportion of the collective net pension liability was .3391468% which was an increase of .0240766% from its proportion measured at August 31, 2017.

### Changes Since the Prior Actuarial Valuation

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

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

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

For the year ended August 31, 2019, the District recognized pension expense of \$53,869,986 and revenue of \$25,547,127 for support provided by the state.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

At August 31, 2019, the District reported deferred outflows of resources for contributions made after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences Between Expected and Actual Experience   | \$ 1,163,576                                  | \$ 4,580,258                                 |
| Changes of Assumptions   | 67,305,192                                    | 2,103,289                                    |
| Net Difference Between Projected and Actual Earnings<br>on Pension Plan Investments  | -   | 3,542,017                                    |
| Changes in Proportion and Differences Between District Contributions<br>and Proportionate Share of Contributions (Cost-Sharing Plan) | 24,773,210                                    | 4,415  |
| District Contributions paid after Measurement Date   | 11,476,458                                    | -  |
| <b>Totals</b>  | <b>\$ 104,718,436</b>                         | <b>\$ 10,229,979</b>                         |

The \$11,476,458 reported as deferred outflows of resources related to pensions resulting from District contributions paid subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2020. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

**Year Ending August 31:**

|              |                      |
|--------------|----------------------|
| 2020         | \$ 21,729,240        |
| 2021         | 14,275,303           |
| 2022         | 12,207,400           |
| 2023         | 13,828,186           |
| 2024         | 12,766,416           |
| Thereafter   | 8,205,454            |
| <b>Total</b> | <b>\$ 83,011,999</b> |

**D. Defined Other Post-Employment Benefit Plan**

**Plan Description**

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

**OPEB Plan Fiduciary Net Position**

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [http://www.trs.texas.gov/Pages/about\\_archive\\_cafr.aspx](http://www.trs.texas.gov/Pages/about_archive_cafr.aspx); by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

### **Benefits Provided**

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic cost of living adjustments.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for a retiree with and without Medicare coverage.

### **TRS-Care Monthly Premium Rates Effective January 1, 2018 - December 31, 2018**

|                       | <u>Medicare</u> | <u>Non-medicare</u> |
|-----------------------|-----------------|---------------------|
| Retiree*              | \$ 135          | \$ 200              |
| Retiree and spouse    | 529             | 689                 |
| Retiree* and children | 468             | 408                 |
| Retiree and family    | 1,020           | 999                 |

\* or surviving spouse

### **Change of Benefit Terms since the Prior Measurement Date**

The 85th Legislature, Regular Session, passed several statutory changes effective September 1, 2017 that affected TRS plans. These changes include:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retirees reach 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month towards their health insurance premiums.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

### Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

|   | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---|-------------|-------------|-------------|
| Active employee                               | 0.65%       | 0.65%       | 0.65%       |
| Non-employer contribution entity (State)      | 1.25%       | 1.25%       | 1.00%       |
| Employers (District)                          | 0.75%       | 0.75%       | 0.55%       |
| Federal/private funding remitted by employers | 1.25%       | 1.25%       | 1.00%       |

The contribution amounts for the District's fiscal year 2019 are as follows:

|                                      |    |           |
|--------------------------------------|----|-----------|
| District Contributions               | \$ | 2,875,627 |
| Member Contributions                 | \$ | 2,255,751 |
| NECE On-behalf Contributions (State) | \$ | 4,136,786 |

In addition, the State of Texas contributed \$1,342,791, \$1,019,978, and \$983,516 in 2019, 2018, and 2017, respectively, for on-behalf payments for Medicare Part D.

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay TRS-Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal year 2018-19 biennium to continue to support the program. This was also received in fiscal year 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

### Actuarial Assumptions

A change was made in the measurement date of the total OPEB liability for this fiscal year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total OPEB liability to August 31, 2018. This is the first year using the roll forward procedures.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality and most of the economic assumptions used in this OPEB valuation were identical to those used in the respective TRS pension valuation.

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The Post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

The following assumptions used for members of TRS-Care are identical to the assumptions employed in the August 31, 2017 TRS annual pension actuarial valuation that was rolled forward to August 31, 2018:

|                      |                         |
|----------------------|-------------------------|
| Rates of Mortality   | General Inflation       |
| Rates of Retirement  | Wage Inflation          |
| Rates of Termination | Expected Payroll Growth |
| Rates of Disability  |                         |

### Additional Actuarial Methods and Assumptions:

|  |  |
|--|--|
| Valuation date                         | August 31, 2017, rolled forward to August 31, 2018   |
| Actuarial cost method                  | Individual Entry Age Normal  |
| Inflation                              | 2.30%  |
| Discount rate                          | 3.69%*   |
| Aging factors                          | Based on plan specific experience  |
| Election rates                         | Normal retirement: 70% participation prior to age 65 and 75% after age 65.   |
| Expenses                               | Thirty-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.  |
| Projected annual salary increases      | 3.05% to 9.05%, including inflation  |
| Healthcare trend rates                 | Initial medical trend rates of 107.74% and 9.00% for Medicare retirees and an initial medical trend rate of 6.75% for non-Medicare retirees. Initial prescription drug trend rate of 11.00% for all retirees. The first year trend increase for the Medicare Advantage (medical) premiums reflects the anticipated return of the Health Insurer Fee (HIF) in 2020. |
| Ad hoc post-employment benefit changes | None   |

\*Sourced from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.

**KLEIN INDEPENDENT SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2019**

In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- The 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

**Discount Rate**

A single discount rate of 3.69% was used to measure the total OPEB liability. There was an increase of 0.27% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active 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 OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Net OPEB Liability**

*Discount Rate*

The following table presents the District’s proportionate share of net OPEB liability for TRS-Care if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%).

**Sensitivity of the Net OPEB Liability  
to the Single Discount Rate Assumptions**

| <b>1% Decrease</b>          | <b>Current Single</b>       | <b>1% Increase</b>          |
|-----------------------------|-----------------------------|-----------------------------|
| <b>(2.69%)</b>              | <b>Discount Rate</b>        | <b>(4.69%)</b>              |
| <u>                    </u> | <u>                    </u> | <u>                    </u> |
| \$ 246,479,966              | \$ 207,066,238              | \$ 175,887,438              |

*Healthcare Cost Trend Rates*

The following table presents the District’s proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

**Sensitivity of the Net OPEB Liability  
to the Healthcare Cost Trend Rate Assumptions**

| <b>1% Decrease</b>          | <b>Current</b>              | <b>1% Increase</b>          |
|-----------------------------|-----------------------------|-----------------------------|
| <b>(7.5%)</b>               | <b>Healthcare Cost</b>      | <b>(9.5%)</b>               |
| <u>                    </u> | <u>                    </u> | <u>                    </u> |
| <b>Trend Rate</b>           | <b>(8.5%)</b>               | <b>(9.5%)</b>               |
| \$ 171,971,883              | \$ 207,066,238              | \$ 253,286,262              |

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

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

At August 31, 2019, the District reported a liability of \$207,066,238 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

|  |                              |
|--|------------------------------|
| District's proportionate share of the net OPEB liability                           | \$ 207,066,238               |
| State's proportionate share of the net OPEB liability associated with the District | <u>299,987,098</u>           |
| <b>Total</b>   | <b>\$ <u>507,053,336</u></b> |

The net OPEB liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018 the employer's proportion of the collective net OPEB liability was 0.4147055% which was an increase of 0.0289302% from its proportion measured as of August 31, 2017.

### Changes Since the Prior Actuarial Valuation

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

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the total OPEB liability.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the total OPEB liability.
- Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the total OPEB liability.
- The discount rate was changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. This change lowered the total OPEB liability by \$2.3 billion.
- Change of benefit terms since the prior measurement date made effective September 1, 2017 by the 85th Texas Legislature.

For the fiscal year ended August 31, 2019, the District recognized OPEB expense of \$18,087,273 and revenue of \$10,911,730 for support provided by the State.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

At August 31, 2019, the District reported the District's contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

|  | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|--|---|--|
| Differences Between Expected and Actual Economic Experience  | \$ 10,988,235                                 | \$ 3,267,809                                 |
| Changes of Assumptions   | 3,455,375                                     | 62,211,523                                   |
| Net Difference Between Projected and Actual Earnings<br>on OPEB Investments  | 36,213  | -  |
| Changes in Proportion and Differences Between District Contributions<br>and Proportionate Share of Contributions (Cost-Sharing Plan) | 15,861,302                                    | -  |
| District Contributions paid after Measurement Date   | <u>2,875,627</u>                              | -  |
| <b>Totals</b>  | <b>\$ <u>33,216,752</u></b>                   | <b>\$ <u>65,479,332</u></b>                  |

The \$2,875,627 reported as deferred outflows of resources related to OPEB resulting from District contributions paid subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended August 31, 2020. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to OPEB will be recognized in OPEB expense as follows:

| <b>Year Ending August 31:</b> |                               |
|-------------------------------|-------------------------------|
| 2020                          | \$ (6,176,505)                |
| 2021                          | (6,176,505)                   |
| 2022                          | (6,176,505)                   |
| 2023                          | (6,183,354)                   |
| 2024                          | (6,187,271)                   |
| Thereafter                    | <u>(4,238,067)</u>            |
| <b>Total</b>                  | <b>\$ <u>(35,138,207)</u></b> |

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

### E. Shared Services Arrangement

The District participates in a shared services arrangement for a Regional Day School for the Deaf with five other school districts. Approximately 25 percent of the students served by the shared services arrangement are attributable to the District. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. Cypress-Fairbanks Independent School District is the fiscal agent manager and is responsible for all financial activities of the shared services arrangement.

Presented below are the revenues and expenditures as of August 31, 2019 attributable to the District's participation in the shared services arrangement:

#### Revenues

|                                  |           |                              |
|----------------------------------|-----------|------------------------------|
| State Revenue Distributed by TEA | \$        | 328,560                      |
| Local Revenue Paid by District   |           | <u>614,287</u>               |
| <b>Total Revenues</b>            | <b>\$</b> | <b><u><u>942,847</u></u></b> |

#### Expenditures

|                           |           |                              |
|---------------------------|-----------|------------------------------|
| Payroll Costs             | \$        | 939,153                      |
| Contracted Services       |           | 401                          |
| Miscellaneous Expenses    |           | <u>3,293</u>                 |
| <b>Total Expenditures</b> | <b>\$</b> | <b><u><u>942,847</u></u></b> |

## **Required Supplementary Information**

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

Exhibit D-1

| Data Control Codes                    | Budgeted Amounts  |                       |                       | Variance with Final Budget Positive (Negative) |                      |
|---------------------------------------|---|-----------------------|-----------------------|--|----------------------|
|                                       | Original  | Final                 | Actual                |  |                      |
| <b>REVENUES</b>                       |   |                       |                       |  |                      |
| 5700                                  | Local, Intermediate, and Out-of-State                       | \$ 224,634,398        | \$ 227,020,985        | \$ 228,066,376                                 | \$ 1,045,391         |
| 5800                                  | State Programs  | 218,500,606           | 235,978,129           | 240,842,503                                    | 4,864,374            |
| 5900                                  | Federal Programs  | 6,157,438             | 7,307,236             | 7,244,360                                      | (62,876)             |
| 5020                                  | Total Revenues  | <u>449,292,442</u>    | <u>470,306,350</u>    | <u>476,153,239</u>                             | <u>5,846,889</u>     |
| <b>EXPENDITURES</b>                   |   |                       |                       |  |                      |
| Current:                              |   |                       |                       |  |                      |
| 0011                                  | Instruction   | 270,217,762           | 276,374,608           | 272,252,973                                    | 4,121,635            |
| 0012                                  | Instructional Resources and Media Services                  | 4,426,057             | 4,476,950             | 4,372,336                                      | 104,614              |
| 0013                                  | Curriculum and Instructional Staff Development              | 11,444,237            | 12,484,105            | 11,315,669                                     | 1,168,436            |
| 0021                                  | Instructional Leadership                                    | 4,012,980             | 3,913,884             | 3,732,155                                      | 181,729              |
| 0023                                  | School Leadership   | 30,929,149            | 31,702,708            | 30,892,282                                     | 810,426              |
| 0031                                  | Guidance, Counseling, and Evaluation Services               | 23,055,377            | 24,025,370            | 22,575,203                                     | 1,450,167            |
| 0032                                  | Social Work Services  | 567,623               | 594,522               | 571,120  | 23,402               |
| 0033                                  | Health Services   | 5,699,680             | 5,910,485             | 5,550,755                                      | 359,730              |
| 0034                                  | Student Transportation                                      | 13,987,787            | 14,544,264            | 14,438,460                                     | 105,804              |
| 0035                                  | Food Services   | -                     | 699,750               | 648,993  | 50,757               |
| 0036                                  | Extracurricular Activities                                  | 9,718,649             | 10,143,006            | 9,586,963                                      | 556,043              |
| 0041                                  | General Administration                                      | 10,511,728            | 11,244,580            | 10,695,710                                     | 548,870              |
| 0051                                  | Plant Maintenance and Operations                            | 35,374,806            | 35,911,854            | 33,870,896                                     | 2,040,958            |
| 0052                                  | Security and Monitoring Services                            | 6,201,042             | 6,421,476             | 6,012,132                                      | 409,344              |
| 0053                                  | Data Processing Services                                    | 9,360,503             | 9,624,185             | 8,629,333                                      | 994,852              |
| 0061                                  | Community Services  | 404,481               | 428,246               | 381,362  | 46,884               |
| Intergovernmental:                    |   |                       |                       |  |                      |
| 0093                                  | Payments to Shared Services Arrangements                    | 580,000               | 700,000               | 601,690  | 98,310               |
| 0095                                  | Payments to Juvenile Justice Alternative Education Programs | 355,000               | 355,000               | 334,361  | 20,639               |
| 0099                                  | Other Intergovernmental Charges                             | 2,300,000             | 2,300,000             | 2,191,066                                      | 108,934              |
| 6030                                  | Total Expenditures  | <u>439,146,861</u>    | <u>451,854,993</u>    | <u>438,653,459</u>                             | <u>13,201,534</u>    |
| 1100                                  | Excess (Deficiency) of Revenues Over (Under) Expenditures   | <u>10,145,581</u>     | <u>18,451,357</u>     | <u>37,499,780</u>                              | <u>19,048,423</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b> |   |                       |                       |  |                      |
| 7912                                  | Sale of Real and Personal Property                          | 120,000               | 145,203               | 131,872  | (13,331)             |
| 7915                                  | Transfers In  | -                     | -                     | 475,987  | 475,987              |
| 8911                                  | Transfers Out   | (4,144,932)           | (4,144,932)           | (72,500)                                       | 4,072,432            |
| 7080                                  | Total Other Financing Sources and (Uses)                    | <u>(4,024,932)</u>    | <u>(3,999,729)</u>    | <u>535,359</u>                                 | <u>4,535,088</u>     |
| 1200                                  | Net Change in Fund Balance                                  | 6,120,649             | 14,451,628            | 38,035,139                                     | 23,583,511           |
| 0100                                  | Fund Balance - Beginning                                    | 139,722,188           | 139,722,188           | 139,722,188                                    | -                    |
| <b>3000</b>                           | <b>Fund Balance - Ending</b>                                | <u>\$ 145,842,837</u> | <u>\$ 154,173,816</u> | <u>\$ 177,757,327</u>                          | <u>\$ 23,583,511</u> |

The accompanying notes to the required supplementary information are an integral part of this statement.

**KLEIN INDEPENDENT SCHOOL DISTRICT**

**Exhibit E-1**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET**

**PENSION LIABILITY OF A COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN**

**TEACHER RETIREMENT SYSTEM OF TEXAS**

**FOR THE FIVE YEARS ENDED\***

|   | <u>2019</u>                  | <u>2018</u>                  | <u>2017</u>                  | <u>2016</u>                  | <u>2015</u>                  |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| District's Proportion of the Net Pension Liability  | 0.33914680%                  | 0.31507020%                  | 0.30598730%                  | 0.30579369%                  | 0.19296490%                  |
| District's Proportionate Share of the Net Pension Liability   | \$ 186,674,619               | \$ 100,742,471               | \$ 115,628,048               | \$ 108,093,967               | \$ 51,543,594                |
| State's Proportionate Share of the Net Pension Liability<br>Associated with the District              | <u>258,121,285</u>           | <u>152,738,834</u>           | <u>184,046,365</u>           | <u>171,194,816</u>           | <u>144,671,755</u>           |
| <b>Total</b>  | <b>\$ <u>444,795,904</u></b> | <b>\$ <u>253,481,305</u></b> | <b>\$ <u>299,674,413</u></b> | <b>\$ <u>279,288,783</u></b> | <b>\$ <u>196,215,349</u></b> |
| District's Covered Payroll  | \$ 346,854,772               | \$ 326,904,468               | \$ 313,654,090               | \$ 292,880,706               | \$ 270,485,891               |
| District's Proportionate Share of the Net Pension Liability<br>as a Percentage of its Covered Payroll | 53.82%                       | 30.82%                       | 36.86%                       | 36.91%                       | 19.06%                       |
| Plan Fiduciary Net Position as a % of the Total Pension Liability                                     | 73.74%                       | 82.17%                       | 78.00%                       | 78.43%                       | 83.25%                       |

\* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.  
Ten years of data is not available

The accompanying notes to the required supplementary information are an integral part of this statement.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE**  
**TEACHER RETIREMENT SYSTEM OF TEXAS PENSION PLAN**  
**FOR THE FIVE YEARS ENDED\***

Exhibit E-2

|  | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         | <u>2016</u>        | <u>2015</u>        |
|--|---------------------|---------------------|---------------------|--------------------|--------------------|
| Contractually Required Contributions                                     | \$ 11,476,458       | \$ 11,498,697       | \$ 10,324,043       | \$ 9,721,927       | \$ 9,056,605       |
| Contributions in Relation to the Contractually<br>Required Contributions | <u>(11,476,458)</u> | <u>(11,498,697)</u> | <u>(10,324,043)</u> | <u>(9,721,927)</u> | <u>(9,056,605)</u> |
| <b>Contribution Deficiency (Excess)</b>                                  | <b><u>\$ -</u></b>  | <b><u>\$ -</u></b>  | <b><u>\$ -</u></b>  | <b><u>\$ -</u></b> | <b><u>\$ -</u></b> |
| <br>District's Covered Payroll   | <br>\$ 348,034,890  | <br>\$ 346,854,772  | <br>\$ 326,904,468  | <br>\$ 313,654,090 | <br>\$ 292,880,706 |
| <br>Contributions as a Percentage of Covered Payroll                     | <br>3.30%           | <br>3.32%           | <br>3.16%           | <br>3.10%          | <br>3.09%          |

\* The amounts presented for the fiscal years were determined as of the District's fiscal year end August 31.  
Ten years of data is not available

The accompanying notes to the required supplementary information are an integral part of this statement.

**KLEIN INDEPENDENT SCHOOL DISTRICT**

Exhibit E-3

**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB****LIABILITY OF A COST-SHARING MULTIPLE-EMPLOYER OPEB PLAN****TEACHER RETIREMENT SYSTEM OF TEXAS****FOR THE TWO YEARS ENDED\***

|  | <u>2019</u>                  | <u>2018</u>                  |
|--|------------------------------|------------------------------|
| District's Proportion of the Net OPEB Liability  | 0.41470550%                  | 0.38577530%                  |
| District's Proportionate Share of the Net OPEB Liability   | \$ 207,066,238               | \$ 167,759,198               |
| State's Proportionate Share of the Net OPEB Liability<br>Associated with the District              | <u>299,987,098</u>           | <u>259,984,330</u>           |
| <b>Total</b>   | <b><u>\$ 507,053,336</u></b> | <b><u>\$ 427,743,528</u></b> |
| District's Covered Payroll   | \$ 346,854,772               | \$ 326,904,468               |
| District's Proportionate Share of the Net OPEB Liability as a<br>Percentage of its Covered Payroll | 59.70%                       | 51.32%                       |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                            | 1.57%                        | 0.91%                        |

\* The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31.  
Ten years of data is not available

The accompanying notes to the required supplementary information are an integral part of this statement.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE**  
**TEACHER RETIREMENT SYSTEM OF TEXAS OPEB PLAN**  
**FOR THE TWO YEARS ENDED\***

**Exhibit E-4**

|  | <u>2019</u>               | <u>2018</u>               |
|--|---------------------------|---------------------------|
| Contractually Required Contributions                                     | \$ 2,875,627              | \$ 2,878,027              |
| Contributions in Relation to the Contractually<br>Required Contributions | <u>(2,875,627)</u>        | <u>(2,878,027)</u>        |
| <b>Contribution Deficiency (Excess)</b>                                  | <b><u><u>\$ -</u></u></b> | <b><u><u>\$ -</u></u></b> |
| <br>District's Covered Payroll   | <br>\$ 348,034,890        | <br>\$ 346,854,772        |
| <br>Contributions as a Percentage of Covered Payroll                     | <br>0.83%                 | <br>0.83%                 |

\* The amounts presented for the fiscal year were determined as of the District's fiscal year end August 31.  
Ten years of data is not available

The accompanying notes to the required supplementary information are an integral part of this statement.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**AUGUST 31, 2019**

**I. Budget**

**A. Budgetary Information**

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the *National School Breakfast and Lunch Program* special revenue fund for the fiscal year beginning September 1. The Texas Education Code requires the budget to be prepared not later than August 20 and adopted by August 31 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The District annually adopts legally authorized appropriated budgets for the general fund, debt service fund, and *National School Breakfast and Lunch Program* special revenue fund. The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after a ten day public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a campus/department. Transfers of appropriations between campuses/departments require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. All annual appropriations lapse at fiscal year-end.

**B. Variances Between Original and Final Budget**

The District's general fund budget differs from the original budget due to budget revisions that were made during the fiscal period:

- Amendments approved shortly after the beginning of the new fiscal year period for amounts restricted, committed, or assigned in the prior year,
- Amendments in early and late spring to revise estimates for local and state revenues based on the latest information on student attendance numbers and tax collections, and
- Amendments during the year for unexpected occurrences.

The net increase of \$21,039,111 in estimated revenues, including other financing sources, was primarily due to an increase in interest earnings, the receipt of SHARS reimbursements, and an increase in state aid due to Hurricane Harvey, property value studies for prior years, and additional special education funding due to Senate Bill 500.

The net increase of \$12,708,132 to appropriations, including other financing uses, was primarily due to an increase in salary and benefits for additional positions and employee loyalty incentives, an increase in SHARS billing, an increase for property value study audit fees, and an increase in general supplies due to carryover resources.

## **Supplementary Information**

---

## **MAJOR GOVERNMENTAL FUNDS**

---

### **DEBT SERVICE FUND**

The debt service fund is used to account for revenues from property taxes levied specifically for debt service and earnings on temporary investments and the expenditure of these revenues for payment of long-term debt principal, interest and related fees.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

Exhibit F-1

| Data<br>Control<br>Codes                     | Budgeted Amounts                      |                      |                      | Variance with<br>Final Budget<br>Positive<br>(Negative) |                       |
|--|---------------------------------------|----------------------|----------------------|---|-----------------------|
|  | Original                              | Final                | Actual               |   |                       |
| <b>REVENUES</b>                              |                                       |                      |                      |   |                       |
| 5700   | Local, Intermediate, and Out-of-State | \$ 78,462,038        | \$ 79,791,081        | \$ 80,212,749   | \$ 421,668            |
| 5800   | State Programs                        | 1,895,584            | 2,432,190            | 2,412,115   | (20,075)              |
| 5900   | Federal Programs                      | 1,667,573            | 1,667,573            | 1,680,110   | 12,537                |
| 5020   | Total Revenues                        | <u>82,025,195</u>    | <u>83,890,844</u>    | <u>84,304,974</u>                                       | <u>414,130</u>        |
| <b>EXPENDITURES</b>                          |                                       |                      |                      |   |                       |
| Debt Service:                                |                                       |                      |                      |   |                       |
| 0071   | Principal on Long-term Debt           | 36,480,000           | 35,855,000           | 35,855,000  | -                     |
| 0072   | Interest on Long-term Debt            | 49,670,787           | 49,572,697           | 49,572,697  | -                     |
| 0073   | Bond Issuance Costs and Fees          | -                    | 1,364,496            | 157,108   | 1,207,388             |
| 6030   | Total Expenditures                    | <u>86,150,787</u>    | <u>86,792,193</u>    | <u>85,584,805</u>                                       | <u>1,207,388</u>      |
| Excess (Deficiency) of Revenues Over (Under) |                                       |                      |                      |   |                       |
| 1100   | Expenditures                          | <u>(4,125,592)</u>   | <u>(2,901,349)</u>   | <u>(1,279,831)</u>                                      | <u>1,621,518</u>      |
| <b>OTHER FINANCING SOURCES (USES)</b>        |                                       |                      |                      |   |                       |
| 7901   | Issuance of Refunding Bonds           | -                    | -                    | 8,100,000   | 8,100,000             |
| 7915   | Transfers In                          | 4,073,682            | 4,073,682            | -   | (4,073,682)           |
| 7916   | Premium from Issuance of Bonds        | -                    | 10,453,977           | 1,663,200   | (8,790,777)           |
| 8949   | Payment to Refunded Bond Escrow Agent | -                    | (9,675,399)          | (9,675,398)   | 1                     |
| 7080   | Total Other Financing Sources (Uses)  | <u>4,073,682</u>     | <u>4,852,260</u>     | <u>87,802</u>   | <u>(4,764,458)</u>    |
| 1200   | Net Change in Fund Balance            | (51,910)             | 1,950,911            | (1,192,029)   | (3,142,940)           |
| 0100   | Fund Balance - Beginning              | 25,507,202           | 25,507,202           | 25,507,202  | -                     |
| 3000   | <b>Fund Balance - Ending</b>          | <u>\$ 25,455,292</u> | <u>\$ 27,458,113</u> | <u>\$ 24,315,173</u>                                    | <u>\$ (3,142,940)</u> |

---

## **NONMAJOR GOVERNMENTAL FUNDS**

---

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

## **KLEIN INDEPENDENT SCHOOL DISTRICT**

### ***FUND DESCRIPTIONS***

#### ***NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS FOR THE YEAR ENDED AUGUST 31, 2019***

ESSA Title I, Part A, Improving Basic Programs – To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

IDEA, Part B, Formula – To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted to operate educational programs for children with disabilities.

