

KLEIN INDEPENDENT SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended August 31, 2014

Klein, Texas



FUTURE★READY

KLEIN INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
AUGUST 31, 2014

KLEIN INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2014

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Introductory Section

Klein Independent School District

Central Office

7200 Spring-Cypress Road
Klein, TX 77379-3215
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www.kleinisd.net



January 12, 2015

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 150th 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, 2014.

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 Klein Independent School 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 also 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.

Hereford, Lynch, Sellars and Kirkham, P.C., a firm of licensed certified public accountants, has issued an unmodified opinion based upon the audit of the Klein Independent School District’s financial statements for the fiscal year ended August 31, 2014. 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 four high schools, nine intermediate schools, and thirty elementary schools and serves an average daily attendance of 45,318 students. The ages of the school buildings range from one to forty-three years. Construction began on French Elementary School, during spring 2014 and will be open for the 2015-16 school year.

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 ten days' 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 \$155,095. Some of the larger subdivisions located within the District are Memorial Northwest, Inwood North, Cypresswood, Bridgestone, Willowood, Champion Forest, Gleannloch Farms, WindRose, Northampton, Memorial Chase, Charterwood, Greenwood Forest and Colony Creek. The Northwest and Far Northwest sectors had the greatest residential activity during the fiscal year and the District's demographer estimates that approximately 841 single-family and multi-family units were added last year. The greatest need for classrooms due to student enrollment growth into the foreseeable future continues to be expected north of FM 2920 to the District's northern-most boundary.

Klein is located in Harris County which is one of Houston's most rapidly growing areas. Growth in the region has largely been driven by residential growth. As the number of rooftops has grown, retail and other commercial development has followed. In Klein ISD, the employment generators are emanating predominately from the service sector, particularly educational and medical, and much of the future land use that was designated for residential is converting to commercial use partially for medical offices and financial services. There will be an acceleration of jobs in the service sectors associated with the energy office complexes that are evolving in The Woodlands and our neighboring district Spring ISD – with Klein ISD providing a key residential location for these added jobs. The relocation of up to 10,000 Houston area ExxonMobil employees to their new campus near Klein provides the chief employment impact. The District's external demographer projects 500 added students per year for the coming four school years as a result of housing relocations from the ExxonMobil employees. A strong school district, diverse and high quality housing options, and numerous quality of life amenities have

attracted many residents to the area, in particular families. New communities are being planned and development is continuing along FM 2920. The District's total tax base grew 2.36% to \$12 billion in 2013-14. The tax base had increased on average more than 9 percent annually over the previous nine years prior to 2009, while in 2009-10 the growth slowed to 2.8%. The District's total tax base was reduced by 1.6% in 2010-11. The slowdown in growth was due in part to the state and national economic downturn.

The District's student average daily attendance has increased 31 percent over a ten-year period and its enrollment is the twentieth largest in the State. Over the past ten-year period, the unemployment rate in Harris County has ranged from a low of 4.2 percent in 2007 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 recent economic conditions have led to a slower growth rate. Enrollment is projected to increase 2.53 percent during the 2014-15 school year. The level of student growth is expected to average 2.80 percent over the next several years. The square footage of the District's schools ranges from 65,500 to 674,633 square feet. Based on the District's current total of forty-three schools, the District has reached approximately 80 percent of its permanent classroom facility requirements. The percentage of students at each instructional level is expected to be approximately 46 percent in grade levels PK through 5, 23 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 740 students or more. The students per square mile are based on an enrollment that would stabilize after a peak in excess of 70,000 students. In May 2008, the District passed a \$646.9 million dollar bond issue as part of a five-year plan to accomplish the goals and objectives described in the District's Strategic Plan. Due to the slower enrollment growth the 2008 bond authorization was revised to a ten-year plan. Approximately 60 percent of this bond addresses student enrollment growth. To date, the District has sold \$519.134 million of the 2008 bond authorization. The next bond sale is expected to take place in the spring of 2015 subject to the Board approval.

The District's approach to coping with increasing academic standards in a restricted funding environment is to ensure the budget process is instructionally driven and guided by the Strategic Plan. The major budget priorities are to provide resources to fund the second year school reform project at Klein Forest High School; provide resources to fund the first year of the school reform projects at each Title I campus within the District; provide resources to improve Districtwide security and training; and provide additional specialized staff in the classroom for instructional modeling and support.

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 seeks to help students become skillful, active, reflective, self-disciplined, and honorable members of their communities through engaging learning experiences in a safe and nurturing environment. During the 2013-14 school year, student achievement and character development continued to be the primary objectives of the District. Strategies such as raising the performance of all students; closing the achievement gap; recruiting and retaining the highest quality employees; promoting positive character traits by building relationships; encouraging engagement and communicating effectively; and establishing and using best practices for continuous improvement allow the District to work toward its goals.

The District continues to implement a district and campus common assessment program that assists in measuring progress in student achievement in mathematics, English Language Arts, social studies, and science. The TEA reported the following 2013-14 state assessment passing rates for all students tested in grades 3 through 11: 83% Reading/English Language Arts, 77% in Writing, 84% Mathematics, 85% in Science and 83% in Social Studies. The District received an overall "Met Standard" rating from the TEA in 2013-14, the highest rating in the state accountability rating system. The District exceeded the accountability standard in all four rating indexes including student achievement, student progress, closing performance gaps, and postsecondary readiness. The Community and Student Engagement Local Accountability System for 2013-14 rated the district exemplary (the highest rating) in the areas of dropout prevention strategies, community and parent involvement, fine arts, wellness and physical education, 21st century workforce development, and digital learning environment. In addition the district was rated recognized in the areas of gifted and talented programs and second language acquisition.

In an effort to engage students in advanced coursework, 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. Advanced offerings have been expanded as more students express a desire to participate. Teachers are continually provided staff development focusing on research-based instructional strategies specifically in preparation for teaching higher level thinking skills and digital integration with students in the classroom.

AWARDS AND ACKNOWLEDGEMENTS

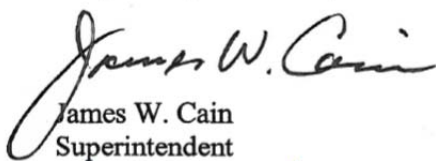
Klein Independent School District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its CAFR for the fiscal year ended August 31, 2013. In order to be awarded a Certificate of Achievement, 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, 2013, 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 both the ASBO Meritorious Budget Award and the GFOA Distinguished Budget Presentation Award for its 2013-14 adopted budget document. To receive this award, a school district must publish a budget document that substantially conforms to the principles and standards of these organizations.

We would like to express our appreciation to the Board of Trustees for their concern 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,



James W. Cain
Superintendent



Thomas E. Petrek, CPA, RTSBA
Associate Superintendent - Financial Services



Tonya Little, CPA, RTSBA
Controller



Audrey Ambridge, RTSBA
Director of Accounting



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, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is written in a cursive, flowing style.

Executive Director/CEO

Association of School Business Officials International



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

Klein Independent School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended August 31, 2013*

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



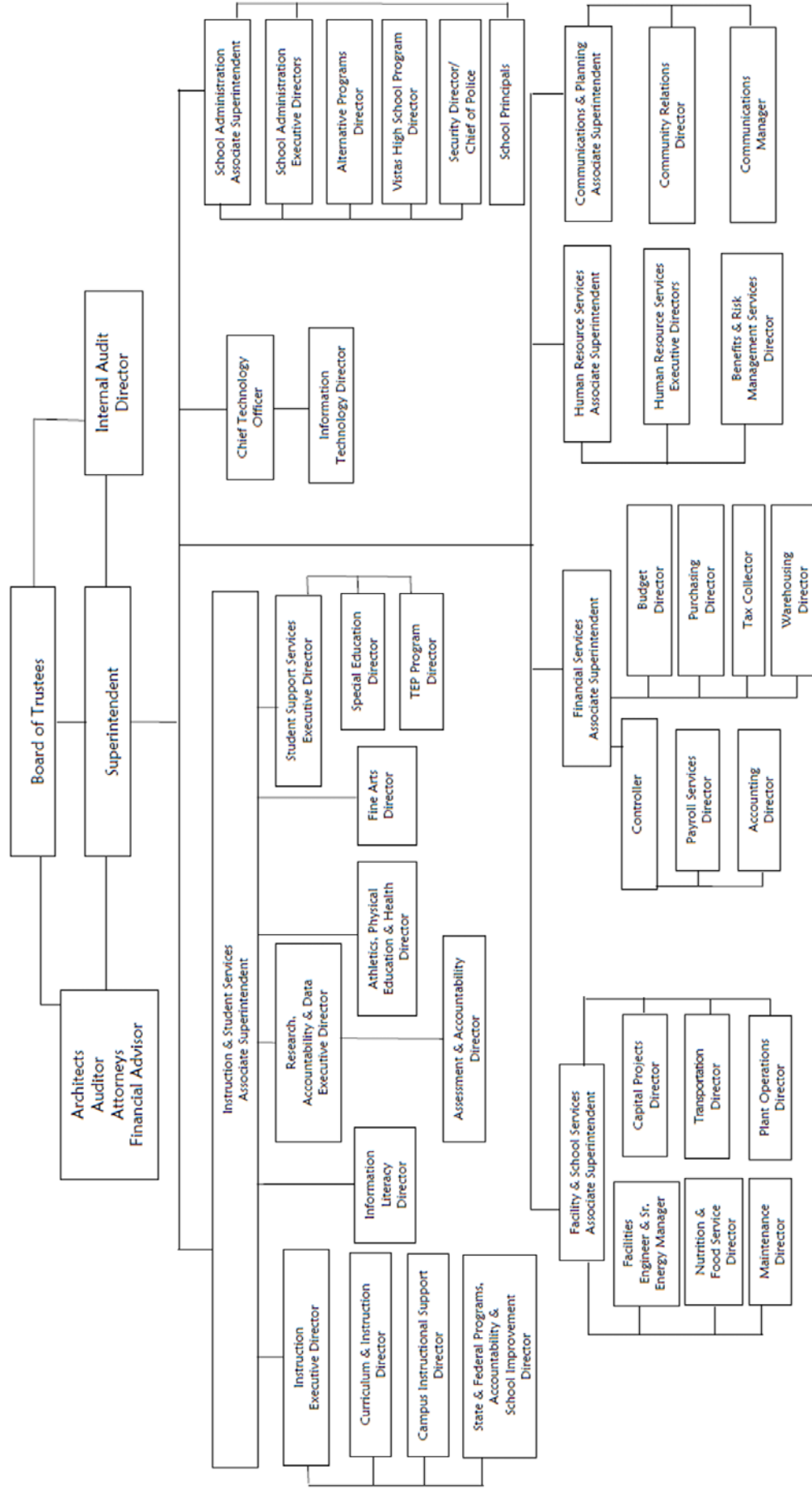
A handwritten signature in black ink, reading "Terrie S. Simmons".

Terrie S. Simmons, RSBA, CSBO
President

A handwritten signature in black ink, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

KLEIN INDEPENDENT SCHOOL DISTRICT ORGANIZATIONAL CHART



KLEIN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL SCHOOL DISTRICT OFFICIALS

ELECTED OFFICIALS/BOARD OF TRUSTEES

Ronnie K. Anderson	President
Steven E. Smith	Vice-President
Rick Mann	Secretary
Paul Lanham	Trustee
William F. "Bill" Pilkington	Trustee
Georgan Reitmeier	Trustee
Stephen J. Szymczak	Trustee

APPOINTED

Dr. James W. Cain	Superintendent
Stephanie B. Duran, CPA	Director of Internal Audit
Dr. Susan Borg	Associate Superintendent of Instruction and Student Services
Dr. Jan Marek	Associate Superintendent of School Administration
Robert Robertson	Associate Superintendent of Facility and School Services
Thomas E. Petrek, CPA, RTSBA	Associate Superintendent of Financial Services
Curt Drouillard	Associate Superintendent of Human Resource Services
Judith Rimato	Associate Superintendent of Communications & Planning
Karen Fuller	Chief Technology Officer
Lauren Smith	Executive Director of Accountability and School Improvement
Dr. Angeline Anderson	Executive Director of Instruction
Dr. Mary Rosenberg	Executive Director of Student Support Services
Vicki James	Executive Director of Student Information Services
Mindy Spurlock	Executive Director of School Administration
Kelly Schumacher	Executive Director of School Administration
Ron Webster	Executive Director of School Administration
Tonya Little, CPA, RTSBA	Controller
Dean Borg	Executive Director of Human Resource Services
Dr. L. S. Spencer	Executive Director of Human Resource Services
Dr. Janice Taylor	Executive Director of Human Resource Services
Nancy Webster	Director of Assessment and Accountability
Teresa Anderson	Director of Athletics, Physical Education, and Health
Adam Hile	Director of Curriculum & Instruction
Stephanie Edgar	Director of Campus Instructional Support
Monte Mast	Director of Fine Arts
Stephanie Green	Director of Information Literacy
Candace A. Threadgill	Director of Information Technology
K. E. Kaufman	Director of Disciplinary Alternative Programs
Jody Simpson	Director of Therapeutic Education Program
Peggy Ekster	Director of Vistas High School Programs
David Kimberly	Director of Security/Chief of Police
Donald E. Blue	Director of Capital Projects
Allan Scott, PE, CEM	Facilities Engineer and Senior Energy Manager
Jamal Hazzan	Director of Food Services
August Wunderlich	Director of Maintenance
Willie Huggins	Director of Plant Operations
Steve Williams	Director of Transportation Services
Fran Whitaker	Director of Payroll Services
Audrey Ambridge, RTSBA	Director of Accounting
Beth Rosler, RTSBA	Director of Budget
Douglas Wilson	Director of Purchasing
Allan Mielsch	Tax Collector
Allan Westmoreland	Director of Warehousing
Rick Stockton	Director of Benefits and Risk Management Services
Cindy Doyle	Director of Community Relations & Education Foundation

KLEIN INDEPENDENT SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

ARCHITECTS

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

IBI Group Inc.
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Stantec
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Houston, Texas 77046

BRW Architects Inc.
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AUDITOR

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1406 Wilson Road, Suite 100
Conroe, Texas 77304

BOARD ATTORNEY

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5718 Westheimer, Suite 1200
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DELINQUENT TAX ATTORNEY

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

FINANCIAL ADVISOR

RBC Capital Markets
Eugene B. Shepherd, Representative
First City Tower, Suite 1200
1001 Fannin
Houston, Texas 77002

OFFICIAL DEPOSITORY

Bank of America Merrill Lynch
700 Louisiana Street, 8th Floor
Houston, Texas 77002

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, 2014 at a meeting of the Board of Trustees of such school district on the 12th day of January, 2015.



SIGNATURE OF BOARD SECRETARY



SIGNATURE OF BOARD PRESIDENT

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

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Financial Section

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HLSK

Hereford, Lynch, Sellars & Kirkham

Certified Public Accountants • A Professional Corporation

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INDEPENDENT AUDITORS' REPORT

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

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 (District), as of and for the year ended August 31, 2014, 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.

Auditors' 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 auditors' judgment, including the assessments of the risk 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, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison 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 the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Klein Independent School District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplementary information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, and supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 12, 2014, on our consideration of the 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Klein Independent School District's internal control over financial reporting and compliance.

Respectfully,

Hereford, Lynch, Sellars & Kirkham, P.C.

HEREFORD, LYNCH, SELLARS & KIRKHAM, P.C.
Certified Public Accountants

Conroe, Texas
December 12, 2014

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AUGUST 31, 2014

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, 2014.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year by \$242,636,125 (*net position*).
- Unrestricted net position of \$129,960,846 may be used to meet the District's ongoing obligations to students and creditors.
- The District's total net position increased by \$5,653,391 primarily due to an increase in property tax revenues as a result higher property values and an increase in state aid funding.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$203,041,112, an increase of \$6,677,628 in comparison with the prior year. The increase in governmental fund balances was primarily due to the increase in the general fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$43,880,808 or 13 percent of total general fund expenditures.
- The District's bonded debt, at par, increased by \$11,100,000 (1.5 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 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 assets 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, 2014

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 three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a 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 twenty-seven 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-four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and *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.

Proprietary fund. The District maintains an internal service fund, one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. The District uses an internal service fund to account for its self-funded health insurance. Because this service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements. The self-funded health insurance fund was closed in the current year because the District does not anticipate nor incurred run-off health insurance claims.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements are referenced as Exhibits C-1, C-2, and C-3 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 D-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.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AUGUST 31, 2014

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 is referenced as Exhibit E-1 and the associated notes immediately follow the exhibit in this report.

Other information. The combining and individual fund statements and schedules and supplementary information are presented immediately following the required supplementary information and are 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, assets and deferred outflows of resources exceeded liabilities by \$242,636,125 at the close of the most recent fiscal year.

KLEIN INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	Governmental Activities	
	2014	2013
Current and Other Assets	\$ 245,691,400	\$ 250,596,275
Capital Assets, net of Accumulated Depreciation	812,687,021	801,194,244
Total Assets	1,058,378,421	1,051,790,519
Total Deferred Outflows of Resources	11,076,321	11,921,619
Other Liabilities	36,306,994	45,838,022
Long-term Liabilities Outstanding	790,511,623	780,891,382
Total Liabilities	826,818,617	826,729,404
Net Position:		
Net Investment in Capital Assets	86,495,792	91,841,007
Restricted	26,179,487	21,083,922
Unrestricted	129,960,846	124,057,805
Total Net Position	\$ 242,636,125	\$ 236,982,734

The largest portion of the District's net position \$129,960,846 (54 percent) is unrestricted net position which is available to meet the District's ongoing obligations to students and creditors.

Net investment in capital assets (e.g., deferred charges and gains on refundings, land, buildings and improvements, furniture and equipment, construction in progress), less any outstanding related debt used to acquire those assets represent 36 percent of the District's remaining net position. 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.

Net position restricted for debt service is \$19,687,695 and grants are \$6,491,792. At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position. The District's net position increased by \$5,653,391, primarily due to an increase in property tax revenues as a result of higher property values and an increase in state aid funding.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AUGUST 31, 2014

Governmental activities. Governmental activities increased the District's net position by \$5,653,391. Key elements of this increase are as follows:

KLEIN INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities	
	2014	2013
REVENUE		
Program Revenues:		
Charges for Services	\$ 17,486,159	\$ 17,393,160
Operating Grants and Contributions	63,705,418	56,014,013
General Revenues:		
Taxes:		
Property Taxes, Levied for General Purpose	143,367,503	132,808,947
Property Taxes, Levied for Debt Service	54,028,207	51,399,561
Grants and Contributions Not Restricted to Specific Programs	194,177,589	171,074,720
Investment Earnings	340,241	656,765
Miscellaneous	2,212,271	708,269
Total Revenues	475,317,388	430,055,435
EXPENSES		
Instruction	261,995,657	237,402,727
Instructional Resources and Media Services	5,141,715	4,735,979
Curriculum and Instructional Staff Development	10,638,923	8,791,759
Instructional Leadership	3,220,638	2,793,028
School Leadership	25,250,622	22,703,876
Guidance, Counseling, and Evaluation Services	20,005,177	17,245,827
Social Work Services	342,695	341,274
Health Services	4,674,883	3,973,678
Student Transportation	12,620,591	11,421,613
Food Services	23,533,970	21,063,851
Extracurricular Activities	8,093,036	7,264,382
General Administration	8,574,785	7,553,949
Plant Maintenance and Operations	32,035,346	30,318,968
Security and Monitoring Services	5,103,168	4,422,906
Data Processing Services	9,412,906	7,348,984
Community Services	842,374	820,411
Interest on Long-term Debt	33,162,655	32,297,830
Bond Issuance Costs and Fees	504,392	1,028,515
Facilities Repair and Maintenance	2,388,678	6,098,178
Payments to Shared Services Arrangements	428,169	417,838
Payments to Juvenile Justice Alternative Education Programs	195,232	116,444
Other Intergovernmental Charges	1,498,385	1,447,764
Total Expenses	469,663,997	429,609,781
Change in Net Position	5,653,391	445,654
Net Position - Beginning	236,982,734	240,623,852
Prior Period Adjustment - Implement GASB 65 for Bond Issuance Cost	-	(4,086,772)
Net Position - Beginning, as restated	236,982,734	236,537,080
Net Position - Ending	\$ 242,636,125	\$ 236,982,734

Revenues are generated primarily from two sources (see Figure A-1). Grants and contributions (program and general revenues totaling \$257,883,007) represent 54 percent of total revenues and property taxes (\$197,395,710) represent 42 percent of total revenues. The remaining 4 percent is generated from charges for services, investment earnings, and miscellaneous revenues. The increase in grants and contributions was primarily due to an increase in state aid. Property taxes increased primarily due to an increase in property values.

