

# COMPREHENSIVE ANNUAL FINANCIAL REPORT



---

For the Fiscal Year Ended August 31, 2015 · Klein, Texas

**KLEIN INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
AUGUST 31, 2015**

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

**TABLE OF CONTENTS**

	<u>Page</u>	<u>Exhibit</u>
<b>INTRODUCTORY SECTION</b>		
Letter of Transmittal.....	2	
Certificate of Achievement for Excellence in Financial Reporting.....	6	
Certificate of Excellence in Financial Reporting .....	7	
Organizational Chart .....	8	
Principal School District Officials.....	9	
Consultants and Advisors .....	10	
Certificate of Board .....	11	
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report .....	15	
Management's Discussion and Analysis .....	17	
<b><u>BASIC FINANCIAL STATEMENTS</u></b>		
<b>Government-wide Financial Statements:</b>		
Statement of Net Position.....	30	A-1
Statement of Activities .....	31	A-2
<b>Fund Financial Statements:</b>		
Balance Sheet – Governmental Funds.....	32	B-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position .....	35	B-1R
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	36	B-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	39	B-2R
Statement of Assets and Liabilities – Fiduciary Fund .....	40	C-1
Notes to the Financial Statements .....	41	
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund .....	69	D-1
Schedule of the District's Proportionate Share of the Net Pension Liability of a Cost-Sharing Multiple-Employer Pension Plan.....	70	E-1
Schedule of the District's Contribution to the Teacher Retirement System of Texas .....	71	E-2

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

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

	<u><b>Page</b></u>	<u><b>Exhibit</b></u>
Notes to the Required Supplementary Information .....	72	
<b><u>SUPPLEMENTARY INFORMATION</u></b>		
<b>Combining and Individual Fund Financial Statements and Schedules:</b>		
<b>Major Governmental Funds:</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund .....	77	F-1
<b>Nonmajor Governmental Funds:</b>		
Fund Descriptions – Nonmajor Governmental Funds – Special Revenue Funds.....	79	
Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds.....	82	G-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds .....	88	G-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – National School Breakfast and Lunch Program .....	95	G-3
<b>Fiduciary Fund:</b>		
Statement of Changes in Assets and Liabilities – Fiduciary Fund .....	97	H-1
<b>Compliance Schedule:</b>		
Schedule of Delinquent Taxes Receivable .....	100	I-1

**STATISTICAL SECTION**

	<u><b>Page</b></u>	<u><b>Table</b></u>
<b>Financial Trends:</b>		
Net Position by Component – Last Ten Fiscal Years.....	104	1
Changes in Net Position – Last Ten Fiscal Years .....	106	2
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	108	3
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	110	4

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

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

	<u><b>Page</b></u>	<u><b>Table</b></u>
<b>Revenue Capacity:</b>		
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years .....	113	5
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years .....	114	6
Principal Property Taxpayers – Current Year and Nine Years Ago.....	116	7
Property Tax Levies and Collections – Last Ten Fiscal Years.....	117	8
<b>Debt Capacity:</b>		
Outstanding Debt by Type – Last Ten Fiscal Years.....	118	9
Ratios of Net General Obligation Bonded Debt Outstanding – Last Ten Fiscal Years .....	119	10
Direct and Overlapping Governmental Activities Debt .....	121	11
Legal Debt Margin Information – Last Ten Fiscal Years.....	122	12
<b>Demographic and Economic Information:</b>		
Demographic and Economic Statistics – Last Ten Fiscal Years .....	124	13
Principal Employers – Current Year and Nine Years Ago.....	125	14
<b>Operating Information:</b>		
Full-time Equivalent District Employees by Position – Last Ten Fiscal Years .....	126	15
Operating Statistics – Last Ten Fiscal Years.....	128	16
Teacher Base Salaries – Last Ten Fiscal Years .....	130	17
School Building Information – Last Ten Fiscal Years .....	132	18
District Map.....	138	19

## **Introductory Section**

# Klein Independent School District

## Central Office

7200 Spring-Cypress Road  
Klein, TX 77379-3215  
832.249.4000  
www.kleinisd.net



January 11, 2016

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

Dear Board of Trustees and Citizens:

As you are aware, state law requires that each school district must have its fiscal accounts audited annually. A copy of the annual financial report, approved by the Board of Trustees, must be filed with the Texas Education Agency (TEA) by the 150<sup>th</sup> day after the end of the fiscal year. The Comprehensive Annual Financial Report (CAFR) of the Klein Independent School District (the District) is published to fulfill that requirement for the fiscal year ended August 31, 2015.