IDEA, Part B, Preschool – To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted for preschool children with disabilities.

IDEA, Part B, Discretionary – To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted to increase evaluation capacity for children with disabilities.

National School Breakfast and Lunch Program – To account for receipt and expenditure of funds received from the U.S. Department of Agriculture, passed through the State Department of Agriculture and Education, to provide breakfast and lunch to school children and for other allowable child nutrition program purposes.

Career and Technical – Basic Grant – To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment.

ESSA Title II, Part A, Supporting Effective Instruction – To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, provided to local education agencies to increase student academic achievement through improving teacher and principal quality, and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools and to hold local education agencies and schools accountable for improving student academic achievement.

ESSA Title III, Part A, English Language Acquisition and Enhancement – To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted to improve the education of limited English proficient children, by assisting the children in learning the English language and to meet challenging State academic content and student academic achievement standards.

Medicaid Administrative Claiming Program – To account, on a project basis, for funds allocated to local educational agencies for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid State Plan.

Hurricane Harvey Fund – To account, on a project basis, for funds received from Texas Department of Emergency Management (TDEM), FEMA, and insurance proceeds that provided the district additional resources to help mitigate the effects of Hurricane Harvey.

ESSA Title VI, Part A, Summer School LEP – To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, for summer school programs for Limited English Proficient (LEP) students who will be eligible for admission to kindergarten and first grade at the beginning of the next school year.

## **KLEIN INDEPENDENT SCHOOL DISTRICT**

### ***FUND DESCRIPTIONS***

#### ***NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS FOR THE YEAR ENDED AUGUST 31, 2019***

Federally Funded Special Revenue Funds – To account, on a project basis, for funds from various federal programs, awarded for Student Success and Hurricane Recovery grants.

State Supplemental Visually Impaired (SSVI) – To account, on a project basis, for funds received from the State Department of Education passed through Region IV Education Service Center, to provide educational and related services for students with visual impairments.

Non-Educational Community-Based Support – To account, on a project basis, for funds received from the State Department of Education, passed through Region IV Education Service Center, for the provision of non-educational community-based support services to students with disabilities who would remain or have to be placed in residential facilities for educational reasons without the provision of these services.

Advanced Placement Incentives – To account, on a project basis, for funds awarded from the State Department of Education to school districts under the Texas Advanced Placement Award Incentive Program.

State Textbook Fund – To account, on a project basis, for funds provided through the State Department of Education to aide public school districts in the purchase of adopted instructional materials, technological equipment, and technology services.

State Funded Special Revenue Fund – To account, on a project basis, for funds from the State of Texas, awarded for reading materials for school libraries and professional development.

Campus Activity Funds – To account for transactions related to a principal's activity fund that benefits students.

Klein ISD Education Foundation Grant – To account, on a project basis, for funds received from the Klein ISD Education Foundation to the Klein ISD for educator grants. These funds provide equipment, materials, and support to enrich, maintain, and expand programs needed to meet the District's stated mission of excellence in education.

Miscellaneous Donations – To account for funds donated by local sources for various organizations within the district.

National Incident Grant - To account for funds received from the Texas Office of the Governor – Criminal Justice Division (CJD), awarded to enable the District's police department to upgrade technology for incident based reporting.

Young Sheldon STEM Initiative – To account for funds received from the Chuck Lorre Family Foundation, awarded to support each awarded school's STEM teachers and STEM educational programs within their existing in-class curriculum and/or after-school programs.

Innovation Challenge – To account for funds received from community donations to help support innovation challenge events, typically STEM in nature, where students use a design thinking process to develop solutions for real world problems.

Project Lead the Way – To account for funds received from Chevron to help the district expand the Project Lead the Way programs across the district.

Miscellaneous Grants – To account for funds awarded by other local sources with restricted purposes.

**KLEIN INDEPENDENT SCHOOL DISTRICT**

***FUND DESCRIPTIONS***

***NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2019***

Jason Project-Chevron – To account for funds awarded by Chevron to implement online science curriculum, as a supplement and resource to the Klein ISD curriculum in grades K-12. The Jason Project offers innovative curriculum that aligns to the Texas Essential Knowledge and Skills standards, professional development for science teachers, and materials for student use.

Dual Credit Program – To account for funds awarded from Lone Star College System. The funds will allow high school students to earn dual course credit for immediate award of both high school credit and college certificate and/or associate degree credit.

Aquaponics Project – To account for grant funding for the addition of an Aquaponics garden at Wunderlich Intermediate to serve as a learning environment for student education and involvement.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2019**

| <u>Data<br/>Control<br/>Codes</u>               | 211  | 224                    | 225                      |
|---|--|------------------------|--------------------------|
|   | ESSA Title I<br>Part A<br>Improving<br>Basic<br>Programs | IDEA Part B<br>Formula | IDEA Part B<br>Preschool |
| <b>ASSETS</b>                                   |  |                        |                          |
| 1110 <i>Cash and Cash Equivalents</i>           | \$ 1,300   | \$ -                   | \$ -                     |
| 1240 <i>Due from Other Governments</i>          | 1,052,518  | 1,343,979              | 24,552                   |
| 1260 <i>Due from Other Funds</i>                | -  | -                      | -                        |
| 1290 <i>Other Receivables</i>                   | -  | -                      | -                        |
| 1300 <i>Inventories, at Cost</i>                | -  | -                      | -                        |
| 1410 <i>Prepaid Items</i>                       | -  | -                      | -                        |
| 1000 <b>Total Assets</b>                        | <b>\$ 1,053,818</b>                                      | <b>\$ 1,343,979</b>    | <b>\$ 24,552</b>         |
| <b>LIABILITIES</b>                              |  |                        |                          |
| 2110 <i>Accounts Payable</i>                    | \$ 32,904  | \$ 53,799              | \$ -                     |
| 2160 <i>Accrued Wages Payable</i>               | 445,390  | 435,946                | 12,163                   |
| 2170 <i>Due to Other Funds</i>                  | 575,524  | 854,234                | 12,389                   |
| 2300 <i>Unearned Revenue</i>                    | -  | -                      | -                        |
| 2000 <b>Total Liabilities</b>                   | <b>1,053,818</b>   | <b>1,343,979</b>       | <b>24,552</b>            |
| <b>FUND BALANCES</b>                            |  |                        |                          |
| Nonspendable:                                   |  |                        |                          |
| 3430 <i>Prepaid Items</i>                       | -  | -                      | -                        |
| Restricted For:                                 |  |                        |                          |
| 3450 <i>Grants - Food Services</i>              | -  | -                      | -                        |
| 3450 <i>Grants - Instructional Services</i>     | -  | -                      | -                        |
| Committed To:                                   |  |                        |                          |
| 3545 <i>Other</i>                               | -  | -                      | -                        |
| 3000 <b>Total Fund Balances</b>                 | <b>-</b>   | <b>-</b>               | <b>-</b>                 |
| 4000 <b>Total Liabilities and Fund Balances</b> | <b>\$ 1,053,818</b>                                      | <b>\$ 1,343,979</b>    | <b>\$ 24,552</b>         |

| 226                                  | 240  | 244   | 255  | 263   |
|--------------------------------------|--|---|--|---|
| <u>IDEA Part B<br/>Discretionary</u> | <u>National School<br/>Breakfast and<br/>Lunch Program</u> | <u>Career and<br/>Technical Basic<br/>Grant</u> | <u>ESSA Title II<br/>Part A<br/>Supporting<br/>Effective<br/>Instruction</u> | <u>ESSA Title III<br/>Part A English<br/>Language<br/>Acquisition</u> |
| \$ -                                 | \$ 5,344,988   | \$ 541  | \$ 650   | \$ -  |
| -                                    | 749,733  | 68,756  | 298,195  | 175,216   |
| -                                    | 6,311  | -   | -  | -   |
| -                                    | 62,953   | -   | -  | -   |
| -                                    | 659,271  | -   | -  | -   |
| -                                    | 37,386   | -   | -  | -   |
| <u>\$ -</u>                          | <u>\$ 6,860,642</u>  | <u>\$ 69,297</u>                                | <u>\$ 298,845</u>  | <u>\$ 175,216</u>   |
| \$ -                                 | \$ 789,386   | \$ 23,317                                       | \$ 117,946   | \$ 23,046   |
| -                                    | 668,032  | 2,959   | 6,719  | 32,587  |
| -                                    | 23,992   | 43,021  | 174,180  | 119,583   |
| -                                    | -  | -   | -  | -   |
| <u>-</u>                             | <u>1,481,410</u>   | <u>69,297</u>                                   | <u>298,845</u>   | <u>175,216</u>  |
| -                                    | 37,386   | -   | -  | -   |
| -                                    | 5,341,846  | -   | -  | -   |
| -                                    | -  | -   | -  | -   |
| -                                    | -  | -   | -  | -   |
| <u>-</u>                             | <u>5,379,232</u>   | <u>-</u>  | <u>-</u>   | <u>-</u>  |
| <u>\$ -</u>                          | <u>\$ 6,860,642</u>  | <u>\$ 69,297</u>                                | <u>\$ 298,845</u>  | <u>\$ 175,216</u>   |

Continued

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2019**

| <u>Data Control Codes</u>                       | 272   | 287                          | 288   |
|---|---|------------------------------|---|
|   | <u>Medicaid Administrative Claiming Program</u> | <u>Hurricane Harvey Fund</u> | <u>ESSA Title VI Part A Summer School LEP</u> |
| <b>ASSETS</b>                                   |   |                              |   |
| 1110 <i>Cash and Cash Equivalents</i>           | \$ -  | \$ 1,560,231                 | \$ -  |
| 1240 <i>Due from Other Governments</i>          | 208,944   | -                            | 24,013  |
| 1260 <i>Due from Other Funds</i>                | -   | -                            | -   |
| 1290 <i>Other Receivables</i>                   | -   | -                            | -   |
| 1300 <i>Inventories, at Cost</i>                | -   | -                            | -   |
| 1410 <i>Prepaid Items</i>                       | -   | -                            | -   |
| 1000 <b>Total Assets</b>                        | <u>\$ 208,944</u>                               | <u>\$ 1,560,231</u>          | <u>\$ 24,013</u>                              |
| <b>LIABILITIES</b>                              |   |                              |   |
| 2110 <i>Accounts Payable</i>                    | \$ -  | \$ -                         | \$ -  |
| 2160 <i>Accrued Wages Payable</i>               | 576   | -                            | -   |
| 2170 <i>Due to Other Funds</i>                  | 208,368   | 1,560,231                    | 24,013  |
| 2300 <i>Unearned Revenue</i>                    | -   | -                            | -   |
| 2000 <b>Total Liabilities</b>                   | <u>208,944</u>                                  | <u>1,560,231</u>             | <u>24,013</u>                                 |
| <b>FUND BALANCES</b>                            |   |                              |   |
| Nonspendable:                                   |   |                              |   |
| 3430 <i>Prepaid Items</i>                       | -   | -                            | -   |
| Restricted For:                                 |   |                              |   |
| 3450 <i>Grants - Food Services</i>              | -   | -                            | -   |
| 3450 <i>Grants - Instructional Services</i>     | -   | -                            | -   |
| Committed To:                                   |   |                              |   |
| 3545 <i>Other</i>                               | -   | -                            | -   |
| 3000 <b>Total Fund Balances</b>                 | <u>-</u>  | <u>-</u>                     | <u>-</u>                                      |
| <b>4000 Total Liabilities and Fund Balances</b> | <u>\$ 208,944</u>                               | <u>\$ 1,560,231</u>          | <u>\$ 24,013</u>                              |

| 289   | 385   | 392   | 397  | 410                            |
|---|---|---|--|--------------------------------|
| <u>Federally<br/>Funded Special<br/>Revenue Funds</u> | <u>State<br/>Supplemental<br/>Visually<br/>Impaired</u> | <u>Non-Educational<br/>Community-<br/>Based Support</u> | <u>Advanced<br/>Placement<br/>Incentives</u> | <u>State Textbook<br/>Fund</u> |
| \$ 9,300  | \$ -  | \$ -  | \$ 4,124                                     | \$ 1,245                       |
| 418,867   | -   | 17,915  | -  | 1,980,112                      |
| -   | -   | -   | -  | -                              |
| -   | -   | -   | -  | -                              |
| -   | -   | -   | -  | 504,879                        |
| <u>\$ 428,167</u>                                     | <u>\$ -</u>   | <u>\$ 17,915</u>  | <u>\$ 4,124</u>                              | <u>\$ 2,486,236</u>            |
| <br>  |   |   |  |                                |
| \$ 2,592  | \$ -  | \$ 1,580  | \$ -   | \$ 943,514                     |
| 12,980  | -   | 2,750   | -  | 301                            |
| 412,595   | -   | 13,585  | -  | 1,542,421                      |
| -   | -   | -   | -  | -                              |
| <u>428,167</u>  | <u>-</u>  | <u>17,915</u>   | <u>-</u>                                     | <u>2,486,236</u>               |
| <br>  |   |   |  |                                |
| -   | -   | -   | -  | -                              |
| -   | -   | -   | -  | -                              |
| -   | -   | -   | 4,124  | -                              |
| -   | -   | -   | -  | -                              |
| <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>4,124</u>                                 | <u>-</u>                       |
| <u>\$ 428,167</u>                                     | <u>\$ -</u>   | <u>\$ 17,915</u>  | <u>\$ 4,124</u>                              | <u>\$ 2,486,236</u>            |

Continued

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2019**

|   | 427                                       | 461                          | 482   |
|---|---|------------------------------|---|
| <u>Data Control Codes</u>                       | <u>State Funded Special Revenue Funds</u> | <u>Campus Activity Funds</u> | <u>Klein ISD Education Foundation Grant</u> |
| <b>ASSETS</b>                                   |   |                              |   |
| 1110 <i>Cash and Cash Equivalents</i>           | \$ -                                      | \$ 5,684,023                 | \$ 75,561                                   |
| 1240 <i>Due from Other Governments</i>          | 22,750                                    | -                            | 605   |
| 1260 <i>Due from Other Funds</i>                | -   | -                            | -   |
| 1290 <i>Other Receivables</i>                   | -   | 1,534,665                    | -   |
| 1300 <i>Inventories, at Cost</i>                | -   | -                            | -   |
| 1410 <i>Prepaid Items</i>                       | -   | -                            | -   |
| 1000 <b>Total Assets</b>                        | <u>\$ 22,750</u>                          | <u>\$ 7,218,688</u>          | <u>\$ 76,166</u>                            |
| <b>LIABILITIES</b>                              |   |                              |   |
| 2110 <i>Accounts Payable</i>                    | \$ -                                      | \$ 98,703                    | \$ 27,593                                   |
| 2160 <i>Accrued Wages Payable</i>               | 22,750                                    | 625                          | -   |
| 2170 <i>Due to Other Funds</i>                  | -   | 1,667,988                    | -   |
| 2300 <i>Unearned Revenue</i>                    | -   | 12,520                       | 48,573                                      |
| 2000 <b>Total Liabilities</b>                   | <u>22,750</u>                             | <u>1,779,836</u>             | <u>76,166</u>                               |
| <b>FUND BALANCES</b>                            |   |                              |   |
| Nonspendable:                                   |   |                              |   |
| 3430 <i>Prepaid Items</i>                       | -   | -                            | -   |
| Restricted For:                                 |   |                              |   |
| 3450 <i>Grants - Food Services</i>              | -   | -                            | -   |
| 3450 <i>Grants - Instructional Services</i>     | -   | -                            | -   |
| Committed To:                                   |   |                              |   |
| 3545 <i>Other</i>                               | -   | 5,438,852                    | -   |
| 3000 <b>Total Fund Balances</b>                 | <u>-</u>                                  | <u>5,438,852</u>             | <u>-</u>                                    |
| <b>4000 Total Liabilities and Fund Balances</b> | <u>\$ 22,750</u>                          | <u>\$ 7,218,688</u>          | <u>\$ 76,166</u>                            |

| 483                                | 484                          | 485  | 486                             | 487                             |
|------------------------------------|------------------------------|--|---------------------------------|---------------------------------|
| <u>Miscellaneous<br/>Donations</u> | <u>National<br/>Incident</u> | <u>Young<br/>Sheldon STEM<br/>Initiative</u> | <u>Innovation<br/>Challenge</u> | <u>Project Lead<br/>the Way</u> |
| \$ 71,290                          | \$ -                         | \$ 45,028                                    | \$ 559                          | \$ 60,363                       |
| -                                  | 22,000                       | -  | -                               | -                               |
| -                                  | -                            | -  | -                               | -                               |
| -                                  | -                            | -  | -                               | -                               |
| -                                  | -                            | -  | -                               | -                               |
| <u>\$ 71,290</u>                   | <u>\$ 22,000</u>             | <u>\$ 45,028</u>                             | <u>\$ 559</u>                   | <u>\$ 60,363</u>                |
| \$ 9,807                           | \$ -                         | \$ -   | \$ -                            | \$ 3,463                        |
| -                                  | -                            | -  | -                               | -                               |
| -                                  | 22,000                       | -  | -                               | -                               |
| -                                  | -                            | 45,028                                       | -                               | 56,900                          |
| <u>9,807</u>                       | <u>22,000</u>                | <u>45,028</u>                                | <u>-</u>                        | <u>60,363</u>                   |
| -                                  | -                            | -  | -                               | -                               |
| -                                  | -                            | -  | -                               | -                               |
| -                                  | -                            | -  | -                               | -                               |
| 61,483                             | -                            | -  | 559                             | -                               |
| <u>61,483</u>                      | <u>-</u>                     | <u>-</u>                                     | <u>559</u>                      | <u>-</u>                        |
| <u>\$ 71,290</u>                   | <u>\$ 22,000</u>             | <u>\$ 45,028</u>                             | <u>\$ 559</u>                   | <u>\$ 60,363</u>                |

*Continued*

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2019**

|   | 488                         | 489                            | 490                        |
|---|-----------------------------|--------------------------------|----------------------------|
| <b>Data Control Codes</b>                       | <b>Miscellaneous Grants</b> | <b>Jason Project - Chevron</b> | <b>Dual Credit Program</b> |
| <b>ASSETS</b>                                   |                             |                                |                            |
| 1110 <i>Cash and Cash Equivalents</i>           | \$ 62,762                   | \$ 12,500                      | \$ 1,083,388               |
| 1240 <i>Due from Other Governments</i>          | -                           | -                              | -                          |
| 1260 <i>Due from Other Funds</i>                | -                           | -                              | -                          |
| 1290 <i>Other Receivables</i>                   | -                           | -                              | -                          |
| 1300 <i>Inventories, at Cost</i>                | -                           | -                              | -                          |
| 1410 <i>Prepaid Items</i>                       | -                           | -                              | -                          |
| 1000 <b>Total Assets</b>                        | <b>\$ 62,762</b>            | <b>\$ 12,500</b>               | <b>\$ 1,083,388</b>        |
| <b>LIABILITIES</b>                              |                             |                                |                            |
| 2110 <i>Accounts Payable</i>                    | \$ 1,849                    | \$ -                           | \$ 22,507                  |
| 2160 <i>Accrued Wages Payable</i>               | -                           | -                              | -                          |
| 2170 <i>Due to Other Funds</i>                  | -                           | -                              | -                          |
| 2300 <i>Unearned Revenue</i>                    | 60,913                      | 12,500                         | -                          |
| 2000 <b>Total Liabilities</b>                   | <b>62,762</b>               | <b>12,500</b>                  | <b>22,507</b>              |
| <b>FUND BALANCES</b>                            |                             |                                |                            |
| Nonspendable:                                   |                             |                                |                            |
| 3430 <i>Prepaid Items</i>                       | -                           | -                              | -                          |
| Restricted For:                                 |                             |                                |                            |
| 3450 <i>Grants - Food Services</i>              | -                           | -                              | -                          |
| 3450 <i>Grants - Instructional Services</i>     | -                           | -                              | -                          |
| Committed To:                                   |                             |                                |                            |
| 3545 <i>Other</i>                               | -                           | -                              | 1,060,881                  |
| 3000 <b>Total Fund Balances</b>                 | <b>-</b>                    | <b>-</b>                       | <b>1,060,881</b>           |
| <b>4000 Total Liabilities and Fund Balances</b> | <b>\$ 62,762</b>            | <b>\$ 12,500</b>               | <b>\$ 1,083,388</b>        |

491

| <u>Aquaponics<br/>Project</u> | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|-------------------------------|--|
| \$ 7,549                      | \$ 14,025,402  |
| -                             | 6,408,155  |
| -                             | 6,311  |
| -                             | 1,597,618  |
| -                             | 659,271  |
| -                             | 542,265  |
| <u>\$ 7,549</u>               | <u>\$ 23,239,022</u>                                 |
| <br>                          |  |
| \$ -                          | \$ 2,152,006   |
| -                             | 1,643,778  |
| -                             | 7,254,124  |
| <u>7,549</u>                  | <u>243,983</u>                                       |
| <u>7,549</u>                  | <u>11,293,891</u>                                    |
| <br>                          |  |
| -                             | 37,386   |
| -                             | 5,341,846  |
| -                             | 4,124  |
| <br>                          |  |
| -                             | <u>6,561,775</u>                                     |
| -                             | <u>11,945,131</u>                                    |
| <u>\$ 7,549</u>               | <u>\$ 23,239,022</u>                                 |