The primary functional expense (see figure A-2) of the District is instruction (\$261,995,657), which represents 56 percent of total expenses. Plant maintenance and operations (\$32,035,346) represents 7 percent of total expenses.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AUGUST 31, 2014

Interest on long-term debt (\$33,162,655) represents 7 percent of total expenses. The remaining individual functional categories of expenses are each less than 7 percent of total expenses. For the most part, increases in expenses are primarily due to salary increases and additional interest expense for new debt issued.

Figure A-1
Revenues by Source – Governmental Activities
for the Fiscal Year ended August 31, 2014

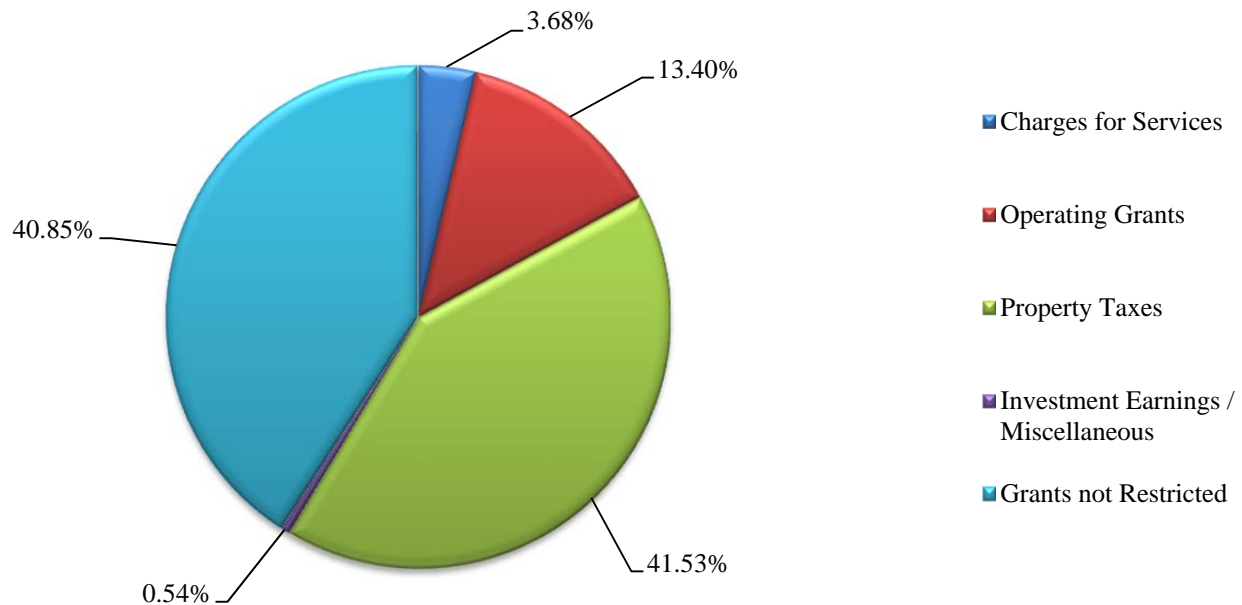
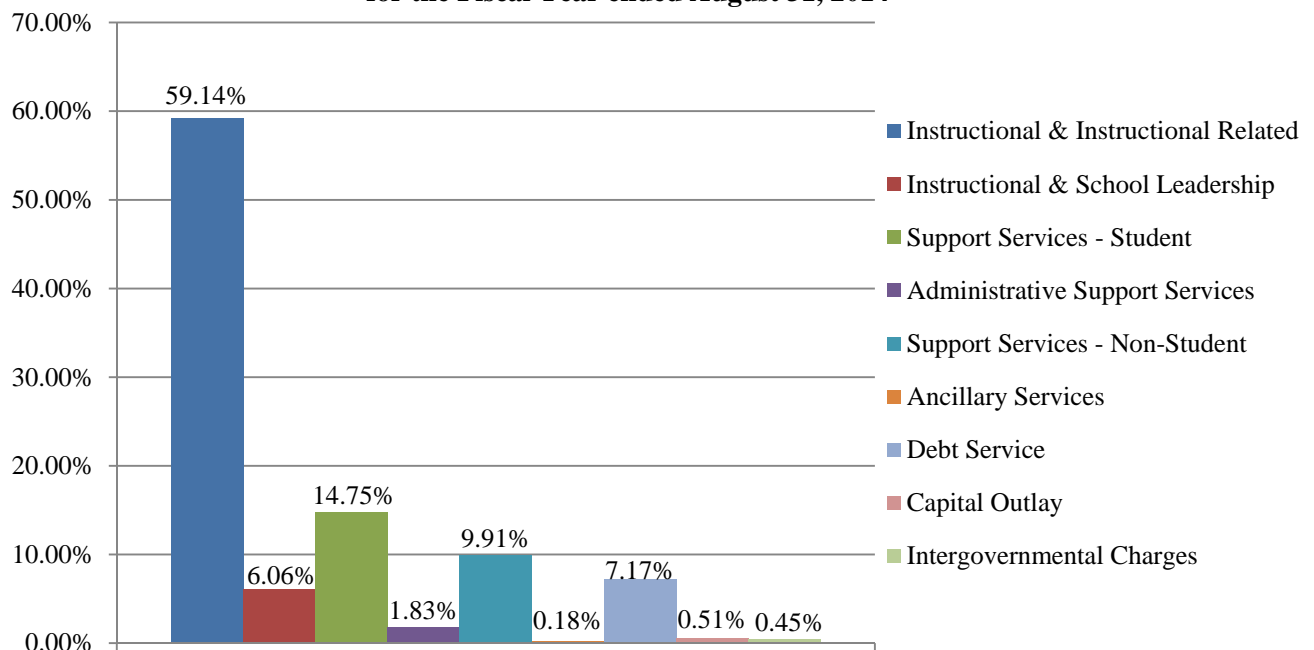


Figure A-2
Expenses by Major Function – Governmental Activities
for the Fiscal Year ended August 31, 2014



KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AUGUST 31, 2014

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 \$203,041,112, an increase of \$6,677,628 in comparison with the prior year. The increase in ending governmental fund balances is primarily due to the increase in the general fund. Out of the combined ending fund balances, \$43,880,808 constitutes unassigned fund balances. The remaining \$159,160,304 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 \$43,880,808 while total fund balance reached \$128,282,619. 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 13 percent of total general fund expenditures, while total fund balance represents 37 percent of that same amount. The District's general fund balance increased by \$10,941,547 during the current fiscal year primarily due to an increase in property values and an increase in state aid funding.

The debt service fund has a total fund balance of \$21,621,099, 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, 2014 were \$67,521,098.

The capital projects fund has a total fund balance of \$44,520,719 all of which is reserved for authorized construction and technology projects/enhancements. The net decrease in fund balance during the current year of \$6,352,184 was primarily due to construction and building improvements.

Proprietary fund. The District's proprietary fund financial statement, internal service fund for health insurance, provides detailed information about the profitability of the self-insurance fund. The change in net position of the fund is eliminated and allocated to the governmental expenses in the government-wide financial statements.

As of January 1, 2012, the District discontinued the self-insurance plan and employees were eligible to purchase health insurance through TRS-ActiveCare, the statewide health plan for public education employees. The self-funded health insurance fund did not close its operations during the fiscal year ending August 31, 2013 due to the fact that the external audit of the third party administrator had not been closed and remained open. The District finalized the audit and closed out the health insurance fund during the fiscal year ending August 31, 2014.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AUGUST 31, 2014

General Fund Budgetary Highlights

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

Estimated Revenues and Other Financing Sources		
\$	3,920,805	Net increase in state aid due to higher than projected Weighted Average Daily Attendance and additional instructional day in August 2014.
	3,899,295	Increase in local revenues resulting from higher than estimated 2013 property values.
	1,238,600	Increase in federal revenues earned from SHARS and E-Rate.
	486,638	Other miscellaneous revenue increases.
	280,000	Operating transfers in from the self-funded health insurance fund at final settlement
	104,390	Increase in local revenues received for gifts, donations, and insurance recovery.
	(991,432)	Decrease in TRS On-Behalf due to overestimation of impact from new positions and pay increases.
\$	8,938,296	<i>Total Estimated Revenues and Other Financing Sources Increase</i>
Appropriations and Other Financing Uses		
\$	2,181,047	Increase in capital outlay expenditures utilizing excess payroll budgets to purchase non-recurring items.
	1,463,507	Increase in employee benefits due to higher than projected TRS Statutory Minimum/Care costs; fiscal year 2013 and fiscal year 2014 payments made for sick leave benefits and attendance bonuses in fiscal year 2014; and increase in number of certification endorsements paid.
	1,125,859	Increase in professional contracted services to fund Special Education commitments; the facility assessment consultant; and movement of multiple transportable buildings.
	1,016,105	Increase in substitute budgets due to higher utilization for PLC meetings, professional development, and unfilled positions.
	740,750	Increase in employee and student travel appropriations due to larger teacher attendance at PLC conference and increase in student travel due to extracurricular competition advancements.
	658,129	Other miscellaneous appropriation increases.
	(582,313)	Decrease in utility appropriations due to lower utilization and increased energy conservation efforts.
	(991,432)	Decrease in TRS On-Behalf due to overestimation of impact from new positions and pay increases.
	(1,909,075)	Decrease in salary and stipend appropriations due to unfilled positions; retirement savings from fiscal year 2013; and lower than projected cost of 4% salary increase due to mid-point variances.
\$	3,702,577	<i>Total Appropriations and Other Financing Uses Increase</i>

The review of the final amended budget versus actual for the general fund reflected that actual revenues exceeded estimated revenue and expenditures were less than budgetary estimates, thus eliminating the need to further draw upon existing fund balances. At year end, actual revenues exceeded estimated amounts by \$1,113,820 primarily because state aid was higher than projected Weighted Average Daily Attendance. Operating expenditures were \$5,975,776 less than final budgeted amounts primarily due to funded but unfilled positions, leave of absences, and utility costs being less than anticipated.

Capital Assets and Long-term Debt

Capital assets. The District's investment in capital assets for its governmental type activities as of August 31, 2014, amounts to \$812,687,021 (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 2 percent.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AUGUST 31, 2014

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

- Construction was completed on Klein High School and the last phase opened for students in August 2014. The total current year expenditures were \$19,277,824.
- Construction began on French Elementary School, which is scheduled to open in August 2015. The remaining site work has been completed and construction has begun on the building. The combined total current year expenditures were \$3,614,014.
- High School #5, which had been delayed, is now an on-going project in the design and planning phase. The total current year expenditures were \$3,173,899.
- A new elementary school located near the Willow Lakes Village area is in the design and planning phase. The total current year expenditures were \$84,552.
- The renovations were completed at Klein Oak High School with current year expenditures of \$586,081.
- The renovations are nearing completion on the Central Office and the Student Services Center was completed this year. The total current year expenditures were \$1,187,436.
- The renovations to numerous existing facilities, as part of our summer renovations, totaled \$9,506,375.

KLEIN INDEPENDENT SCHOOL DISTRICT'S CAPITAL ASSETS
(Net of Depreciation)

	Governmental Activities	
	2014	2013
Land	\$ 63,459,154	\$ 62,700,344
Buildings and Improvements	699,701,325	598,104,162
Furniture and Equipment	34,287,670	34,596,645
Construction in Progress	15,238,872	105,793,093
Totals	\$ 812,687,021	\$ 801,194,244

Construction Commitments. The District has active construction projects as of August 31, 2014. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$28,878,244 for all ongoing projects.

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

Long-term debt. At the end of the current fiscal year, the District had total long-term bonded debt outstanding of \$753,090,000 backed by the full faith and credit of the District.

KLEIN INDEPENDENT SCHOOL DISTRICT'S OUTSTANDING DEBT

	Governmental Activities	
	2014	2013
General Obligation Bonds, par	\$ 753,090,000	\$ 741,990,000

The District's bonded debt increased by \$11,100,000 (less than 1.5 percent) during the current fiscal year.

The \$44,000,000 Series 2014 bond is an all new money sale plus \$383,887 of premium that will be charged against the voted authorization and was sold with a "AAA" rating and were guaranteed through the Texas Permanent School Fund (PSF) Guarantee Program.

The District has sold \$519.134 million of the \$646.9 million bond authorization of 2008. Therefore, the district has \$127.766 million in authorized, but unissued bonds. The District is developing a plan to have a May 2015 bond election. The Board of Trustees will be asked to call for the May election at the regular scheduled board meeting on January 12, 2015.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
AUGUST 31, 2014

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

Economic Factors and Next Year's Budgets and Tax Rates

- Average daily attendance (ADA) totaled 45,318 students, which is a 2.5 percent increase from the prior year.
- District staff totals 6,216 employees, which primarily consists of 3,129 teachers and 910 teachers' aides and secretaries.
- The District maintains 43 campuses for instruction.
- The unemployment rate for the County is currently 5.4 percent, which is a decrease from a rate of 6.3 percent a year ago. This compares to the State's unemployment rate of 5.3 percent, which is a decrease from a rate of 6.4 percent a year ago.
- Property values of the district have increased 3.0 percent over the past year.
- The property tax rate will be decreased to \$1.39 per \$100 of assessed value for 2014-15.

All of these factors were considered in preparing the District's budget for the 2014-15 fiscal year.

The general fund nonspendable and restricted fund balance (\$5,290,051) is for inventory and prepaid items. The general fund restricted fund balance is for future legal obligations related to E-Rate and High School Allotment.

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.

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Basic Financial Statements

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2014

Exhibit A-1

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 125,220,375
1120	<i>Current Investments</i>	24,399,068
1225	<i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i>	9,207,773
1240	<i>Due from Other Governments</i>	13,517,870
1250	<i>Accrued Interest</i>	16,713
1290	<i>Other Receivables</i>	921,925
1300	<i>Inventories, at Cost</i>	1,972,616
1410	<i>Prepaid Items</i>	2,920,576
1910	<i>Long-term Investments</i>	67,514,484
	Capital Assets, Not Being Depreciated:	
1510	<i>Land</i>	63,459,154
1580	<i>Construction in Progress</i>	15,238,872
	Capital Assets, Net of Accumulated Depreciation:	
1520	<i>Buildings and Improvements</i>	699,701,325
1530	<i>Furniture and Equipment</i>	34,287,670
1000	Total Assets	<u>1,058,378,421</u>
DEFERRED OUTFLOWS OF RESOURCES		
1700	<i>Deferred Charge on Refunding</i>	<u>11,076,321</u>
	Total Deferred Outflows of Resources	<u>11,076,321</u>
LIABILITIES		
2110	<i>Accounts Payable</i>	17,122,254
2140	<i>Interest Payable</i>	2,864,479
2160	<i>Accrued Wages Payable</i>	13,760,417
2180	<i>Due to Other Governments</i>	2,152,184
2190	<i>Due to Student Groups</i>	10,546
2300	<i>Unearned Revenue</i>	397,114
	Noncurrent Liabilities:	
2501	<i>Due within One Year</i>	32,933,032
2502	<i>Due in More Than One Year</i>	757,578,591
2000	Total Liabilities	<u>826,818,617</u>
NET POSITION		
3200	<i>Net Investment in Capital Assets</i>	86,495,792
	Restricted for:	
3820	<i>Grants</i>	6,491,792
3850	<i>Debt Service</i>	19,687,695
3900	<i>Unrestricted</i>	129,960,846
3000	Total Net Position	<u><u>\$ 242,636,125</u></u>

The accompanying notes are an integral part of this statement.

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2014

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	
	Primary Government:				
	Governmental Activities:				
0011	Instruction	\$ 261,995,657	\$ 6,249,630	\$ 26,282,748	\$ (229,463,279)
0012	Instructional Resources and Media Services	5,141,715	-	377,611	(4,764,104)
0013	Curriculum and Instructional Staff Development	10,638,923	-	2,744,295	(7,894,628)
0021	Instructional Leadership	3,220,638	-	256,687	(2,963,951)
0023	School Leadership	25,250,622	-	1,314,938	(23,935,684)
0031	Guidance, Counseling and Evaluation Services	20,005,177	22,284	2,832,602	(17,150,291)
0032	Social Work Services	342,695	-	16,506	(326,189)
0033	Health Services	4,674,883	-	346,637	(4,328,246)
0034	Student Transportation	12,620,591	-	640,856	(11,979,735)
0035	Food Services	23,533,970	9,462,827	12,193,990	(1,877,153)
0036	Extracurricular Activities	8,093,036	972,415	291,720	(6,828,901)
0041	General Administration	8,574,785	-	418,689	(8,156,096)
0051	Plant Maintenance and Operations	32,035,346	778,937	1,176,410	(30,079,999)
0052	Security and Monitoring Services	5,103,168	-	194,379	(4,908,789)
0053	Data Processing Services	9,412,906	-	216,086	(9,196,820)
0061	Community Services	842,374	-	432,378	(409,996)
0072	Interest on Long-term Debt	33,162,655	66	13,968,886	(19,193,703)
0073	Bond Issuance Costs and Fees	504,392	-	-	(504,392)
0081	Facilities Repair and Maintenance	2,388,678	-	-	(2,388,678)
0093	Payments to Shared Services Arrangements	428,169	-	-	(428,169)
0095	Payments to Juvenile Justice Alternative Ed. Programs	195,232	-	-	(195,232)
0099	Other Intergovernmental Charges	1,498,385	-	-	(1,498,385)
TG	Total Governmental Activities	469,663,997	17,486,159	63,705,418	(388,472,420)
TP	Total Primary Government	\$ 469,663,997	\$ 17,486,159	\$ 63,705,418	(388,472,420)
General Revenues:					
MT	Property Taxes, Levied for General Purposes				143,367,503
DT	Property Taxes, Levied for Debt Service				54,028,207
GC	Grants and Contributions Not Restricted to Specific Programs				194,177,589
IE	Investment Earnings				340,241
MI	Miscellaneous				2,212,271
TR	Total General Revenues				394,125,811
CN	Change in Net Position				5,653,391
NB	Net Position Beginning				236,982,734
NE	Net Position - Ending				\$ <u>242,636,125</u>

The accompanying notes are an integral part of this statement.