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

The CAFR consists of management’s representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District’s administration. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework. The framework is designed to protect the District’s assets from loss, theft, or misuse, and 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 District’s financial statements for the fiscal year ended August 31, 2015. 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-one elementary schools and serves an average daily attendance of 46,484 students. The ages of the school buildings range from zero to forty-four years. Construction began on French Elementary School, during spring 2014 and opened for the 2015-16 school year. Construction began on Mahaffey Elementary and high school #5 during spring 2015.

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

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

## **LOCAL ECONOMY**

The District is primarily residential in character, with an average home price of approximately \$179,798. 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 1500 single-family and multi-family units were added last year. As the district approaches build-out, the prevalence of multi-family housing units will increase. 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 which has been accelerated with the construction of the Grand Parkway. 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 8,000 Houston area ExxonMobil employees to their new campus near Klein provides the chief employment impact. The District's external demographer projects approximately 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 16.37% to \$13.9 billion in 2014-15. 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, 46,484, has increased 25 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 2.73 percent during the 2015-16 school year. The level of student growth is expected to average 2.78 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-four schools, the District has reached approximately 81 percent of its permanent classroom facility requirements. The percentage of students at each instructional level is expected to be approximately 47 percent in grade levels PK through 5, 23 percent in grade levels 6 through 8, and 30 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 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. To date, the District has sold \$646.9 million of the 2008 bond authorization. In May 2015, the District passed a \$498.1 million bond issue as part of a five-year plan that will address growth and facility needs for our students in five general areas: growth, technology, renovations, school buses, and safety and security. To date, the District has sold \$123.2 million of the 2015 bond authorization.

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 increase beginning teacher salary to \$50,000 and remain competitive to recruit the highest quality staff; increase returning employee wages by approximately 5% to retain highest quality staff; provide resources to fund the third year school reform project at Klein Forest High School; provide resources to fund the second year of the school reform projects at each Title I campus within the District; and provide additional instructional specialists in the classroom to model teaching methods and offer 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 2014-15 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 District received an overall “Met Standard” rating from the TEA in 2014-15, 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 2014-15 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, second language acquisition and digital learning environment. In addition the district was rated recognized in the area of gifted and talented programs.

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**

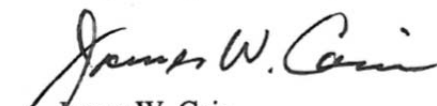
Klein Independent School District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its CAFR for the fiscal year ended August 31, 2014. In order to be awarded a Certificate of Achievement, 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, 2014, 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 2014-15 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.

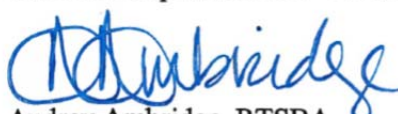
We would like to express our appreciation to the Board of Trustees for their concern in providing fiscal accountability to the patrons of our District and for their expertise in financial decisions. Special appreciation goes to the District's finance department and the independent auditors’ staff. The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