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

| <u>Data Control Codes</u>   | 211   | 224                            | 225                              |
|---|---|--------------------------------|----------------------------------|
|   | <b>ESSA Title I<br/>Part A<br/>Improving<br/>Basic<br/>Programs</b> | <b>IDEA Part B<br/>Formula</b> | <b>IDEA Part B<br/>Preschool</b> |
| <b>REVENUES</b>   |   |                                |                                  |
| 5700 <i>Local, Intermediate, and Out-of-State</i>                     | \$ 19,977   | \$ 519                         | \$ 24                            |
| 5800 <i>State Programs</i>  | -   | -                              | -                                |
| 5900 <i>Federal Programs</i>  | 7,885,617   | 9,239,751                      | 209,432                          |
| 5020 <b>Total Revenues</b>  | <u>7,905,594</u>  | <u>9,240,270</u>               | <u>209,456</u>                   |
| <b>EXPENDITURES</b>   |   |                                |                                  |
| Current:  |   |                                |                                  |
| 0011 <i>Instruction</i>   | 4,722,079   | 5,196,374                      | 207,607                          |
| 0012 <i>Instructional Resources and Media Services</i>                | 61,586  | -                              | -                                |
| 0013 <i>Curriculum and Instructional Staff Development</i>            | 1,222,356   | 179,021                        | -                                |
| 0021 <i>Instructional Leadership</i>                                  | 75,793  | 50,498                         | -                                |
| 0023 <i>School Leadership</i>   | 389,924   | -                              | -                                |
| 0031 <i>Guidance, Counseling, and Evaluation Services</i>             | 514,506   | 3,768,829                      | 1,849                            |
| 0032 <i>Social Work Services</i>                                      | -   | -                              | -                                |
| 0033 <i>Health Services</i>   | 552   | 45,548                         | -                                |
| 0034 <i>Student Transportation</i>                                    | 187,261   | -                              | -                                |
| 0035 <i>Food Services</i>   | -   | -                              | -                                |
| 0036 <i>Extracurricular Activities</i>                                | -   | -                              | -                                |
| 0041 <i>General Administration</i>                                    | -   | -                              | -                                |
| 0051 <i>Plant Maintenance and Operations</i>                          | -   | -                              | -                                |
| 0052 <i>Security and Monitoring Services</i>                          | -   | -                              | -                                |
| 0053 <i>Data Processing Services</i>                                  | -   | -                              | -                                |
| 0061 <i>Community Services</i>  | 731,537   | -                              | -                                |
| 0081 <i>Facilities Acquisition and Construction</i>                   | -   | -                              | -                                |
| 6030 <b>Total Expenditures</b>  | <u>7,905,594</u>  | <u>9,240,270</u>               | <u>209,456</u>                   |
| 1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <u>-</u>  | <u>-</u>                       | <u>-</u>                         |
| <b>OTHER FINANCING SOURCES</b>  |   |                                |                                  |
| 7912 <i>Sale of Real and Personal Property</i>                        | -   | -                              | -                                |
| 7915 <i>Transfers In</i>  | -   | -                              | -                                |
| 8911 <i>Transfers Out</i>   | -   | -                              | -                                |
| 7080 <b>Total Other Financing Sources</b>                             | <u>-</u>  | <u>-</u>                       | <u>-</u>                         |
| 1200 <b>Net Change in Fund Balances</b>                               | -   | -                              | -                                |
| 0100 <b>Fund Balances - Beginning</b>                                 | -   | -                              | -                                |
| 3000 <b>Fund Balances - Ending</b>                                    | <u>\$ -</u>   | <u>\$ -</u>                    | <u>\$ -</u>                      |

| 226                                  | 240  | 244   | 255  | 263   |
|--------------------------------------|--|---|--|---|
| <b>IDEA Part B<br/>Discretionary</b> | <b>National School<br/>Breakfast and<br/>Lunch Program</b> | <b>Career and<br/>Technical Basic<br/>Grant</b> | <b>ESSA Title II<br/>Part A<br/>Supporting<br/>Effective<br/>Instruction</b> | <b>ESSA Title III<br/>Part A English<br/>Language<br/>Acquisition</b> |
| \$ -                                 | \$ 8,755,111   | \$ 3,186  | \$ 3,065   | \$ 2,138  |
| -                                    | 657,401  | -   | -  | -   |
| <u>80,000</u>                        | <u>15,372,323</u>  | <u>473,714</u>                                  | <u>1,361,275</u>   | <u>990,377</u>  |
| <u>80,000</u>                        | <u>24,784,835</u>  | <u>476,900</u>                                  | <u>1,364,340</u>   | <u>992,515</u>  |
| -                                    | -  | 262,715   | -  | 472,073   |
| -                                    | -  | -   | -  | -   |
| -                                    | -  | 104,677   | 1,236,852  | 460,094   |
| -                                    | -  | 38,675  | 76,400   | 769   |
| -                                    | -  | 13,030  | 47,799   | 4,166   |
| 80,000                               | -  | 3,213   | 3,289  | 37,482  |
| -                                    | -  | -   | -  | -   |
| -                                    | -  | -   | -  | 778   |
| -                                    | -  | -   | -  | 12,800  |
| -                                    | 23,627,888   | -   | -  | -   |
| -                                    | -  | 54,590  | -  | 946   |
| -                                    | -  | -   | -  | -   |
| -                                    | 300,782  | -   | -  | -   |
| -                                    | -  | -   | -  | -   |
| -                                    | -  | -   | -  | -   |
| -                                    | -  | -   | -  | 3,407   |
| -                                    | -  | -   | -  | -   |
| <u>80,000</u>                        | <u>23,928,670</u>  | <u>476,900</u>                                  | <u>1,364,340</u>   | <u>992,515</u>  |
| <u>-</u>                             | <u>856,165</u>   | <u>-</u>  | <u>-</u>   | <u>-</u>  |
| -                                    | 34,697   | -   | -  | -   |
| -                                    | 76,311   | -   | -  | -   |
| <u>-</u>                             | <u>-</u>   | <u>-</u>  | <u>-</u>   | <u>-</u>  |
| <u>-</u>                             | <u>111,008</u>   | <u>-</u>  | <u>-</u>   | <u>-</u>  |
| -                                    | 967,173  | -   | -  | -   |
| -                                    | 4,412,059  | -   | -  | -   |
| <u>\$ -</u>                          | <u>\$ 5,379,232</u>  | <u>\$ -</u>                                     | <u>\$ -</u>  | <u>\$ -</u>   |

Continued

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

| <b>Data Control Codes</b>   | <b>272</b>                                      | <b>287</b>                   | <b>288</b>                                    |
|---|---|------------------------------|---|
|   | <b>Medicaid Administrative Claiming Program</b> | <b>Hurricane Harvey Fund</b> | <b>ESSA Title VI Part A Summer School LEP</b> |
| <b>REVENUES</b>   |   |                              |   |
| 5700 <i>Local, Intermediate, and Out-of-State</i>                     | \$ -  | \$ 593,482                   | \$ -  |
| 5800 <i>State Programs</i>  | -   | -                            | -   |
| 5900 <i>Federal Programs</i>  | 129,848   | 32,181                       | 28,687  |
| 5020 <b>Total Revenues</b>  | <u>129,848</u>                                  | <u>625,663</u>               | <u>28,687</u>                                 |
| <b>EXPENDITURES</b>   |   |                              |   |
| Current:  |   |                              |   |
| 0011 <i>Instruction</i>   | -   | 959                          | -   |
| 0012 <i>Instructional Resources and Media Services</i>                | -   | 137,355                      | -   |
| 0013 <i>Curriculum and Instructional Staff Development</i>            | -   | -                            | -   |
| 0021 <i>Instructional Leadership</i>                                  | -   | -                            | -   |
| 0023 <i>School Leadership</i>   | -   | -                            | -   |
| 0031 <i>Guidance, Counseling, and Evaluation Services</i>             | -   | -                            | -   |
| 0032 <i>Social Work Services</i>                                      | -   | -                            | -   |
| 0033 <i>Health Services</i>   | 129,848   | -                            | -   |
| 0034 <i>Student Transportation</i>                                    | -   | -                            | 28,687  |
| 0035 <i>Food Services</i>   | -   | -                            | -   |
| 0036 <i>Extracurricular Activities</i>                                | -   | -                            | -   |
| 0041 <i>General Administration</i>                                    | -   | -                            | -   |
| 0051 <i>Plant Maintenance and Operations</i>                          | -   | -                            | -   |
| 0052 <i>Security and Monitoring Services</i>                          | -   | -                            | -   |
| 0053 <i>Data Processing Services</i>                                  | -   | -                            | -   |
| 0061 <i>Community Services</i>  | -   | -                            | -   |
| 0081 <i>Facilities Acquisition and Construction</i>                   | -   | 225,971                      | -   |
| 6030 <b>Total Expenditures</b>  | <u>129,848</u>                                  | <u>364,285</u>               | <u>28,687</u>                                 |
| 1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <u>-</u>  | <u>261,378</u>               | <u>-</u>                                      |
| <b>OTHER FINANCING SOURCES</b>  |   |                              |   |
| 7912 <i>Sale of Real and Personal Property</i>                        | -   | -                            | -   |
| 7915 <i>Transfers In</i>  | -   | -                            | -   |
| 8911 <i>Transfers Out</i>   | -   | (1,560,231)                  | -   |
| 7080 <b>Total Other Financing Sources</b>                             | <u>-</u>  | <u>(1,560,231)</u>           | <u>-</u>                                      |
| 1200 <b>Net Change in Fund Balances</b>                               | <u>-</u>  | <u>(1,298,853)</u>           | <u>-</u>                                      |
| 0100 <b>Fund Balances - Beginning</b>                                 | <u>-</u>  | <u>1,298,853.00</u>          | <u>-</u>                                      |
| 3000 <b>Fund Balances - Ending</b>                                    | <u>\$ -</u>                                     | <u>\$ -</u>                  | <u>\$ -</u>                                   |

| 289   | 385   | 392   | 397  | 410                            |
|---|---|---|--|--------------------------------|
| <u>Federally<br/>Funded Special<br/>Revenue Funds</u> | <u>State<br/>Supplemental<br/>Visually<br/>Impaired</u> | <u>Non-Educational<br/>Community-<br/>Based Support</u> | <u>Advanced<br/>Placement<br/>Incentives</u> | <u>State Textbook<br/>Fund</u> |
| \$ 301  | \$ -  | \$ -  | \$ -   | \$ -                           |
| -   | 20,000  | 71,585  | 8,536  | 4,233,315                      |
| <u>1,007,735</u>                                      | <u>-</u>  | <u>-</u>  | <u>-</u>                                     | <u>-</u>                       |
| <u>1,008,036</u>                                      | <u>20,000</u>   | <u>71,585</u>   | <u>8,536</u>                                 | <u>4,233,315</u>               |
| 373,244   | -   | -   | -  | 4,017,120                      |
| -   | -   | -   | -  | 570,252                        |
| 131,487   | -   | -   | 32,675                                       | 336,008                        |
| 1,714   | -   | -   | -  | 295                            |
| 26,156  | -   | -   | -  | -                              |
| 270,458   | 20,000  | -   | -  | -                              |
| -   | -   | -   | -  | -                              |
| 31,509  | -   | -   | -  | -                              |
| -   | -   | -   | -  | -                              |
| -   | -   | -   | -  | -                              |
| 2,591   | -   | -   | -  | -                              |
| -   | -   | -   | -  | -                              |
| 84,684  | -   | -   | -  | -                              |
| 9,980   | -   | -   | -  | -                              |
| -   | -   | -   | -  | 41,888                         |
| 76,213  | -   | 71,585  | -  | -                              |
| -   | -   | -   | -  | -                              |
| <u>1,008,036</u>                                      | <u>20,000</u>   | <u>71,585</u>   | <u>32,675</u>                                | <u>4,965,563</u>               |
| <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>(24,139)</u>                              | <u>(732,248)</u>               |
| -   | -   | -   | -  | -                              |
| -   | -   | -   | -  | -                              |
| <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>                                     | <u>-</u>                       |
| <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>                                     | <u>-</u>                       |
| -   | -   | -   | (24,139)                                     | (732,248)                      |
| -   | -   | -   | 28,263                                       | 732,248                        |
| <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ 4,124</u>                              | <u>\$ -</u>                    |

Continued

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

|   | 427                                       | 461                          | 482   |
|---|---|------------------------------|---|
| <b>Data Control Codes</b>   | <b>State Funded Special Revenue Funds</b> | <b>Campus Activity Funds</b> | <b>Klein ISD Education Foundation Grant</b> |
| <b>REVENUES</b>   |   |                              |   |
| 5700 <i>Local, Intermediate, and Out-of-State</i>                     | \$ -                                      | \$ 6,889,514                 | \$ 173,202                                  |
| 5800 <i>State Programs</i>  | 33,280                                    | -                            | -   |
| 5900 <i>Federal Programs</i>  | -   | -                            | -   |
| 5020 <b>Total Revenues</b>  | <u>33,280</u>                             | <u>6,889,514</u>             | <u>173,202</u>                              |
| <b>EXPENDITURES</b>   |   |                              |   |
| Current:  |   |                              |   |
| 0011 <i>Instruction</i>   | -   | -                            | 133,387                                     |
| 0012 <i>Instructional Resources and Media Services</i>                | 92  | -                            | 34,583                                      |
| 0013 <i>Curriculum and Instructional Staff Development</i>            | 33,950                                    | -                            | -   |
| 0021 <i>Instructional Leadership</i>                                  | -   | -                            | -   |
| 0023 <i>School Leadership</i>   | -   | -                            | 2,765                                       |
| 0031 <i>Guidance, Counseling, and Evaluation Services</i>             | -   | -                            | -   |
| 0032 <i>Social Work Services</i>                                      | -   | -                            | -   |
| 0033 <i>Health Services</i>   | -   | -                            | -   |
| 0034 <i>Student Transportation</i>                                    | -   | -                            | -   |
| 0035 <i>Food Services</i>   | -   | -                            | -   |
| 0036 <i>Extracurricular Activities</i>                                | -   | 6,445,697                    | 2,467                                       |
| 0041 <i>General Administration</i>                                    | -   | -                            | -   |
| 0051 <i>Plant Maintenance and Operations</i>                          | -   | -                            | -   |
| 0052 <i>Security and Monitoring Services</i>                          | -   | -                            | -   |
| 0053 <i>Data Processing Services</i>                                  | -   | -                            | -   |
| 0061 <i>Community Services</i>  | -   | -                            | -   |
| 0081 <i>Facilities Acquisition and Construction</i>                   | -   | 276,025                      | -   |
| 6030 <b>Total Expenditures</b>  | <u>34,042</u>                             | <u>6,721,722</u>             | <u>173,202</u>                              |
| 1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b> | <u>(762)</u>                              | <u>167,792</u>               | <u>-</u>                                    |
| <b>OTHER FINANCING SOURCES</b>  |   |                              |   |
| 7912 <i>Sale of Real and Personal Property</i>                        | -   | -                            | -   |
| 7915 <i>Transfers In</i>  | -   | -                            | -   |
| 8911 <i>Transfers Out</i>   | -   | -                            | -   |
| 7080 <b>Total Other Financing Sources</b>                             | <u>-</u>                                  | <u>-</u>                     | <u>-</u>                                    |
| 1200 <b>Net Change in Fund Balances</b>                               | <u>(762)</u>                              | <u>167,792</u>               | <u>-</u>                                    |
| 0100 <b>Fund Balances - Beginning</b>                                 | <u>762</u>                                | <u>5,271,060</u>             | <u>-</u>                                    |
| 3000 <b>Fund Balances - Ending</b>                                    | <u>\$ -</u>                               | <u>\$ 5,438,852</u>          | <u>\$ -</u>                                 |

| 483                            | 484                      | 485                                  | 486                         | 487                         |
|--------------------------------|--------------------------|--------------------------------------|-----------------------------|-----------------------------|
| <u>Miscellaneous Donations</u> | <u>National Incident</u> | <u>Young Sheldon STEM Initiative</u> | <u>Innovation Challenge</u> | <u>Project Lead the Way</u> |
| \$ 90,976                      | \$ -                     | \$ 70,762                            | \$ -                        | \$ 62,087                   |
| -                              | 22,000                   | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| <u>90,976</u>                  | <u>22,000</u>            | <u>70,762</u>                        | <u>-</u>                    | <u>62,087</u>               |
| 19,603                         | -                        | 69,542                               | 75                          | 62,087                      |
| -                              | -                        | -                                    | -                           | -                           |
| 7,133                          | -                        | 1,220                                | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| 19,408                         | 22,000                   | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| 15,875                         | -                        | -                                    | -                           | -                           |
| 13,548                         | -                        | -                                    | -                           | -                           |
| <u>75,567</u>                  | <u>22,000</u>            | <u>70,762</u>                        | <u>75</u>                   | <u>62,087</u>               |
| <u>15,409</u>                  | <u>-</u>                 | <u>-</u>                             | <u>(75)</u>                 | <u>-</u>                    |
| -                              | -                        | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| -                              | -                        | -                                    | -                           | -                           |
| <u>-</u>                       | <u>-</u>                 | <u>-</u>                             | <u>-</u>                    | <u>-</u>                    |
| 15,409                         | -                        | -                                    | (75)                        | -                           |
| 46,074                         | -                        | -                                    | 634                         | -                           |
| <u>\$ 61,483</u>               | <u>\$ -</u>              | <u>\$ -</u>                          | <u>\$ 559</u>               | <u>\$ -</u>                 |

Continued

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

|  | 488                         | 489                            | 490                        |
|--|-----------------------------|--------------------------------|----------------------------|
| <b>Data Control Codes</b>                                      | <b>Miscellaneous Grants</b> | <b>Jason Project - Chevron</b> | <b>Dual Credit Program</b> |
| <b>REVENUES</b>  |                             |                                |                            |
| 5700 <i>Local, Intermediate, and Out-of-State</i>              | \$ 223,466                  | \$ 12,500                      | \$ 276,789                 |
| 5800 <i>State Programs</i>                                     | -                           | -                              | -                          |
| 5900 <i>Federal Programs</i>                                   | -                           | -                              | -                          |
| 5020 <b>Total Revenues</b>                                     | <u>223,466</u>              | <u>12,500</u>                  | <u>276,789</u>             |
| <b>EXPENDITURES</b>  |                             |                                |                            |
| Current:   |                             |                                |                            |
| 0011 <i>Instruction</i>  | 92,162                      | 12,500                         | 144,193                    |
| 0012 <i>Instructional Resources and Media Services</i>         | -                           | -                              | -                          |
| 0013 <i>Curriculum and Instructional Staff Development</i>     | 41,250                      | -                              | -                          |
| 0021 <i>Instructional Leadership</i>                           | 5,950                       | -                              | -                          |
| 0023 <i>School Leadership</i>                                  | 13,514                      | -                              | 370                        |
| 0031 <i>Guidance, Counseling, and Evaluation Services</i>      | 6,300                       | -                              | 118,459                    |
| 0032 <i>Social Work Services</i>                               | 35                          | -                              | -                          |
| 0033 <i>Health Services</i>                                    | 62,840                      | -                              | -                          |
| 0034 <i>Student Transportation</i>                             | -                           | -                              | -                          |
| 0035 <i>Food Services</i>                                      | -                           | -                              | -                          |
| 0036 <i>Extracurricular Activities</i>                         | -                           | -                              | -                          |
| 0041 <i>General Administration</i>                             | 1,060                       | -                              | -                          |
| 0051 <i>Plant Maintenance and Operations</i>                   | -                           | -                              | -                          |
| 0052 <i>Security and Monitoring Services</i>                   | -                           | -                              | -                          |
| 0053 <i>Data Processing Services</i>                           | 305                         | -                              | -                          |
| 0061 <i>Community Services</i>                                 | 50                          | -                              | -                          |
| 0081 <i>Facilities Acquisition and Construction</i>            | -                           | -                              | -                          |
| 6030 <b>Total Expenditures</b>                                 | <u>223,466</u>              | <u>12,500</u>                  | <u>263,022</u>             |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u>                    | <u>-</u>                       | <u>13,767</u>              |
| <b>OTHER FINANCING SOURCES</b>                                 |                             |                                |                            |
| 7912 <i>Sale of Real and Personal Property</i>                 | -                           | -                              | -                          |
| 7915 <i>Transfers In</i>                                       | -                           | -                              | -                          |
| 8911 <i>Transfers Out</i>                                      | -                           | -                              | -                          |
| 7080 <b>Total Other Financing Sources</b>                      | <u>-</u>                    | <u>-</u>                       | <u>-</u>                   |
| 1200 <b>Net Change in Fund Balances</b>                        | -                           | -                              | 13,767                     |
| 0100 <b>Fund Balances - Beginning</b>                          | -                           | -                              | 1,047,114                  |
| 3000 <b>Fund Balances - Ending</b>                             | <u>\$ -</u>                 | <u>\$ -</u>                    | <u>\$ 1,060,881</u>        |

491

| <u>Aquaponics<br/>Project</u> | <u>Total<br/>Nonmajor<br/>Governmental<br/>Funds</u> |
|-------------------------------|--|
| \$ 391                        | \$ 17,177,490  |
| -                             | 5,046,117  |
| -                             | 36,810,940   |
| <u>391</u>                    | <u>59,034,547</u>                                    |
| 391                           | 15,786,111   |
| -                             | 803,868  |
| -                             | 3,786,723  |
| -                             | 250,094  |
| -                             | 497,724  |
| -                             | 4,824,385  |
| -                             | 35   |
| -                             | 271,075  |
| -                             | 228,748  |
| -                             | 23,627,888   |
| -                             | 6,506,291  |
| -                             | 1,060  |
| -                             | 385,466  |
| -                             | 51,388   |
| -                             | 42,193   |
| -                             | 898,667  |
| -                             | 515,544  |
| <u>391</u>                    | <u>58,477,260</u>                                    |
| -                             | 557,287  |
| -                             | 34,697   |
| -                             | 76,311   |
| -                             | (1,560,231)  |
| -                             | (1,449,223)  |
| -                             | (891,936)  |
| -                             | 12,837,067   |
| <u>\$ -</u>                   | <u>\$ 11,945,131</u>                                 |

(This page intentionally left blank)

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

Exhibit G-3

| Data<br>Control<br>Codes              | Budgeted Amounts   |                     | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |                     |
|---------------------------------------|--|---------------------|---------------------|---|---------------------|
|                                       | Original   | Final               |                     |   |                     |
| <b>REVENUES</b>                       |  |                     |                     |   |                     |
| 5700                                  | <i>Local, Intermediate, and Out-of-State</i>                 | \$ 9,673,867        | \$ 9,874,069        | \$ 8,755,111  | \$ (1,118,958)      |
| 5800                                  | <i>State Programs</i>  | 663,599             | 667,177             | 657,401   | (9,776)             |
| 5900                                  | <i>Federal Programs</i>                                      | 15,142,132          | 15,142,132          | 15,372,323  | 230,191             |
| 5020                                  | Total Revenues   | <u>25,479,598</u>   | <u>25,683,378</u>   | <u>24,784,835</u>                                       | <u>(898,543)</u>    |
| <b>EXPENDITURES</b>                   |  |                     |                     |   |                     |
| Current:                              |  |                     |                     |   |                     |
| 0035                                  | <i>Food Services</i>   | 25,252,749          | 25,662,502          | 23,627,888  | 2,034,614           |
| 0051                                  | <i>Plant Maintenance and Operations</i>                      | 301,193             | 301,193             | 300,782   | 411                 |
| 6030                                  | Total Expenditures   | <u>25,553,942</u>   | <u>25,963,695</u>   | <u>23,928,670</u>                                       | <u>2,035,025</u>    |
| 1100                                  | Excess (Deficiency) of Revenues Over<br>(Under) Expenditures | <u>(74,344)</u>     | <u>(280,317)</u>    | <u>856,165</u>  | <u>1,136,482</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b> |  |                     |                     |   |                     |
| 7912                                  | <i>Sale of Real and Personal Property</i>                    | 1,844               | 1,844               | 34,697  | 32,853              |
| 7915                                  | <i>Transfers In</i>  | 72,500              | 72,500              | 76,311  | 3,811               |
| 7080                                  | Total Other Financing Sources (Uses)                         | <u>74,344</u>       | <u>74,344</u>       | <u>111,008</u>  | <u>36,664</u>       |
| 1200                                  | Net Change in Fund Balance                                   | -                   | (205,973)           | 967,173   | 1,173,146           |
| 0100                                  | Fund Balance - Beginning                                     | 4,412,059           | 4,412,059           | 4,412,059   | -                   |
| 3000                                  | <b>Fund Balance - Ending</b>                                 | <u>\$ 4,412,059</u> | <u>\$ 4,206,086</u> | <u>\$ 5,379,232</u>                                     | <u>\$ 1,173,146</u> |

---

## **FIDUCIARY FUND**

---

### **AGENCY FUND**

The District's agency fund is used to account for assets held by the District as an agent for student organizations. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

Exhibit H-1

| <b><u>AGENCY FUND:</u></b>            |   |                      |                      |   |
|---------------------------------------|---|----------------------|----------------------|---|
| <b>Data<br/>Control<br/>Codes</b>     | <b>Beginning<br/>Balance<br/>9/1/2018</b> | <b>Additions</b>     | <b>Deductions</b>    | <b>Ending<br/>Balance<br/>8/31/2019</b> |
| <b>ASSETS</b>                         |   |                      |                      |   |
| 1110 <i>Cash and Cash Equivalents</i> | \$ 895,938                                | \$ 12,486,062        | \$ 11,049,762        | \$ 2,332,238                            |
| 1290 <i>Other Receivables</i>         | 21,214                                    | 28,923               | 21,214               | 28,923                                  |
| 1000 <b>Total Assets</b>              | <b>\$ 917,152</b>                         | <b>\$ 12,514,985</b> | <b>\$ 11,070,976</b> | <b>\$ 2,361,161</b>                     |
| <b>LIABILITIES</b>                    |   |                      |                      |   |
| 2110 <i>Accounts Payable</i>          | \$ 4,793                                  | \$ 1,335,766         | \$ 4,793             | \$ 1,335,766                            |
| 2190 <i>Due to Student Groups</i>     | 912,359                                   | 11,179,219           | 11,066,183           | 1,025,395                               |
| 2000 <b>Total Liabilities</b>         | <b>\$ 917,152</b>                         | <b>\$ 12,514,985</b> | <b>\$ 11,070,976</b> | <b>\$ 2,361,161</b>                     |

(This page intentionally left blank)

---

## **COMPLIANCE SCHEDULE**

---

The Compliance Schedule is required by the Texas Education Agency and is not a required disclosure in the Comprehensive Annual Financial Report.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2019**

| <u>Year Ended</u><br><u>August 31</u> | <u>Tax Rates</u>   |                     | <u>Actual</u><br><u>Taxable Value</u><br><u>For School</u><br><u>Tax Purposes</u> |
|---------------------------------------|--------------------|---------------------|---|
|                                       | <u>Maintenance</u> | <u>Debt Service</u> |   |
| 2010 and Prior Years                  | \$ Various         | \$ Various          | \$ Various  |
| 2011                                  | 1.04               | 0.32                | 11,174,259,635  |
| 2012                                  | 1.04               | 0.37                | 11,869,203,918  |
| 2013                                  | 1.04               | 0.39                | 11,734,906,867  |
| 2014                                  | 1.04               | 0.40                | 12,011,835,149  |
| 2015                                  | 1.04               | 0.39                | 13,977,844,058  |
| 2016                                  | 1.04               | 0.35                | 15,567,321,931  |
| 2017                                  | 1.04               | 0.37                | 17,570,905,964  |
| 2018                                  | 1.04               | 0.39                | 19,094,598,428  |
| 2019 School Year Under Audit          | 1.06               | 0.37                | 19,760,962,804  |
| <b>TOTALS</b>                         |                    |                     |   |

| <b>Beginning<br/>Balance<br/>9/1/2018</b> | <b>Current<br/>Year's<br/>Total Levy</b> | <b>Maintenance<br/>Collections</b> | <b>Debt Service<br/>Collections</b> | <b>Entire<br/>Year's<br/>Adjustments</b> | <b>Ending<br/>Balance<br/>8/31/2019</b> |
|---|--|------------------------------------|-------------------------------------|--|---|
| \$ 982,919                                | \$ -                                     | \$ 31,494                          | \$ 6,900                            | \$ (230,506)                             | \$ 714,019                              |
| 287,069                                   | -  | 7,318                              | 2,604                               | (1,643)                                  | 275,504                                 |
| 334,430                                   | -  | 14,906                             | 5,590                               | 549                                      | 314,483                                 |
| 376,858                                   | -  | 16,519                             | 6,354                               | 21                                       | 354,006                                 |
| 424,261                                   | -  | 40,600                             | 15,225                              | 21,072                                   | 389,508                                 |
| 524,659                                   | -  | 78,825                             | 26,528                              | 34,674                                   | 453,980                                 |
| 669,875                                   | -  | 132,816                            | 47,252                              | 76,704                                   | 566,511                                 |
| 1,277,218                                 | -  | 192,761                            | 72,285                              | (224,030)                                | 788,142                                 |
| 3,981,135                                 | -  | 1,257,509                          | 471,565                             | (948,676)                                | 1,303,385                               |
| -   | 282,581,768                              | 216,764,458                        | 75,663,070                          | 13,166,687                               | 3,320,927                               |
| <b>\$ 8,858,424</b>                       | <b>\$ 282,581,768</b>                    | <b>\$ 218,537,206</b>              | <b>\$ 76,317,373</b>                | <b>\$ 11,894,852</b>                     | <b>\$ 8,480,465</b>                     |

**Reconciliation of Ending Balance to Exhibit B-1:**

|   |               |
|---|---------------|
| Ending Balance at 8/31/19                               | \$ 8,480,465  |
| Less: Uncollectible Taxes                               | (1,701,805)   |
| Add: Penalties & Interest Accrued on Receivable Balance | 4,370,577     |
| Adjusted Ending Balance                                 | 11,149,237    |
| Property Taxes Receivable (Net) per Exhibit B-1         | \$ 11,149,237 |

(This page intentionally left blank)

---

## STATISTICAL SECTION

---

The statistical section of the Klein Independent School District's Comprehensive Annual Financial Report presents detailed information (both of current and historical) as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the District's economic condition and overall financial health. To assist financial statement users, this section is categorized as follows:

### **Financial Trends**

These schedules contain trend information to assist in understanding how the District's financial performance and position have changed over time.