KLEIN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2014

Data Control Codes		General Fund	Debt Service Fund
ASSETS			
1110	<i>Cash and Cash Equivalents</i>	\$ 70,927,668	\$ 9,920,445
1120	<i>Current Investments</i>	5,244,360	2,125,743
1225	<i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i>	7,182,773	2,025,000
1240	<i>Due from Other Governments</i>	11,249,330	117,239
1250	<i>Accrued Interest</i>	8,750	-
1260	<i>Due from Other Funds</i>	2,865,396	1,402,302
1290	<i>Other Receivables</i>	305,405	27
1300	<i>Inventories, at Cost</i>	1,324,410	-
1410	<i>Prepaid Items</i>	753,367	-
1910	<i>Long-term Investments</i>	59,434,561	8,079,923
1000	Total Assets	\$ 159,296,020	\$ 23,670,679
LIABILITIES			
2110	<i>Accounts Payable</i>	\$ 6,281,494	\$ 24,580
2160	<i>Accrued Wages Payable</i>	12,822,995	-
2170	<i>Due to Other Funds</i>	2,276,581	-
2180	<i>Due to Other Governments</i>	2,152,184	-
2190	<i>Due to Student Groups</i>	10,546	-
2300	<i>Unearned Revenue</i>	286,828	-
2000	Total Liabilities	23,830,628	24,580
DEFERRED INFLOWS OF RESOURCES			
2600	<i>Unavailable Revenue-Property Taxes</i>	7,182,773	2,025,000
	Total Deferred Inflows of Resources	7,182,773	2,025,000
FUND BALANCES			
Nonspendable:			
3410	<i>Inventories</i>	1,324,410	-
3430	<i>Prepaid Items</i>	753,367	-
Restricted For:			
3450	<i>Federal and State Grants</i>	-	-
3470	<i>Land Acquisitions and Construction Projects</i>	-	-
3480	<i>Retirement of Long-term Debt</i>	-	21,621,099
3490	<i>Other</i>	3,212,274	-
Committed To:			
3545	<i>Other</i>	-	-
Assigned To:			
3550	<i>Construction</i>	400,000	-
3570	<i>Capital Expenditures for Equipment</i>	675,000	-
3580	<i>Self-Insurance</i>	3,200,000	-
3590	<i>Other</i>	74,836,760	-
3600	Unassigned:	43,880,808	-
3000	Total Fund Balances	128,282,619	21,621,099
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 159,296,020	\$ 23,670,679

The accompanying notes are an integral part of this statement.

Exhibit B-1

Capital Projects Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
\$ 36,329,726	\$ 8,042,536	\$ 125,220,375
17,028,965	-	24,399,068
-	-	9,207,773
-	2,151,301	13,517,870
7,963	-	16,713
177,256	876,062	5,321,016
584,175	32,318	921,925
-	648,206	1,972,616
132,947	2,034,262	2,920,576
-	-	67,514,484
\$ 54,261,032	\$ 13,784,685	\$ 251,012,416
\$ 9,520,590	\$ 1,295,590	\$ 17,122,254
6,727	930,695	13,760,417
212,996	2,831,439	5,321,016
-	-	2,152,184
-	-	10,546
-	110,286	397,114
9,740,313	5,168,010	38,763,531
-	-	9,207,773
-	-	9,207,773
-	648,206	1,972,616
132,947	54,761	941,075
-	3,279,518	3,279,518
44,387,772	-	44,387,772
-	-	21,621,099
-	-	3,212,274
-	4,634,190	4,634,190
-	-	400,000
-	-	675,000
-	-	3,200,000
-	-	74,836,760
-	-	43,880,808
44,520,719	8,616,675	203,041,112
\$ 54,261,032	\$ 13,784,685	\$ 251,012,416

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KLEIN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2014

Exhibit B-1R

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 203,041,112

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	\$ 1,022,115,843	
Accumulated Depreciation of Governmental Capital Assets	<u>(209,428,822)</u>	812,687,021

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.	9,207,773
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Long-term liabilities 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	\$ (753,090,000)	
Premiums on Bonds Payable	(28,698,269)	
Deferred Charge on Refunding Adjustment	11,076,321	
Accreted Interest on Capital Appreciation Bonds	(1,093,925)	
Accrued Interest on Bonds	(2,864,479)	
Workers' Compensation	(2,155,864)	
Compensated Absences	<u>(5,473,565)</u>	<u>(782,299,781)</u>

Total Net Position - Governmental Activities (Exhibit A-1) \$ 242,636,125

The accompanying notes 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, 2014

Data Control Codes		General Fund	Debt Service Fund
REVENUES			
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 147,172,331	\$ 54,246,113
5800	<i>State Programs</i>	207,311,010	12,306,687
5900	<i>Federal Programs</i>	3,928,309	1,662,199
5020	Total Revenues	<u>358,411,650</u>	<u>68,214,999</u>
EXPENDITURES			
Current:			
0011	<i>Instruction</i>	214,551,339	-
0012	<i>Instructional Resources and Media Services</i>	4,643,340	-
0013	<i>Curriculum and Instructional Staff Development</i>	7,941,814	-
0021	<i>Instructional Leadership</i>	3,067,067	-
0023	<i>School Leadership</i>	23,537,806	-
0031	<i>Guidance, Counseling, and Evaluation Services</i>	17,226,526	-
0032	<i>Social Work Services</i>	342,660	-
0033	<i>Health Services</i>	4,203,844	-
0034	<i>Student Transportation</i>	10,778,317	-
0035	<i>Food Services</i>	-	-
0036	<i>Extracurricular Activities</i>	7,309,142	-
0041	<i>General Administration</i>	8,541,307	-
0051	<i>Plant Maintenance and Operations</i>	30,509,555	-
0052	<i>Security and Monitoring Services</i>	4,663,964	-
0053	<i>Data Processing Services</i>	7,129,217	-
0061	<i>Community Services</i>	436,458	-
Debt Service:			
0071	<i>Principal on Long-term Debt</i>	-	32,900,000
0072	<i>Interest on Long-term Debt</i>	-	34,609,848
0073	<i>Bond Issuance Costs and Fees</i>	17,910	11,250
Capital Outlay:			
0081	<i>Facilities Acquisition and Construction</i>	771,138	-
Intergovernmental:			
0093	<i>Payments to Shared Services Arrangements</i>	428,169	-
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	195,232	-
0099	<i>Other Intergovernmental Charges</i>	1,498,385	-
6030	Total Expenditures	<u>347,793,190</u>	<u>67,521,098</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,618,460</u>	<u>693,901</u>
OTHER FINANCING SOURCES (USES)			
7911	<i>Issuance of Capital-related Bonds</i>	-	-
7912	<i>Sale of Real and Personal Property</i>	205,885	-
7915	<i>Transfers In</i>	1,584,702	1,400,000
7916	<i>Premium from Issuance of Bonds</i>	-	-
8911	<i>Transfers Out</i>	(1,467,500)	-
7080	Total Other Financing Sources (Uses)	<u>323,087</u>	<u>1,400,000</u>
1200	Net Change in Fund Balances	10,941,547	2,093,901
0100	Fund Balances - Beginning	117,341,072	19,527,198
3000	Fund Balances - Ending	\$ <u>128,282,619</u>	\$ <u>21,621,099</u>

The accompanying notes are an integral part of this statement.

Exhibit B-2

Capital Projects Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
\$ 257,343	\$ 16,165,912	\$ 217,841,699
-	4,352,051	223,969,748
-	26,640,078	32,230,586
<u>257,343</u>	<u>47,158,041</u>	<u>474,042,033</u>
11,226,486	19,183,638	244,961,463
-	169,551	4,812,891
-	2,330,484	10,272,298
27,889	99,833	3,194,789
-	108,282	23,646,088
-	1,891,636	19,118,162
-	-	342,660
-	127,580	4,331,424
743,439	211,705	11,733,461
-	22,398,855	22,398,855
-	31,205	7,340,347
-	-	8,541,307
13,239	278,604	30,801,398
415,715	-	5,079,679
-	-	7,129,217
-	399,804	836,262
475,232	-	33,375,232
-	-	34,609,848
-	-	29,160
40,112,152	-	40,883,290
-	-	428,169
-	-	195,232
-	-	1,498,385
<u>53,014,152</u>	<u>47,231,177</u>	<u>515,559,617</u>
<u>(52,756,809)</u>	<u>(73,136)</u>	<u>(41,517,584)</u>
44,000,000	-	44,000,000
1,504,780	-	1,710,665
-	67,500	3,052,202
899,845	-	899,845
-	-	(1,467,500)
<u>46,404,625</u>	<u>67,500</u>	<u>48,195,212</u>
(6,352,184)	(5,636)	6,677,628
50,872,903	8,622,311	196,363,484
<u>\$ 44,520,719</u>	<u>\$ 8,616,675</u>	<u>\$ 203,041,112</u>

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, 2014

Exhibit B-2R

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 6,677,628

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>	\$ 41,702,635	
Depreciation Expense	<u>(21,510,448)</u>	20,192,187

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (8,699,410)

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. (435,481)

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	\$ (44,000,000)	
(Premium) Discount	<u>(899,845)</u>	(44,899,845)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 32,900,000

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. The (increase) decrease in interest reported in the statement of activities consists of the following:

Accrued Interest on Current Interest Bonds Payable <i>increased</i>	\$ (31,463)	
Interest Accreted on the Capital Appreciation Bonds	(35,381)	
Amortization of Bond Premium	2,359,335	
Amortization of Deferred Charge on Refunding	<u>(845,298)</u>	1,447,193

An internal service fund is used by the District to charge the costs of health insurance benefits to the individual funds. The net activity of the internal service fund was reported in the government-wide statements. (1,584,531)

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. (553,074)

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. 608,724

Change in Net Position for Governmental Activities (Exhibit A-2) \$ 5,653,391

The accompanying notes are an integral part of this statement.

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
AUGUST 31, 2014

Exhibit C-1

<u>Data Control Codes</u>	<u>Governmental Activities Internal Service Fund Health Insurance</u>
ASSETS	
Current Assets:	
1110 <i>Cash and Cash Equivalents</i>	\$ -
Total Current Assets	-
1000 Total Assets	-
LIABILITIES	
Current Liabilities:	
Total Current Liabilities	-
2000 Total Liabilities	-
NET POSITION	
3900 <i>Unrestricted</i>	-
3000 Total Net Position	\$ -

The accompanying notes are an integral part of this statement.

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit C-2

Data Control Codes		Governmental	
		Activities	Internal Service
		Fund	Health
		Insurance	
NONOPERATING REVENUES			
7000	<i>Interest and Dividends on Investments</i>	\$	171
8030	Total Nonoperating Revenues		171
8911	<i>Transfers Out</i>		(1,584,702)
1300	Change in Net Position		(1,584,531)
0100	Net Position - Beginning		1,584,531
3000	Net Position - Ending	\$	-

The accompanying notes are an integral part of this statement.

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit C-3

	Governmental Activities <hr/> Internal Service Fund <hr/> Health Insurance <hr/>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfer to Other Funds	\$ (1,584,702)
Net Cash Used for Non-Capital Financing Activities	<hr/> (1,584,702) <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Dividends Received on Investments	<hr/> 171
Net Cash Provided by Investing Activities	<hr/> 171 <hr/>
Net Decrease in Cash and Cash Equivalents	(1,584,531)
Cash and Cash Equivalents at Beginning of Year	<hr/> 1,584,531
Cash and Cash Equivalents at End of Year	\$ <hr/> - <hr/>

The accompanying notes are an integral part of this statement.

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
AUGUST 31, 2014

Exhibit D-1

Data Control Codes		Agency Fund
	ASSETS	
1110	<i>Cash and Cash Equivalents</i>	\$ 1,518,267
1000	Total Assets	\$ 1,518,267
	LIABILITIES	
2190	<i>Due to Student Groups</i>	\$ 1,518,267
2000	Total Liabilities	\$ 1,518,267

The accompanying notes are an integral part of this statement.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2014

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 are 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, proprietary 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*, as are the proprietary fund financial statements. 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 to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2014

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/enhancements.

Additionally, the District reports the following fund types:

The *internal service fund* accounts for health services provided to other funds and/or employees of the District on a cost reimbursement basis.

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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health services. Operating expenses of the District's internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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, certificates of deposit, investment pools, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the District are reported at fair value based on quoted market prices at August 31, 2014. The investment pools operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2014

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.

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 commodities. 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 estimated fair market 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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2014

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.

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 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, 2014.

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, 2014. 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, 2014.

6. *Long-term Obligations*

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net assets. 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 debt service expenditures.

7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the *deferred charge on refunding* reported in the government-wide statement of net position. A

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deferred charge on refunding results from the difference in the reacquisition price over the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, the District reports an *unavailable revenue-property taxes*, in the governmental balance sheet. Unavailable revenue-property taxes is deferred and recognized as an inflow of resources in the period that the amounts become available.

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 and proprietary fund 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).

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- 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 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 fund balance with Board approval.

II. Stewardship, Compliance, and Accountability

A. 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.

B. 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.

C. 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.

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Encumbrances are reported in the financial statements as restricted, committed, or assigned for specific purposes in the governmental funds. As of August 31, 2014, significant encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in:	
	Restricted	Assigned
	Fund Balance	Fund Balance
General Fund	\$ -	\$ 551,806
ESEA Title I Part A Improving Basic Programs	2,287	-
National School Breakfast and Lunch	69,631	-
State Textbook Fund	66,599	-
Capital Projects Fund	30,212,284	-
Total Encumbrances	\$ 30,350,801	\$ 551,806

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, collateralized mortgage obligations, no-load money market funds, fully collateralized repurchase agreements, or investment pools.

For fiscal year 2014, the District invested in U.S. Treasuries and Government Agency securities, municipal securities, the Texas Local Government Investment Pool (TexPool) and the Texas Association of School Boards Lone Star Investment Pool (Lone Star). The District had investments in two custodial accounts at U.S. Bank whereby RBC Global Asset Management and Public Trust Advisors were hired as Investment Advisors. 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, and securities lending programs. 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.

The TexPool and Lone Star Investment Pool are external investment pools that operate in conformity with SEC Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Investments held by a 2a7-like pool are of very high credit quality and short maturity. The high credit quality requirement is intended to limit the investment portfolio's credit risk, and the short maturity requirement is intended to limit interest rate risk. These requirements, working together, are designed to keep the pool's net asset value measured on a fair value basis to be very close to the pool's value on an amortized cost basis. Although TexPool and Lone

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Star Investment Pool have a weighted average maturity greater than one day, the funds are available to the District within one day.

At year-end, the District's cash and investments balances, including fiduciary funds, and the weighted average maturity of these investments were as follows:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Cash and Cash Equivalents:		
Cash & Checking Accounts	\$ 14,992,969	N/A
TexPool	67,662,898	1
Lone Star Investment Pool	44,082,776	1
Investments:		
Money Market Funds (RBC & Public Trust Advisors)	351,357	1
Municipal Securities	24,186,149	318
U.S. Treasuries	26,558,592	514
U.S. Government Agencies:		
Federal Farm Credit Banks	423,392	104
Federal Home Loan Mortgage Corporation	804,303	411
Federal National Mortgage Association	9,106,152	307
Federal Home Loan Bank	30,483,606	116
Total Fair Value	\$ <u>218,652,194</u>	
Portfolio Weighted Average Maturity		129

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 360 days, 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. As of August 31, 2014, the District's investment in TexPool was rated AAAm by Standard and Poor's. The District's investment in Lone Star Investment Pool was rated AAAm by Standard and Poor's. The First American Funds money market used by RBC and Public Trust Advisors were both rated AAAm by Standard and Poor's. The District's investments in U.S. Government agency securities were rated AA+ by Standard and Poor's and Aaa by Moody's Investor Service.

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.

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The fair value of the investments in U.S. Government agency securities is based on quoted market prices. The investments are reported by the District at fair value. The amount of decrease in the fair value of these investments during the year ended August 31, 2014, is included in investment earnings as follows:

Investment Earnings	\$ 538,498
Net Decrease in Fair Value of Investments	(198,257)
Total Investment Earnings	\$ 340,241

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:

	General	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
Receivables:					
Property Taxes, including					
Penalties and Interest	\$ 8,290,893	\$ 2,313,595	\$ -	\$ -	\$ 10,604,488
Due From Other Governments:					
Federal	2,245,432	-	-	2,151,301	4,396,733
State	9,003,898	117,239	-	-	9,121,137
Accrued Interest	8,750	-	7,963	-	16,713
Miscellaneous	305,405	27	584,175	32,318	921,925
Gross Receivables	19,854,378	2,430,861	592,138	2,183,619	25,060,996
Less: Allowance for Uncollectibles	(1,108,120)	(288,595)	-	-	(1,396,715)
Net Total Receivables	\$ 18,746,258	\$ 2,142,266	\$ 592,138	\$ 2,183,619	\$ 23,664,281

Sixty-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:

	Unearned
Athletic Tickets (General Fund)	\$ 51,191
Escrow Local Taxes (General Fund)	12,419
Facility Rentals (General Fund)	123,271
Tuition (General Fund)	99,947
Grant Funds Received Prior to Meeting all Eligibility Requirements (Special Revenue Funds)	110,286
Total Unearned Revenue For Governmental Funds	\$ 397,114

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C. Capital Assets

Capital asset activity for the year ended August 31, 2014 was as follows:

	Beginning Balance	Additions	Transfers, Adjustments and Dispositions	Ending Balance
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 62,700,344	\$ 758,810	\$ -	\$ 63,459,154
Construction in Progress	105,793,093	5,006,209	(95,560,430)	15,238,872
Total Capital Assets, not being Depreciated	168,493,437	5,765,019	(95,560,430)	78,698,026
Capital Assets, being Depreciated:				
Buildings and Improvements	790,144,154	30,829,091	57,388,853	878,362,098
Furniture and Equipment	60,803,066	5,108,525	(855,872)	65,055,719
Total Capital Assets, being Depreciated	850,947,220	35,937,616	56,532,981	943,417,817
Less Accumulated Depreciation for:				
Buildings and Improvements	(192,039,992)	(16,255,817)	29,635,036	(178,660,773)
Furniture and Equipment	(26,206,421)	(5,254,631)	693,003	(30,768,049)
Total Accumulated Depreciation	(218,246,413)	(21,510,448)	30,328,039	(209,428,822)
Total Capital Assets, being Depreciated, net	632,700,807	14,427,168	86,861,020	733,988,995
Governmental Activities Capital Assets, net	\$ 801,194,244	\$ 20,192,187	\$ (8,699,410)	\$ 812,687,021

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

Governmental Activities:	
11 Instruction	\$ 12,209,878
12 Instructional Resources and Media Services	229,222
13 Curriculum and Instructional Staff Development	228,476
21 Instructional Leadership	53,889
23 School Leadership	1,144,088
31 Guidance, Counseling, and Evaluation Services	616,519
33 Health Services	221,869
34 Student Transportation	1,302,106
35 Food Services	1,385,017
36 Extracurricular Activities	511,689
41 General Administration	26,677
51 Plant Maintenance and Operations	1,481,932
52 Security and Monitoring Services	402,556
53 Data Processing Services	1,692,125
61 Community Services	4,405
Total Depreciation Expense	\$ 21,510,448

KLEIN INDEPENDENT SCHOOL DISTRICT

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Construction Commitments

The District has active construction projects as of August 31, 2014. The projects include the construction and equipment of school facilities. At year end, the District's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
French Elementary	\$ 2,441,155	\$ 19,278,664
Klein High School Rebuild	113,317,691	3,823,599
Bernshausen Elementary	33,139,566	2,104,092
High School #5	3,500,618	2,071,401
Willow Lake Village Elementary	81,783	707,518
Central Office Renovations	3,861,801	365,633
2014 Facility Renovations	9,428,523	232,877
Facility Assessment	556,309	184,230
Various Other Commitments	34,190,074	110,230
Totals	\$ 200,517,520	\$ 28,878,244

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, 2014, is as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds:		
General Fund	\$ 2,865,396	\$ 2,276,581
Debt Service Fund	1,402,302	-
Capital Projects Fund	177,256	212,996
Nonmajor Governmental Funds	876,062	2,831,439
Total Governmental Funds	5,321,016	5,321,016
Total - All Funds	\$ 5,321,016	\$ 5,321,016

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, 2014:

Transfers Out	Transfers In	Amount
General Fund	Other Governmental Funds - Nonmajor	\$ 67,500
General Fund	Debt Service Fund	1,400,000
Internal Service Fund	General Fund	1,584,702
Total		\$ 3,052,202

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 transfer from the general fund to the debt service fund was made to offset the decrease of the debt service tax rate by \$0.01. The transfer from the internal service fund to the general fund was made because the internal service fund for the district's self-funded health insurance plan was closed.