### **Revenue Capacity**

These schedules contain information to help assess the factors affecting the District's most significant local revenue source, the property tax.

### **Debt Capacity**

These schedules present information to assist in assessing the affordability of the District's current debt burden and its ability to issue additional debt in the future. The District is not subject to a legal debt margin.

### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to aid in understanding the socioeconomic environment in which the District operates and to facilitate comparisons over time.

### **Operating Information**

These schedules contain information about the District's operations and resources to assist in using the financial statement information to better understand and assess the District's economic condition.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

|  | <u>2019</u>                   | <u>2018</u>                       | <u>2017</u>                  | <u>2016</u>                  |
|--|-------------------------------|-----------------------------------|------------------------------|------------------------------|
| <b>Governmental Activities:</b>              |                               |                                   |                              |                              |
| Net Investment in Capital Assets             | \$ 76,345,695                 | \$ 74,915,595                     | \$ 79,527,264                | \$ 79,488,178                |
| Restricted                                   | 28,482,722                    | 27,925,315                        | 27,472,410                   | 30,206,175                   |
| Unrestricted                                 | (144,928,563)                 | (161,546,021)                     | 71,495,159                   | 86,653,877                   |
| <b>Total Primary Government Net Position</b> | <b>\$ <u>(40,100,146)</u></b> | <b>\$ <u>(58,705,111)</u> (2)</b> | <b>\$ <u>178,494,833</u></b> | <b>\$ <u>196,348,230</u></b> |

(1) Net position decreased primarily due to a prior period adjustment for GASB 68.

(2) Net position decreased primarily due to a prior period adjustment for GASB 75.

**Table 1**

| <u>2015</u>               | <u>2014</u>           | <u>2013</u>           | <u>2012</u>           | <u>2011</u>           | <u>2010</u>           |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 83,664,009             | \$ 86,495,792         | \$ 91,841,007         | \$ 97,566,894         | \$ 116,250,408        | \$ 97,112,148         |
| 27,859,732                | 26,179,487            | 21,083,922            | 17,712,203            | 27,516,920            | 27,392,482            |
| 87,141,699                | 129,960,846           | 124,057,805           | 125,344,755           | 110,003,812           | 106,680,037           |
| <u>\$ 198,665,440</u> (1) | <u>\$ 242,636,125</u> | <u>\$ 236,982,734</u> | <u>\$ 240,623,852</u> | <u>\$ 253,771,140</u> | <u>\$ 231,184,667</u> |

# KLEIN INDEPENDENT SCHOOL DISTRICT

## CHANGES IN NET POSITION

### LAST TEN FISCAL YEARS

#### (ACCRUAL BASIS OF ACCOUNTING)

|  | <u>2019</u>             | <u>2018</u>             | <u>2017</u>             | <u>2016</u>             |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Expenses</b>  |                         |                         |                         |                         |
| Governmental Activities:   |                         |                         |                         |                         |
| Instruction  | \$ 336,498,692          | \$ 219,985,174          | \$ 302,562,778          | \$ 304,113,383          |
| Instructional Resources and Media Services                               | 5,758,912               | 4,012,887               | 5,872,131               | 5,366,476               |
| Curriculum and Instructional Staff Development                           | 16,774,036              | 9,912,203               | 13,918,101              | 13,238,508              |
| Instructional Leadership   | 4,393,010               | 2,960,023               | 4,708,140               | 3,863,525               |
| School Leadership  | 35,265,987              | 22,411,053              | 30,958,352              | 30,545,804              |
| Guidance, Counseling, and Evaluation Services                            | 31,178,493              | 18,153,980              | 25,963,997              | 24,868,239              |
| Social Work Services   | 619,209                 | 319,702                 | 392,916                 | 437,881                 |
| Health Services  | 6,521,194               | 4,222,768               | 5,765,440               | 5,484,771               |
| Student Transportation   | 16,498,887              | 13,451,366              | 14,669,296              | 13,563,441              |
| Food Services  | 27,399,035              | 19,098,672              | 25,390,491              | 24,183,474              |
| Extracurricular Activities   | 17,393,410              | 14,585,567              | 16,450,685              | 15,584,454              |
| General Administration   | 11,259,864              | 8,729,159               | 10,581,827              | 10,759,626              |
| Plant Maintenance and Operations   | 36,637,208              | 32,872,126              | 35,126,854              | 34,208,250              |
| Security and Monitoring Services   | 6,816,190               | 5,613,791               | 6,128,003               | 6,230,356               |
| Data Processing Services   | 11,937,060              | 9,465,491               | 10,646,336              | 11,331,790              |
| Community Services   | 1,564,297               | 696,243                 | 1,413,527               | 1,025,017               |
| Interest on Long-term Debt   | 45,342,509              | 44,781,279              | 42,018,764              | 38,708,632              |
| Bond Issuance Costs and Fees   | 847,885                 | 1,128,181               | 1,098,266               | 1,343,134               |
| Facilities Repair and Maintenance  | 3,436,397               | 7,271,334               | 14,507,936              | 3,063,663               |
| Payments to Shared Services Arrangements                                 | 601,690                 | 614,273                 | 554,092                 | 531,338                 |
| Payments to Juvenile Justice Alternative Ed. Programs                    | 334,361                 | 344,556                 | 204,017                 | 241,501                 |
| Other Intergovernmental Charges  | 2,191,066               | 2,122,804               | 1,990,384               | 1,830,644               |
| <b>Total Primary Government Expenses</b>                                 | <u>619,269,392</u>      | <u>442,752,632</u>      | <u>570,922,333</u>      | <u>550,523,907</u>      |
| <b>Program Revenues</b>  |                         |                         |                         |                         |
| Governmental Activities:   |                         |                         |                         |                         |
| Charges for Services:  |                         |                         |                         |                         |
| Instruction  | 567,257                 | 561,685                 | 503,180                 | 544,373                 |
| Food Services  | 8,440,734               | 7,784,855               | 9,201,747               | 9,681,304               |
| Extracurricular Activities   | 7,345,793               | 8,378,294               | 7,586,968               | 7,748,386               |
| Other Activities   | 1,755,103               | 4,628,430               | 876,229                 | 877,044                 |
| Operating Grants and Contributions                                       | 85,314,159              | (24,538,225)            | 63,735,482              | 72,598,700              |
| <b>Total Primary Government Program Revenues</b>                         | <u>103,423,046</u>      | <u>(3,184,961)</u>      | <u>81,903,606</u>       | <u>91,449,807</u>       |
| <b>Net (Expense)/Revenue</b>   |                         |                         |                         |                         |
| <b>Total Primary Government Net Expense</b>                              | <u>\$ (515,846,346)</u> | <u>\$ (445,937,593)</u> | <u>\$ (489,018,727)</u> | <u>\$ (459,074,100)</u> |
| <b>General Revenues and Other Changes in Net Position</b>                |                         |                         |                         |                         |
| Governmental Activities:   |                         |                         |                         |                         |
| Property Taxes, Levied for General Purposes                              | \$ 219,961,386          | \$ 209,896,563          | \$ 196,607,111          | \$ 179,128,104          |
| Property Taxes, Levied for Debt Service                                  | 76,710,403              | 78,631,659              | 74,706,981              | 63,292,880              |
| Investment Earnings  | 8,296,940               | 5,204,773               | 2,687,183               | 1,293,324               |
| Grants and Contributions Not Restricted to Specific Programs             | 227,081,601             | 202,377,983             | 194,835,547             | 210,649,814             |
| Miscellaneous  | 2,400,981               | 6,079,242               | 3,720,690               | 2,392,768               |
| Extraordinary Items  | -                       | 712,170                 | (1,392,182)             | -                       |
| <b>Total Primary Government General Revenues and Extraordinary Items</b> | <u>534,451,311</u>      | <u>502,902,390</u>      | <u>471,165,330</u>      | <u>456,756,890</u>      |
| <b>Change in Net Position - Total Primary Government</b>                 | <u>\$ 18,604,965</u>    | <u>\$ 56,964,797</u>    | <u>\$ (17,853,397)</u>  | <u>\$ (2,317,210)</u>   |

Table 2

|    | <u>2015</u>                 | <u>2014</u>                 | <u>2013</u>                 | <u>2012</u>                 | <u>2011</u>                 | <u>2010</u>                 |
|----|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$ | 266,100,967                 | \$ 261,995,657              | \$ 237,402,727              | \$ 228,428,016              | \$ 226,936,309              | \$ 227,259,298              |
|    | 5,053,079                   | 5,141,715                   | 4,735,979                   | 4,597,243                   | 4,665,295                   | 4,676,195                   |
|    | 12,142,990                  | 10,638,923                  | 8,791,759                   | 7,383,084                   | 8,884,156                   | 8,555,952                   |
|    | 3,488,463                   | 3,220,638                   | 2,793,028                   | 2,816,981                   | 3,233,607                   | 3,051,479                   |
|    | 27,312,594                  | 25,250,622                  | 22,703,876                  | 21,257,601                  | 22,680,296                  | 21,530,470                  |
|    | 22,147,773                  | 20,005,177                  | 17,245,827                  | 16,053,051                  | 16,725,075                  | 16,175,961                  |
|    | 344,491                     | 342,695                     | 341,274                     | 335,801                     | 311,120                     | 284,689                     |
|    | 4,831,391                   | 4,674,883                   | 3,973,678                   | 3,758,239                   | 3,927,511                   | 3,744,745                   |
|    | 12,804,878                  | 12,620,591                  | 11,421,613                  | 10,293,905                  | 7,740,516                   | 10,320,720                  |
|    | 24,108,723                  | 23,533,970                  | 21,063,851                  | 20,463,403                  | 20,424,181                  | 18,317,408                  |
|    | 15,215,849                  | 8,093,036                   | 7,264,382                   | 7,096,837                   | 7,072,470                   | 7,016,028                   |
|    | 9,119,865                   | 8,574,785                   | 7,553,949                   | 7,017,401                   | 7,130,879                   | 6,995,391                   |
|    | 31,768,702                  | 32,035,346                  | 30,318,968                  | 30,342,379                  | 30,875,139                  | 32,141,123                  |
|    | 5,953,900                   | 5,103,168                   | 4,422,906                   | 4,157,771                   | 4,630,736                   | 3,956,517                   |
|    | 9,273,936                   | 9,412,906                   | 7,348,984                   | 7,235,616                   | 7,099,607                   | 6,550,447                   |
|    | 892,063                     | 842,374                     | 820,411                     | 758,595                     | 812,290                     | 797,016                     |
|    | 36,248,469                  | 33,162,655                  | 32,297,830                  | 31,923,267                  | 29,288,228                  | 26,158,019                  |
|    | 2,001,163                   | 504,392                     | 1,028,515                   | 30,312                      | 572,296                     | 293,400                     |
|    | 5,484,843                   | 2,388,678                   | 6,098,178                   | 21,537,898                  | (8,862,409)                 | 7,151,895                   |
|    | 446,994                     | 428,169                     | 417,838                     | 442,927                     | 373,556                     | 413,808                     |
|    | 273,555                     | 195,232                     | 116,444                     | 95,784                      | 59,982                      | 92,232                      |
|    | <u>1,730,065</u>            | <u>1,498,385</u>            | <u>1,447,764</u>            | <u>1,489,863</u>            | <u>1,489,965</u>            | <u>1,441,158</u>            |
|    | <u>496,744,753</u>          | <u>469,663,997</u>          | <u>429,609,781</u>          | <u>427,515,974</u>          | <u>396,070,805</u>          | <u>406,923,951</u>          |
|    | 576,518                     | 6,249,630                   | 6,773,107                   | 5,811,787                   | 416,506                     | 475,413                     |
|    | 9,675,609                   | 9,462,827                   | 9,420,047                   | 8,842,033                   | 9,158,425                   | 9,492,564                   |
|    | 7,954,832                   | 972,415                     | 924,248                     | 927,954                     | 6,936,180                   | 6,463,566                   |
|    | 2,076,814                   | 801,287                     | 275,758                     | 225,114                     | 154,445                     | 185,458                     |
|    | <u>65,067,570</u>           | <u>63,705,418</u>           | <u>56,014,013</u>           | <u>65,592,853</u>           | <u>68,781,819</u>           | <u>68,483,283</u>           |
|    | <u>85,351,343</u>           | <u>81,191,577</u>           | <u>73,407,173</u>           | <u>81,399,741</u>           | <u>85,447,375</u>           | <u>85,100,284</u>           |
| \$ | <u><b>(411,393,410)</b></u> | <u><b>(388,472,420)</b></u> | <u><b>(356,202,608)</b></u> | <u><b>(346,116,233)</b></u> | <u><b>(310,623,430)</b></u> | <u><b>(321,823,667)</b></u> |
| \$ | 162,012,918                 | \$ 143,367,503              | \$ 132,808,947              | \$ 131,996,247              | \$ 130,391,777              | \$ 134,619,451              |
|    | 54,807,873                  | 54,028,207                  | 51,399,561                  | 49,968,675                  | 46,602,489                  | 41,700,392                  |
|    | 951,706                     | 340,241                     | 656,765                     | 403,110                     | 542,000                     | 1,215,906                   |
|    | 206,980,778                 | 194,177,589                 | 171,074,720                 | 150,136,654                 | 155,453,082                 | 150,113,558                 |
|    | 1,068,558                   | 2,212,271                   | 708,269                     | 464,259                     | 220,555                     | 501,703                     |
|    | -                           | -                           | -                           | -                           | -                           | -                           |
|    | <u>425,821,833</u>          | <u>394,125,811</u>          | <u>356,648,262</u>          | <u>332,968,945</u>          | <u>333,209,903</u>          | <u>328,151,010</u>          |
| \$ | <u><b>14,428,423</b></u>    | <u><b>5,653,391</b></u>     | <u><b>445,654</b></u>       | <u><b>(13,147,288)</b></u>  | <u><b>22,586,473</b></u>    | <u><b>6,327,343</b></u>     |

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|   | <u>2019</u>                  | <u>2018</u>                  | <u>2017</u>                  | <u>2016</u>                  |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>General Fund (2)</b>                   |                              |                              |                              |                              |
| Nonspendable                              | \$ 2,697,764                 | \$ 2,508,812                 | \$ 2,102,815                 | \$ 1,783,786                 |
| Restricted                                | -                            | -                            | 1,758,031                    | 3,075,533                    |
| Committed                                 | -                            | 22,694,356                   | -                            | 14,045,900                   |
| Assigned                                  | 90,035,019                   | 44,723,594                   | 61,782,500                   | 80,899,438                   |
| Unassigned                                | 85,024,544                   | 69,795,426                   | 72,038,231                   | 46,078,491                   |
| Reserved                                  | -                            | -                            | -                            | -                            |
| Unreserved                                | -                            | -                            | -                            | -                            |
| <b>Total General Fund</b>                 | <b><u>\$ 177,757,327</u></b> | <b><u>\$ 139,722,188</u></b> | <b><u>\$ 137,681,577</u></b> | <b><u>\$ 145,883,148</u></b> |
| <br>                                      |                              |                              |                              |                              |
| <b>All Other Governmental Funds (2)</b>   |                              |                              |                              |                              |
| Nonspendable                              | \$ 48,486                    | \$ 29,145                    | \$ 33,444                    | \$ 756,393                   |
| Restricted                                | 120,144,673                  | 117,605,300                  | 119,403,922                  | 102,530,553                  |
| Committed                                 | 6,561,775                    | 7,663,735                    | 5,523,593                    | 5,378,336                    |
| Reserved (3)                              | -                            | -                            | -                            | -                            |
| <b>Total All Other Governmental Funds</b> | <b><u>\$ 126,754,934</u></b> | <b><u>\$ 125,298,180</u></b> | <b><u>\$ 124,960,959</u></b> | <b><u>\$ 108,665,282</u></b> |

- (1) Beginning with fiscal year 2011, GASB Statement No. 54 provides more clearly defined fund balance categories.
- (2) The increases/decreases in fund balances are explained in the governmental funds section of the Management's Discussion and Analysis.
- (3) The fluctuations were primarily due to the unspent bond proceeds for capital projects.

Table 3

| <u>2015</u>           | <u>2014</u>           | <u>2013</u>           | <u>2012</u>           | <u>2011 (1)</u>       | <u>2010</u>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 2,031,540          | \$ 2,077,777          | \$ 2,398,595          | \$ 2,397,862          | \$ 2,277,226          | \$ -                  |
| 3,007,210             | 3,212,274             | 3,347,006             | 3,200,295             | 3,156,524             | -                     |
| 14,691,800            | -                     | 1,415,000             | 3,300,000             | 3,700,000             | -                     |
| 58,727,022            | 79,111,760            | 74,336,973            | 52,554,775            | 48,703,900            | -                     |
| 60,624,373            | 43,880,808            | 35,843,498            | 50,168,919            | 46,782,498            | -                     |
| -                     | -                     | -                     | -                     | -                     | 18,631,069            |
| -                     | -                     | -                     | -                     | -                     | 77,455,372            |
| <u>\$ 139,081,945</u> | <u>\$ 128,282,619</u> | <u>\$ 117,341,072</u> | <u>\$ 111,621,851</u> | <u>\$ 104,620,148</u> | <u>\$ 96,086,441</u>  |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 692,248            | \$ 835,914            | \$ 626,940            | \$ 623,138            | \$ 681,239            | \$ -                  |
| 245,078,831           | 69,288,389            | 70,449,813            | 105,908,645           | 183,231,527           | -                     |
| 4,923,894             | 4,634,190             | 7,945,659             | 7,313,627             | 6,738,527             | -                     |
| -                     | -                     | -                     | -                     | -                     | 189,426,064           |
| <u>\$ 250,694,973</u> | <u>\$ 74,758,493</u>  | <u>\$ 79,022,412</u>  | <u>\$ 113,845,410</u> | <u>\$ 190,651,293</u> | <u>\$ 189,426,064</u> |

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|  | <u>2019</u>                 | <u>2018</u>                | <u>2017</u>                |
|--|-----------------------------|----------------------------|----------------------------|
| <b>REVENUES</b>  |                             |                            |                            |
| Local, Intermediate, and Out-of-State                              | \$ 327,462,911              | \$ 321,609,273             | \$ 294,654,365             |
| State Programs   | 248,300,735                 | 224,228,095                | 216,482,265 (4)            |
| Federal Programs   | 46,557,159                  | 48,916,751                 | 37,833,273                 |
| Total Revenues   | <u>622,320,805</u>          | <u>594,754,119</u>         | <u>548,969,903</u>         |
| <b>EXPENDITURES</b>  |                             |                            |                            |
| Current:   |                             |                            |                            |
| Instruction (1)  | 293,827,321                 | 300,003,279                | 280,378,113                |
| Instructional Resources and Media Services                         | 5,176,204                   | 4,996,803                  | 5,521,936                  |
| Curriculum and Instructional Staff Development                     | 15,102,392                  | 13,768,359                 | 13,084,592                 |
| Instructional Leadership   | 3,990,607                   | 4,648,663                  | 4,414,194                  |
| School Leadership  | 31,390,711                  | 30,783,223                 | 28,828,086                 |
| Guidance, Counseling, and Evaluation Services                      | 27,399,588                  | 26,772,972                 | 24,438,551                 |
| Social Work Services   | 571,155                     | 515,924                    | 389,809                    |
| Health Services  | 5,821,830                   | 5,652,413                  | 5,379,602                  |
| Student Transportation   | 16,463,650                  | 16,075,452                 | 13,066,425                 |
| Food Services  | 24,276,881                  | 23,485,904                 | 23,673,901                 |
| Extracurricular Activities   | 16,100,891                  | 16,313,944                 | 15,681,648                 |
| General Administration   | 10,696,770                  | 11,591,603                 | 10,371,524                 |
| Plant Maintenance and Operations                                   | 34,852,941                  | 35,843,692                 | 33,455,017                 |
| Security and Monitoring Services                                   | 6,121,451                   | 6,756,825                  | 6,021,987                  |
| Data Processing Services   | 12,892,663                  | 11,623,353                 | 10,411,220                 |
| Community Services   | 1,280,029                   | 1,353,750                  | 1,435,557                  |
| Debt Service: (2)  |                             |                            |                            |
| Principal on Long-term Debt  | 35,855,000                  | 37,075,000                 | 35,790,000                 |
| Interest on Long-term Debt   | 49,572,697                  | 45,252,061                 | 43,856,249                 |
| Bond Issuance Costs and Fees                                       | 847,885                     | 1,128,181                  | 1,098,266                  |
| Capital Outlay:  |                             |                            |                            |
| Facilities Acquisition and Construction (3)                        | 66,406,277                  | 90,198,390                 | 140,575,834                |
| Intergovernmental:   |                             |                            |                            |
| Payments to Shared Services Arrangements                           | 601,690                     | 614,273                    | 554,092                    |
| Payments to Juvenile Justice Alternative Education Programs        | 334,361                     | 344,556                    | 204,017                    |
| Other Intergovernmental Charges                                    | 2,191,066                   | 2,122,804                  | 1,990,384                  |
| Total Expenditures   | <u>661,774,060</u>          | <u>686,921,424</u>         | <u>700,621,004</u>         |
| Excess (Deficiency) of Revenues Over<br>(Under) Expenditures       | <u>(39,453,255)</u>         | <u>(92,167,305)</u>        | <u>(151,651,101)</u>       |
| <b>OTHER FINANCING SOURCES (USES) AND EXTRAORDINARY ITEMS</b>      |                             |                            |                            |
| Issuance of Capital-Related Bonds                                  | 69,865,000                  | 88,985,000                 | 145,890,000                |
| Issuance of Refunding Bonds  | 8,100,000                   | 12,310,000                 | -                          |
| Premium/Discount from Issuance of Bonds                            | 10,488,977                  | 6,827,826                  | 15,204,877                 |
| Sale of Real and Personal Property                                 | 166,569                     | 63,849                     | 42,512                     |
| Insurance Proceeds   | -                           | -                          | -                          |
| Transfers In   | 1,632,731                   | 71,250                     | 70,000                     |
| Transfers Out  | (1,632,731)                 | (71,250)                   | (70,000)                   |
| Payment to Refunded Bond Escrow Agent                              | (9,675,398)                 | (14,353,708)               | -                          |
| Extraordinary Items  | -                           | 712,170                    | (1,392,182)                |
| Total Other Financing Sources (Uses) and Extraordinary Items       | <u>78,945,148</u>           | <u>94,545,137</u>          | <u>159,745,207</u>         |
| <b>Net Change in Fund Balances</b>                                 | <b>\$ <u>39,491,893</u></b> | <b>\$ <u>2,377,832</u></b> | <b>\$ <u>8,094,106</u></b> |
| <b>Debt Service as a Percentage of Noncapital Expenditures (2)</b> | 14.42%                      | 13.73%                     | 13.92%                     |

(1) Expenditures for instruction have risen over the past ten years due to fast student growth.

(2) Noncapital expenditures consist of total expenditures less capital outlays noted in the reconciliation of governmental funds to governmental activities. Debt service includes principal and interest only.

Table 4

|    | <u>2016</u>                 | <u>2015</u>               | <u>2014</u>             | <u>2013</u>                | <u>2012</u>                | <u>2011</u>             | <u>2010</u>              |
|----|-----------------------------|---------------------------|-------------------------|----------------------------|----------------------------|-------------------------|--------------------------|
| \$ | 266,519,005                 | \$ 239,358,880            | \$ 217,841,699          | \$ 204,262,883             | \$ 199,547,347             | \$ 195,135,296          | \$ 194,875,123           |
|    | 236,563,481 (4)             | 238,088,445               | 223,969,748             | 193,988,410                | 178,791,537                | 174,003,953             | 169,083,287              |
|    | 36,472,254                  | 33,996,147                | 32,230,586              | 32,303,258                 | 36,168,738                 | 49,596,155              | 49,054,502               |
|    | <u>539,554,740</u>          | <u>511,443,472</u>        | <u>474,042,033</u>      | <u>430,554,551</u>         | <u>414,507,622</u>         | <u>418,735,404</u>      | <u>413,012,912</u>       |
|    | 278,892,090                 | 254,931,476               | 244,961,463             | 228,421,970                | 219,544,329                | 215,421,836             | 219,506,912              |
|    | 5,150,327                   | 4,829,600                 | 4,812,891               | 4,528,306                  | 4,404,689                  | 4,540,607               | 4,488,172                |
|    | 13,118,808                  | 12,018,105                | 10,272,298              | 8,630,149                  | 7,279,333                  | 8,634,881               | 8,377,827                |
|    | 3,761,756                   | 3,449,797                 | 3,194,789               | 2,740,767                  | 2,786,900                  | 3,199,092               | 2,965,176                |
|    | 27,862,437                  | 26,266,362                | 23,646,088              | 21,601,616                 | 20,242,960                 | 21,314,541              | 20,500,683               |
|    | 23,528,336                  | 21,595,133                | 19,118,162              | 16,652,008                 | 15,552,339                 | 15,976,596              | 15,525,757               |
|    | 435,507                     | 350,430                   | 342,660                 | 340,865                    | 335,717                    | 308,251                 | 287,298                  |
|    | 5,032,069                   | 4,626,359                 | 4,331,424               | 3,749,147                  | 3,576,446                  | 3,692,921               | 3,571,320                |
|    | 14,299,437                  | 12,132,350                | 11,733,461              | 10,513,598                 | 9,831,779                  | 11,623,856              | 10,725,430               |
|    | 23,023,338                  | 22,901,090                | 22,398,855              | 20,090,723                 | 19,629,942                 | 19,169,730              | 17,973,253               |
|    | 14,393,470                  | 14,733,324                | 7,340,347               | 6,822,027                  | 6,645,847                  | 6,643,691               | 6,641,773                |
|    | 9,511,006                   | 9,222,576                 | 8,541,307               | 7,575,212                  | 6,997,310                  | 7,045,050               | 6,932,585                |
|    | 32,768,680                  | 30,474,136                | 30,801,398              | 29,397,947                 | 30,019,180                 | 30,118,417              | 31,281,461               |
|    | 5,953,443                   | 5,658,847                 | 5,079,679               | 4,340,696                  | 4,072,466                  | 4,501,082               | 3,780,272                |
|    | 10,365,775                  | 7,776,823                 | 7,129,217               | 5,835,742                  | 5,833,107                  | 5,608,809               | 5,405,260                |
|    | 1,040,869                   | 926,002                   | 836,262                 | 832,559                    | 749,323                    | 803,375                 | 787,212                  |
|    | 31,955,000                  | 30,775,000                | 33,375,232              | 29,154,981                 | 28,207,440                 | 23,555,000              | 23,620,000               |
|    | 40,610,877                  | 37,739,074                | 34,609,848              | 34,138,584                 | 31,695,184                 | 30,610,055              | 25,456,550               |
|    | 1,343,134                   | 2,001,163                 | 29,160                  | 1,023,534                  | 353,053                    | 579,357                 | 1,528,515                |
|    | 130,389,392                 | 76,413,336                | 40,883,290              | 60,499,465                 | 122,218,814                | 77,836,659              | 103,993,554              |
|    | 531,338                     | 446,994                   | 428,169                 | 417,838                    | 442,927                    | 373,556                 | 413,808                  |
|    | 241,501                     | 273,555                   | 195,232                 | 116,444                    | 95,784                     | 59,982                  | 92,232                   |
|    | 1,830,644                   | 1,730,065                 | 1,498,385               | 1,447,764                  | 1,489,863                  | 1,489,965               | 1,441,158                |
|    | <u>676,039,234</u>          | <u>581,271,597</u>        | <u>515,559,617</u>      | <u>498,871,942</u>         | <u>542,004,732</u>         | <u>493,107,309</u>      | <u>515,296,208</u>       |
|    | <u>(136,484,494)</u>        | <u>(69,828,125)</u>       | <u>(41,517,584)</u>     | <u>(68,317,391)</u>        | <u>(127,497,110)</u>       | <u>(74,371,905)</u>     | <u>(102,283,296)</u>     |
|    | -                           | 242,015,000               | 44,000,000              | 36,840,000                 | 51,115,000                 | 83,900,000              | 127,000,000              |
|    | 152,870,000                 | 62,585,000                | -                       | 69,945,000                 | 18,390,000                 | -                       | 29,240,000               |
|    | 19,984,986                  | 24,217,299                | 899,845                 | 13,331,052                 | 8,291,398                  | 111,617                 | 6,408,464                |
|    | 153,079                     | 324,532                   | 1,710,665               | 490,855                    | 168,546                    | 119,224                 | 114,632                  |
|    | -                           | -                         | -                       | -                          | 38,834                     | -                       | 127,127                  |
|    | 68,750                      | 67,500                    | 3,052,202               | 65,000                     | 1,512,268                  | 85,000                  | 3,152,886                |
|    | (68,750)                    | (67,500)                  | (1,467,500)             | (65,000)                   | (1,512,268)                | (85,000)                | (3,152,886)              |
|    | (171,482,842)               | (72,577,900)              | -                       | (81,393,293)               | (20,310,848)               | -                       | (32,486,392)             |
|    | (269,217)                   | -                         | -                       | -                          | -                          | -                       | -                        |
|    | <u>1,256,006</u>            | <u>256,563,931</u>        | <u>48,195,212</u>       | <u>39,213,614</u>          | <u>57,692,930</u>          | <u>84,130,841</u>       | <u>130,403,831</u>       |
| \$ | <u><b>(135,228,488)</b></u> | <u><b>186,735,806</b></u> | <u><b>6,677,628</b></u> | <u><b>(29,103,777)</b></u> | <u><b>(69,804,180)</b></u> | <u><b>9,758,936</b></u> | <u><b>28,120,535</b></u> |
|    | 13.35%                      | 13.48%                    | 14.35%                  | 14.36%                     | 13.67%                     | 13.64%                  | 11.90%                   |

(3) Fluctuations are due to changes in annual construction contracts.

(4) Decrease in state aid is due to the increase in property taxes related to property value increases.

(This page intentionally left blank)

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

**Table 5**

| <b>Fiscal Year<br/>Ended 8/31:</b> | <b>Assessed Value (3)</b>          |  |                             | <b>Actual Taxable<br/>Value</b> | <b>Total<br/>Direct<br/>Rate (2)</b> |
|------------------------------------|------------------------------------|--|-----------------------------|---------------------------------|--------------------------------------|
|                                    | <b>Real Property<br/>Value (1)</b> | <b>Personal Property<br/>Value (1)</b> | <b>Less:<br/>Exemptions</b> |                                 |                                      |
| 2019                               | \$ 20,165,672,672                  | \$ 1,538,841,173                       | \$ 1,943,551,041            | \$ 19,760,962,804               | \$ 1.4300                            |
| 2018                               | 21,242,399,971                     | 1,373,649,070                          | 3,521,450,613               | 19,094,598,428                  | 1.4300                               |
| 2017                               | 19,666,654,889                     | 1,518,378,340                          | 3,614,127,265               | 17,570,905,964                  | 1.4300                               |
| 2016                               | 17,484,252,247                     | 1,701,877,578                          | 3,618,807,894               | 15,567,321,931                  | 1.4100                               |
| 2015                               | 15,345,634,575                     | 1,539,123,969                          | 2,906,914,486               | 13,977,844,058                  | 1.3900                               |
| 2014                               | 13,632,247,916                     | 750,942,078                            | 2,371,354,845               | 12,011,835,149                  | 1.4300                               |
| 2013                               | 13,229,882,647                     | 1,193,301,696                          | 2,688,277,476               | 11,734,906,867                  | 1.4400                               |
| 2012                               | 13,374,069,141                     | 1,009,325,197                          | 2,514,190,420               | 11,869,203,918                  | 1.4300                               |
| 2011                               | 12,597,717,816                     | 1,064,690,098                          | 2,488,148,279               | 11,174,259,635                  | 1.4100                               |
| 2010                               | 12,544,497,254                     | 1,196,994,058                          | 2,382,578,735               | 11,358,912,577                  | 1.3600                               |

- (1) The value is the appraised value at original certification and fluctuates due to property owner protests and preliminary appraisal values at the time of certification.
- (2) Tax Rates are per \$100 of actual taxable value.
- (3) Information to present more categories of assessed value is not readily available.

Source: Harris County (Texas) Appraisal District annually provides the District's tax office with appraised values for properties within the District's taxing authority. Appraised value equals assessed value. Assessed value less exemptions equals actual taxable value. Actual taxable value times the tax rate set by the District's Board of Trustees each fall equals the tax levy.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(PER \$100 OF ASSESSED VALUE)**

| Taxing Authority                         | 2019             | 2018             | 2017             | 2016             |
|--|------------------|------------------|------------------|------------------|
| <b><u>Overlapping Rates:</u></b>         |                  |                  |                  |                  |
| Bilma PUD                                | \$ 0.5200        | \$ 0.5300        | \$ 0.5300        | \$ 0.5600        |
| Bridgestone MUD                          | 0.5200           | 0.5200           | 0.5500           | 0.6000           |
| Charterwood MUD                          | 0.4200           | 0.4200           | 0.4200           | 0.4400           |
| Cypress Forest PUD                       | 0.2900           | 0.2900           | 0.2800           | 0.2930           |
| Cypress Klein UD                         | 0.1150           | 0.1120           | 0.1500           | 0.1700           |
| Cypresswood UD                           | 0.3600           | 0.3600           | 0.3600           | 0.3500           |
| Dowdell PUD- Defined Area                | 0.3800           | 0.3800           | 0.0000           | 0.0000           |
| Dowdell PUD                              | 0.8400           | 0.8400           | 0.8500           | 0.9000           |
| Encanto Real UD                          | 0.9100           | 0.9300           | 0.9875           | 0.9875           |
| Fountainhead MUD                         | 0.5600           | 0.5800           | 0.6050           | 0.6300           |
| Harris County MUD No. 1                  | 0.7450           | 0.7850           | 0.8000           | 0.9200           |
| Harris County MUD No. 24                 | 0.4500           | 0.4600           | 0.5100           | 0.5400           |
| Harris County MUD No. 104                | 0.4200           | 0.4200           | 0.4350           | 0.4800           |
| Harris County MUD No. 118                | 0.5200           | 0.5660           | 0.5700           | 0.6400           |
| Harris County MUD No. 119                | 0.4600           | 0.4610           | 0.4610           | 0.4850           |
| Harris County MUD No. 150                | 0.7000           | 0.7200           | 0.7600           | 0.8400           |
| Harris County MUD No. 180                | 0.7270           | 0.7270           | 0.7550           | 0.7950           |
| Harris County MUD No. 202                | 1.2500           | 1.2500           | 1.2500           | 1.2500           |
| Harris County MUD No. 275                | 0.8000           | 0.9000           | 0.9000           | 0.9000           |
| Harris County MUD No. 316                | 0.6000           | 0.5100           | 0.5100           | 0.5300           |
| Harris County MUD No. 366                | 0.1600           | 0.1600           | 0.1800           | 0.2000           |
| Harris County MUD No. 367                | 0.6100           | 0.6200           | 0.6200           | 0.6700           |
| Harris County MUD No. 368                | 0.7000           | 0.7000           | 0.7200           | 0.7900           |
| Harris County MUD No. 383                | 0.7500           | 0.7700           | 0.7700           | 0.8400           |
| Harris County MUD No. 401                | 1.0100           | 1.0300           | 1.0500           | 1.1300           |
| Harris County MUD No. 468                | 0.5700           | 0.5700           | 0.6650           | 0.7400           |
| Harris County MUD No. 530                | 1.2500           | 1.2500           | 1.2500           | 0.0000           |
| Harris County WC&ID No. 109              | 0.2500           | 0.2500           | 0.2500           | 0.2500           |
| Harris County WC&ID No. 110              | 0.4000           | 0.4300           | 0.4300           | 0.4400           |
| Harris County WC&ID No. 114              | 0.2500           | 0.2500           | 0.2500           | 0.2500           |
| Harris County WC&ID No. 116              | 0.2380           | 0.2150           | 0.2150           | 0.1000           |
| Harris County WC&ID No. 119              | 0.4800           | 0.4800           | 0.4800           | 0.5200           |
| Harris County WC&ID No. 132              | 0.3900           | 0.4400           | 0.4400           | 0.4700           |
| Harris County WC&ID No. 133              | 0.7590           | 0.7700           | 0.8000           | 0.9400           |
| Heatherloch MUD                          | 0.3900           | 0.3900           | 0.3900           | 0.3900           |
| Klein PUD                                | 0.4300           | 0.4300           | 0.4300           | 0.4300           |
| Kleinwood MUD                            | 0.3950           | 0.3950           | 0.4050           | 0.4300           |
| Lonestar College System (1)              | 0.1078           | 0.1078           | 0.1078           | 0.1079           |
| Louetta North PUD                        | 0.2600           | 0.2600           | 0.2600           | 0.2700           |
| Louetta Road UD                          | 0.3800           | 0.4300           | 0.4325           | 0.4400           |
| Meadowhill Regional MUD                  | 0.7200           | 0.7500           | 0.7900           | 0.7900           |
| Northampton MUD                          | 0.5800           | 0.5800           | 0.5800           | 0.6100           |
| Northampton MUD - Defined Area           | 0.6400           | 0.6400           | 0.6400           | 0.0000           |
| Northwest Harris County MUD No. 6        | 0.3830           | 0.3830           | 0.3830           | 0.3900           |
| Northwest Harris County MUD No. 19       | 0.7800           | 0.8000           | 0.8200           | 0.8800           |
| Northwest Harris County MUD No. 24       | 0.5800           | 0.5800           | 0.6000           | 0.7000           |
| Northwest Harris County MUD No. 28       | 0.6800           | 0.6800           | 0.6600           | 0.6800           |
| Northwest Harris County MUD No. 30       | 0.6800           | 0.6800           | 0.6800           | 0.7200           |
| Northwest Harris County MUD No. 32       | 0.6600           | 0.7000           | 0.7000           | 0.7200           |
| Northwest Harris County MUD No. 36       | 0.7800           | 0.7900           | 0.7950           | 0.8100           |
| Northwest Park MUD                       | 0.4280           | 0.4300           | 0.4400           | 0.4500           |
| Oakmont PUD                              | 0.8600           | 0.8700           | 0.9000           | 1.0000           |
| Shasla PUD                               | 0.9200           | 0.9410           | 0.9550           | 1.0100           |
| Spring Creek Forest PUD                  | 0.4700           | 0.4700           | 0.4700           | 0.4650           |
| Spring West MUD                          | 0.7400           | 0.7900           | 0.8200           | 0.8200           |
| Terranova West MUD                       | 0.6400           | 0.6400           | 0.6400           | 0.6500           |
| Harris County (2)                        | \$ 0.4186        | \$ 0.4180        | \$ 0.4166        | \$ 0.4192        |
| Houston, City of                         | 0.5883           | 0.5842           | 0.5864           | 0.6011           |
| Total Harris County/City of Houston      | \$ <u>1.0069</u> | \$ <u>1.0022</u> | \$ <u>1.0030</u> | \$ <u>1.0203</u> |
| <b><u>District Direct Rates (3):</u></b> |                  |                  |                  |                  |
| Maintenance & Operations                 | \$ 1.0600        | \$ 1.0400        | \$ 1.0400        | \$ 1.0400        |
| Debt Service                             | 0.3700           | 0.3900           | 0.3900           | 0.3700           |
| <b>Total District Direct Rates</b>       | \$ <u>1.4300</u> | \$ <u>1.4300</u> | \$ <u>1.4300</u> | \$ <u>1.4100</u> |

(1) Formerly North Harris Montgomery CCD.

(2) Includes Harris County, Harris County Flood Control District, Hospital District, Dept. of Education and Port of Houston Authority.

Source: Harris County Appraisal District

Table 6

| 2015      | 2014      | 2013      | 2012      | 2011      | 2010      |
|-----------|-----------|-----------|-----------|-----------|-----------|
| \$ 0.5700 | \$ 0.5900 | \$ 0.5900 | \$ 0.5900 | \$ 0.5600 | \$ 0.5600 |
| 0.7100    | 0.7500    | 0.7500    | 0.7500    | 0.7500    | 0.7500    |
| 0.5400    | 0.5900    | 0.6400    | 0.6400    | 0.6400    | 0.6400    |
| 0.3219    | 0.3240    | 0.3240    | 0.3240    | 0.3100    | 0.3100    |
| 0.2000    | 0.2200    | 0.2400    | 0.2500    | 0.2450    | 0.2300    |
| 0.3600    | 0.3700    | 0.3700    | 0.3000    | 0.2500    | 0.2500    |
| 0.0000    | 0.0000    | 0.0000    | 0.0000    | 0.0000    | 0.0000    |
| 0.9200    | 0.9200    | 0.9200    | 0.8800    | 0.8500    | 0.8500    |
| 0.9875    | 0.9875    | 0.9875    | 0.9400    | 0.9400    | 0.9400    |
| 0.6500    | 0.6700    | 0.6700    | 0.6700    | 0.5500    | 0.5350    |
| 0.9700    | 1.0200    | 1.0300    | 1.0400    | 1.0400    | 1.0500    |
| 0.5700    | 0.5900    | 0.6000    | 0.6000    | 0.6000    | 0.6000    |
| 0.5000    | 0.5500    | 0.5500    | 0.5500    | 0.5500    | 0.5500    |
| 0.7200    | 0.7200    | 0.7200    | 0.6500    | 0.6000    | 0.6000    |
| 0.4850    | 0.5150    | 0.4700    | 0.4600    | 0.4600    | 0.4600    |
| 0.9400    | 0.9800    | 0.9800    | 0.9500    | 0.9300    | 0.8500    |
| 0.8300    | 0.9800    | 0.9800    | 0.9000    | 0.9000    | 0.9000    |
| 1.2500    | 1.2500    | 1.2500    | 1.2500    | 1.2500    | 1.2500    |
| 0.9000    | 1.0000    | 1.0000    | 1.1000    | 1.3500    | 1.3500    |
| 0.6000    | 0.6700    | 0.7200    | 0.7200    | 0.7500    | 0.7200    |
| 0.2000    | 0.2500    | 0.2500    | 0.2500    | 0.2500    | 0.2500    |
| 0.6850    | 0.7000    | 0.7000    | 0.7100    | 0.7400    | 0.7500    |
| 0.8700    | 0.9950    | 0.9950    | 0.9450    | 0.9300    | 0.9300    |
| 0.8900    | 0.9400    | 0.9400    | 0.9400    | 0.9400    | 0.9400    |
| 1.1850    | 1.2500    | 1.2500    | 1.2500    | 1.2500    | 1.2500    |
| 0.7900    | 0.8400    | 0.8500    | 0.8500    | 0.8500    | 0.8500    |
| 0.0000    | 0.0000    | 0.0000    | 0.0000    | 0.0000    | 0.0000    |
| 0.2500    | 0.2500    | 0.2500    | 0.2500    | 0.2500    | 0.2500    |
| 0.4600    | 0.5300    | 0.5400    | 0.5500    | 0.5500    | 0.5300    |
| 0.3000    | 0.3000    | 0.3000    | 0.3000    | 0.3000    | 0.3000    |
| 0.1000    | 0.1000    | 0.1000    | 0.1000    | 0.1000    | 0.1000    |
| 0.5400    | 0.5900    | 0.5900    | 0.5500    | 0.5500    | 0.5500    |
| 0.4800    | 0.4500    | 0.4400    | 0.3900    | 0.3500    | 0.3500    |
| 0.9700    | 0.9900    | 0.9900    | 0.9900    | 0.9900    | 0.8200    |
| 0.3950    | 0.3950    | 0.3950    | 0.3750    | 0.3750    | 0.3600    |
| 0.4300    | 0.4300    | 0.4300    | 0.4300    | 0.4280    | 0.4150    |
| 0.4700    | 0.5300    | 0.5600    | 0.6000    | 0.6300    | 0.6300    |
| 0.1081    | 0.1160    | 0.1198    | 0.1210    | 0.1176    | 0.1101    |
| 0.2800    | 0.3100    | 0.3600    | 0.4200    | 0.4200    | 0.4300    |
| 0.4750    | 0.5000    | 0.5000    | 0.4900    | 0.4900    | 0.4850    |
| 0.7900    | 0.8750    | 0.9400    | 0.9400    | 0.9400    | 0.9400    |
| 0.6100    | 0.6100    | 0.6100    | 0.6100    | 0.6100    | 0.6100    |
| 0.0000    | 0.0000    | 0.0000    | 0.0000    | 0.0000    | 0.0000    |
| 0.3900    | 0.3900    | 0.3900    | 0.3900    | 0.3900    | 0.3900    |
| 0.9900    | 1.1200    | 1.1200    | 1.1200    | 1.0900    | 1.0300    |
| 0.8000    | 0.8300    | 0.8300    | 0.8300    | 0.8800    | 1.0000    |
| 0.6800    | 0.6800    | 0.6800    | 0.6800    | 0.6800    | 0.6800    |
| 0.7500    | 0.8000    | 0.8000    | 0.8000    | 0.8000    | 0.7700    |
| 0.7900    | 0.8950    | 0.9100    | 0.9100    | 0.9100    | 0.9100    |
| 0.8500    | 0.8660    | 0.8660    | 0.8300    | 0.8300    | 0.8300    |
| 0.4800    | 0.5200    | 0.5500    | 0.5200    | 0.5000    | 0.4800    |
| 1.1000    | 1.2400    | 1.2500    | 1.2500    | 1.2500    | 1.2500    |
| 1.0900    | 1.1900    | 1.0950    | 0.9680    | 0.9680    | 0.9400    |
| 0.4750    | 0.4900    | 0.4950    | 0.4950    | 0.4950    | 0.4950    |
| 0.9000    | 0.9800    | 1.0200    | 1.0500    | 1.0600    | 1.0900    |
| 0.6800    | 0.6900    | 0.6900    | 0.6900    | 0.6900    | 0.6900    |
| \$ 0.4173 | \$ 0.6363 | \$ 0.6366 | \$ 0.6366 | \$ 0.6366 | \$ 0.6360 |
| 0.6311    | 0.6388    | 0.6388    | 0.6388    | 0.6388    | 0.6388    |
| \$ 1.0484 | \$ 1.2751 | \$ 1.2754 | \$ 1.2754 | \$ 1.2754 | \$ 1.2748 |
| \$ 1.0400 | \$ 1.0400 | \$ 1.0400 | \$ 1.0400 | \$ 1.0400 | \$ 1.0400 |
| 0.3500    | 0.3900    | 0.4000    | 0.3900    | 0.3700    | 0.3200    |
| \$ 1.3900 | \$ 1.4300 | \$ 1.4400 | \$ 1.4300 | \$ 1.4100 | \$ 1.3600 |

(3) The District voted its maintenance tax under former Article 2784e-1 which provided for a maximum maintenance tax rate of \$1.50 per \$100 actual taxable valuation. Effective with the fiscal year 2007, State legislation limits the rate to the lessor of \$1.50 or the sum of the product of the "state compression percentage" multiplied by \$1.50 plus \$0.17 (contingent upon voter approval). Section 45.003(b)(1) of the Texas Education Code (TEC) provides for an unlimited tax rate for debt service if the District has met the ability to pay standards as outlined in Chapter 45 of the TEC.