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E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, workers' compensation and compensated absences. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for workers' compensation and compensated absences are accounted for in the general fund and have been used in current and past years to liquidate the liability for compensated absences. As of August 31, 2014, there were no outstanding claims in the internal service fund.

Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>					
Bonds Payable:					
General Obligation Bonds	\$ 741,990,000	\$ 44,000,000	\$ (32,900,000)	\$ 753,090,000	\$ 30,775,000
Accreted Interest on Capital					
Appreciation Bonds	1,058,544	35,381	-	1,093,925	-
Deferred Amounts:					
For Issuance Premiums	30,157,759	899,845	(2,359,335)	28,698,269	-
Total Bonds Payable, net	773,206,303	44,935,226	(35,259,335)	782,882,194	30,775,000
Workers' Compensation	2,764,588	381,945	(990,669)	2,155,864	2,155,864
Compensated Absences	4,920,491	730,037	(176,963)	5,473,565	2,168
Total Long-term Liabilities	\$ 780,891,382	\$ 46,047,208	\$ (36,426,967)	\$ 790,511,623	\$ 32,933,032

Internal service funds predominantly serve the governmental funds. As of January 1, 2012, the District discontinued the self-funded health insurance plan, but continued to pay claims incurred prior to January 1, 2012. As of August 31, 2014, the District does not have any outstanding liabilities for health claims. Therefore, no liability is included in the table above and the District closed the fund in fiscal year 2014.

General Obligation Bonds

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

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These are issued as 5-30 year current interest bonds, term bonds, capital appreciation bonds (CAB), and serial bonds with various amounts of principal maturing each year.

The 2010B taxable series Build America Bonds entitle 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 2014 was reduced by 7.2 percent.

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

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2003 A	2.00-5.00%	38,145,000	2023	2,250,000	-	(2,250,000)	-
2005	3.50-5.50%	58,000,000	2031	20,900,000	-	(1,800,000)	19,100,000
2005 A	3.00-5.00%	63,715,000	2019	33,470,000	-	(8,795,000)	24,675,000
2006	3.00-5.50%	53,000,000	2032	12,275,000	-	(1,480,000)	10,795,000
2007	3.50-5.50%	45,000,000	2032	26,850,000	-	(1,200,000)	25,650,000
2008	4.00-5.00%	32,000,000	2033	24,000,000	-	(700,000)	23,300,000
2008 A	3.25-5.05%	184,905,000	2038	170,525,000	-	(3,225,000)	167,300,000
2009 A	2.00-5.00%	17,125,000	2019	12,895,000	-	(1,125,000)	11,770,000
2009 B	2.25-5.03%	45,000,000	2039	34,400,000	-	(3,000,000)	31,400,000
2010 A	2.50-5.00%	38,135,000	2023	31,855,000	-	(2,730,000)	29,125,000
2010 B	4.982-5.96%	88,865,000	2040	88,865,000	-	-	88,865,000
2010 Rfdg	2.00-5.00%	28,445,000	2023	27,695,000	-	(235,000)	27,460,000
2010 Rfdg (CAB)	-	795,000	2015	795,000	-	-	795,000
2011	3.00-5.00%	83,900,000	2041	81,510,000	-	(1,460,000)	80,050,000
2012 A	2.00-5.00%	51,115,000	2042	50,110,000	-	(1,030,000)	49,080,000
2012 B	2.00-4.00%	18,390,000	2023	17,315,000	-	(2,660,000)	14,655,000
2013 A	1.50-5.00%	79,305,000	2043	78,800,000	-	(1,210,000)	77,590,000
2013 B	4.00-5.00%	27,480,000	2027	27,480,000	-	-	27,480,000
2014	3.00-4.00%	44,000,000	2044	-	44,000,000	-	44,000,000
Totals				\$ 741,990,000	\$ 44,000,000	\$ (32,900,000)	\$ 753,090,000

A portion of the bonds sold in the series 2010 were capital appreciation bonds, commonly referred to as “premium compound interest bonds”. These bonds were issued at a discount to their par or maturity value and will accrete interest until maturity.

Description	Accreted Value	Stated Value	Ending Value Accreted Interest
2010	\$ 1,888,926	\$ 795,000	\$ 1,093,925

On May 10, 2008, the authorized voters of the District approved the issuance of \$646,900,000 in general obligation bonds. As of August 31, 2014, the District had \$127,766,113 in authorized but unissued bonds remaining from the May 10, 2008 bond election.

In April 2014, the District issued \$44,000,000 in unlimited tax schoolhouse bonds. The bond proceeds were used to finance new construction, renovation projects, site purchases and equipment.

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.

At August 31, 2014, the following outstanding bonds are considered defeased:

2005	General Obligation Bonds (maturing 2017-2027, callable August 1, 2015)	\$ 29,800,000
2006	General Obligation Bonds (maturing 2017-2032, callable August 1, 2015)	32,970,000
2007	General Obligation Bonds (maturing 2018-2023, callable August 1, 2016)	10,000,000
Total		\$ 72,770,000

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

Year Ending August 31	Principal Value	Interest	Total Requirements
2015	\$ 30,775,000	\$ 35,610,095	\$ 66,385,095
2016	32,860,000	33,284,313	66,144,313
2017	33,415,000	31,962,188	65,377,188
2018	31,610,000	30,562,488	62,172,488
2019	30,160,000	29,145,103	59,305,103
2020	28,675,000	27,785,878	56,460,878
2021	30,060,000	26,586,551	56,646,551
2022	27,995,000	25,196,263	53,191,263
2023	27,400,000	23,854,070	51,254,070
2024	23,940,000	22,701,257	46,641,257
2025	25,105,000	21,630,598	46,735,598
2026	26,325,000	20,512,366	46,837,366
2027	27,470,000	19,288,843	46,758,843
2028	28,905,000	18,044,570	46,949,570
2029	30,020,000	16,745,909	46,765,909
2030	31,450,000	15,372,818	46,822,818
2031	32,955,000	13,906,729	46,861,729
2032	30,230,000	12,355,008	42,585,008
2033	25,100,000	10,951,642	36,051,642
2034	24,300,000	9,679,691	33,979,691
2035	25,455,000	8,440,011	33,895,011
2036	26,630,000	7,149,888	33,779,888
2037	27,875,000	5,795,039	33,670,039
2038	29,175,000	4,372,462	33,547,462
2039	20,065,000	2,882,105	22,947,105
2040	18,785,000	1,844,640	20,629,640
2041	12,480,000	867,030	13,347,030
2042	7,255,000	418,025	7,673,025
2043	4,175,000	178,540	4,353,540
2044	2,445,000	48,900	2,493,900
Totals	\$ 753,090,000	\$ 477,173,020	\$ 1,230,263,020

The District is subject to a legal debt margin in which the net indebtedness shall not exceed 10 percent of all assessed real and personal property in the District. At August 31, 2014, the legal debt margin was \$439,922,420.

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, 2014

F. Fund Balance

Other restricted fund balance includes the following restrictions of funds:

General Fund:

E-Rate	\$	457,033
High School Allotment		2,755,241
Total Other Restricted Fund Balance	\$	3,212,274

Other committed fund balance includes the following commitments of funds:

Nonmajor and Other Funds:

Earned but unspent funds in special local programs including campus activity		4,634,190
Total Other Committed Fund Balance	\$	4,634,190

Other assigned fund balance includes the following assignments of funds:

General Fund:

Coca-Cola Funds	\$	4,261,233
Outstanding Encumbrances		551,806
Long-term Investments		51,141,498
Compensated Absences		5,382,223
Operating Costs of Future School Openings		9,500,000
Land Purchases for Future School Sites		4,000,000
Total Other Assigned Fund Balance	\$	74,836,760

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:

	General	Debt Service	Capital Projects	Other Governmental Funds	Totals
Property Taxes	\$ 142,494,663	\$ 53,684,806	\$ -	\$ -	\$ 196,179,469
Penalties, Interest & Other Tax-Related Income	1,281,755	369,967	-	-	1,651,722
Charges for Services	2,181,436	66	30,257	15,326,147	17,537,906
Investment Earnings	259,193	191,274	(111,754)	1,357	340,070
Other	955,284	-	338,840	838,408	2,132,532
Total	\$ 147,172,331	\$ 54,246,113	\$ 257,343	\$ 16,165,912	\$ 217,841,699

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 general and educators' 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.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2014

Health Insurance

As of January 1, 2012, the District discontinued the self-funded health insurance plan. At that time, employees became eligible to purchase health insurance through TRS-ActiveCare which is the statewide health plan for public education employees established by the 77th Texas Legislature and is a fully insured plan administered by Blue Cross and Blue Shield of Texas. The medical plan includes a pharmacy benefit through Medco Health Solutions, Inc. (Medco). The District contributes a minimum of \$290 per month for each employee who elects medical coverage through TRS-ActiveCare. The self-funded health plan continued to pay claims incurred prior to January 1, 2012. As most claims are filed immediately after medical services, the majority of residual claims were paid within the first few months. As of August 31, 2014, the District does not have any outstanding liabilities for health claims and the District closed the fund in fiscal year 2014.

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 *National School Breakfast and Lunch Program* special revenue fund on behalf of those employees paid from this fund. 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 \$350,000 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:

	Year Ended 8/31/2014	Year Ended 8/31/2013
Unpaid Claims, Beginning of Fiscal Year	\$ 2,764,588	\$ 3,107,561
Incurred Claims (including IBNRs)	381,945	785,292
Claim Payments	(990,669)	(1,128,265)
Unpaid Claims, End of Fiscal Year	\$ 2,155,864	\$ 2,764,588

B. Contingent Liabilities

The District is a defendant in various lawsuits 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, claims, and lawsuits will not have a material effect on the District's financial position, results of operations or liquidity.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2014

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, 2014, 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 contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple-employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of the employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701, by calling the TRS Communications Department at 1-800-223-8778, or by downloading the report from the TRS Internet website, www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Contribution rates and contributions for fiscal years 2014-2012 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceeded the statutory minimum.

Contribution Rates and Contribution Amounts

Year	Member		State		School District Statutory Minimum
	Rate	Amount	Rate	Amount	Amount
2014	6.4%	\$ 17,311,097	6.800%	\$ 13,562,248	\$ 3,730,996
2013	6.4%	\$ 16,006,608	6.400%	\$ 11,992,141	\$ 3,018,478
2012	6.4%	\$ 15,339,386	6.000%	\$ 10,636,155	\$ 2,538,655

For the current fiscal year and each of the past two years, the District's actual contributions were equal to 100 percent of the required contributions. The contributions made by the State on behalf of the District have been recorded in the governmental funds' financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

D. Retiree Health Plan

Plan Description. The Klein Independent School District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2014

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

Funding Policy. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.00% and .65% of public school payroll, respectively, with school districts contributing a percentage of payroll set at .55% for fiscal years 2014, 2013, and 2012. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than .25% or greater than .75% of the salary of each active employee of the public school. For staff member funded by federal programs, the federal programs are required to contribute 1%.

Contributions made by the member, State, and District for the years ended August 31, 2014, 2013, and 2012 are as follows:

Contribution Rates

Year	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2014	0.65%	\$ 1,758,158	1.00%	\$ 2,584,683	0.55%	\$ 1,487,672
2013	0.65%	\$ 1,625,671	0.50%	\$ 1,188,474	0.55%	\$ 1,375,568
2012	0.65%	\$ 1,557,906	1.00%	\$ 2,190,491	0.55%	\$ 1,318,229

For the current fiscal year and each of the past two years, the District's actual contributions were equal to 100 percent of the required contributions. The contributions made by the State are on behalf of the District and have been recorded in the governmental funds' financial statements of the District as both state revenues and expenditures. These contributions are the legal responsibility of the State.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2014, 2013, and 2012, the subsidy payments received by TRS-Care on-behalf of the District were \$727,297, \$666,310, \$621,471, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds' financial statements of the District.

The Early Retiree Reinsurance Program (ERRP) was established by section 1102 of the Affordable Care Act enacted on March 23, 2010. Under ERRP, TRS receives payments for a portion of the cost of providing health benefits to retirees between the ages of 55-64 and their covered dependents. The amount of the subsidy payment for 2014 and 2013 was not readily determinable because it was included as a gross amount with Medicare Part D. For fiscal year 2012, the ERRP subsidy payments received by TRS-Care on-behalf of the District were \$587,712. These payments are recorded as equal revenues and expenditures in the governmental funds' financial statements of the District.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2014

E. Shared Services Arrangement

The District participates in a shared services arrangement for a Regional Day School for the Deaf with seven other school districts. Approximately 20 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, 2014 attributable to the District's participation in the shared services arrangement:

Revenues

State Revenue Distributed by TEA	\$	302,041
Local Revenue Paid by District		368,087
Total Revenues	\$	<u>670,128</u>

Expenditures

Payroll Costs	\$	663,559
Contracted Services		4,307
Supplies and materials		205
Miscellaneous expenses		2,057
Total Expenditures	\$	<u>670,128</u>

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Required Supplementary Information

KLEIN INDEPENDENT SCHOOL DISTRICT

Exhibit E-1

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES- BUDGET AND ACTUAL FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 142,484,345	\$ 146,990,966	\$ 147,172,331	\$ 181,365
5800	State Programs	203,608,891	206,538,264	207,311,010	772,746
5900	Federal Programs	2,530,000	3,768,600	3,928,309	159,709
5020	Total Revenues	348,623,236	357,297,830	358,411,650	1,113,820
EXPENDITURES					
Current:					
0011	Instruction	219,695,763	216,590,290	214,551,339	2,038,951
0012	Instructional Resources and Media Services	4,446,485	4,673,170	4,643,340	29,830
0013	Curriculum and Instructional Staff Development	7,168,222	8,494,281	7,941,814	552,467
0021	Instructional Leadership	2,861,602	3,040,289	3,067,067	(26,778)
0023	School Leadership	23,278,285	23,421,939	23,537,806	(115,867)
0031	Guidance, Counseling, and Evaluation Services	16,217,488	17,398,698	17,226,526	172,172
0032	Social Work Services	233,128	361,293	342,660	18,633
0033	Health Services	4,262,753	4,236,787	4,203,844	32,943
0034	Student Transportation	10,832,511	11,010,796	10,778,317	232,479
0036	Extracurricular Activities	7,315,754	7,713,149	7,309,142	404,007
0041	General Administration	9,124,972	9,419,708	8,541,307	878,401
0051	Plant Maintenance and Operations	30,814,581	31,440,233	30,509,555	930,678
0052	Security and Monitoring Services	4,819,649	4,824,191	4,663,964	160,227
0053	Data Processing Services	6,239,569	7,551,845	7,129,217	422,628
0061	Community Services	465,227	469,206	436,458	32,748
Debt Service:					
0073	Bond Issuance Costs and Fees	20,000	20,000	17,910	2,090
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	872,452	771,138	101,314
Intergovernmental:					
0093	Payments to Shared Services Arrangements	470,400	470,400	428,169	42,231
0095	Payments to Juvenile Justice Alternative Education Programs	100,000	225,000	195,232	29,768
0099	Other Intergovernmental Charges	1,700,000	1,535,239	1,498,385	36,854
6030	Total Expenditures	350,066,389	353,768,966	347,793,190	5,975,776
Excess (Deficiency) of Revenues Over					
1100	(Under) Expenditures	(1,443,153)	3,528,864	10,618,460	7,089,596
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real and Personal Property	-	-	205,885	205,885
7915	Transfers In	1,520,000	1,783,702	1,584,702	(199,000)
8911	Transfers Out	(1,492,500)	(1,492,500)	(1,467,500)	25,000
7080	Total Other Financing Sources and (Uses)	27,500	291,202	323,087	31,885
1200	Net Change in Fund Balances	(1,415,653)	3,820,066	10,941,547	7,121,481
0100	Fund Balances - Beginning	117,341,072	117,341,072	117,341,072	-
3000	Fund Balances - Ending	\$ 115,925,419	\$ 121,161,138	\$ 128,282,619	\$ 7,121,481

See accompanying notes to the required supplementary information.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
AUGUST 31, 2014

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 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 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 with Final Budget

The District made several supplemental budgetary revisions throughout the year. The net increase of \$8,938,296 estimated revenues, including other financing sources, was primarily due to the additional state aid received as a result of the higher than projected Weighted Average Daily Attendance and an additional instructional day in August 2014; an increase in local revenues due to higher than estimated property values; and an increase in federal revenues earned from SHARS and E-Rate. The net increase of \$3,702,577 to appropriations, including other financing uses, was primarily due to funded but unfilled positions, leaves of absences, utility costs being less than anticipated, and conservative supply and contracted services utilization.

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Combining and Individual Fund Statements and Schedules

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

Exhibit F-1

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-

BUDGET AND ACTUAL

FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 52,655,485	\$ 54,304,782	\$ 54,246,113	\$ (58,669)
5800	State Programs	11,338,260	12,272,536	12,306,687	34,151
5900	Federal Programs	-	1,662,199	1,662,199	-
5020	Total Revenues	63,993,745	68,239,517	68,214,999	(24,518)
EXPENDITURES					
	Debt Service:				
0071	Principal on Long-term Debt	32,900,000	32,900,000	32,900,000	-
0072	Interest on Long-term Debt	32,523,444	34,636,716	34,609,848	26,868
0073	Bond Issuance Costs and Fees	10,000	10,000	11,250	(1,250)
6030	Total Expenditures	65,433,444	67,546,716	67,521,098	25,618
	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	(1,439,699)	692,801	693,901	1,100
OTHER FINANCING SOURCES (USES)					
7915	Transfers In	1,400,000	1,400,000	1,400,000	-
7080	Total Other Financing Sources (Uses)	1,400,000	1,400,000	1,400,000	-
1200	Net Change in Fund Balances	(39,699)	2,092,801	2,093,901	1,100
0100	Fund Balances - Beginning	19,527,198	19,527,198	19,527,198	-
3000	Fund Balances - Ending	\$ 19,487,499	\$ 21,619,999	\$ 21,621,099	\$ 1,100

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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

AUGUST 31, 2014

ESEA 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.

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 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.

ESEA Title II, Part A, Teacher and Principal Training and Recruiting - 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.

ESEA Title III, Part A, English Language Acquisition and Language 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.

ESEA 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.

State Supplemental Visually Impaired (SSVI) - To account, on a project basis, for funds received from the State Department of Education passed through Region IV ESC, 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 ESC, 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.

KLEIN INDEPENDENT SCHOOL DISTRICT

FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

AUGUST 31, 2014

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.

High School Completion & Success/Texas High School Project – To account, on a project basis for funds awarded by the State Department of Education to school districts to implement programs to support the improvement of high school graduation rates and post-secondary readiness.

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.

Read to Succeed Program - To account, on a project basis, for funds from the State of Texas, awarded to individual campuses for the purpose of providing educational materials for the school library. Funds are generated through the sale of specialty license plates and are designated for the campus selected by the purchaser.

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.

Therapeutic Education Program Donations - To account for donations made to the Therapeutic Education Program by individuals and businesses for the benefit of students in the program. The Therapeutic Education Program is primarily dedicated to serving students who reside in Child Protective Services residential treatment facilities within the District. The goal of the program is to successfully transition these students into the regular campus populations.

Shopping Matters – To account for funds awarded by Share Our Strength organization to teach low-income families how to shop for healthy foods on a limited budget. These funds will be used to invite families on an interactive, in-store shopping tour to teach four key food shopping skills: buying fruits and vegetables on a limited budget, identifying whole grains, comparing unit prices and reading food labels.