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

**Table 7**

| Taxpayer                        | 2019                     |      |  | 2010                     |      |  |
|---------------------------------|--------------------------|------|--|--------------------------|------|--|
|                                 | Actual Taxable Value (1) | Rank | Percentage of Actual Taxable Value (2) | Actual Taxable Value (1) | Rank | Percentage of Actual Taxable Value (3) |
| National Oilwell, Inc.          | \$ 171,751,544           | 1    | 0.87%                                  | \$ 118,052,196           | 2    | 1.04%                                  |
| HP Enterprise Services LLC      | 129,150,728              | 2    | 0.65%                                  | -                        | -    | -                                      |
| Centerpoint Energy              | 127,514,826              | 3    | 0.65%                                  | 91,032,602               | 3    | 0.80%                                  |
| Hewlett Packard Company         | 83,405,927               | 4    | 0.42%                                  | 203,982,140              | 1    | 1.80%                                  |
| Vintage Dunhill LLC             | 81,529,577               | 5    | 0.41%                                  | -                        | -    | -                                      |
| Eastgroup Properties LP         | 75,868,785               | 6    | 0.38%                                  | -                        | -    | -                                      |
| NOV Rig Solutions               | 73,317,750               | 7    | 0.37%                                  | -                        | -    | -                                      |
| Liberty Property                | 68,266,300               | 8    | 0.35%                                  | -                        | -    | -                                      |
| Vetco Grey, Inc.                | 63,591,343               | 9    | 0.32%                                  | -                        | -    | -                                      |
| WF&B Cutter Road Owner          | 57,108,000               | 10   | 0.29%                                  | -                        | -    | -                                      |
| ABB Vetco Gray, Inc.            | -                        | -    | -                                      | 44,610,664               | 4    | 0.39%                                  |
| IMF Investments 105 LP          | -                        | -    | -                                      | 43,057,762               | 5    | 0.38%                                  |
| Vintage Park LLC                | -                        | -    | -                                      | 41,038,485               | 6    | 0.36%                                  |
| Comcast of Houston LLC          | -                        | -    | -                                      | 39,027,670               | 7    | 0.34%                                  |
| Southwestern Bell Telephone Co. | -                        | -    | -                                      | 35,709,892               | 8    | 0.31%                                  |
| Kroger Co.                      | -                        | -    | -                                      | 34,998,950               | 9    | 0.31%                                  |
| WRI HR Venture Properties       | -                        | -    | -                                      | 28,475,000               | 10   | 0.25%                                  |
| <b>TOTALS</b>                   | <b>\$ 931,504,780</b>    |      | <b>4.71%</b>                           | <b>\$ 679,985,361</b>    |      | <b>5.98%</b>                           |

(1) Actual taxable value equals assessed value after exemptions.

(2) Actual taxable value equals: \$ 19,760,962,804

(3) Actual taxable value equals: \$ 11,358,921,577

Source: Harris County (Texas) Appraisal District

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

**Table 8**

| <b>Fiscal Year<br/>Ended 8/31:</b> | <b>Net Tax Levy<br/>For The<br/>Fiscal Year (1)</b> | <b>Collected within the<br/>Fiscal Year of the Levy</b> |   | <b>Collections<br/>in Subsequent<br/>Years</b> | <b>Total Collections to Date</b> |   |
|------------------------------------|---|---|---|--|----------------------------------|---|
|                                    |   | <b>Amount</b>   | <b>Percentage<br/>of Net Tax<br/>Levy</b> |  | <b>Amount</b>                    | <b>Percent of Total<br/>Tax Collections<br/>to Net Tax Levy</b> |
| 2019                               | \$ 295,748,455                                      | \$ 292,427,528  | 98.88%                                    | \$ -   | \$ 292,427,528                   | 98.88%  |
| 2018                               | 286,012,817   | 282,980,358   | 98.94%                                    | 1,729,074                                      | 284,709,432                      | 99.54%  |
| 2017                               | 268,446,254   | 265,706,045   | 98.98%                                    | 1,952,067                                      | 267,658,112                      | 99.71%  |
| 2016                               | 241,589,755   | 239,204,277   | 99.01%                                    | 1,818,967                                      | 241,023,244                      | 99.77%  |
| 2015                               | 214,952,853   | 213,117,245   | 99.15%                                    | 1,381,628                                      | 214,498,873                      | 99.79%  |
| 2014                               | 196,058,531   | 194,305,721   | 99.11%                                    | 1,363,302                                      | 195,669,023                      | 99.80%  |
| 2013                               | 184,195,583   | 182,305,315   | 98.97%                                    | 1,536,262                                      | 183,841,577                      | 99.81%  |
| 2012                               | 180,743,492   | 178,874,525   | 98.97%                                    | 1,554,484                                      | 180,429,009                      | 99.83%  |
| 2011                               | 175,140,445   | 173,154,058   | 98.87%                                    | 1,710,883                                      | 174,864,941                      | 99.84%  |
| 2010                               | 173,456,657   | 171,233,764   | 98.72%                                    | 1,508,874                                      | 172,742,638                      | 99.59%  |

(1) Assessed value less exemptions equals actual taxable value. The beginning actual taxable value net of adjustments times the tax rate set each fall by the District's Board of Trustees equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

Source: Harris County (Texas) Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

**Table 9**

| <b>Fiscal Year<br/>Ended 8/31:</b> | <b>Governmental<br/>Activities<br/>General<br/>Obligation<br/>Bonds (1)</b> | <b>Total<br/>Primary<br/>Government</b> | <b>Ratio of Debt<br/>to Actual Taxable<br/>Value (2)</b> | <b>Debt Per<br/>Student (3)</b> |
|------------------------------------|---|---|--|---------------------------------|
| 2019                               | \$ 1,199,656,248  | \$ 1,199,656,248                        | 6.07%  | \$ 23,931                       |
| 2018                               | 1,160,896,683   | 1,160,896,683                           | 6.08%  | 23,276                          |
| 2017                               | 1,108,440,803   | 1,108,440,803                           | 6.31%  | 22,711                          |
| 2016                               | 987,090,365   | 987,090,365                             | 6.34%  | 20,697                          |
| 2015                               | 1,009,206,671   | 1,009,206,671                           | 7.22%  | 21,711                          |
| 2014                               | 782,882,194   | 782,882,194                             | 6.52%  | 17,275                          |
| 2013                               | 773,206,303   | 773,206,303                             | 6.59%  | 17,495                          |
| 2012                               | 756,966,455   | 756,966,455                             | 6.38%  | 17,467                          |
| 2011                               | 724,265,763   | 724,265,763                             | 6.48%  | 16,996                          |
| 2010                               | 664,789,180   | 664,789,180                             | 5.85%  | 15,798                          |

(1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value, net of premiums, discounts, and adjustments.

(2) See Table 5 for actual taxable value data.

(3) See Table 12 for student enrollment data.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

Table 10

| <b>Fiscal Year<br/>Ended 8/31:</b> | <b>General<br/>Obligation<br/>Bonds (1)</b> | <b>Less Amounts<br/>Available in Debt<br/>Service Fund (4)</b> | <b>Net Bonded<br/>Debt</b> | <b>Ratio of Net Bonded<br/>Debt to Actual<br/>Taxable Value (2)</b> | <b>Net Bonded Debt<br/>Per Student (3)</b> |
|------------------------------------|---|--|----------------------------|---|--|
| 2019                               | \$ 1,199,656,248                            | \$ 24,315,173  | \$ 1,175,341,075           | 5.95%   | \$ 23,446                                  |
| 2018                               | 1,160,896,683                               | 25,507,202   | 1,135,389,481              | 5.95%   | 22,764                                     |
| 2017                               | 1,108,440,803                               | 23,383,949   | 1,085,056,854              | 6.18%   | 22,232                                     |
| 2016                               | 987,090,365                                 | 24,069,184   | 963,021,181                | 6.19%   | 20,193                                     |
| 2015                               | 1,009,206,671                               | 23,385,420   | 985,821,251                | 7.05%   | 21,208                                     |
| 2014                               | 782,882,194                                 | 21,621,099   | 761,261,095                | 6.34%   | 16,798                                     |
| 2013                               | 773,206,303                                 | 19,527,198   | 753,679,105                | 6.42%   | 17,053                                     |
| 2012                               | 756,966,455                                 | 19,935,384   | 737,031,071                | 6.21%   | 17,007                                     |
| 2011                               | 724,265,763                                 | 20,167,803   | 704,097,960                | 6.30%   | 16,523                                     |
| 2010                               | 664,789,180                                 | 21,534,864   | 643,254,316                | 5.66%   | 15,286                                     |

- (1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value, net of premiums, discounts, and adjustments.
- (2) See Table 5 for actual taxable value data.
- (3) See Table 12 for student enrollment data.
- (4) This is the amount restricted for debt service payments on general obligation bonds in the governmental fund financial statements.

(This page intentionally left blank)

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)**  
**AS OF AUGUST 31, 2019**

Table 11

| Taxing Authority  | Gross Debt Outstanding | Percent Overlapping (1) | Applicable to School District |
|---|------------------------|-------------------------|-------------------------------|
| <b><u>Overlapping:</u></b>  |                        |                         |                               |
| Bilma PUD   | \$ 19,160,000          | 100.00%                 | \$ 19,160,000                 |
| Bridgestone MUD   | 85,235,000             | 100.00%                 | 85,235,000                    |
| Charterwood MUD   | 10,940,000             | 100.00%                 | 10,940,000                    |
| Cypress Forest PUD  | 1,130,000              | 89.63%                  | 1,012,819                     |
| Cypresswood UD  | 6,845,000              | 100.00%                 | 6,845,000                     |
| Dowdell PUD (Defined Area)  | 4,550,000              | 100.00%                 | 4,550,000                     |
| Dowdell PUD   | 57,430,000             | 100.00%                 | 57,430,000                    |
| Encanto Real UD   | 38,210,000             | 100.00%                 | 38,210,000                    |
| Fountainhead MUD  | 6,285,000              | 74.88%                  | 4,706,208                     |
| Harris County   | 1,599,402,125          | 4.45%                   | 71,173,395                    |
| Harris County Dept. of Education  | 6,320,000              | 4.45%                   | 281,240                       |
| Harris County Flood Control District  | 83,075,000             | 4.45%                   | 3,696,838                     |
| Harris County Hospital District   | 57,300,000             | 4.45%                   | 2,549,850                     |
| Harris County Improvement Dist. No. 18 (Defined Area No. 1)   | 25,985,000             | 100.00%                 | 25,985,000                    |
| Harris County Improvement District No. 18   | 138,610,000            | 0.11%                   | 152,471                       |
| Harris County MUD No. 1   | 47,255,000             | 100.00%                 | 47,255,000                    |
| Harris County MUD No. 24  | 13,655,000             | 100.00%                 | 13,655,000                    |
| Harris County MUD No. 104   | 9,380,000              | 100.00%                 | 9,380,000                     |
| Harris County MUD No. 118   | 7,950,000              | 65.82%                  | 5,232,690                     |
| Harris County MUD No. 119   | 4,850,000              | 62.88%                  | 3,049,680                     |
| Harris County MUD No. 150   | 16,090,000             | 33.42%                  | 5,377,278                     |
| Harris County MUD No. 180   | 9,240,000              | 100.00%                 | 9,240,000                     |
| Harris County MUD No. 316   | 1,565,000              | 100.00%                 | 1,565,000                     |
| Harris County MUD No. 367   | 17,615,000             | 100.00%                 | 17,615,000                    |
| Harris County MUD No. 368   | 52,960,000             | 100.00%                 | 52,960,000                    |
| Harris County MUD No. 383   | 41,000,000             | 100.00%                 | 41,000,000                    |
| Harris County MUD No. 401   | 34,670,000             | 100.00%                 | 34,670,000                    |
| Harris County MUD No. 468   | 39,585,000             | 100.00%                 | 39,585,000                    |
| Harris County MUD No. 530   | 23,640,000             | 100.00%                 | 23,640,000                    |
| Harris County WC&ID No. 109   | 5,305,000              | 90.36%                  | 4,793,598                     |
| Harris County WC&ID No. 110   | 16,275,000             | 36.20%                  | 5,891,550                     |
| Harris County WC&ID No. 116   | 5,200,000              | 30.77%                  | 1,600,040                     |
| Harris County WC&ID No. 119   | 31,670,000             | 100.00%                 | 31,670,000                    |
| Harris County WC&ID No. 132   | 3,480,000              | 100.00%                 | 3,480,000                     |
| Harris County WC&ID No. 133   | 2,725,000              | 100.00%                 | 2,725,000                     |
| Heatherloch MUD   | 4,545,000              | 100.00%                 | 4,545,000                     |
| Houston, City of  | 3,741,325,000          | 0.25%                   | 9,353,313                     |
| Kleinwood MUD   | 9,604,992              | 100.00%                 | 9,604,992                     |
| Lone Star College (2)   | 581,595,000            | 11.40%                  | 66,301,830                    |
| Louetta North PUD   | 4,535,000              | 100.00%                 | 4,535,000                     |
| Louetta Road UD   | 190,000                | 100.00%                 | 190,000                       |
| Meadowhill Regional MUD   | 31,620,000             | 100.00%                 | 31,620,000                    |
| Northampton MUD   | 32,400,000             | 100.00%                 | 32,400,000                    |
| Northampton MUD - Defined Area  | 11,790,000             | 100.00%                 | 11,790,000                    |
| Northwest Harris County MUD No. 6   | 12,025,000             | 65.63%                  | 7,892,008                     |
| Northwest Harris County MUD No. 19  | 67,440,000             | 100.00%                 | 67,440,000                    |
| Northwest Harris County MUD No. 24  | 3,950,000              | 100.00%                 | 3,950,000                     |
| Northwest Harris County MUD No. 28  | 3,960,000              | 100.00%                 | 3,960,000                     |
| Northwest Harris County MUD No. 30  | 14,870,000             | 100.00%                 | 14,870,000                    |
| Northwest Harris County MUD No. 32  | 25,680,000             | 100.00%                 | 25,680,000                    |
| Northwest Harris County MUD No. 36  | 15,050,000             | 100.00%                 | 15,050,000                    |
| Northwest Park MUD  | 20,505,000             | 31.91%                  | 6,543,146                     |
| Oakmont PUD   | 27,210,000             | 100.00%                 | 27,210,000                    |
| Port of Houston Authority   | 593,754,397            | 4.45%                   | 26,422,071                    |
| Shasla PUD  | 4,280,000              | 100.00%                 | 4,280,000                     |
| Spring Creek Forest PUD   | 4,700,000              | 100.00%                 | 4,700,000                     |
| Spring West MUD   | 25,770,000             | 40.21%                  | 10,362,117                    |
| Terranova West MUD  | 925,000                | 100.00%                 | 925,000                       |
| Total Overlapping Debt  |                        |                         | 1,075,937,134                 |
| <b><u>Direct:</u></b>   |                        |                         |                               |
| Klein Independent School District (3)   | 1,199,656,248          | 100.00%                 | 1,199,656,248                 |
| <b>TOTAL OVERLAPPING AND DIRECT DEBT</b>  |                        |                         | <b>\$ 2,275,593,382</b>       |
| Ratio of Total Overlapping Debt and Direct Debt to Actual Taxable Value for Fiscal Year Ended August 31, 2019 (4) |                        |                         | <b>11.52%</b>                 |

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.  
The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total actual taxable value.
- (2) Formerly North Harris Montgomery CCD.
- (3) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.
- (4) Actual taxable value equals: \$ 19,760,962,804

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

**Table 12**

| <b>Fiscal Year<br/>Ended 8/31:</b> | <b>Residential<br/>Units (1)</b> | <b>Total<br/>Assessed<br/>Value of<br/>Residential<br/>Units (1)</b> | <b>Average<br/>Assessed<br/>Value per<br/>Residential<br/>Unit</b> | <b>Average<br/>Daily<br/>Attendance (2)</b> | <b>Unemployment<br/>Rate (3)</b> |
|------------------------------------|----------------------------------|--|--|---|----------------------------------|
| 2019                               | 77,903                           | \$ 14,401,068,733  | \$ 184,859   | 50,130                                      | 3.9%                             |
| 2018                               | 76,964                           | 14,133,877,828   | 183,643  | 49,876                                      | 4.5%                             |
| 2017                               | 75,677                           | 13,403,983,427   | 177,121  | 48,807                                      | 5.4%                             |
| 2016                               | 74,036                           | 12,147,539,543   | 164,076  | 47,692                                      | 5.0%                             |
| 2015                               | 72,266                           | 11,000,231,720   | 152,219  | 46,484                                      | 4.4%                             |
| 2014                               | 70,589                           | 9,542,096,201  | 135,178  | 45,318                                      | 5.4%                             |
| 2013                               | 69,017                           | 9,050,841,712  | 131,139  | 44,196                                      | 6.3%                             |
| 2012                               | 67,898                           | 9,182,307,445  | 135,237  | 43,336                                      | 7.2%                             |
| 2011                               | 66,950                           | 9,189,036,275  | 137,252  | 42,613                                      | 8.5%                             |
| 2010                               | 66,080                           | 9,347,021,057  | 141,450  | 42,080                                      | 8.4%                             |

(1) Source: Harris County (Texas) Appraisal District

(2) Source: Texas Education Agency Summary of Finances Report

(3) Source: TRACER of Texas Workforce Commission; Unemployment rate is for Harris County.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Table 13

| Employer   | 2019           |      |                                    | 2010           |      |                                    |
|--|----------------|------|------------------------------------|----------------|------|------------------------------------|
|  | Employees      | Rank | Percentage of Total Employment (1) | Employees      | Rank | Percentage of Total Employment (2) |
| Wal-Mart Stores                                  | 31,000         | 1    | 1.39%                              | 30,535         | 1    | 1.65%                              |
| Houston ISD                                      | 27,395         | 2    | 1.22%                              | 29,280         | 2    | 1.59%                              |
| Memorial Hermann Healthcare System               | 27,211         | 3    | 1.22%                              | 20,990         | 3    | 1.14%                              |
| H-E-B  | 26,956         | 4    | 1.20%                              | 13,575         | 9    | 0.74%                              |
| Houston Methodist                                | 23,669         | 5    | 1.06%                              | -              |      | -                                  |
| University of Texas MD Anderson<br>Cancer Center | 21,001         | 6    | 0.94%                              | 17,295         | 5    | 0.94%                              |
| McDonald's Corp.                                 | 16,100         | 7    | 0.72%                              | -              |      | -                                  |
| Kroger   | 15,902         | 8    | 0.71%                              | 15,117         | 7    | 0.82%                              |
| Exxon Mobil Corporation                          | 15,000         | 9    | 0.67%                              | 14,356         | 8    | 0.78%                              |
| Texas Children's Hospital                        | 15,000         | 10   | 0.67%                              | -              |      | -                                  |
| Administaff                                      | -              |      | -                                  | 17,511         | 4    | 0.95%                              |
| Continental Airlines (3)                         | -              |      | -                                  | 16,643         | 6    | 0.90%                              |
| The Methodist Hospital System                    | -              |      | -                                  | 12,408         | 10   | 0.67%                              |
|  | <u>219,234</u> |      | <u>9.80%</u>                       | <u>187,710</u> |      | <u>10.18%</u>                      |

- (1) Total Employment for 2019: 2,237,294  
(2) Total Employment for 2010: 1,843,530  
(3) United Airlines merged with Continental Airlines in 2010.

Sources: Texas Workforce Commission and Houston Chronicle. Employment data is for Harris County, Texas.  
Houston ISD information is from houstonisd.org.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION**  
**LAST TEN FISCAL YEARS**

| <b>POSITION:</b>                            | <b>2019</b>           | <b>2018</b>           | <b>2017</b>           | <b>2016 (1)</b>       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Administrator                               | 65.0                  | 70.0                  | 69.5                  | 63.0                  |
| Associate/Assistant Principal               | 146.0                 | 135.0                 | 131.5                 | 126.0                 |
| Bus Driver/Attendant                        | 328.0                 | 331.0                 | 310.0                 | 283.0                 |
| Cafeteria Workers                           | 587.0                 | 538.0                 | 537.0                 | 539.0                 |
| Custodial                                   | 346.0                 | 359.0                 | 336.0                 | 330.0                 |
| Library Info. Spec./Library Asst./Historian | 72.0                  | 71.0                  | 77.0                  | 75.5                  |
| Manual Trades/Warehouse/Vending             | 185.0                 | 193.0                 | 187.0                 | 192.0                 |
| Nurse/Clinic Assistant                      | 106.0                 | 103.5                 | 99.0                  | 95.0                  |
| Other Professional (2)                      | 546.7                 | 503.5                 | 443.4                 | 375.1                 |
| Police Officer                              | 51.0                  | 45.0                  | 43.0                  | 43.0                  |
| Principal                                   | 48.0                  | 48.0                  | 47.0                  | 44.9                  |
| Registrar                                   | 10.0                  | 10.0                  | 9.0                   | 9.0                   |
| School Counselor                            | 142.0                 | 132.5                 | 127.7                 | 121.5                 |
| Secretary/Clerical                          | 472.5                 | 473.6                 | 443.0                 | 424.8                 |
| Security Support Personnel                  | 101.0                 | 103.0                 | 99.0                  | 93.5                  |
| Teacher                                     | 2,812.4               | 2,856.4               | 2,745.4               | 2,746.6               |
| Teacher - Bilingual/ESL                     | 243.3                 | 252.5                 | 257.7                 | 237.7                 |
| Teacher - Special Education                 | 465.4                 | 421.6                 | 392.6                 | 376.4                 |
| Teacher Assistant                           | 706.0                 | 586.0                 | 599.7                 | 565.9                 |
| Technical                                   | 93.0                  | 92.0                  | 83.0                  | 82.0                  |
|   | <b><u>7,526.3</u></b> | <b><u>7,324.6</u></b> | <b><u>7,037.5</u></b> | <b><u>6,823.9</u></b> |

- (1) Staffing Categories previously reported were revised beginning with the 2016 Comprehensive Annual Financial Report.  
(2) Positions in the Other Professional category include Accountants, Case Managers, Community Liaisons, Diagnosticians, Energy Managers, Facility Engineers, Fine Arts Coordinator, Graduation Advisors, Instructional Specialists, Payroll Supervisors, Program Coordinators, Psychologist, Social Workers, Speech Pathologists, and other professional staff not otherwise listed.  
(3) Position Control was implemented districtwide resulting in a revision of category allocations.

Source: District budget and position control records.