Unite for Understanding - To account for funds received from community donations to help with the promotion of cultural diversity, equity and mutual respect by providing a safe sanctuary environment for students through the collaboration of community and school leaders, social service organizations and parents. Additional funds are generated through the creation and sale of items that promote and support cultural sensitivity.

Recipe For Success – To account for funds awarded by Recipe for Success Foundation to implement Seed-to-Plate Nutrition Education program at Blackshear Elementary. The funds will allow the program to feature culinary and garden classes utilizing curriculum and materials provided by Recipe for Success Foundation.

Miscellaneous Grants – To account for funds awarded by Sunrise Custom Home, ICI Construction, and Education Service Center 4 to purchase supplies for Title I schools, and Education Service Center 4 for staff development.

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 the nine intermediate schools. 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.

KLEIN INDEPENDENT SCHOOL DISTRICT

FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

AUGUST 31, 2014

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.

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KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
AUGUST 31, 2014

		211	224	225
		ESEA Title I		
		Part A		
		Improving		
		Basic	IDEA Part B	IDEA Part B
Data		Programs	Formula	Preschool
Control				
Codes				
	ASSETS			
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Due from Other Governments	837,948	795,064	11,884
1260	Due from Other Funds	-	-	-
1290	Other Receivables	-	-	-
1300	Inventories, at Cost	-	-	-
1410	Prepaid Items	8,506	98,431	-
1000	Total Assets	\$ 846,454	\$ 893,495	\$ 11,884
	LIABILITIES			
2110	Accounts Payable	\$ 62,334	\$ 69,862	\$ -
2160	Accrued Wages Payable	282,787	258,455	4,137
2170	Due to Other Funds	501,333	565,178	7,747
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	846,454	893,495	11,884
	FUND BALANCES			
	Nonspendable:			
3410	Inventories	-	-	-
3430	Prepaid Items	-	-	-
	Restricted For:			
3450	Federal and State Grants	-	-	-
	Committed To:			
3545	Other	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balances	\$ 846,454	\$ 893,495	\$ 11,884

240	244	255	263	272
National School Breakfast and Lunch Program	Career and Technical Basic Grant	ESEA Title II Part A Teacher/Principal Train/Recruit	ESEA Title III Part A English Language Acquisition and Enhancement	Medicaid Administrative Claiming Program
\$ 4,070,242	\$ -	\$ -	\$ -	\$ -
265,743	45,577	93,941	37,310	41,834
17,230	74	-	-	-
31,420	-	-	-	-
647,791	-	-	-	-
53,942	-	-	-	-
\$ 5,086,368	\$ 45,651	\$ 93,941	\$ 37,310	\$ 41,834
\$ 774,035	\$ 18,522	\$ 12,743	\$ 138	\$ -
344,764	3,100	28,544	8,132	-
33,045	24,029	52,654	29,040	41,834
-	-	-	-	-
1,151,844	45,651	93,941	37,310	41,834
647,791	-	-	-	-
53,942	-	-	-	-
3,232,791	-	-	-	-
-	-	-	-	-
3,934,524	-	-	-	-
\$ 5,086,368	\$ 45,651	\$ 93,941	\$ 37,310	\$ 41,834

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
AUGUST 31, 2014

		288	385	392
Data Control Codes		ESEA Title VI Part A Summer School LEP	State Supplemental Visually Impaired	Non- Educational Community- Based Support
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Due from Other Governments	22,000	-	-
1260	Due from Other Funds	-	-	-
1290	Other Receivables	-	-	710
1300	Inventories, at Cost	-	-	-
1410	Prepaid Items	-	-	-
1000	Total Assets	\$ 22,000	\$ -	\$ 710
LIABILITIES				
2110	Accounts Payable	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-
2170	Due to Other Funds	22,000	-	710
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	22,000	-	710
FUND BALANCES				
Nonspendable:				
3410	Inventories	-	-	-
3430	Prepaid Items	-	-	-
Restricted For:				
3450	Federal and State Grants	-	-	-
Committed To:				
3545	Other	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balances	\$ 22,000	\$ -	\$ 710

397	409	410	427	461
Advanced Placement Incentives	High School Completion & Success / Texas High School Project	State Textbook Fund	Read to Succeed Program	Campus Activity Funds
\$ -	\$ -	\$ -	\$ -	\$ 3,972,294
-	-	-	-	-
35,720	10,194	-	1,589	-
-	-	-	-	-
-	-	-	-	-
-	-	1,870,986	-	-
<u>\$ 35,720</u>	<u>\$ 10,194</u>	<u>\$ 1,870,986</u>	<u>\$ 1,589</u>	<u>\$ 3,972,294</u>
\$ -	\$ -	\$ 317,117	\$ -	\$ -
-	776	-	-	-
-	-	1,553,869	-	-
-	-	-	-	-
<u>-</u>	<u>776</u>	<u>1,870,986</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
35,720	9,418	-	1,589	-
-	-	-	-	3,972,294
<u>35,720</u>	<u>9,418</u>	<u>-</u>	<u>1,589</u>	<u>3,972,294</u>
<u>\$ 35,720</u>	<u>\$ 10,194</u>	<u>\$ 1,870,986</u>	<u>\$ 1,589</u>	<u>\$ 3,972,294</u>

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
AUGUST 31, 2014

		482	483	485
Data Control Codes		Klein ISD Education Foundation Grant	Therapeutic Education Program Donations	Shopping Matters Grant
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Due from Other Governments	-	-	-
1260	Due from Other Funds	38,469	31,649	214
1290	Other Receivables	188	-	-
1300	Inventories, at Cost	-	-	-
1410	Prepaid Items	1,578	-	-
1000	Total Assets	\$ 40,235	\$ 31,649	\$ 214
LIABILITIES				
2110	Accounts Payable	\$ 958	\$ 867	\$ 214
2160	Accrued Wages Payable	-	-	-
2170	Due to Other Funds	-	-	-
2300	Unearned Revenue	39,277	-	-
2000	Total Liabilities	40,235	867	214
FUND BALANCES				
Nonspendable:				
3410	Inventories	-	-	-
3430	Prepaid Items	-	-	-
Restricted For:				
3450	Federal and State Grants	-	-	-
Committed To:				
3545	Other	-	30,782	-
3000	Total Fund Balances	-	30,782	-
4000	Total Liabilities and Fund Balances	\$ 40,235	\$ 31,649	\$ 214

486	487	488	489	490
Unite for Understanding	Recipe for Success Grant	Miscellaneous Grants	Jason Project - Chevron	Dual Credit Program
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
578	1,359	71,877	28,573	638,536
-	-	-	-	-
415	-	-	-	-
-	-	-	-	819
<u>\$ 993</u>	<u>\$ 1,359</u>	<u>\$ 71,877</u>	<u>\$ 28,573</u>	<u>\$ 639,355</u>
\$ -	\$ -	\$ 10,000	\$ 20,800	\$ 8,000
-	-	-	-	-
-	-	-	-	-
-	1,359	61,877	7,773	-
<u>-</u>	<u>1,359</u>	<u>71,877</u>	<u>28,573</u>	<u>8,000</u>
415	-	-	-	-
-	-	-	-	819
-	-	-	-	-
578	-	-	-	630,536
993	-	-	-	631,355
<u>\$ 993</u>	<u>\$ 1,359</u>	<u>\$ 71,877</u>	<u>\$ 28,573</u>	<u>\$ 639,355</u>

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit G-1
Page 4 of 4

Data Control Codes		Total Nonmajor Governmental Funds
ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 8,042,536
1240	<i>Due from Other Governments</i>	2,151,301
1260	<i>Due from Other Funds</i>	876,062
1290	<i>Other Receivables</i>	32,318
1300	<i>Inventories, at Cost</i>	648,206
1410	<i>Prepaid Items</i>	2,034,262
1000	Total Assets	\$ 13,784,685
LIABILITIES		
2110	<i>Accounts Payable</i>	\$ 1,295,590
2160	<i>Accrued Wages Payable</i>	930,695
2170	<i>Due to Other Funds</i>	2,831,439
2300	<i>Unearned Revenue</i>	110,286
2000	Total Liabilities	5,168,010
FUND BALANCES		
Nonspendable:		
3410	<i>Inventories</i>	648,206
3430	<i>Prepaid Items</i>	54,761
Restricted For:		
3450	<i>Federal and State Grants</i>	3,279,518
Committed To:		
3545	<i>Other</i>	4,634,190
3000	Total Fund Balances	8,616,675
4000	Total Liabilities and Fund Balances	\$ 13,784,685

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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, 2014

		211	224	225
Data Control Codes		ESEA Title I Part A Improving Basic Programs	IDEA Part B Formula	IDEA Part B Preschool
REVENUES				
5700	Local, Intermediate, and Out-of-State	\$ -	\$ -	\$ -
5800	State Programs	-	-	-
5900	Federal Programs	6,232,597	7,106,534	90,752
5020	Total Revenues	6,232,597	7,106,534	90,752
EXPENDITURES				
Current:				
0011	Instruction	4,059,783	5,201,228	90,752
0012	Instructional Resources and Media Services	69,456	-	-
0013	Curriculum and Instructional Staff Development	1,304,774	50,614	-
0021	Instructional Leadership	52,190	38,426	-
0023	School Leadership	81,844	-	-
0031	Guidance, Counseling, and Evaluation Services	81,328	1,773,997	-
0033	Health Services	-	39,325	-
0034	Student Transportation	208,788	2,917	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	3,277	-	-
0051	Plant Maintenance and Operations	-	-	-
0061	Community Services	371,157	27	-
6030	Total Expenditures	6,232,597	7,106,534	90,752
Excess (Deficiency) of Revenues Over				
1100	(Under) Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)				
7915	Transfers In	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-
1200	Net Change in Fund Balances	-	-	-
0100	Fund Balances - Beginning	-	-	-
3000	Fund Balances - Ending	\$ -	\$ -	\$ -

240	244	255	263	272
National School Breakfast and Lunch Program	Career and Technical Basic Grant	ESEA Title II Part A Teacher/Principal Train/Recruit	ESEA Title III Part A English Language Acquisition and Enhancement	Medicaid Administrative Claiming Program
\$ 9,581,619	\$ -	\$ -	\$ -	\$ -
581,192	-	-	-	-
11,764,471	353,069	546,501	434,819	88,255
21,927,282	353,069	546,501	434,819	88,255
-	243,966	-	238,317	-
-	-	-	-	-
-	60,932	530,550	171,166	-
-	5,767	1,062	-	-
-	-	14,889	8,914	-
-	14,673	-	1,638	-
-	-	-	-	88,255
-	-	-	-	-
22,398,855	-	-	-	-
-	27,731	-	-	-
278,604	-	-	-	-
-	-	-	14,784	-
22,677,459	353,069	546,501	434,819	88,255
(750,177)	-	-	-	-
67,500	-	-	-	-
67,500	-	-	-	-
(682,677)	-	-	-	-
4,617,201	-	-	-	-
\$ 3,934,524	\$ -	\$ -	\$ -	\$ -

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, 2014

	288	385	392
Data Control Codes	ESEA Title VI Part A Summer School LEP	State Supplemental Visually Impaired	Non-Educational Community- Based Support
REVENUES			
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -	\$ -
5800 <i>State Programs</i>	-	20,000	6,380
5900 <i>Federal Programs</i>	23,080	-	-
5020 Total Revenues	<u>23,080</u>	<u>20,000</u>	<u>6,380</u>
EXPENDITURES			
Current:			
0011 <i>Instruction</i>	23,080	-	-
0012 <i>Instructional Resources and Media Services</i>	-	-	-
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>	-	20,000	-
0033 <i>Health Services</i>	-	-	-
0034 <i>Student Transportation</i>	-	-	-
0035 <i>Food Services</i>	-	-	-
0036 <i>Extracurricular Activities</i>	-	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-	-
0061 <i>Community Services</i>	-	-	6,380
6030 Total Expenditures	<u>23,080</u>	<u>20,000</u>	<u>6,380</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
7915 <i>Transfers In</i>	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	-	-	-
0100 Fund Balances - Beginning	-	-	-
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

397	409	410	427	461
Advanced Placement Incentives	High School Completion & Success / Texas High School Project	State Textbook Fund	Read to Succeed Program	Campus Activity Funds
\$ -	\$ -	\$ -	\$ -	\$ 5,694,138
27,450	-	3,716,975	54	-
-	-	-	-	-
<u>27,450</u>	<u>-</u>	<u>3,716,975</u>	<u>54</u>	<u>5,694,138</u>
1,406	86	3,576,978	-	5,651,177
-	-	100,069	26	-
16,556	12,415	39,928	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>17,962</u>	<u>12,501</u>	<u>3,716,975</u>	<u>26</u>	<u>5,651,177</u>
<u>9,488</u>	<u>(12,501)</u>	<u>-</u>	<u>28</u>	<u>42,961</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
9,488	(12,501)	-	28	42,961
26,232	21,919	-	1,561	3,929,333
<u>\$ 35,720</u>	<u>\$ 9,418</u>	<u>\$ -</u>	<u>\$ 1,589</u>	<u>\$ 3,972,294</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, 2014

		482	483	485
Data Control Codes		Klein ISD Education Foundation Grant	Therapeutic Education Program Donations	Shopping Matters Grant
REVENUES				
5700	Local, Intermediate, and Out-of-State	\$ 114,246	\$ 16,660	\$ 500
5800	State Programs	-	-	-
5900	Federal Programs	-	-	-
5020	Total Revenues	114,246	16,660	500
EXPENDITURES				
Current:				
0011	Instruction	39,649	10,522	-
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	74,400	-	-
0021	Instructional Leadership	-	-	-
0023	School Leadership	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-
0033	Health Services	-	-	-
0034	Student Transportation	-	-	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	197	-	-
0051	Plant Maintenance and Operations	-	-	-
0061	Community Services	-	-	500
6030	Total Expenditures	114,246	10,522	500
Excess (Deficiency) of Revenues Over				
1100	(Under) Expenditures	-	6,138	-
OTHER FINANCING SOURCES (USES)				
7915	Transfers In	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-
1200	Net Change in Fund Balances	-	6,138	-
0100	Fund Balances - Beginning	-	24,644	-
3000	Fund Balances - Ending	\$ -	\$ 30,782	\$ -

486	487	488	489	490
<u>Unite for Understanding</u>	<u>Recipe for Success Grant</u>	<u>Miscellaneous Grants</u>	<u>Jason Project - Chevron</u>	<u>Dual Credit Program</u>
\$ 6,078	\$ 564	\$ 62,696	\$ 53,761	\$ 635,650
-	-	-	-	-
-	-	-	-	-
<u>6,078</u>	<u>564</u>	<u>62,696</u>	<u>53,761</u>	<u>635,650</u>
-	564	10,499	31,336	4,295
-	-	-	-	-
-	-	47,292	21,857	-
-	-	1,820	568	-
-	-	2,635	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
6,506	-	450	-	-
<u>6,506</u>	<u>564</u>	<u>62,696</u>	<u>53,761</u>	<u>4,295</u>
<u>(428)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>631,355</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(428)	-	-	-	631,355
1,421	-	-	-	-
<u>\$ 993</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 631,355</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, 2014

Exhibit G-2
Page 4 of 4

Data Control Codes		Total Nonmajor Governmental Funds
REVENUES		
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 16,165,912
5800	<i>State Programs</i>	4,352,051
5900	<i>Federal Programs</i>	26,640,078
5020	Total Revenues	<u>47,158,041</u>
EXPENDITURES		
Current:		
0011	<i>Instruction</i>	19,183,638
0012	<i>Instructional Resources and Media Services</i>	169,551
0013	<i>Curriculum and Instructional Staff Development</i>	2,330,484
0021	<i>Instructional Leadership</i>	99,833
0023	<i>School Leadership</i>	108,282
0031	<i>Guidance, Counseling, and Evaluation Services</i>	1,891,636
0033	<i>Health Services</i>	127,580
0034	<i>Student Transportation</i>	211,705
0035	<i>Food Services</i>	22,398,855
0036	<i>Extracurricular Activities</i>	31,205
0051	<i>Plant Maintenance and Operations</i>	278,604
0061	<i>Community Services</i>	399,804
6030	Total Expenditures	<u>47,231,177</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(73,136)</u>
OTHER FINANCING SOURCES (USES)		
7915	<i>Transfers In</i>	<u>67,500</u>
7080	Total Other Financing Sources (Uses)	<u>67,500</u>
1200	Net Change in Fund Balances	(5,636)
0100	Fund Balances - Beginning	8,622,311
3000	Fund Balances - Ending	\$ <u>8,616,675</u>

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KLEIN INDEPENDENT SCHOOL DISTRICT

Exhibit G-3

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL FOR THE YEAR ENDED AUGUST 31, 2014

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 9,765,284	\$ 9,785,284	\$ 9,581,619	\$ (203,665)
5800	State Programs	531,290	552,278	581,192	28,914
5900	Federal Programs	11,460,359	11,460,359	11,764,471	304,112
5020	Total Revenues	21,756,933	21,797,921	21,927,282	129,361
EXPENDITURES					
Current:					
0035	Food Services	21,518,409	22,659,397	22,398,855	260,542
0051	Plant Maintenance and Operations	311,750	311,750	278,604	33,146
6030	Total Expenditures	21,830,159	22,971,147	22,677,459	293,688
Excess (Deficiency) of Revenues Over					
1100	(Under) Expenditures	(73,226)	(1,173,226)	(750,177)	423,049
OTHER FINANCING SOURCES (USES)					
7915	Transfers In	67,500	67,500	67,500	-
7080	Total Other Financing Sources (Uses)	67,500	67,500	67,500	-
1200	Net Change in Fund Balances	(5,726)	(1,105,726)	(682,677)	423,049
0100	Fund Balances - Beginning	4,617,201	4,617,201	4,617,201	-
3000	Fund Balances - Ending	\$ 4,611,475	\$ 3,511,475	\$ 3,934,524	\$ 423,049

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.

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KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND
FOR THE YEAR ENDED AUGUST 31, 2014

Exhibit H-1

<u>AGENCY FUND:</u>					
Data Control Codes		Beginning Balance 9/1/2013	Additions	Deductions	Ending Balance 8/31/2014
ASSETS					
1110	Cash and Cash Equivalents	\$ 1,288,802	\$ 7,648,039	\$ 7,418,574	\$ 1,518,267
1000	Total Assets	\$ 1,288,802	\$ 7,648,039	\$ 7,418,574	\$ 1,518,267
LIABILITIES					
2190	Due to Student Groups	\$ 1,288,802	\$ 7,648,039	\$ 7,418,574	\$ 1,518,267
2000	Total Liabilities	\$ 1,288,802	\$ 7,648,039	\$ 7,418,574	\$ 1,518,267

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Supplementary Information

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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, 2014

<u>Year Ended August 31</u>	<u>Tax Rates</u>		<u>Actual Taxable Value For School Tax Purposes</u>
	<u>Maintenance</u>	<u>Debt Service</u>	
2005 and Prior Years	\$ Various	\$ Various	\$ Various
2006	1.50	0.20	8,552,064,470
2007	1.37	0.21	8,994,334,032
2008	1.04	0.22	10,073,509,557
2009	1.04	0.27	11,053,766,596
2010	1.04	0.32	11,358,912,577
2011	1.04	0.37	11,174,259,635
2012	1.04	0.39	11,869,203,918
2013	1.04	0.40	11,734,906,867
2014 School Year Under Audit	1.04	0.39	12,011,835,149
TOTALS			

Beginning Balance 9/1/2013	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 8/31/2014
\$ 973,120	\$ -	\$ 20,611	\$ 3,241	\$ (267,613)	\$ 681,655
438,967	-	10,990	1,465	(4,737)	421,775
454,127	-	27,927	4,281	(6,880)	415,039
338,397	-	21,359	4,518	(4,473)	308,047
483,641	-	116,241	30,178	78,976	416,198
623,839	-	148,713	45,758	113,408	542,776
613,913	-	174,304	62,012	76,733	454,330
839,370	-	248,122	93,046	76,130	574,332
2,041,419	-	616,582	237,147	(361,963)	825,727
-	171,769,243	141,104,587	53,201,134	24,391,450	1,854,972
\$ 6,806,793	\$ 171,769,243	\$ 142,489,436	\$ 53,682,780	\$ 24,091,031	\$ 6,494,851

Reconciliation of Ending Balance to Exhibit B-1:

Ending Balance at 8/31/14	\$ 6,494,851
Less: Uncollectible Taxes	(1,396,715)
Add: Penalties & Interest Accrued on Receivable Balance	4,109,637
Adjusted Ending Balance	9,207,773
Property Taxes Receivable (Net) per Exhibit B-1	\$ 9,207,773

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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.

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 Financial Reports for the relevant year.

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 86,495,792	\$ 91,841,007	\$ 97,566,894	\$ 116,250,408
Restricted	26,179,487	21,083,922	17,712,203	27,516,920
Unrestricted	129,960,846	124,057,805	125,344,755	110,003,812
Total Primary Government Net Position	\$ <u>242,636,125</u>	(1) \$ <u>236,982,734</u>	\$ <u>240,623,852</u>	\$ <u>253,771,140</u>

(1) Net position increased primarily due to an increase in property tax collections and higher than projected Weighted Average Daily Attendance resulting in an increase of state aid funding.

Table 1

2010	2009	2008	2007	2006	2005
\$ 97,112,148	\$ 104,157,550	\$ 103,341,789	\$ 98,434,326	\$ 91,479,931	\$ 84,562,870
27,392,482	30,588,549	27,171,650	22,467,670	22,067,759	19,408,830
106,680,037	90,111,225	86,626,810	98,407,365	86,671,906	69,635,400
\$ 231,184,667	\$ 224,857,324	\$ 217,140,249	\$ 219,309,361	\$ 200,219,596	\$ 173,607,100

KLEIN INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses				
Governmental Activities:				
Instruction	\$ 261,995,657	\$ 237,402,727	\$ 228,428,016	\$ 226,936,309
Instructional Resources and Media Services	5,141,715	4,735,979	4,597,243	4,665,295
Curriculum and Instructional Staff Development	10,638,923	8,791,759	7,383,084	8,884,156
Instructional Leadership	3,220,638	2,793,028	2,816,981	3,233,607
School Leadership	25,250,622	22,703,876	21,257,601	22,680,296
Guidance, Counseling, and Evaluation Services	20,005,177	17,245,827	16,053,051	16,725,075
Social Work Services	342,695	341,274	335,801	311,120
Health Services	4,674,883	3,973,678	3,758,239	3,927,511
Student Transportation	12,620,591	11,421,613	10,293,905	7,740,516
Food Services	23,533,970	21,063,851	20,463,403	20,424,181
Extracurricular Activities	8,093,036	7,264,382	7,096,837	7,072,470
General Administration	8,574,785	7,553,949	7,017,401	7,130,879
Plant Maintenance and Operations	32,035,346	30,318,968	30,342,379	30,875,139
Security and Monitoring Services	5,103,168	4,422,906	4,157,771	4,630,736
Data Processing Services	9,412,906	7,348,984	7,235,616	7,099,607
Community Services	842,374	820,411	758,595	812,290
Interest on Long-term Debt	33,162,655	32,297,830	31,923,267	29,288,228
Bond Issuance Costs and Fees	504,392	1,028,515	30,312	572,296
Facilities Repair and Maintenance	2,388,678	6,098,178	21,537,898	(8,862,409)
Payments to Shared Services Arrangements	428,169	417,838	442,927	373,556
Payments to Juvenile Justice Alternative Ed. Program	195,232	116,444	95,784	59,982
Other Intergovernmental Charges	1,498,385	1,447,764	1,489,863	1,489,965
Total Primary Government Expenses	<u>469,663,997</u>	<u>429,609,781</u>	<u>427,515,974</u>	<u>396,070,805</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	6,249,630	6,773,107	5,811,787	416,506
Food Services	9,462,827	9,420,047	8,842,033	9,158,425
Extracurricular Activities	972,415	924,248	927,954	6,936,180
Other Activities	801,287	275,758	225,114	154,445
Operating Grants and Contributions	63,705,418	56,014,013	65,592,853	68,781,819
Total Primary Government Program Revenues	<u>81,191,577</u>	<u>73,407,173</u>	<u>81,399,741</u>	<u>85,447,375</u>
Net (Expense)/Revenue				
Total Primary Government Net Expense	<u>\$ (388,472,420)</u>	<u>\$ (356,202,608)</u>	<u>\$ (346,116,233)</u>	<u>\$ (310,623,430)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 143,367,503	\$ 132,808,947	\$ 131,996,247	\$ 130,391,777
Property Taxes, Levied for Debt Service	54,028,207	51,399,561	49,968,675	46,602,489
Investment Earnings	340,241	656,765	403,110	542,000
Grants and Contributions Not Restricted to Specific Programs	194,177,589	171,074,720	150,136,654	155,453,082
Miscellaneous	2,212,271	708,269	464,259	220,555
Total Primary Government General Revenues	<u>394,125,811</u>	<u>356,648,262</u>	<u>332,968,945</u>	<u>333,209,903</u>
Extraordinary Item - Gain from Insurance Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position - Total Primary Government	<u>\$ 5,653,391</u>	<u>\$ 445,654</u>	<u>\$ (13,147,288)</u>	<u>\$ 22,586,473</u>

Table 2

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 227,259,298	\$ 210,080,162	\$ 205,680,181	\$ 169,702,516	\$ 146,726,364	\$ 144,245,459
4,676,195	4,571,064	4,718,509	5,399,541	4,159,322	3,904,214
8,555,952	8,237,518	7,158,484	5,667,654	3,918,869	2,549,935
3,051,479	2,847,376	3,343,346	3,063,653	2,730,039	2,324,056
21,530,470	20,759,231	20,316,532	18,126,505	15,586,469	15,353,812
16,175,961	15,725,641	15,350,307	12,286,622	13,531,940	11,094,547
284,689	232,713	205,422	59,700	173,194	231,664
3,744,745	3,506,935	3,404,158	3,056,435	2,544,319	2,459,008
10,320,720	10,014,649	10,124,859	8,633,689	7,954,881	6,461,843
18,317,408	16,754,450	16,772,892	15,501,098	14,015,922	13,373,545
7,016,028	6,988,560	6,236,396	5,790,210	5,749,977	5,209,583
6,995,391	7,127,181	7,049,686	7,474,895	6,887,545	6,495,063
32,141,123	34,547,230	33,360,736	29,420,556	26,929,490	22,921,815
3,956,517	3,545,021	3,421,982	2,811,550	2,978,128	2,303,790
6,550,447	5,627,867	4,532,509	3,418,396	2,761,987	2,513,683
797,016	678,202	758,332	738,981	527,119	434,276
26,158,019	24,376,255	17,623,239	16,678,143	13,893,827	12,960,454
293,400	238,368	154,208	104,883	268,507	40,553
7,151,895	4,430,405	4,330,227	14,098,119	11,682,542	8,586,195
413,808	384,219	-	-	218,383	-
92,232	351,446	339,900	279,927	312,322	183,656
<u>1,441,158</u>	<u>1,380,616</u>	<u>1,191,508</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>406,923,951</u>	<u>382,405,109</u>	<u>366,073,413</u>	<u>322,313,073</u>	<u>283,551,146</u>	<u>263,647,151</u>
475,413	654,875	682,393	597,967	635,608	478,834
9,492,564	9,480,182	9,778,360	9,045,920	8,791,562	8,661,564
6,463,566	6,445,225	8,550,857	2,119,161	1,839,517	1,786,520
185,458	202,065	250,170	257,549	257,313	292,480
<u>68,483,283</u>	<u>46,304,943</u>	<u>39,349,792</u>	<u>34,431,072</u>	<u>33,346,045</u>	<u>26,788,019</u>
<u>85,100,284</u>	<u>63,087,290</u>	<u>58,611,572</u>	<u>46,451,669</u>	<u>44,870,045</u>	<u>38,007,417</u>
<u>\$ (321,823,667)</u>	<u>\$ (319,317,819)</u>	<u>\$ (307,461,841)</u>	<u>\$ (275,861,404)</u>	<u>\$ (238,681,101)</u>	<u>\$ (225,639,734)</u>
\$ 134,619,451	\$ 133,668,302	\$ 122,691,376	\$ 140,365,774	\$ 141,619,818	\$ 131,400,040
41,700,392	34,519,630	25,832,907	21,301,522	18,894,044	17,668,213
1,215,906	5,401,383	6,233,386	10,912,538	7,841,307	4,340,864
150,113,558	150,243,370	150,528,732	119,014,396	96,675,948	90,095,982
501,703	646,540	6,328	3,356,939	262,480	356,501
<u>328,151,010</u>	<u>324,479,225</u>	<u>305,292,729</u>	<u>294,951,169</u>	<u>265,293,597</u>	<u>243,861,600</u>
-	2,555,669	-	-	-	-
<u>\$ 6,327,343</u>	<u>\$ 7,717,075</u>	<u>\$ (2,169,112)</u>	<u>\$ 19,089,765</u>	<u>\$ 26,612,496</u>	<u>\$ 18,221,866</u>

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

	2014 (1)	2013 (1)	2012 (1)	2011 (1)
General Fund (2)				
Nonspendable	\$ 2,077,777	\$ 2,398,595	\$ 2,397,862	\$ 2,277,226
Restricted	3,212,274	3,347,006	3,200,295	3,156,524
Committed	-	1,415,000	3,300,000	3,700,000
Assigned	79,111,760	74,336,973	52,554,775	48,703,900
Unassigned	43,880,808	35,843,498	50,168,919	46,782,498
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	\$ 128,282,619	\$ 117,341,072	\$ 111,621,851	\$ 104,620,148
All Other Governmental Funds (2)				
Nonspendable	\$ 835,914	\$ 626,940	\$ 623,138	\$ 681,239
Restricted	69,288,389	70,449,813	105,908,645	183,231,527
Committed	4,634,190	7,945,659	7,313,627	6,738,527
Reserved (3)	-	-	-	-
Total All Other Governmental Funds	\$ 74,758,493	\$ 79,022,412	\$ 113,845,410	\$ 190,651,293

(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 on page 22.

(3) The fluctuations were primarily due to the outlay of bond proceeds for capital projects.

Table 3

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,631,069	17,698,183	16,118,884	13,640,277	15,850,739	15,578,599
77,455,372	62,813,933	57,359,080	68,452,852	55,078,369	40,870,367
<u>\$ 96,086,441</u>	<u>\$ 80,512,116</u>	<u>\$ 73,477,964</u>	<u>\$ 82,093,129</u>	<u>\$ 70,929,108</u>	<u>\$ 56,448,966</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
189,426,064	176,879,854	212,621,875	41,848,763	60,090,563	68,961,220
<u>\$ 189,426,064</u>	<u>\$ 176,879,854</u>	<u>\$ 212,621,875</u>	<u>\$ 41,848,763</u>	<u>\$ 60,090,563</u>	<u>\$ 68,961,220</u>

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

	2014	2013	2012	2011
REVENUES				
Local, Intermediate, and Out-of-State	\$ 217,841,699	\$ 204,262,883	\$ 199,547,347	\$ 195,135,296
State Programs	223,969,748 (5)	193,988,410	178,791,537	174,003,953
Federal Programs	32,230,586	32,303,258	36,168,738	49,596,155
Total Revenues	<u>474,042,033</u>	<u>430,554,551</u>	<u>414,507,622</u>	<u>418,735,404</u>
EXPENDITURES				
Current:				
Instruction (1)	244,961,463	228,421,970	219,544,329	215,421,836
Instructional Resources and Media Services	4,812,891	4,528,306	4,404,689	4,540,607
Curriculum and Instructional Staff Development	10,272,298	8,630,149	7,279,333	8,634,881
Instructional Leadership	3,194,789	2,740,767	2,786,900	3,199,092
School Leadership	23,646,088	21,601,616	20,242,960	21,314,541
Guidance, Counseling, and Evaluation Services	19,118,162	16,652,008	15,552,339	15,976,596
Social Work Services	342,660	340,865	335,717	308,251
Health Services	4,331,424	3,749,147	3,576,446	3,692,921
Student Transportation	11,733,461	10,513,598	9,831,779	11,623,856
Food Services	22,398,855	20,090,723	19,629,942	19,169,730
Extracurricular Activities	7,340,347	6,822,027	6,645,847	6,643,691
General Administration	8,541,307	7,575,212	6,997,310	7,045,050
Plant Maintenance and Operations	30,801,398	29,397,947	30,019,180	30,118,417
Security and Monitoring Services	5,079,679	4,340,696	4,072,466	4,501,082
Data Processing Services	7,129,217	5,835,742	5,833,107	5,608,809
Community Services	836,262	832,559	749,323	803,375
Debt Service: (2)				
Principal on Long-term Debt	33,375,232	29,154,981	28,207,440	23,555,000
Interest on Long-term Debt	34,609,848	34,138,584	31,695,184	30,610,055
Bond Issuance Costs and Fees	29,160	1,023,534	353,053	579,357
Capital Outlay:				
Facilities Acquisition and Construction (3)	40,883,290	60,499,465	122,218,814	77,836,659
Intergovernmental:				
Payments to Shared Services Arrangements	428,169	417,838	442,927	373,556
Payments to Juvenile Justice Alternative Education Programs	195,232	116,444	95,784	59,982
Other Intergovernmental Charges (4)	1,498,385	1,447,764	1,489,863	1,489,965
Total Expenditures	<u>515,559,617</u>	<u>498,871,942</u>	<u>542,004,732</u>	<u>493,107,309</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,517,584)</u>	<u>(68,317,391)</u>	<u>(127,497,110)</u>	<u>(74,371,905)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Capital-Related Bonds	44,000,000	36,840,000	51,115,000	83,900,000
Issuance of Refunding Bonds	-	69,945,000	18,390,000	-
Premium/Discount from Issuance of Bonds	899,845	13,331,052	8,291,398	111,617
Sale of Real and Personal Property	1,710,665	490,855	168,546	119,224
Loan Proceeds	-	-	-	-
Insurance Proceeds	-	-	38,834	-
Other Resources	-	-	-	-
Transfers In	3,052,202	65,000	1,512,268	85,000
Transfers Out	(1,467,500)	(65,000)	(1,512,268)	(85,000)
Payment to Refunded Bond Escrow Agent	-	(81,393,293)	(20,310,848)	-
Other Uses	-	-	-	-
Total Other Financing Sources (Uses)	<u>48,195,212</u>	<u>39,213,614</u>	<u>57,692,930</u>	<u>84,130,841</u>
EXTRAORDINARY ITEM				
Insurance Proceeds for Fire Damages	-	-	-	-
Net Change in Fund Balances	\$ <u>6,677,628</u>	\$ <u>(29,103,777)</u>	\$ <u>(69,804,180)</u>	\$ <u>9,758,936</u>
Debt Service as a Percentage of Noncapital Expenditures (2)	14.35%	14.36%	13.67%	13.64%

- (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.
- (3) Fluctuations are due to changes in annual construction contracts.
- (4) Due to a change in Texas coding requirements, other intergovernmental charges includes Harris County tax appraisal fees which were recorded in general administration in prior years.
- (5) Increase is due to an increase in students resulting in additional state aid.

Table 4

2010	2009	2008	2007	2006	2005
\$ 194,875,123	\$ 190,512,938	\$ 174,177,819	\$ 184,488,888	\$ 178,848,300	\$ 161,535,893
169,083,287	170,277,202	170,279,933	136,111,189	110,382,000	103,148,802
49,054,502	25,877,121	19,304,146	17,060,326	19,766,906	13,508,971
413,012,912	386,667,261	363,761,898	337,660,403	308,997,206	278,193,666
219,506,912	199,711,365	195,999,862	163,299,288	148,323,894	139,450,295
4,488,172	4,374,549	4,442,226	5,203,337	4,181,875	3,752,812
8,377,827	7,996,284	7,031,380	5,650,189	3,911,781	2,542,988
2,965,176	2,851,314	3,221,640	3,035,617	2,678,248	2,192,911
20,500,683	19,722,736	19,041,209	17,458,792	15,721,365	14,732,648
15,525,757	15,035,619	14,811,425	11,987,426	13,623,996	10,948,579
287,298	230,988	196,320	59,504	173,218	234,653
3,571,320	3,336,767	3,247,089	2,946,869	2,577,348	2,376,505
10,725,430	11,060,564	10,925,173	7,851,656	7,591,913	10,409,570
17,973,253	16,273,457	16,403,006	15,302,042	14,225,193	13,405,128
6,641,773	6,588,311	6,145,935	5,629,768	5,609,977	4,959,129
6,932,585	7,017,191	6,885,302	7,421,324	6,824,211	6,175,650
31,281,461	34,013,437	33,100,207	29,154,613	26,835,379	22,907,044
3,780,272	3,317,685	3,398,784	2,719,867	3,056,713	2,499,299
5,405,260	4,917,412	4,164,092	3,453,960	2,837,225	2,421,063
787,212	689,974	751,463	732,409	530,964	431,569
23,620,000	19,235,000	17,255,000	15,820,000	16,235,000	14,670,000
25,456,550	24,159,633	17,581,029	16,400,622	13,830,485	13,004,179
1,528,515	549,355	1,846,235	300,075	746,429	17,733
-	-	-	-	-	-
103,993,554	81,917,265	35,543,367	78,281,201	73,488,772	32,816,883
413,808	384,219	-	-	218,383	-
92,232	351,446	339,900	279,927	312,322	183,656
1,441,158	1,380,616	1,191,508	-	-	-
515,296,208	465,115,187	403,522,152	392,988,486	363,534,691	300,132,294
(102,283,296)	(78,447,926)	(39,760,254)	(55,328,083)	(54,537,485)	(21,938,628)
127,000,000	45,000,000	200,000,000	45,000,000	53,000,000	58,000,000
29,240,000	17,125,000	16,905,000	-	64,450,000	-
6,408,464	2,348,997	4,159,604	138,668	3,623,924	-
114,632	128,742	133,905	62,788	85,215	387,808
-	-	-	-	-	-
127,127	533,339	88,228	3,048,848	6,500,000	-
-	-	-	-	-	80,139
3,152,886	80,000	9,380,000	52,500	50,000	-
(3,152,886)	(80,000)	(9,380,000)	(52,500)	(50,000)	(900,000)
(32,486,392)	(18,319,581)	(19,368,536)	-	(67,512,169)	-
-	-	-	-	-	-
130,403,831	46,816,497	201,918,201	48,250,304	60,146,970	57,567,947
-	2,923,560	-	-	-	-
\$ 28,120,535	\$ (28,707,869)	\$ 162,157,947	\$ (7,077,779)	\$ 5,609,485	\$ 35,629,319
11.90%	11.26%	9.45%	9.84%	10.01%	10.19%

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

Table 5

Fiscal Year Ended 8/31:	Assessed Value (5)			Actual Taxable Value	Total Direct Rate (2)
	Real Property Value (1)	Personal Property Value (1)	Less: Exemptions		
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
2009	12,267,306,678	909,438,362	2,122,978,444	11,053,766,596	1.3100
2008	11,140,791,894	732,072,102	1,799,354,439	10,073,509,557	1.2600 (3)
2007	10,115,851,664	498,888,054	1,620,405,686	8,994,334,032	1.5800 (3)
2006	9,273,837,518	746,596,870	1,468,369,918 (4)	8,552,064,470	1.7000
2005	8,059,334,660	574,568,330	756,472,650	7,877,430,340	1.7000

(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) The tax rate was reduced as a result of State legislative reform.

(4) The Appraisal District began reporting the appraised value on totally exempt property.