Table 14

| <u>2015</u>           | <u>2014</u>           | <u>2013 (3)</u>       | <u>2012</u>           | <u>2011</u>           | <u>2010</u>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 62.0                  | 62.0                  | 61.0                  | 60.0                  | 61.0                  | 60.0                  |
| 120.0                 | 111.0                 | 110.3                 | 97.0                  | 108.3                 | 105.5                 |
| 282.0                 | 273.0                 | 269.0                 | 254.0                 | 256.0                 | 243.0                 |
| 532.0                 | 446.0                 | 447.0                 | 435.0                 | 428.0                 | 413.0                 |
| 325.0                 | 325.0                 | 314.0                 | 303.0                 | 299.0                 | 320.0                 |
| 74.0                  | 73.5                  | 72.5                  | 69.6                  | 87.1                  | 85.1                  |
| 187.0                 | 182.0                 | 173.6                 | 165.6                 | 175.6                 | 179.0                 |
| 92.5                  | 92.0                  | 89.5                  | 87.5                  | 85.0                  | 79.5                  |
| 352.0                 | 296.0                 | 244.3                 | 205.6                 | 208.7                 | 208.5                 |
| 43.0                  | 43.0                  | 35.0                  | 34.0                  | 34.0                  | 34.0                  |
| 43.7                  | 43.0                  | 42.7                  | 42.4                  | 40.7                  | 39.8                  |
| 9.0                   | 8.0                   | 8.0                   | 8.0                   | 6.0                   | 6.0                   |
| 117.5                 | 109.5                 | 105.5                 | 103.5                 | 109.0                 | 106.3                 |
| 417.7                 | 410.0                 | 383.7                 | 367.9                 | 396.5                 | 381.5                 |
| 46.0                  | 42.0                  | 29.0                  | 26.0                  | 26.0                  | 26.0                  |
| 2,661.3               | 2,585.8               | 2,810.4               | 2,786.2               | 2,814.6               | 2,763.9               |
| 222.8                 | 210.8                 | 211.4                 | 204.6                 | 210.6                 | 209.5                 |
| 358.5                 | 332.2                 | -                     | -                     | -                     | -                     |
| 524.5                 | 499.5                 | 459.0                 | 454.5                 | 495.0                 | 492.5                 |
| 79.0                  | 72.0                  | 87.0                  | 88.0                  | 89.0                  | 88.0                  |
| <b><u>6,549.5</u></b> | <b><u>6,216.3</u></b> | <b><u>5,952.9</u></b> | <b><u>5,792.4</u></b> | <b><u>5,930.1</u></b> | <b><u>5,841.1</u></b> |

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

| <u>Fiscal Year<br/>Ended 8/31:</u> | <u>Average<br/>Daily<br/>Attendance</u> | <u>Operating<br/>Expenditures (1)</u> | <u>Cost<br/>Per<br/>Student</u> | <u>Percentage<br/>Change</u> |
|------------------------------------|---|---------------------------------------|---------------------------------|------------------------------|
| 2019                               | 50,130                                  | \$ 506,346,428                        | \$ 10,101                       | -2.37%                       |
| 2018                               | 49,876                                  | 516,036,873                           | 10,346                          | 2.74%                        |
| 2017                               | 48,807                                  | 491,479,515                           | 10,070                          | 2.29%                        |
| 2016                               | 47,692                                  | 469,505,379                           | 9,845                           | 4.56%                        |
| 2015                               | 46,484                                  | 437,702,566                           | 9,416                           | 5.15%                        |
| 2014                               | 45,318                                  | 405,842,742                           | 8,955                           | 5.09%                        |
| 2013                               | 44,196                                  | 376,594,325                           | 8,521                           | -2.27%                       |
| 2012                               | 43,336                                  | 377,866,687                           | 8,719                           | 8.53%                        |
| 2011                               | 42,613                                  | 342,333,505                           | 8,034                           | -6.85%                       |
| 2010                               | 42,080                                  | 362,932,220                           | 8,625                           | 3.84%                        |

(1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position).

Source: Non-financial data is from Texas Education Agency Summary of Finances Report and District records.

Table 15

| <u>Government<br/>Wide<br/>Expenses</u> | <u>Cost<br/>Per<br/>Student</u> | <u>Percentage<br/>Change</u> | <u>Teaching<br/>Staff</u> | <u>Student to<br/>Teacher<br/>Ratio</u> | <u>Percentage of<br/>Students in<br/>Free/Reduced<br/>Lunch Program</u> |
|---|---------------------------------|------------------------------|---------------------------|---|---|
| \$ 619,269,392                          | \$ 12,353                       | 39.16%                       | 3,521                     | 14.24                                   | 45.00%  |
| 442,752,632                             | 8,877                           | -24.12%                      | 3,531                     | 14.13                                   | 39.13%  |
| 570,922,333                             | 11,698                          | 1.34%                        | 3,396                     | 14.37                                   | 40.01%  |
| 550,523,907                             | 11,543                          | 8.02%                        | 3,361                     | 14.19                                   | 40.71%  |
| 496,744,753                             | 10,686                          | 3.11%                        | 3,243                     | 14.33                                   | 42.90%  |
| 469,663,997                             | 10,364                          | 6.61%                        | 3,129                     | 14.48                                   | 40.80%  |
| 429,609,781                             | 9,721                           | -1.46%                       | 3,022                     | 14.63                                   | 41.20%  |
| 427,515,974                             | 9,865                           | 6.14%                        | 2,991                     | 14.45                                   | 41.90%  |
| 396,070,805                             | 9,295                           | -3.88%                       | 3,025                     | 14.05                                   | 39.30%  |
| 406,923,951                             | 9,670                           | 3.97%                        | 2,973                     | 14.13                                   | 36.10%  |

(This page intentionally left blank)

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**TEACHER BASE SALARIES**  
**LAST TEN FISCAL YEARS**

Table 16

| <b>Fiscal Year<br/>Ended 8/31:</b> | <b>District</b>               |                               | <b>County<br/>Average<br/>Salary (2)</b> | <b>Statewide<br/>Average<br/>Salary (2)</b> |
|------------------------------------|-------------------------------|-------------------------------|--|---|
|                                    | <b>Minimum<br/>Salary (1)</b> | <b>Maximum<br/>Salary (1)</b> |  |   |
| 2019                               | \$ 55,500                     | \$ 68,022                     | \$ 57,423                                | \$ 54,122                                   |
| 2018                               | 52,600                        | 67,000                        | 56,943                                   | 53,334                                      |
| 2017                               | 52,600                        | 67,000                        | 55,888                                   | 52,525                                      |
| 2016                               | 51,000                        | 67,000                        | 55,791                                   | 51,892                                      |
| 2015                               | 50,000                        | 67,000                        | 54,284                                   | 50,715                                      |
| 2014                               | 50,000                        | 67,000                        | 52,356                                   | 49,692                                      |
| 2013                               | 45,750                        | 66,925                        | 51,124                                   | 48,821                                      |
| 2012                               | 44,250                        | 66,925                        | 50,536                                   | 48,375                                      |
| 2011                               | 44,250                        | 66,925                        | 50,712                                   | 48,639                                      |
| 2010                               | 43,750                        | 66,925                        | 50,236                                   | 48,263                                      |

(1) Source: District records

(2) Source: Texas Education Agency website

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

| <b>Building:</b>            | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> |
|-----------------------------|-------------|-------------|-------------|-------------|
| <b>HIGH SCHOOLS</b>         |             |             |             |             |
| <b>Klein (2014) (1)</b>     |             |             |             |             |
| Square Footage              | 674,633     | 674,633     | 674,633     | 674,633     |
| Capacity                    | 3,600       | 3,600       | 3,600       | 3,600       |
| Enrollment                  | 3,417       | 3,672       | 4,049       | 3,922       |
| <b>Klein Cain (2017)</b>    |             |             |             |             |
| Square Footage              | 679,289     | 679,289     | 679,289     | -           |
| Capacity                    | 3,500       | 3,500       | 3,500       | -           |
| Enrollment                  | 2,336       | 1,408       | -           | -           |
| <b>Klein Collins (2001)</b> |             |             |             |             |
| Square Footage              | 582,488     | 582,488     | 582,488     | 582,488     |
| Capacity                    | 3,500       | 3,500       | 3,500       | 3,500       |
| Enrollment                  | 3,489       | 3,644       | 3,707       | 3,582       |
| <b>Klein Forest (1979)</b>  |             |             |             |             |
| Square Footage              | 644,310     | 644,310     | 644,310     | 644,310     |
| Capacity                    | 4,000       | 4,000       | 4,000       | 4,000       |
| Enrollment                  | 3,583       | 3,686       | 3,734       | 3,661       |
| <b>Klein Oak (1982)</b>     |             |             |             |             |
| Square Footage              | 603,924     | 603,924     | 603,924     | 603,924     |
| Capacity                    | 3,500       | 3,500       | 3,500       | 3,500       |
| Enrollment                  | 3,700       | 3,947       | 4,260       | 3,996       |
| <b>INTERMEDIATE SCHOOLS</b> |             |             |             |             |
| <b>Doerre (1984)</b>        |             |             |             |             |
| Square Footage              | 171,250     | 171,250     | 171,250     | 171,250     |
| Capacity                    | 1,219       | 1,219       | 1,219       | 1,219       |
| Enrollment                  | 1,369       | 1,316       | 1,288       | 1,141       |
| <b>Hildebrandt (1973)</b>   |             |             |             |             |
| Square Footage              | 207,360     | 207,360     | 207,360     | 207,360     |
| Capacity                    | 1,349       | 1,349       | 1,349       | 1,349       |
| Enrollment                  | 952         | 1,361       | 1,294       | 1,247       |
| <b>Hofius (2018)</b>        |             |             |             |             |
| Square Footage              | 205,000     | 205,000     | -           | -           |
| Capacity                    | 1,250       | 1,250       | -           | -           |
| Enrollment                  | 986         | -           | -           | -           |
| <b>Kleb (1993)</b>          |             |             |             |             |
| Square Footage              | 172,000     | 172,000     | 172,000     | 172,000     |
| Capacity                    | 1,257       | 1,257       | 1,257       | 1,257       |
| Enrollment                  | 1,413       | 1,365       | 1,401       | 1,403       |
| <b>Klein (1984)</b>         |             |             |             |             |
| Square Footage              | 192,972     | 192,972     | 192,972     | 192,972     |
| Capacity                    | 1,213       | 1,213       | 1,213       | 1,213       |
| Enrollment                  | 1,095       | 1,112       | 1,130       | 1,113       |
| <b>Krimmel (2007)</b>       |             |             |             |             |
| Square Footage              | 186,700     | 186,700     | 186,700     | 186,700     |
| Capacity                    | 1,180       | 1,180       | 1,180       | 1,180       |
| Enrollment                  | 1,389       | 1,389       | 1,342       | 1,280       |
| <b>Schindewolf (2002)</b>   |             |             |             |             |
| Square Footage              | 187,308     | 187,308     | 187,308     | 187,308     |
| Capacity                    | 1,170       | 1,170       | 1,170       | 1,170       |
| Enrollment                  | 1,240       | 1,495       | 1,423       | 1,375       |
| <b>Strack (1977)</b>        |             |             |             |             |
| Square Footage              | 215,125     | 215,125     | 215,125     | 215,125     |
| Capacity                    | 1,295       | 1,295       | 1,295       | 1,295       |
| Enrollment                  | 1,237       | 1,381       | 1,319       | 1,217       |
| <b>Ulrich (2010)</b>        |             |             |             |             |
| Square Footage              | 195,825     | 195,825     | 195,825     | 195,825     |
| Capacity                    | 1,250       | 1,250       | 1,250       | 1,250       |
| Enrollment                  | 1,336       | 1,286       | 1,231       | 1,152       |
| <b>Wunderlich (1975)</b>    |             |             |             |             |
| Square Footage              | 239,998     | 239,998     | 239,998     | 211,415     |
| Capacity                    | 1,600       | 1,600       | 1,600       | 1,458       |
| Enrollment                  | 1,529       | 1,621       | 1,574       | 1,569       |

(1) Klein HS was originally built in 1963, but was tom down & rebuilt in phases; the rebuild was completed & opened in August 2014.  
Source: District records. Enrollment is peak enrollment for the most recently completed school year.

**Table 17**  
**Page 1 of 3**

| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 674,633     | 674,633     | 519,437     | 519,437     | 519,437     | 519,437     |
| 3,600       | 3,600       | 3,462       | 3,462       | 3,381       | 3,381       |
| 3,860       | 3,762       | 3,561       | 3,112       | 3,019       | 3,152       |
| -           | -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           | -           |
| 582,488     | 582,488     | 582,488     | 582,488     | 582,315     | 582,315     |
| 3,500       | 3,500       | 3,500       | 3,500       | 3,500       | 3,500       |
| 3,633       | 3,484       | 3,437       | 3,368       | 3,265       | 3,279       |
| 644,310     | 644,310     | 644,310     | 644,310     | 644,310     | 634,002     |
| 4,000       | 4,000       | 4,000       | 4,000       | 4,000       | 4,000       |
| 3,582       | 3,451       | 3,507       | 3,511       | 3,472       | 3,534       |
| 603,924     | 603,924     | 603,924     | 603,924     | 608,924     | 608,924     |
| 3,500       | 3,500       | 3,500       | 3,500       | 3,500       | 3,500       |
| 3,883       | 3,828       | 3,730       | 4,139       | 3,933       | 3,727       |
| 171,250     | 171,250     | 171,250     | 171,250     | 172,000     | 172,000     |
| 1,219       | 1,219       | 1,219       | 1,219       | 1,168       | 1,168       |
| 1,154       | 1,203       | 1,225       | 1,188       | 1,220       | 1,320       |
| 207,360     | 207,360     | 207,360     | 207,360     | 207,360     | 207,360     |
| 1,349       | 1,349       | 1,349       | 1,349       | 1,365       | 1,365       |
| 1,139       | 1,102       | 1,014       | 934         | 944         | 1,215       |
| -           | -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           | -           |
| 172,000     | 172,000     | 172,000     | 172,000     | 172,000     | 172,000     |
| 1,257       | 1,257       | 1,257       | 1,257       | 1,204       | 1,204       |
| 1,396       | 1,344       | 1,346       | 1,313       | 1,264       | 1,026       |
| 192,972     | 192,972     | 192,972     | 192,972     | 192,972     | 192,972     |
| 1,213       | 1,213       | 1,213       | 1,213       | 1,199       | 1,199       |
| 1,239       | 1,236       | 1,212       | 1,209       | 1,167       | 1,123       |
| 186,700     | 186,700     | 186,700     | 186,700     | 186,700     | 186,700     |
| 1,180       | 1,180       | 1,180       | 1,180       | 1,250       | 1,250       |
| 1,319       | 1,142       | 1,064       | 1,026       | 1,027       | 1,558       |
| 183,000     | 183,000     | 183,000     | 183,000     | 183,000     | 183,000     |
| 1,170       | 1,170       | 1,170       | 1,170       | 1,176       | 1,176       |
| 1,326       | 1,357       | 1,339       | 1,301       | 1,323       | 1,495       |
| 215,125     | 215,125     | 215,125     | 215,125     | 215,125     | 215,125     |
| 1,295       | 1,295       | 1,295       | 1,295       | 1,361       | 1,361       |
| 1,198       | 1,167       | 1,173       | 1,100       | 1,133       | 1,180       |
| 195,825     | 195,825     | 195,825     | 195,825     | 195,825     | 195,825     |
| 1,250       | 1,250       | 1,250       | 1,250       | 1,250       | 1,250       |
| 1,130       | 1,079       | 1,079       | 972         | 867         | -           |
| 211,415     | 211,415     | 211,415     | 211,415     | 211,615     | 211,615     |
| 1,458       | 1,458       | 1,458       | 1,458       | 1,458       | 1,458       |
| 1,552       | 1,550       | 1,571       | 1,513       | 1,471       | 1,411       |

*Continued*

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

| <b>Building:</b>  | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> |
|---|-------------|-------------|-------------|-------------|
| <b>ELEMENTARY SCHOOLS</b>                                     |             |             |             |             |
| <b>Benfer (1977)</b>  |             |             |             |             |
| Square Footage  | 86,963      | 86,963      | 86,963      | 86,963      |
| Capacity  | 818         | 818         | 818         | 818         |
| Enrollment  | 818         | 847         | 775         | 792         |
| <b>Benignus (2006)</b>  |             |             |             |             |
| Square Footage  | 108,750     | 108,750     | 108,750     | 108,750     |
| Capacity  | 868         | 868         | 868         | 868         |
| Enrollment  | 719         | 796         | 832         | 910         |
| <b>Bernshausen (2013)</b>                                     |             |             |             |             |
| Square Footage  | 117,282     | 117,282     | 117,282     | 117,282     |
| Capacity  | 850         | 850         | 850         | 850         |
| Enrollment  | 878         | 926         | 914         | 806         |
| <b>Blackshear (2011)</b>                                      |             |             |             |             |
| Square Footage  | 116,727     | 116,727     | 116,727     | 116,727     |
| Capacity  | 940         | 940         | 940         | 940         |
| Enrollment  | 1,068       | 1,044       | 996         | 960         |
| <b>Brill (1978)</b>   |             |             |             |             |
| Square Footage  | 95,238      | 95,238      | 95,238      | 95,238      |
| Capacity  | 846         | 846         | 846         | 846         |
| Enrollment  | 758         | 760         | 764         | 766         |
| <b>Ehrhardt (1979)</b>  |             |             |             |             |
| Square Footage  | 88,481      | 88,481      | 88,481      | 88,481      |
| Capacity  | 810         | 810         | 810         | 810         |
| Enrollment  | 749         | 748         | 767         | 729         |
| <b>Eiland (1993)</b>  |             |             |             |             |
| Square Footage  | 87,366      | 87,366      | 87,366      | 87,366      |
| Capacity  | 684         | 684         | 684         | 684         |
| Enrollment  | 535         | 547         | 535         | 579         |
| <b>Epps Island (1973)</b>                                     |             |             |             |             |
| Square Footage  | 93,639      | 93,639      | 93,639      | 93,639      |
| Capacity  | 887         | 887         | 887         | 887         |
| Enrollment  | 639         | 658         | 709         | 723         |
| <b>Frank (2007)</b>   |             |             |             |             |
| Square Footage  | 108,750     | 108,750     | 108,750     | 108,750     |
| Capacity  | 844         | 844         | 844         | 844         |
| Enrollment  | 660         | 697         | 685         | 645         |
| <b>French (2015)</b>  |             |             |             |             |
| Square Footage  | 125,752     | 125,752     | 125,752     | 125,752     |
| Capacity  | 940         | 940         | 940         | 940         |
| Enrollment  | 788         | 683         | 654         | 565         |
| <b>Grace England Early Childhood &amp; PreK Center (2012)</b> |             |             |             |             |
| Square Footage  | 65,500      | 65,500      | 65,500      | 65,500      |
| Capacity  | 1,000       | 1,000       | 1,000       | 1,000       |
| Enrollment  | 476         | 485         | 477         | 510         |
| <b>Greenwood Forest (1971)</b>                                |             |             |             |             |
| Square Footage  | 75,711      | 75,711      | 75,711      | 75,711      |
| Capacity  | 667         | 667         | 667         | 667         |
| Enrollment  | 739         | 737         | 725         | 756         |
| <b>Hassler (1999)</b>   |             |             |             |             |
| Square Footage  | 115,145     | 115,145     | 115,145     | 115,145     |
| Capacity  | 794         | 794         | 794         | 794         |
| Enrollment  | 858         | 791         | 735         | 639         |
| <b>Haude (1971)</b>   |             |             |             |             |
| Square Footage  | 75,712      | 75,712      | 75,712      | 75,712      |
| Capacity  | 747         | 747         | 747         | 747         |
| Enrollment  | 725         | 729         | 720         | 736         |
| <b>Kaiser (1978)</b>  |             |             |             |             |
| Square Footage  | 109,790     | 109,790     | 109,790     | 109,790     |
| Capacity  | 892         | 892         | 892         | 892         |
| Enrollment  | 718         | 745         | 767         | 798         |
| <b>Klenk (1992)</b>   |             |             |             |             |
| Square Footage  | 91,494      | 91,494      | 91,494      | 91,494      |
| Capacity  | 894         | 894         | 894         | 894         |
| Enrollment  | 814         | 824         | 842         | 830         |

**Table 17**  
**Page 2 of 3**

| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 86,963      | 86,963      | 86,963      | 86,963      | 87,263      | 87,263      |
| 818         | 818         | 818         | 818         | 851         | 851         |
| 800         | 707         | 707         | 666         | 667         | 679         |
| 108,750     | 108,750     | 108,750     | 108,750     | 108,750     | 108,750     |
| 868         | 868         | 868         | 868         | 850         | 850         |
| 947         | 950         | 939         | 895         | 892         | 900         |
| 117,282     | 117,282     | 117,282     | -           | -           | -           |
| 850         | 850         | 850         | -           | -           | -           |
| 784         | 686         | 675         | -           | -           | -           |
| 116,727     | 116,727     | 116,727     | 116,727     | 116,727     | -           |
| 940         | 940         | 940         | 940         | 940         | -           |
| 973         | 914         | 906         | 810         | -           | -           |
| 95,238      | 95,238      | 95,238      | 95,238      | 95,272      | 95,272      |
| 846         | 846         | 846         | 846         | 823         | 823         |
| 772         | 747         | 743         | 749         | 896         | 892         |
| 88,481      | 88,481      | 88,481      | 88,481      | 88,515      | 88,515      |
| 810         | 810         | 810         | 810         | 829         | 829         |
| 699         | 686         | 681         | 687         | 703         | 691         |
| 87,366      | 87,366      | 87,366      | 87,366      | 87,400      | 87,400      |
| 684         | 684         | 684         | 684         | 744         | 744         |
| 616         | 564         | 568         | 712         | 712         | 671         |
| 93,639      | 93,639      | 93,639      | 93,639      | 93,876      | 93,876      |
| 887         | 887         | 887         | 887         | 891         | 891         |
| 763         | 806         | 782         | 879         | 936         | 889         |
| 108,750     | 108,750     | 108,750     | 108,750     | 108,750     | 108,750     |
| 844         | 844         | 844         | 844         | 850         | 850         |
| 618         | 614         | 875         | 849         | 1,048       | 1,003       |
| 125,752     | -           | -           | -           | -           | -           |
| 940         | -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           | -           |
| 65,500      | 65,500      | 65,500      | 65,500      | -           | -           |
| 1,000       | 1,000       | 1,000       | 1,000       | -           | -           |
| 472         | 532         | 503         | -           | -           | -           |
| 75,711      | 75,711      | 75,711      | 75,711      | 75,711      | 75,711      |
| 667         | 667         | 667         | 667         | 721         | 721         |
| 734         | 720         | 688         | 726         | 725         | 687         |
| 115,145     | 115,145     | 115,145     | 115,145     | 115,179     | 115,179     |
| 794         | 794         | 794         | 794         | 828         | 828         |
| 656         | 708         | 698         | 731         | 781         | 800         |
| 75,712      | 75,712      | 75,712      | 75,712      | 75,683      | 75,683      |
| 747         | 747         | 747         | 747         | 701         | 701         |
| 705         | 706         | 701         | 690         | 713         | 702         |
| 109,790     | 109,790     | 109,790     | 109,790     | 109,790     | 108,875     |
| 892         | 892         | 892         | 892         | 961         | 961         |
| 794         | 631         | 789         | 893         | 948         | 946         |
| 91,494      | 91,494      | 91,494      | 91,494      | 91,528      | 91,528      |
| 894         | 894         | 894         | 894         | 824         | 824         |
| 857         | 791         | 787         | 876         | 879         | 890         |

*Continued*

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**

| <b>Building:</b>          | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> |
|---------------------------|-------------|-------------|-------------|-------------|
| <b>ELEMENTARY SCHOOLS</b> |             |             |             |             |
| <b>Kohrville (2002)</b>   |             |             |             |             |
| Square Footage            | 107,898     | 107,898     | 107,898     | 107,898     |
| Capacity                  | 928         | 928         | 928         | 928         |
| Enrollment                | 638         | 671         | 696         | 725         |
| <b>Krahn (1983)</b>       |             |             |             |             |
| Square Footage            | 109,116     | 109,116     | 109,116     | 109,116     |
| Capacity                  | 1,085       | 1,085       | 1,085       | 1,085       |
| Enrollment                | 774         | 748         | 707         | 730         |
| <b>Kreinhop (2004)</b>    |             |             |             |             |
| Square Footage            | 108,293     | 108,293     | 108,293     | 108,293     |
| Capacity                  | 984         | 984         | 984         | 984         |
| Enrollment                | 990         | 982         | 893         | 871         |
| <b>Kuehnle (1989)</b>     |             |             |             |             |
| Square Footage            | 87,216      | 87,216      | 87,216      | 87,216      |
| Capacity                  | 831         | 831         | 831         | 831         |
| Enrollment                | 871         | 882         | 839         | 851         |
| <b>Lemm (1980)</b>        |             |             |             |             |
| Square Footage            | 103,056     | 103,056     | 103,056     | 103,056     |
| Capacity                  | 705         | 705         | 705         | 705         |
| Enrollment                | 712         | 690         | 694         | 677         |
| <b>Mahaffey (2016)</b>    |             |             |             |             |
| Square Footage            | 126,000     | 126,000     | 126,000     | 126,000     |
| Capacity                  | 950         | 950         | 950         | 950         |
| Enrollment                | 854         | 748         | 643         | -           |
| <b>McDougle (2004)</b>    |             |             |             |             |
| Square Footage            | 108,293     | 108,293     | 108,293     | 108,293     |
| Capacity                  | 796         | 796         | 796         | 796         |
| Enrollment                | 561         | 575         | 635         | 666         |
| <b>Metzler (2005)</b>     |             |             |             |             |
| Square Footage            | 108,293     | 108,293     | 108,293     | 108,293     |
| Capacity                  | 914         | 914         | 914         | 914         |
| Enrollment                | 874         | 871         | 867         | 851         |
| <b>Mittelstadt (1991)</b> |             |             |             |             |
| Square Footage            | 91,494      | 91,494      | 91,494      | 91,494      |
| Capacity                  | 891         | 891         | 891         | 891         |
| Enrollment                | 914         | 871         | 836         | 877         |
| <b>Mueller (2009)</b>     |             |             |             |             |
| Square Footage            | 115,689     | 115,689     | 115,689     | 115,689     |
| Capacity                  | 935         | 935         | 935         | 935         |
| Enrollment                | 854         | 897         | 876         | 1,022       |
| <b>Nitsch (1980)</b>      |             |             |             |             |
| Square Footage            | 93,810      | 93,810      | 93,810      | 93,810      |
| Capacity                  | 802         | 802         | 802         | 802         |
| Enrollment                | 765         | 778         | 828         | 804         |
| <b>Northampton (1971)</b> |             |             |             |             |
| Square Footage            | 75,711      | 75,711      | 75,711      | 75,711      |
| Capacity                  | 863         | 863         | 863         | 863         |
| Enrollment                | 548         | 569         | 565         | 502         |
| <b>Roth (1984)</b>        |             |             |             |             |
| Square Footage            | 98,891      | 98,891      | 98,891      | 98,891      |
| Capacity                  | 852         | 852         | 852         | 852         |
| Enrollment                | 726         | 719         | 712         | 694         |
| <b>Schultz (1994)</b>     |             |             |             |             |
| Square Footage            | 93,816      | 93,816      | 93,816      | 93,816      |
| Capacity                  | 906         | 906         | 906         | 906         |
| Enrollment                | 677         | 658         | 658         | 980         |
| <b>Theiss (1974)</b>      |             |             |             |             |
| Square Footage            | 71,277      | 71,277      | 71,277      | 71,277      |
| Capacity                  | 754         | 754         | 754         | 754         |
| Enrollment                | 681         | 666         | 674         | 641         |
| <b>Zwink (2012)</b>       |             |             |             |             |
| Square Footage            | 125,073     | 125,073     | 125,073     | 125,073     |
| Capacity                  | 940         | 940         | 940         | 940         |
| Enrollment                | 1,121       | 1,101       | 1,060       | 1,010       |