(5) 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)

<u>Taxing Authority</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Overlapping Rates:</u>				
Bilma PUD	\$ 0.5900	\$ 0.5900	\$ 0.5900	\$ 0.5600
Bridgestone MUD	0.7500	0.7500	0.7500	0.7500
Charterwood MUD	0.5900	0.6400	0.6400	0.6400
Cypress Forest PUD	0.3240	0.3240	0.3240	0.3100
Cypress Klein UD	0.2200	0.2400	0.2500	0.2450
Cypresswood UD	0.3700	0.3700	0.3000	0.2500
Dowdell PUD	0.9200	0.9200	0.8800	0.8500
Encanto Real UD	0.9875	0.9875	0.9400	0.9400
Fountainhead MUD	0.6700	0.6700	0.6700	0.5500
Harris County MUD No. 1	1.0200	1.0300	1.0400	1.0400
Harris County MUD No. 24	0.5900	0.6000	0.6000	0.6000
Harris County MUD No. 104	0.5500	0.5500	0.5500	0.5500
Harris County MUD No. 118	0.7200	0.7200	0.6500	0.6000
Harris County MUD No. 119	0.5150	0.4700	0.4600	0.4600
Harris County MUD No. 150	0.9800	0.9800	0.9500	0.9300
Harris County MUD No. 180	0.9800	0.9800	0.9000	0.9000
Harris County MUD No. 202	1.2500	1.2500	1.2500	1.2500
Harris County MUD No. 275	1.0000	1.0000	1.1000	1.3500
Harris County MUD No. 316	0.6700	0.7200	0.7200	0.7500
Harris County MUD No. 366	0.2500	0.2500	0.2500	0.2500
Harris County MUD No. 367	0.7000	0.7000	0.7100	0.7400
Harris County MUD No. 368	0.9950	0.9950	0.9450	0.9300
Harris County MUD No. 383	0.9400	0.9400	0.9400	0.9400
Harris County MUD No. 401	1.2500	1.2500	1.2500	1.2500
Harris County MUD No. 468	0.8400	0.8500	0.8500	0.8500
Harris County WC&ID No. 109	0.2500	0.2500	0.2500	0.2500
Harris County WC&ID No. 110	0.5300	0.5400	0.5500	0.5500
Harris County WC&ID No. 114	0.3000	0.3000	0.3000	0.3000
Harris County WC&ID No. 116	0.1000	0.1000	0.1000	0.1000
Harris County WC&ID No. 119	0.5900	0.5900	0.5500	0.5500
Harris County WC&ID No. 132	0.4500	0.4400	0.3900	0.3500
Harris County WC&ID No. 133	0.9900	0.9900	0.9900	0.9900
Heatherloch MUD	0.3950	0.3950	0.3750	0.3750
Klein PUD	0.4300	0.4300	0.4300	0.4280
Kleinwood MUD	0.5300	0.5600	0.6000	0.6300
Lonestar College System (1)	0.1160	0.1198	0.1210	0.1176
Louetta North PUD	0.3100	0.3600	0.4200	0.4200
Louetta Road UD	0.5000	0.5000	0.4900	0.4900
Meadowhill Regional MUD (2)	0.8750	0.9400	0.9400	0.9400
Northampton MUD	0.6100	0.6100	0.6100	0.6100
Northwest Harris County MUD No. 6	0.3900	0.3900	0.3900	0.3900
Northwest Harris County MUD No. 19	1.1200	1.1200	1.1200	1.0900
Northwest Harris County MUD No. 24	0.8300	0.8300	0.8300	0.8800
Northwest Harris County MUD No. 28	0.6800	0.6800	0.6800	0.6800
Northwest Harris County MUD No. 30	0.8000	0.8000	0.8000	0.8000
Northwest Harris County MUD No. 32	0.8950	0.9100	0.9100	0.9100
Northwest Harris County MUD No. 36	0.8660	0.8660	0.8300	0.8300
Northwest Park MUD	0.5200	0.5500	0.5200	0.5000
Oakmont PUD	1.2400	1.2500	1.2500	1.2500
Shasla PUD	1.1900	1.0950	0.9680	0.9680
Spring Creek Forest PUD	0.4900	0.4950	0.4950	0.4950
Spring West MUD	0.9800	1.0200	1.0500	1.0600
Terranova West MUD	0.6900	0.6900	0.6900	0.6900
Harris County (3)	\$ 0.6363	\$ 0.6366	\$ 0.6366	\$ 0.6366
Houston, City of	0.6388	0.6388	0.6388	0.6388
Total Harris County/City of Houston	<u>\$ 1.2751</u>	<u>\$ 1.2754</u>	<u>\$ 1.2754</u>	<u>\$ 1.2754</u>
<u>District Direct Rates (4):</u>				
Maintenance & Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.3900	0.4000	0.3900	0.3700
Total District Direct Rates	<u>\$ 1.4300</u>	<u>\$ 1.4400</u>	<u>\$ 1.4300</u>	<u>\$ 1.4100</u>

(1) Formerly North Harris Montgomery CCD

(2) Meadowhill Regional MUD formerly Dove Meadows MUD

(3) 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

2010	2009	2008	2007	2006	2005
\$ 0.5600	\$ 0.5500	\$ 0.5500	\$ 0.5500	\$ 0.5500	\$ 0.5300
0.7500	0.7500	0.7500	0.7500	0.7500	0.7600
0.6400	0.6500	0.7000	0.7500	0.7750	0.7750
0.3100	0.3040	0.3000	0.3000	0.3000	0.3000
0.2300	0.2300	0.2320	0.2500	0.2500	0.2600
0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
0.8500	0.8500	0.8500	0.8500	0.8500	0.8400
0.9400	0.9400	0.9600	0.9600	0.9600	0.9600
0.5350	0.5100	0.5100	0.5100	0.5100	0.5100
1.0500	1.0500	1.0600	1.0600	1.0714	1.0864
0.6000	0.5800	0.6000	0.6000	0.6000	0.6000
0.5500	0.5500	0.6200	0.6900	0.6900	0.7000
0.6000	0.6500	0.6500	0.6500	0.7800	0.8500
0.4600	0.4600	0.4600	0.5000	0.5400	0.6000
0.8500	0.8500	0.8500	0.8500	0.8200	0.8200
0.9000	0.9000	0.9000	0.9400	0.9900	0.9900
1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
1.3500	1.3500	1.3500	1.3500	1.8856	1.8856
0.7200	0.7500	0.8000	0.8700	0.9200	0.9200
0.2500	0.2500	0.3200	0.3500	0.4400	0.5000
0.7500	0.7700	0.7800	0.8000	0.9300	1.0200
0.9300	0.9300	0.9600	1.0400	1.1400	1.1700
0.9400	0.9800	1.0800	1.1800	1.1900	1.2000
1.2500	1.2500	1.2500	1.2500	1.2500	0.0000
0.8500	0.8500	0.8500	0.0000	0.0000	0.0000
0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
0.5300	0.5000	0.5000	0.5000	0.5300	0.5400
0.3000	0.1000	0.1000	0.1000	0.2000	0.2000
0.1000	0.1000	0.1750	0.1750	0.1750	1.7500
0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
0.3500	0.3500	0.3500	0.3500	0.3300	0.3300
0.8200	0.7600	0.7000	0.7000	0.7000	0.7230
0.3600	0.3600	0.3600	0.3700	0.4100	0.4150
0.4150	0.3750	0.3750	0.3750	0.3750	0.3750
0.6300	0.6300	0.6500	0.6688	0.6688	0.6688
0.1101	0.1101	0.1144	0.1167	0.1207	0.1145
0.4300	0.4600	0.4800	0.5200	0.5600	0.5700
0.4850	0.4500	0.4500	0.4500	0.4500	0.4500
0.9400	0.9800	0.9800	0.9800	0.9800	0.9800
0.6100	0.6100	0.6100	0.6100	0.6100	0.6100
0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
1.0300	1.0300	1.0300	1.0900	1.1540	1.2375
1.0000	1.0700	1.1000	1.1800	1.1800	1.1800
0.6800	0.6500	0.6500	0.8300	0.8300	0.9500
0.7700	0.7200	0.7200	0.7200	0.7600	0.8600
0.9100	1.0100	1.0200	1.0500	1.0800	1.2000
0.8300	0.7700	0.7800	0.7800	0.7800	0.8300
0.4800	0.4300	0.4300	0.5100	0.6100	0.6700
1.2500	1.2500	1.2500	1.3000	1.3500	1.3500
0.9400	0.9400	0.7500	0.7600	0.7600	0.7600
0.4950	0.4700	0.4700	0.4900	0.5500	0.5940
1.0900	1.0900	1.0900	1.0900	1.1400	1.1500
0.6900	0.6900	0.6600	0.6600	0.6000	0.6000
\$ 0.6360	\$ 0.6358	\$ 0.6358	\$ 0.6462	\$ 0.6462	\$ 0.6462
0.6388	0.6388	0.6438	0.6450	0.6475	0.6500
<u>\$ 1.2748</u>	<u>\$ 1.2746</u>	<u>\$ 1.2796</u>	<u>\$ 1.2912</u>	<u>\$ 1.2937</u>	<u>\$ 1.2962</u>
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.3700	\$ 1.5000	\$ 1.5000
0.3200	0.2700	0.2200	0.2100	0.2000	0.2000
<u>\$ 1.3600</u>	<u>\$ 1.3100</u>	<u>\$ 1.2600</u>	<u>\$ 1.5800</u>	<u>\$ 1.7000</u>	<u>\$ 1.7000</u>

(4) 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 2006-07 fiscal year, State legislation limits the rate to the lesser 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 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 Texas Education Code.

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

Table 7

Taxpayer	2014			2005		
	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (2)	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (3)
Hewlett Packard (5)	\$ 236,856,150	1	1.97%	\$ 20,803,000	7	0.26%
Centerpoint Energy (4)	111,661,652	2	0.93%	78,015,352	1	0.99%
Beltway Lakes I & II LP	54,769,440	3	0.46%	-	-	-
St. Lukes Hospital	53,571,497	4	0.45%	-	-	-
Eastgroup Properties LP	53,325,123	5	0.44%	-	-	-
Vintage Dunhill LLC	50,165,001	6	0.42%	-	-	-
ABB Vetco Gray, Inc.	47,691,764	7	0.40%	38,284,030	4	0.49%
IMF Investments 105 LP	47,079,770	8	0.39%	-	-	-
Kroger	46,611,614	9	0.39%	-	-	-
Liberty Property	44,952,664	10	0.37%	-	-	-
Weingarten Realty	-	-	-	42,050,000	2	0.53%
Southwestern Bell Telephone Co.	-	-	-	40,553,960	3	0.51%
Lennar Homes of Texas Land	-	-	-	26,420,995	5	0.34%
Houston Pipeline	-	-	-	22,527,399	6	0.29%
Continental Casing Corp.	-	-	-	20,676,570	8	0.26%
Texas Cable Partners LP	-	-	-	19,922,210	9	0.25%
Cypress Lodge Apartments	-	-	-	19,836,314	10	0.25%
TOTALS	\$ 746,684,675		6.22%	\$ 329,089,830		4.17%

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

(2) Actual taxable value equals: \$ 12,011,835,149

(3) Actual taxable value equals: \$ 7,877,430,340

(4) Centerpoint Energy was previously Houston Lighting & Power.

(5) Hewlett Packard was previously Compaq Computer Corp.

Source: Harris County (Texas) Appraisal District.

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

Table 8

Fiscal Year Ended 8/31:	Net Tax Levy For The Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Percentage of Net Tax Levy			Percent of Total Tax Collections to Net Tax Levy
		Amount			Amount	
2014	\$ 196,160,693	\$ 194,305,721	99.05%	\$ -	\$ 194,305,721	99.05%
2013	183,984,771	182,305,315	99.09%	853,729	183,159,044	99.55%
2012	180,602,645	178,874,525	99.04%	1,153,788	180,028,313	99.68%
2011	174,994,041	173,154,058	98.95%	1,385,653	174,539,711	99.74%
2010	173,627,334	171,233,764	98.62%	1,850,794	173,084,558	99.69%
2009	166,000,384	162,738,993	98.04%	2,845,193	165,584,186	99.75%
2008	146,144,983	142,561,880	97.55%	3,275,056	145,836,936	99.79%
2007	160,846,171	155,834,889	96.88%	4,596,243	160,431,132	99.74%
2006	158,088,580	153,241,594	96.93%	4,425,211	157,666,805	99.73%
2005	145,317,344	141,534,680	97.40%	3,616,894	145,151,574	99.89%

(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

Fiscal Year Ended 8/31:	Governmental Activities		Total Primary Government	Ratio of Debt to Actual Taxable Value (2)	Debt Per Student (3)
	General Obligation Bonds (1)	Notes Payable (1)			
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
2009	558,942,120	-	558,942,120	5.06%	13,595
2008	532,367,064	-	532,367,064	5.28%	13,196
2007	347,707,985	175,000	347,882,985	3.87%	8,889
2006	318,207,704	500,000	318,707,704	3.73%	8,586
2005	280,490,526	975,000	281,465,526	3.57%	8,109

(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 13 for student enrollment data.

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

Table 10

Fiscal Year Ended 8/31:	General Obligation Bonds (1)	Less Amounts Available in Debt Service Fund (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Actual Taxable Value (2)	Net Bonded Debt Per Student (3)
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
2009	558,942,120	21,201,631	537,740,489	4.86%	13,079
2008	532,367,064	18,266,226	514,100,838	5.10%	12,743
2007	347,707,985	16,784,130	330,923,855	3.68%	8,456
2006	318,207,704	16,767,020	301,440,684	3.52%	8,121
2005	280,490,526	14,454,004	266,036,522	3.38%	7,664

(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 13 for student enrollment data.

(4) This is the amount restricted for debt service payments on general obligation bonds in the governmental fund financial statements.

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KLEIN INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)
AS OF AUGUST 31, 2014

Table 11

Taxing Authority	Gross Debt Outstanding	Percent Overlapping (1)	Amount Applicable to School District
<u>Overlapping:</u>			
Bilma PUD	\$ 17,715,000	100.00%	\$ 17,715,000
Bridgestone MUD	72,505,000	100.00%	72,505,000
Charterwood MUD	14,630,000	100.00%	14,630,000
Cypress Forest PUD	2,740,000	88.65%	2,429,010
Cypress-Klein UD	1,485,000	100.00%	1,485,000
Cypresswood UD	3,290,000	100.00%	3,290,000
Dowdell PUD	18,775,000	100.00%	18,775,000
Encanto Real UD	2,950,000	100.00%	2,950,000
Fountainhead MUD	2,360,000	100.00%	2,360,000
Harris County	2,503,553,204	4.40%	110,156,341
Harris County Dept. of Education	7,410,000	4.40%	326,040
Harris County Flood Control District	89,990,000	4.40%	3,959,560
Harris County ID# 18	64,815,000	0.11%	71,297
Harris County MUD No. 1	34,065,000	100.00%	34,065,000
Harris County MUD No. 24	14,495,000	100.00%	14,495,000
Harris County MUD No. 104	9,460,000	100.00%	9,460,000
Harris County MUD No. 118	11,430,000	100.00%	11,430,000
Harris County MUD No. 119	5,765,000	62.91%	3,626,762
Harris County MUD No. 150	15,805,000	33.88%	5,354,734
Harris County MUD No. 180	7,739,999	100.00%	7,739,999
Harris County MUD No. 275	870,000	100.00%	870,000
Harris County MUD No. 316	3,465,000	100.00%	3,465,000
Harris County MUD No. 367	23,300,000	100.00%	23,300,000
Harris County MUD No. 368	58,240,000	100.00%	58,240,000
Harris County MUD No. 383	25,460,000	100.00%	25,460,000
Harris County MUD No. 401	14,600,000	100.00%	14,600,000
Harris County MUD No. 468	38,960,000	100.00%	38,960,000
Harris County WC&ID No. 109	7,150,000	90.11%	6,442,865
Harris County WC&ID No. 110	24,570,000	37.92%	9,316,944
Harris County WC&ID No. 119	27,135,000	100.00%	27,135,000
Harris County WC&ID No. 133	3,655,000	100.00%	3,655,000
Heatherloch MUD	1,320,000	100.00%	1,320,000
Houston, City of	3,439,735,000	0.11%	3,783,709
Kleinwood MUD	13,194,996	100.00%	13,194,996
Lone Star College (2)	471,655,000	10.65%	50,231,258
Louetta North PUD	6,800,000	100.00%	6,800,000
Louetta Road UD	1,000,000	100.00%	1,000,000
Meadowhill Regional MUD (3)	30,300,000	100.00%	30,300,000
Northampton MUD	16,315,000	100.00%	16,315,000
Northwest Harris County MUD No. 6	9,025,000	100.00%	9,025,000
Northwest Harris County MUD No. 19	33,035,000	100.00%	33,035,000
Northwest Harris County MUD No. 24	8,125,000	100.00%	8,125,000
Northwest Harris County MUD No. 28	4,770,000	100.00%	4,770,000
Northwest Harris County MUD No. 30	20,205,000	100.00%	20,205,000
Northwest Harris County MUD No. 32	28,470,000	100.00%	28,470,000
Northwest Harris County MUD No. 36	14,455,000	100.00%	14,455,000
Northwest Park MUD	22,375,000	31.96%	7,151,050
Oakmont PUD	30,795,000	100.00%	30,795,000
Port of Houston Authority	717,624,397	4.40%	31,575,473
Shasla PUD	5,245,000	100.00%	5,245,000
Spring Creek Forest PUD	4,400,000	100.00%	4,400,000
Spring West MUD	14,760,869	45.25%	6,679,293
Terranova West MUD	4,610,000	100.00%	4,610,000
Total Overlapping Debt			879,754,331
<u>Direct:</u>			
Klein Independent School District (4)	782,882,194	100.00%	782,882,194
TOTAL OVERLAPPING AND DIRECT DEBT			\$ 1,662,636,525
Ratio of Total Overlapping Debt and Direct Debt to Actual Taxable Value for Fiscal Year Ended August 31, 2014 (5)			13.84%

- (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) Meadowhill Regional MUD formerly Dove Meadows MUD
- (4) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.
- (5) Actual taxable value equals: \$ 12,011,835,149

KLEIN INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION (1)
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 1,201,183,515	\$ 1,173,490,687	\$ 1,186,920,392	\$ 1,117,425,964
Total Net Debt Applicable to Limit	<u>761,261,095</u>	<u>753,679,105</u>	<u>737,031,071</u>	<u>704,097,960</u>
Legal Debt Margin	<u>\$ 439,922,420</u>	<u>\$ 419,811,582</u>	<u>\$ 449,889,321</u>	<u>\$ 413,328,004</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	63.38%	64.23%	62.10%	63.01%

Legal Debt Margin Calculation for Fiscal Year 2014:

Actual Taxable Value (2)	\$ 12,011,835,149
Debt Limit Percentage of Actual Taxable Value (1)	<u>10%</u>
Debt Limitation	<u>1,201,183,515</u>
Debt Applicable to Debt Limitation:	
Total Bonded Debt	\$ 782,882,194
Less Restricted for Retirement of Bonded Debt (3)	<u>21,621,099</u>
Total Amount of Debt Applicable to Debt Limitation	<u>761,261,095</u>
	<u>\$ 439,922,420</u>

- (1) The District voted its maintenance tax under former Article 2784e-1, which provided that the net bonded indebtedness of the District shall not exceed 10% of all actual taxable value of real and personal property in the District.
- (2) See Table 5.
- (3) See Restricted for long-term debt at the fund level.

Table 12

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$ 1,135,891,258	\$ 1,105,376,660	\$ 1,007,350,956	\$ 899,433,403	\$ 855,206,447	\$ 787,743,034
<u>643,254,316</u>	<u>537,740,489</u>	<u>514,100,838</u>	<u>330,923,855</u>	<u>301,440,684</u>	<u>266,036,522</u>
<u>\$ 492,636,942</u>	<u>\$ 567,636,171</u>	<u>\$ 493,250,118</u>	<u>\$ 568,509,548</u>	<u>\$ 553,765,763</u>	<u>\$ 521,706,512</u>
56.63%	48.65%	51.03%	36.79%	35.25%	33.77%

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

Table 13

Fiscal Year Ended 8/31:	Residential Units (1)		Total Assessed Value of Residential Units (1)		Average Assessed Value per Residential Unit	Average Daily Attendance (2)	Unemployment Rate (3)
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%
2009	54,520		8,532,961,686		156,511	41,115	6.8%
2008	52,002	(4)	8,022,333,428		154,270	40,343	5.0%
2007	52,230		7,401,434,896		141,708	39,135	4.2%
2006	49,540		6,857,868,974		138,431	37,119	5.4%
2005	47,291		6,450,686,650		136,404	34,712	5.9%

(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.

(4) Reduced residential units due to an increase in property owner protests at time of certified roll.

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

Table 14

Employer	2014			2005		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Wal-Mart Stores	30,000	1	1.45%	25,450	2	1.47%
Houston ISD	28,430	2	1.38%	25,650	1	1.48%
University of Texas MD Anderson Cancer Center	19,504	3	0.94%	14,437	7	0.83%
H-E-B	19,175	4	0.93%	-	-	-
Memorial Herman Healthcare System	18,574	5	0.90%	16,445	5	0.95%
Houston Methodist	17,011	6	0.82%	-	-	-
United Airlines (3)	15,550	7	0.75%	-	-	-
McDonald's Corp.	15,479	8	0.75%	-	-	-
Kroger Company	14,197	9	0.69%	12,287	9	0.71%
Exxon Mobil Corporation	12,835	10	0.62%	16,321	6	0.94%
Continental Airlines	-	-	-	19,627	3	1.13%
Adminstaff	-	-	-	16,668	4	0.96%
Halliburton	-	-	-	12,395	8	0.72%
Shell Oil Company	-	-	-	12,200	10	0.70%
	<u>190,755</u>		<u>9.23%</u>	<u>171,480</u>		<u>9.89%</u>

(1) Total Employment for 2014: 2,066,951

(2) Total Employment for 2005: 1,731,597

(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

POSITION:	2014	2013	2012	2011
Administrator	57.0	57.0	56.0	57.0
Assistant Athletic Director	5.0	4.0	4.0	4.0
Associate/Assistant Principal	111.0	110.3	97.0	108.3
Bus Driver	226.0	224.0	214.0	216.0
Bus Driver Attendant	47.0	45.0	40.0	40.0
Cafeteria Workers	446.0	447.0	435.0	428.0
Clinic Assistant	42.0	40.5	38.5	37.0
Counselor	109.5	105.5	103.5	109.0
Custodial	319.0	314.0	303.0	299.0
Full-time Crossing Guard	25.0	25.0	22.0	22.0
Librarian/Library Assistant/Historian	73.0	72.5	69.6	87.1
Manual Trades/Warehouse	186.0	171.6	163.6	172.6
Nurse	50.0	49.0	49.0	48.0
Other Professional (1)	295.0	243.3	204.6	207.7
Parking Lot Monitor	4.0	4.0	4.0	4.0
Police Officer	43.0	35.0	34.0	34.0
Principal	43.0	42.7	42.4	40.7
PRS Coordinator/Day Care Staff	1.0	1.0	1.0	1.0
Registrar	8.0	8.0	8.0	6.0
Secretary/Clerical	410.0	383.7	367.9	396.5
Teacher	2,918.0	2,810.4	2,786.2	2,814.6
Teacher - Bilingual/ESL	210.8	211.4	204.6	210.6
Teacher Assistant	499.5	459.0	454.5	495.0
Technical	85.0	87.0	88.0	89.0
Vending	2.0	2.0	2.0	3.0
Total Employees	6,215.8	5,952.9	5,792.4	5,930.1

(1) 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 Supervisor, Program Coordinators, Psychologist, Social Workers, Speech Pathologists, and other professional staff not otherwise listed above.

Source: District records.

Table 15

2010	2009	2008	2007	2006	2005
56.0	53.0	53.0	52.7	48.5	49.5
4.0	4.0	4.0	4.0	4.0	4.0
105.5	102.5	99.0	92.8	88.5	83.1
206.0	201.0	194.0	183.0	173.0	173.0
37.0	36.0	33.0	30.0	29.0	28.0
413.0	398.0	405.0	373.0	368.0	363.0
34.5	34.5	33.0	30.5	29.5	27.0
106.3	101.0	96.5	86.0	79.5	78.5
320.0	358.5	356.0	350.0	337.0	332.0
22.0	22.0	22.0	19.0	17.0	15.0
85.1	85.1	85.2	82.2	77.0	75.0
175.0	170.0	156.0	153.0	150.0	145.0
45.0	43.0	43.0	44.0	40.0	37.0
207.5	198.0	168.7	162.9	156.9	152.3
4.0	4.0	4.0	4.0	4.0	5.0
34.0	34.0	34.0	30.0	28.0	25.0
39.8	38.6	38.0	37.5	35.8	34.7
1.0	1.0	5.0	5.0	6.4	5.4
6.0	6.0	5.0	5.0	4.0	4.0
381.5	377.0	376.0	362.7	346.3	330.7
2,763.9	2,675.9	2,607.9	2,465.4	2,295.5	2,196.2
209.5	205.5	190.0	154.0	129.6	104.9
492.5	456.0	461.0	401.5	386.5	378.0
88.0	81.0	77.0	63.0	52.0	46.0
4.0	6.0	6.0	6.0	5.0	5.0
5,841.1	5,691.6	5,552.3	5,197.2	4,891.0	4,697.3

KLEIN INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended 8/31:	Average Daily Attendance	Operating Expenditures (1)	Cost Per Student	Percentage Change
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%
2009	41,115	341,496,348	8,306	1.00%
2008	40,343	331,780,388	8,224	9.10%
2007	39,135	294,986,580	7,538	3.81%
2006	37,119	269,517,522	7,261	3.34%
2005	34,712	243,884,225	7,026	1.25%

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

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

Table 16

<u>Government Wide Expenses</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
\$ 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%
382,405,109	9,301	2.50%	2,881	14.25	35.80%
366,073,413	9,074	10.17%	2,798	14.40	31.60%
322,313,073	8,236	7.82%	2,619	14.94	33.90%
283,551,146	7,639	0.58%	2,425	15.31	29.80%
263,647,151	7,595	1.59%	2,301	15.09	26.90%

KLEIN INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 17

Fiscal Year Ended 8/31:	District		County Average Salary (2)	Statewide Average Salary (2)
	Minimum Salary (1)	Maximum Salary (1)		
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
2009	42,750	65,925	49,376	47,158
2008	42,000	65,987	48,232	46,178
2007	40,150	64,814	46,825	44,897
2006	37,650	63,550	44,084	41,743
2005	37,000	61,800	43,348	41,009

(1) Source: District records.

(2) Source: Texas Education Agency website.

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KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2013	2012	2011
HIGH SCHOOLS				
Klein (2014) (1)				
Square Footage	674,633	519,437	519,437	519,437
Capacity	3,600	3,462	3,462	3,381
Enrollment	3,762	3,561	3,112	3,019
Klein Collins (2001)				
Square Footage	582,488	582,488	582,488	582,315
Capacity	3,500	3,500	3,500	3,500
Enrollment	3,484	3,437	3,368	3,265
Klein Forest (1979)				
Square Footage	644,310	644,310	644,310	644,310
Capacity	4,000	4,000	4,000	4,000
Enrollment	3,451	3,507	3,511	3,472
Klein Oak (1982)				
Square Footage	603,924	603,924	603,924	608,924
Capacity	3,500	3,500	3,500	3,500
Enrollment	3,828	3,730	4,139	3,933
INTERMEDIATE SCHOOLS				
Doerre (1984)				
Square Footage	171,250	171,250	171,250	172,000
Capacity	1,219	1,219	1,219	1,168
Enrollment	1,203	1,225	1,188	1,220
Hildebrandt (1973)				
Square Footage	207,360	207,360	207,360	207,360
Capacity	1,349	1,349	1,349	1,365
Enrollment	1,102	1,014	934	944
Kleb (1993)				
Square Footage	172,000	172,000	172,000	172,000
Capacity	1,257	1,257	1,257	1,204
Enrollment	1,344	1,346	1,313	1,264
Klein (1984)				
Square Footage	192,972	192,972	192,972	192,972
Capacity	1,213	1,213	1,213	1,199
Enrollment	1,236	1,212	1,209	1,167
Krimmel (2007)				
Square Footage	186,700	186,700	186,700	186,700
Capacity	1,180	1,180	1,180	1,250
Enrollment	1,142	1,064	1,026	1,027
Schindewolf (2002)				
Square Footage	183,000	183,000	183,000	183,000
Capacity	1,170	1,170	1,170	1,176
Enrollment	1,357	1,339	1,301	1,323
Strack (1977)				
Square Footage	215,125	215,125	215,125	215,125
Capacity	1,295	1,295	1,295	1,361
Enrollment	1,167	1,173	1,100	1,133
Ulrich (2010)				
Square Footage	195,825	195,825	195,825	195,825
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,079	1,079	972	867
Wunderlich (1975)				
Square Footage	211,415	211,415	211,415	211,615
Capacity	1,458	1,458	1,458	1,458
Enrollment	1,550	1,571	1,513	1,471

Source: District records. Enrollment is peak enrollment for the most recently completed school year.

(1) Klein HS was originally built in 1963, but was torn down and rebuilt in phases; the rebuild of Klein HS was completed and opened in August 2014.

Table 18
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<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
519,437	519,437	519,437	519,437	519,437	519,437
3,381	3,381	3,381	3,381	3,381	3,381
3,152	3,183	3,287	3,413	3,465	3,417
582,315	534,213	534,213	534,213	534,213	534,213
3,500	3,131	3,131	3,131	3,131	3,131
3,279	3,244	3,239	3,167	3,003	2,796
634,002	634,002	634,002	634,002	513,957	513,957
4,000	3,973	3,973	3,973	2,973	2,973
3,534	3,539	3,491	3,543	3,523	3,374
608,924	526,461	526,461	526,461	526,461	526,461
3,500	2,903	2,903	2,903	2,903	2,903
3,727	3,462	3,177	2,830	2,399	2,119
172,000	172,000	172,000	172,000	172,000	172,000
1,168	1,168	1,168	1,168	1,168	1,168
1,320	1,341	1,326	1,395	1,287	1,222
207,360	207,360	207,360	207,360	207,360	207,360
1,365	1,365	1,365	1,365	1,365	1,365
1,215	1,213	1,138	2,036	1,822	1,558
172,000	172,000	172,000	172,000	172,000	172,000
1,204	1,204	1,204	1,204	1,204	1,204
1,026	1,032	1,030	1,103	1,117	1,092
192,972	192,972	192,972	192,972	192,972	183,172
1,199	1,199	1,199	1,199	1,199	1,199
1,123	1,121	1,106	1,077	1,263	1,223
186,700	186,700	186,700	186,700	-	-
1,250	1,250	1,250	1,250	-	-
1,558	1,468	1,244	-	-	-
183,000	183,000	183,000	183,000	183,000	183,000
1,176	1,176	1,176	1,176	1,176	1,176
1,495	1,520	1,467	1,424	1,371	1,294
215,125	215,125	199,881	199,881	199,881	199,881
1,361	1,361	1,361	1,361	1,361	1,361
1,180	1,159	1,136	1,218	1,143	1,098
195,825	-	-	-	-	-
1,250	-	-	-	-	-
-	-	-	-	-	-
211,615	211,615	197,500	197,500	197,500	197,500
1,458	1,458	1,341	1,341	1,341	1,341
1,411	1,364	1,396	1,343	1,338	1,383

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2013	2012	2011
ELEMENTARY SCHOOLS				
Benfer (1977)				
Square Footage	86,963	86,963	86,963	87,263
Capacity	818	818	818	851
Enrollment	707	707	666	667
Benignus (2006)				
Square Footage	108,750	108,750	108,750	108,750
Capacity	868	868	868	850
Enrollment	950	939	895	892
Bernshausen (2013)				
Square Footage	117,282	117,282	-	-
Capacity	850	850	-	-
Enrollment	686	675	-	-
Blackshear (2011)				
Square Footage	116,727	116,727	116,727	116,727
Capacity	940	940	940	940
Enrollment	914	906	810	-
Brill (1978)				
Square Footage	95,238	95,238	95,238	95,272
Capacity	846	846	846	823
Enrollment	747	743	749	896
Ehrhardt (1979)				
Square Footage	88,481	88,481	88,481	88,515
Capacity	810	810	810	829
Enrollment	686	681	687	703
Eiland (1993)				
Square Footage	87,366	87,366	87,366	87,400
Capacity	684	684	684	744
Enrollment	564	568	712	712
Epps Island (1973)				
Square Footage	93,639	93,639	93,639	93,876
Capacity	887	887	887	891
Enrollment	806	782	879	936
Frank (2007)				
Square Footage	108,750	108,750	108,750	108,750
Capacity	844	844	844	850
Enrollment	614	875	849	1,048
Grace England Early Childhood & PreK Center (2012)				
Square Footage	65,500	65,500	65,500	-
Capacity	1,000	1,000	1,000	-
Enrollment	532	503	-	-
Greenwood Forest (1971)				
Square Footage	75,711	75,711	75,711	75,711
Capacity	667	667	667	721
Enrollment	720	688	726	725
Hassler (1999)				
Square Footage	115,145	115,145	115,145	115,179
Capacity	794	794	794	828
Enrollment	708	698	731	781
Haude (1971)				
Square Footage	75,712	75,712	75,712	75,683
Capacity	747	747	747	701
Enrollment	706	701	690	713
Kaiser (1978)				
Square Footage	109,790	109,790	109,790	109,790
Capacity	892	892	892	961
Enrollment	631	789	893	948
Klenk (1992)				
Square Footage	91,494	91,494	91,494	91,528
Capacity	894	894	894	824
Enrollment	791	787	876	879

Source: District records. Enrollment is peak enrollment for the most recently completed school year.

Table 18
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<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
87,263	87,263	87,263	72,175	71,456	71,456
851	851	851	675	675	675
679	675	641	656	652	632
108,750	108,750	108,750	108,750	108,750	-
850	850	850	850	800	-
900	1,083	1,038	957	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
95,272	95,272	95,272	95,272	95,272	95,272
823	823	823	823	823	823
892	847	838	717	731	760
88,515	88,515	88,515	88,515	88,515	88,515
829	829	829	829	829	829
691	672	715	702	660	639
87,400	87,400	87,400	87,400	79,550	79,550
744	744	744	744	744	744
671	660	680	695	723	723
93,876	93,876	93,876	93,876	92,911	92,911
891	891	891	891	891	891
889	898	863	854	819	796
108,750	108,750	108,750	108,750	-	-
850	850	850	850	-	-
1,003	935	816	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
75,711	75,711	75,711	75,711	75,711	74,746
721	721	721	721	721	721
687	633	648	686	672	666
115,179	115,179	115,179	115,179	107,329	107,329
828	828	828	828	913	913
800	804	819	1,097	933	836
75,683	75,683	75,683	75,683	75,683	74,718
701	701	701	701	701	701
702	693	707	701	867	798
108,875	108,875	108,875	108,875	108,875	108,875
961	961	961	961	961	961
946	932	936	905	794	821
91,528	91,528	91,528	91,528	83,678	83,678
824	824	824	824	824	824
890	864	888	881	836	780

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2013	2012	2011
ELEMENTARY SCHOOLS				
Kohrville (2002)				
Square Footage	107,898	107,898	107,898	107,898
Capacity	928	928	928	945
Enrollment	770	978	975	1,055
Krahn (1983)				
Square Footage	109,116	109,116	109,116	109,150
Capacity	1,085	1,085	1,085	1,011
Enrollment	758	775	779	1,039
Kreinhop (2004)				
Square Footage	108,293	108,293	108,293	108,293
Capacity	984	984	984	959
Enrollment	855	829	942	937
Kuehnle (1989)				
Square Footage	87,216	87,216	87,216	87,250
Capacity	831	831	831	793
Enrollment	697	651	866	803
Lemm (1980)				
Square Footage	103,056	103,056	103,056	103,090
Capacity	705	705	705	843
Enrollment	591	578	721	709
McDougle (2004)				
Square Footage	108,293	108,293	108,293	108,293
Capacity	796	796	796	959
Enrollment	667	629	774	825
Metzler (2005)				
Square Footage	108,293	108,293	108,293	108,293
Capacity	914	914	914	929
Enrollment	860	969	899	878
Mittelstadt (1991)				
Square Footage	91,494	91,494	91,494	91,528
Capacity	891	891	891	824
Enrollment	887	839	749	680
Mueller (2009)				
Square Footage	115,689	115,689	115,689	115,689
Capacity	935	935	935	900
Enrollment	827	720	744	686
Nitsch (1980)				
Square Footage	93,810	93,166	93,166	93,200
Capacity	802	802	802	833
Enrollment	791	737	840	843
Northampton (1971)				
Square Footage	75,711	75,711	75,711	75,711
Capacity	863	863	863	731
Enrollment	815	778	895	895
Roth (1984)				
Square Footage	98,891	98,891	98,891	98,891
Capacity	852	852	852	852
Enrollment	694	699	759	768
Schultz (1994)				
Square Footage	93,816	93,816	93,816	93,850
Capacity	906	906	906	836
Enrollment	877	821	767	772
Theiss (1974)				
Square Footage	71,277	71,277	71,277	71,311
Capacity	754	754	754	703
Enrollment	631	661	643	678
Zwink (2012)				
Square Footage	125,073	125,073	125,073	-
Capacity	940	940	940	-
Enrollment	883	830	-	-

Source: District records. Enrollment is peak enrollment for the most recently completed school year.

Table 18
Page 3 of 3

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
107,898	107,898	107,898	107,898	107,898	107,898
945	945	945	945	945	945
1,027	1,001	949	1,338	1,172	1,007
109,150	109,150	109,150	109,150	109,150	101,300
1,011	1,011	1,011	1,011	1,011	1,011
1,000	968	948	991	921	806
108,293	108,293	108,293	108,293	108,293	108,293
959	959	959	959	959	959
934	936	994	974	947	811
87,250	87,250	87,250	87,250	79,400	79,400
793	793	793	793	793	793
790	740	706	627	629	574
103,090	103,090	103,090	103,090	103,090	95,240
843	843	843	843	843	843
692	715	763	747	670	583
108,293	108,293	108,293	108,293	108,293	108,293
959	959	959	959	959	959
793	795	755	765	707	577
108,293	108,293	108,293	108,293	108,293	108,293
929	929	929	929	929	929
867	817	779	729	605	-
91,528	91,528	91,528	91,528	83,678	83,678
824	824	824	824	824	824
696	654	671	725	752	734
115,689	115,689	-	-	-	-
900	900	-	-	-	-
647	-	-	-	-	-
93,200	93,200	93,200	93,200	93,200	85,350
833	833	833	833	833	833
853	852	844	901	957	889
75,711	75,711	75,711	75,711	75,711	74,718
731	731	731	731	731	731
859	840	845	811	927	869
95,580	95,580	95,580	95,580	88,000	88,000
816	816	816	816	816	816
750	759	688	581	1,000	941
93,850	93,850	93,850	93,850	86,000	86,000
836	836	836	836	836	836
753	1,066	955	822	699	1,000
71,311	71,311	71,311	71,311	71,311	71,311
703	703	703	703	703	703
686	667	651	662	657	525
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

Table 19

AUGUST 31, 2014