**Table 17**  
**Page 3 of 3**

| <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 107,898     | 107,898     | 107,898     | 107,898     | 107,898     | 107,898     |
| 928         | 928         | 928         | 928         | 945         | 945         |
| 738         | 770         | 978         | 975         | 1,055       | 1,027       |
| 109,116     | 109,116     | 109,116     | 109,116     | 109,150     | 109,150     |
| 1,085       | 1,085       | 1,085       | 1,085       | 1,011       | 1,011       |
| 745         | 758         | 775         | 779         | 1,039       | 1,000       |
| 108,293     | 108,293     | 108,293     | 108,293     | 108,293     | 108,293     |
| 984         | 984         | 984         | 984         | 959         | 959         |
| 891         | 855         | 829         | 942         | 937         | 934         |
| 87,216      | 87,216      | 87,216      | 87,216      | 87,250      | 87,250      |
| 831         | 831         | 831         | 831         | 793         | 793         |
| 765         | 697         | 651         | 866         | 803         | 790         |
| 103,056     | 103,056     | 103,056     | 103,056     | 103,090     | 103,090     |
| 705         | 705         | 705         | 705         | 843         | 843         |
| 605         | 591         | 578         | 721         | 709         | 692         |
| -           | -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           | -           |
| -           | -           | -           | -           | -           | -           |
| 108,293     | 108,293     | 108,293     | 108,293     | 108,293     | 108,293     |
| 796         | 796         | 796         | 796         | 959         | 959         |
| 698         | 667         | 629         | 774         | 825         | 793         |
| 108,293     | 108,293     | 108,293     | 108,293     | 108,293     | 108,293     |
| 914         | 914         | 914         | 914         | 929         | 929         |
| 872         | 860         | 969         | 899         | 878         | 867         |
| 91,494      | 91,494      | 91,494      | 91,494      | 91,528      | 91,528      |
| 891         | 891         | 891         | 891         | 824         | 824         |
| 854         | 887         | 839         | 749         | 680         | 696         |
| 115,689     | 115,689     | 115,689     | 115,689     | 115,689     | 115,689     |
| 935         | 935         | 935         | 935         | 900         | 900         |
| 931         | 827         | 720         | 744         | 686         | 647         |
| 93,810      | 93,810      | 93,166      | 93,166      | 93,200      | 93,200      |
| 802         | 802         | 802         | 802         | 833         | 833         |
| 790         | 791         | 737         | 840         | 843         | 853         |
| 75,711      | 75,711      | 75,711      | 75,711      | 75,711      | 75,711      |
| 863         | 863         | 863         | 863         | 731         | 731         |
| 865         | 815         | 778         | 895         | 895         | 859         |
| 98,891      | 98,891      | 98,891      | 98,891      | 98,891      | 95,580      |
| 852         | 852         | 852         | 852         | 852         | 816         |
| 712         | 694         | 699         | 759         | 768         | 750         |
| 93,816      | 93,816      | 93,816      | 93,816      | 93,850      | 93,850      |
| 906         | 906         | 906         | 906         | 836         | 836         |
| 921         | 877         | 821         | 767         | 772         | 753         |
| 71,277      | 71,277      | 71,277      | 71,277      | 71,311      | 71,311      |
| 754         | 754         | 754         | 754         | 703         | 703         |
| 637         | 631         | 661         | 643         | 678         | 686         |
| 125,073     | 125,073     | 125,073     | 125,073     | -           | -           |
| 940         | 940         | 940         | 940         | -           | -           |
| 934         | 883         | 830         | -           | -           | -           |

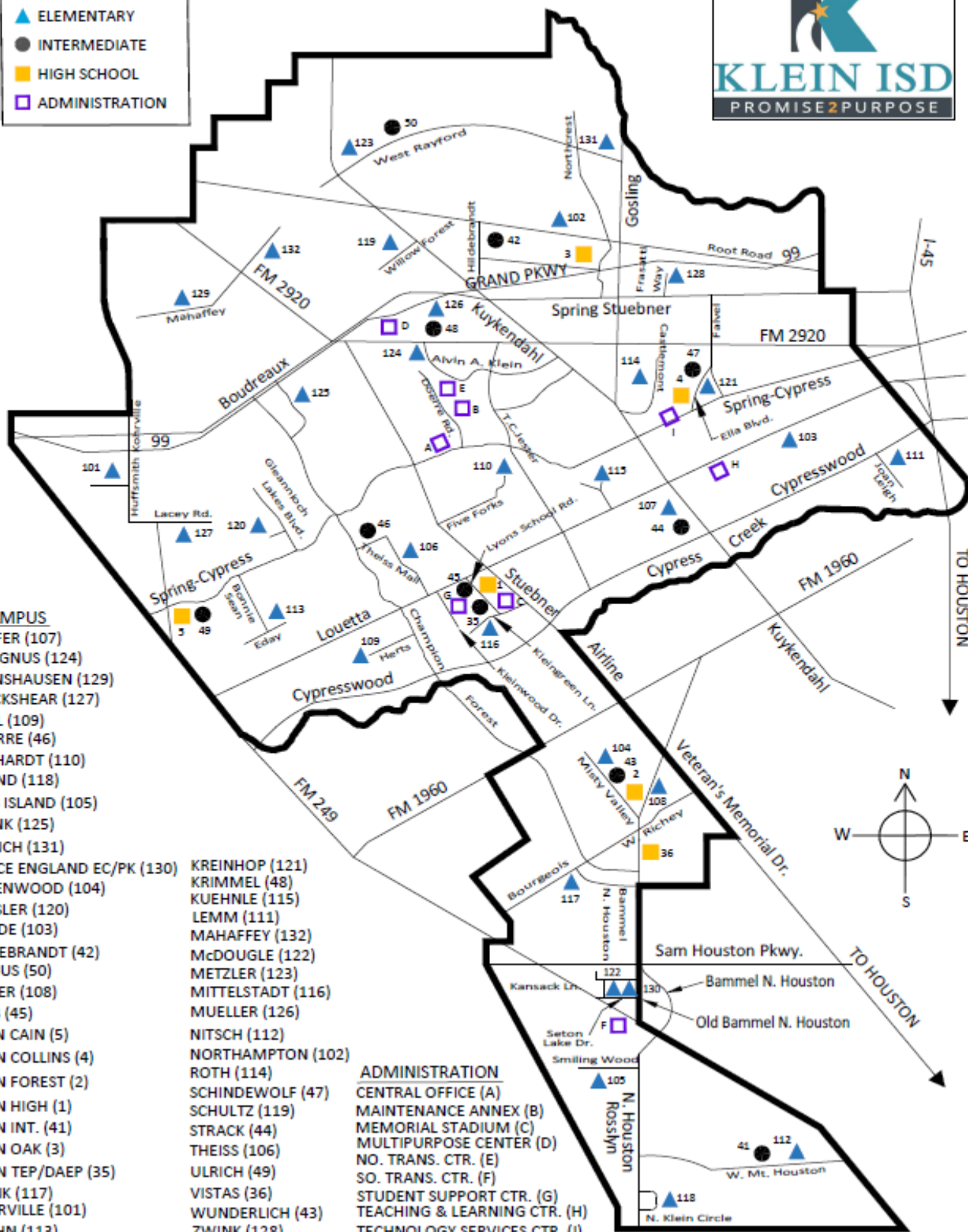
# KLEIN INDEPENDENT SCHOOL DISTRICT

Table 18

DISTRICT MAP  
AUGUST 31, 2019



| MAP KEY |                |
|---------|----------------|
|         | ELEMENTARY     |
|         | INTERMEDIATE   |
|         | HIGH SCHOOL    |
|         | ADMINISTRATION |



**CAMPUS**

- BENFER (107)
- BENIGNUS (124)
- BERNSHAUSEN (129)
- BLACKSHEAR (127)
- BRILL (109)
- DOERRE (46)
- EHRHARDT (110)
- EILAND (118)
- EPPS ISLAND (105)
- FRANK (125)
- FRENCH (131)
- GRACE ENGLAND EC/PK (130)
- GREENWOOD (104)
- HASSLER (120)
- HAUDE (103)
- HILDEBRANDT (42)
- HOFIUS (50)
- KAISER (108)
- KLEB (45)
- KLEIN CAIN (5)
- KLEIN COLLINS (4)
- KLEIN FOREST (2)
- KLEIN HIGH (1)
- KLEIN INT. (41)
- KLEIN OAK (3)
- KLEIN TEP/DAEP (35)
- KLENK (117)
- KOHRVILLE (101)
- KRAHN (113)
- KREINHOP (121)
- KRIMMEL (48)
- KUEHNLE (115)
- LEMM (111)
- MAHAFFEY (132)
- McDOUGLE (122)
- METZLER (123)
- MITTELSTADT (116)
- MUELLER (126)
- NITSCH (112)
- NORTHAMPTON (102)
- ROTH (114)
- SCHINDEWOLF (47)
- SCHULTZ (119)
- STRACK (44)
- THEISS (106)
- ULRICH (49)
- VISTAS (36)
- WUNDERLICH (43)
- ZWINK (128)

**ADMINISTRATION**

- CENTRAL OFFICE (A)
- MAINTENANCE ANNEX (B)
- MEMORIAL STADIUM (C)
- MULTIPURPOSE CENTER (D)
- NO. TRANS. CTR. (E)
- SO. TRANS. CTR. (F)
- STUDENT SUPPORT CTR. (G)
- TEACHING & LEARNING CTR. (H)
- TECHNOLOGY SERVICES CTR. (I)

# **Klein Independent School District**

Federal Single Audit Report

For the Fiscal Year Ended August 31, 2019

**Klein Independent School District**  
Federal Single Audit Report  
For the Fiscal Year Ended August 31, 2019  
Table of Contents

|   | Page |
|---|------|
| Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> ..... | 1    |
| Independent Auditor’s Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance .....  | 3    |
| Schedule of Expenditures of Federal Awards.....   | 5    |
| Notes to the Schedule of Expenditures of Federal Awards.....  | 7    |
| Schedule of Findings and Questioned Costs.....  | 8    |
| Summary Schedule of Prior Audit Findings.....   | 9    |

**Independent Auditor’s Report on Internal Control over Financial  
Reporting and on Compliance and Other Matters Based on an  
Audit of Financial Statements Performed in Accordance  
with *Government Auditing Standards***

The Board of Trustees of  
Klein Independent School District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Klein Independent School District as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise Klein Independent School District’s basic financial statements, and have issued our report thereon dated December 19, 2019.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Klein Independent School 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 Klein Independent School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of Klein Independent School District’s internal control.

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

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

The Board of Trustees of  
Klein Independent School District

**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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Name of Firm)

Conroe, Texas  
December 19, 2019

**Independent Auditor’s Report on Compliance for Each Major Federal  
Program and Report on Internal Control over Compliance  
in Accordance with the Uniform Guidance**

The Board of Trustees of  
Klein Independent School District

**Report on Compliance for Each Major Federal Program**

We have audited Klein Independent School District’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Klein Independent School District’s major federal programs for the year ended August 31, 2019. Klein Independent School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of Klein 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Klein 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 Klein Independent School District’s compliance.

***Opinion on Each Major Federal Program***

In our opinion, Klein 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 August 31, 2019.

**Report on Internal Control over Compliance**

Management of Klein 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 Klein 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 the Uniform Guidance, 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 Klein Independent School District’s internal control over compliance.

The Board of Trustees of  
Klein Independent School District

*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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Klein Independent School District as of and for the year ended August 31, 2019 and the related notes to the financial statements, which collectively comprise Klein Independent School District's basic financial statements. We issued our report thereon dated **December 19, 2019** which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Name of Firm)

Conroe, Texas  
**December 19, 2019**

**Klein Independent School District**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended August 31, 2019

| (1)<br>Federal Grantor/<br>Pass-Through Grantor/<br>Program Title       | (2)<br>Federal<br>CFDA<br>Number | (2A)<br>Pass-Through<br>Entity Identifying<br>Number | (3)<br>Total<br>Federal<br>Expenditures |
|---|----------------------------------|--|---|
| <b>U.S. DEPARTMENT OF EDUCATION</b>                                     |                                  |  |   |
| <b>Passed Through Texas Department of Education:</b>                    |                                  |  |   |
| <i>ESSA Title I, Part A - Improving Basic Programs</i>                  | 84.010A                          | 19610101101915                                       | \$ 7,509,256                            |
| <i>ESSA Title I, Part A - Improving Basic Programs</i>                  | 84.010A                          | 20610101101915                                       | 438,922                                 |
| Total Program 84.010A   |                                  |  | <u><b>7,948,178</b></u>                 |
| Special Education Cluster (IDEA):                                       |                                  |  |   |
| <i>IDEA, Part B - Formula</i>   | 84.027A                          | 186600011019156600                                   | 1,870,896                               |
| <i>IDEA, Part B - Formula</i>   | 84.027A                          | 196600011019156600                                   | 7,217,086                               |
| <i>IDEA, Part B - Formula</i>   | 84.027A                          | 206600011019156600                                   | 439,018                                 |
| <i>Evaluation Capacity Grant</i>  | 84.027A                          | 226-543-19-04-015                                    | 80,000                                  |
| <i>IDEA, Part B - Preschool</i>   | 84.173A                          | 186610011019156610                                   | 106,922                                 |
| <i>IDEA, Part B - Preschool</i>   | 84.173A                          | 196610011019156610                                   | 93,855                                  |
| <i>IDEA, Part B - Preschool</i>   | 84.173A                          | 206610011019156610                                   | 12,655                                  |
| Total Special Education Cluster (IDEA)                                  |                                  |  | <u><b>9,820,432</b></u>                 |
| <i>Career and Technical - Basic Grant</i>                               | 84.048A                          | 19420006101915                                       | 492,191                                 |
| <i>ESSA Title III, Part A - English Language Acquisition</i>            | 84.365A                          | 19671001101915                                       | 751,056                                 |
| <i>ESSA Title III, Part A - English Language Acquisition</i>            | 84.365A                          | 20671001101915                                       | 33,446                                  |
| <i>ESSA Title III, Part A - Immigrant</i>                               | 84.365A                          | 19671003101915                                       | 244,697                                 |
| Total Program 84.365A   |                                  |  | <u><b>1,029,199</b></u>                 |
| <i>ESSA Title II, Part A - Supporting Effective Instruction</i>         | 84.367A                          | 19694501101915                                       | 1,408,571                               |
| <i>ESSA Title II, Part A - Supporting Effective Instruction</i>         | 84.367A                          | 20694501101915                                       | 6,109                                   |
| Total Program 84.367A   |                                  |  | <u><b>1,414,680</b></u>                 |
| <i>Summer School LEP</i>  | 84.369A                          | 69551802   | 28,687                                  |
| <i>School Transformation Fund - Implementation (Klein Intermediate)</i> | 84.377A                          | 176107337110016                                      | 135,509                                 |
| <i>School Transformation Fund - Implementation (McDougle)</i>           | 84.377A                          | 176107337110017                                      | 109,248                                 |
| Total Program 84.377A   |                                  |  | <u><b>244,757</b></u>                   |
| <i>ESSA Title IV, Part A - SSAEP</i>                                    | 84.424A                          | 19680101101915                                       | 436,378                                 |
| <i>ESSA Title IV, Part A - SSAEP</i>                                    | 84.424A                          | 20680101101915                                       | 13,634                                  |
| Total Program 84.424A   |                                  |  | <u><b>450,012</b></u>                   |
| <i>Restart Hurricane Recovery</i>                                       | 84.938A                          | 18511701101915                                       | 596,817                                 |
| <b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>                               |                                  |  | <u><b>22,024,953</b></u>                |

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**Klein Independent School District**  
 Schedule of Expenditures of Federal Awards - Continued  
 For the Fiscal Year Ended August 31, 2019

| (1)<br>Federal Grantor/<br>Pass-Through Grantor/<br>Program Title           | (2)<br>Federal<br>CFDA<br>Number | (2A)<br>Pass-Through<br>Entity Identifying<br>Number | (3)<br>Total<br>Federal<br>Expenditures |
|---|----------------------------------|--|---|
| <b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>                  |                                  |  |   |
| <b>Passed Through Texas Health and Human Services Commission:</b>           |                                  |  |   |
| Medicaid Cluster:   |                                  |  |   |
| <i>Medicaid Administrative Claiming Program (MAC)</i>                       | 93.778                           | 529-07-0157-00123                                    | 129,848                                 |
| <b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>                          |                                  |  |   |
| <b>Passed Through Texas Department of Public Safety:</b>                    |                                  |  |   |
| <i>Federal Disaster Grants</i>  | 97.036                           | 201-02CC6-00   | 32,181                                  |
| <b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>                                |                                  |  |   |
| Child Nutrition Cluster:  |                                  |  |   |
| <b>Passed Through Texas Department of Agriculture - Noncash Assistance:</b> |                                  |  |   |
| <i>National School Lunch Program</i>  | 10.555                           | 00525  | 1,834,688                               |
| <b>Passed Through Texas Department of Education - Cash Assistance:</b>      |                                  |  |   |
| <i>National School Breakfast Program</i>                                    | 10.553                           | 71401901   | 2,793,895                               |
| <i>National School Lunch Program</i>  | 10.555                           | 71301901   | 10,701,718                              |
| Total Child Nutrition Cluster   |                                  |  | <u><b>15,330,301</b></u>                |
| <b>Passed Through State Department of Agriculture - Cash Assistance:</b>    |                                  |  |   |
| <i>Child and Adult Care Food Program</i>                                    | 10.558                           | 00525  | 42,022                                  |
| <b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>                                 |                                  |  | <u><b>15,372,323</b></u>                |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                                 |                                  |  | <u><b>\$ 37,559,305</b></u>             |

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

## Klein Independent School District

### Notes to the Schedule of Expenditures of Federal Awards

#### Note 1. Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General Fund, Debt Service Fund, Capital Projects Fund, and certain Special Revenue Funds in accordance with the Texas Education Agency's *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these 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 liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

National School Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

#### Note 2. De Minimis Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

#### Note 3. Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards per Exhibit K-1 and federal revenues reported on Exhibit B-2 of the District's Comprehensive Annual Financial Report:

|   |                             |
|---|-----------------------------|
| <b><i>Total Expenditures of Federal Awards per Exhibit K-1</i></b>                                  | \$ 37,559,305               |
| Additional federal revenues reported in General Fund, Debt Service Fund, and Capital Projects Fund: |                             |
| Interest Subsidy on Build America & Qualified School Construction Bonds                             | 1,680,110                   |
| School Health and Related Services (SHARS)  | 6,123,217                   |
| E-Rate Reimbursements   | 919,939                     |
| Reserve Officers' Training Corps  | 274,588                     |
| <b><i>Total Federal Revenues Reported on Exhibit B-2</i></b>  | <u><u>\$ 46,557,159</u></u> |

**Klein Independent School District**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended August 31, 2019

**Section 1. Summary of Auditor’s Results**

**Financial Statements**

- |  |               |
|--|---------------|
| 1. Type of auditor’s report issued   | Unmodified    |
| 2. Internal control over financial reporting:  |               |
| a. Material weakness(es) identified?   | No            |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted?                                     | No            |

**Federal Awards**

- |   |  |
|---|--|
| 4. Internal control over major programs:  |  |
| a. Material weakness(es) identified?  | No   |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses?          | None reported  |
| 5. Type of auditor’s report issued on compliance with major programs                                  | Unmodified   |
| 6. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No   |
| 7. Identification of Major Programs   | 10.553 and 10.555 Child Nutrition Cluster<br>84.367A ESSA Title II, Part A |
| 8. Dollar threshold used to distinguish between Type A and Type B federal programs                    | \$1,126,779  |
| 9. Auditee qualified as a low-risk auditee?   | Yes  |

**Section 2. Financial Statement Findings**

None reported

**Section 3. Federal Award Findings and Questioned Costs**

None reported

**Klein Independent School District**  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended August 31, 2019

**Prior Year Findings**

None Reported

**Management Requested Audits (1)**

|                             |           |
|-----------------------------|-----------|
| Klein Historical Foundation | Completed |
|-----------------------------|-----------|

**Departmental Audits/Other (7)**

|                                     |           |
|-------------------------------------|-----------|
| Transportation Operations Follow Up | Completed |
| Food Service Operations             | Completed |
| Warehouse Inventory                 | Completed |
| Maintenance Inventory               | Completed |
| Transportation Inventory            | Completed |
| Food Service Inventory              | Completed |
| Travel Cards Audit                  | Completed |

**Activity Funds (24)**

|                          |           |
|--------------------------|-----------|
| Klein Oak High           | Completed |
| Lemm Elementary          | Completed |
| Klein Collins High       | Completed |
| Klein Forest High        | Completed |
| Klein High               | Completed |
| Krimmel Intermediate     | Completed |
| Ulrich Intermediate      | Completed |
| Zwink Elementary         | Completed |
| Mahaffey Elementary      | Completed |
| Blackshear Elementary    | Completed |
| Klein Cain High          | Completed |
| Kohrville Elementary     | Completed |
| Northampton Elementary   | Completed |
| Hildebrandt Intermediate | Completed |
| McDougle Elementary      | Completed |
| Epps Island Elementary   | Completed |
| Kreinhop Elementary      | Completed |
| Bernshausen Elementary   | Completed |
| Krahn Elementary         | Completed |
| Nitsch Elementary        | Completed |
| Hassler Elementary       | Completed |
| Kaiser Elementary        | Completed |
| Klenk Elementary         | Completed |
| French Elementary        | Completed |

**Minutes of Audit Committee Meeting  
The Board of Trustees  
Klein Independent School District**



An audit committee meeting of the Board of Trustees of Klein Independent School District was held August 12, 2019, beginning at 5:01 p.m. at the Klein Multipurpose Center, 7500 FM 2920, Klein, Texas 77379.

In accordance with the attached agenda, the meeting was called to order by Mr. Ronnie Anderson, committee chairperson, at 5:01 p.m. Other trustees present were: Mr. Doug James, Ms. Georgan Reitmeier, and Mr. Chris Todd.

TRUSTEES PRESENT

School officials present included: Dr. Jenny McGown, superintendent; Dan Schaefer, chief financial officer; Ms. Audrey Ambridge, executive director of financial services, and Ms. Stephanie Duran, director of internal audit. In addition, Mr. Greg Peterson representative of Weaver & Tidwell, external auditors for Klein ISD was present.

OFFICIALS PRESENT

Mr. Peterson gave an overview of programs and funds that will be audited and reviewed, the audit plan overview and summary timeline.

EXTERNAL AUDIT

Ms. Stephanie Duran, internal auditor, provided an update on the district's internal audit plan. She summarized which audits were completed and which ones were still in process. Mr. Anderson requested a summary of findings for audit meetings moving forward.

INTERNAL AUDIT  
UPDATE

The minutes of the March 5, 2019 committee meeting were approved by the committee members.

MINUTES

Comments included appreciation for the internal and external auditors for their continued efforts and for keeping Klein ISD fiscally sound.

COMMENTS

The meeting was adjourned by Mr. Anderson at 5:18 p.m.

ADJOURNMENT

\_\_\_\_\_  
Audit Committee Chairperson

\_\_\_\_\_  
Audit Committee Member

\_\_\_\_\_  
Audit Committee Member