Respectfully submitted,

  
James W. Cain  
Superintendent

  
Tonya Little, CPA, RTSBA  
Controller

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

  
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, 2014**

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, 2014*

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



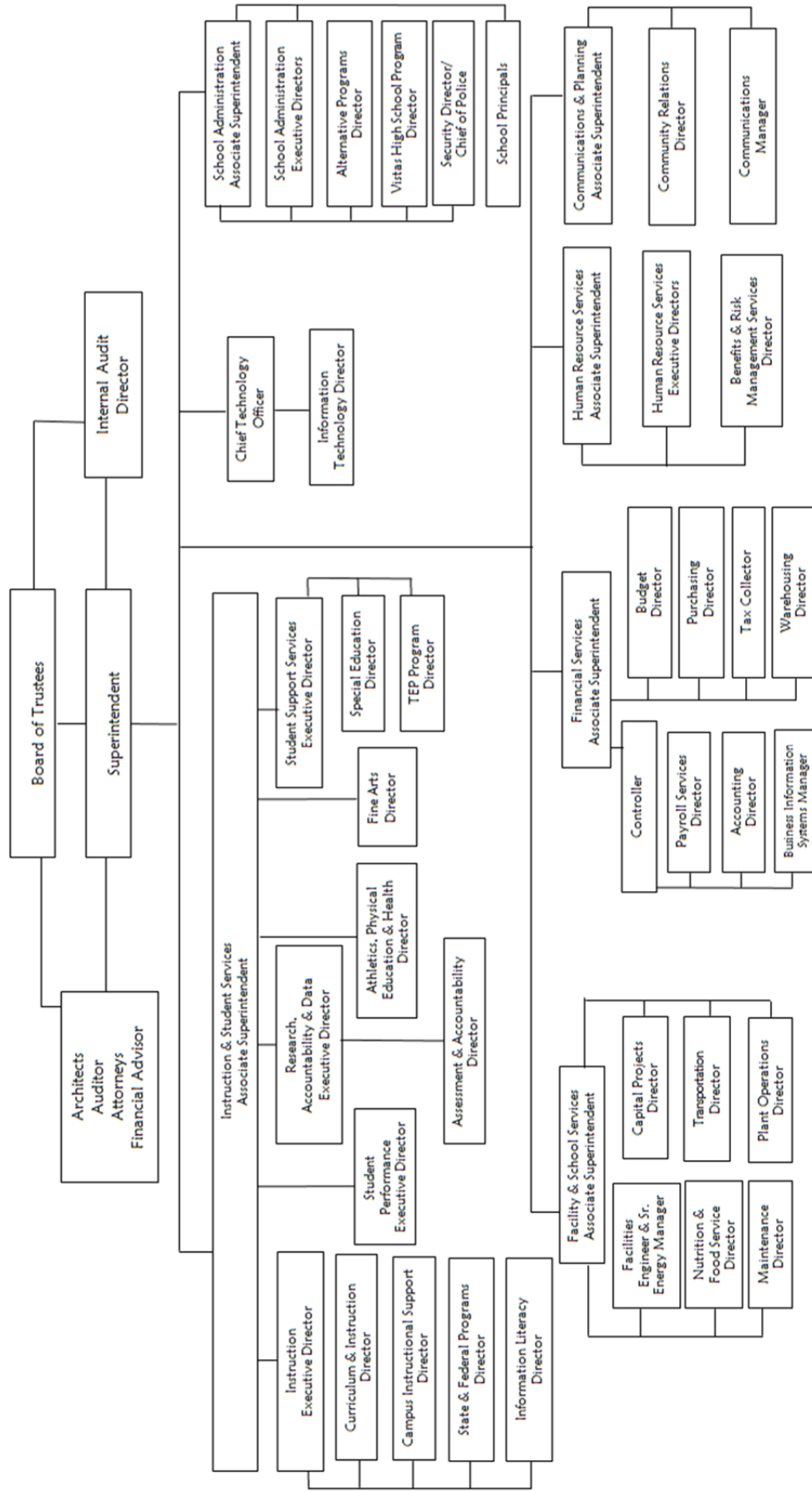
A handwritten signature in black ink, appearing to read "M. Pepera", is written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

A handwritten signature in black ink, appearing to read "John D. Musso", is written over a horizontal line.

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

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

### APPOINTED

Dr. James W. Cain .....	Superintendent
Judith Rimato .....	Associate Superintendent of Communications and Planning
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
Dr. Susan Borg .....	Associate Superintendent of Instruction and Student Services
Dr. Jan Marek .....	Associate Superintendent of School Administration
Karen Fuller .....	Chief Technology Officer
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
Dr. Angeline Anderson .....	Executive Director of Instruction
Vicki James .....	Executive Director of Research, Accountability and Data
Mindy Spurlock .....	Executive Director of School Administration
Debbie Hamilton .....	Executive Director of School Administration
Ron Webster .....	Executive Director of School Administration
Jenny McGown .....	Executive Director of Student Performance
Dr. Mary Rosenberg .....	Executive Director of Student Support Services
Nancy Webster .....	Director of Assessment and Accountability
Beth Rosler, RTSBA .....	Director of Budget
Stephanie Edgar .....	Director of Campus Instructional Support
Donald E. Blue .....	Director of Capital Projects
Adam Hile .....	Director of Curriculum and Instruction
K. E. Kaufman .....	Director of Disciplinary Alternative Programs
Allan Scott, PE, CEM .....	Facilities Engineer and Senior Energy Manager
Monte Mast .....	Director of Fine Arts
Jamal Hazzan .....	Director of Food Services
Darby Young .....	Director of Health, Physical Education, and Athletics
Stephanie Green .....	Director of Information Literacy
Candace A. Threadgill .....	Director of Information Technology
August Wunderlich .....	Director of Maintenance
Willie Huggins .....	Director of Plant Operations
Cortney "Echo" Mansfield .....	Director of Special Education
Catherine Eubanks .....	Director of State and Federal Programs
David Hoffman .....	Director of Transportation Services
Peggy Ekster .....	Director of Vistas High School Programs
David Kimberly .....	Police Chief
Rick Stockton .....	Director of Benefits and Risk Management Services
Cindy Doyle .....	Director of Community Relations and Education Foundation
Jody Simpson .....	Director of Therapeutic Education Program
Audrey Ambridge, RTSBA .....	Director of Accounting
Fran Whitaker .....	Director of Payroll Services
Lisa Turner .....	Director of Purchasing
Deborah Wehner, RTA .....	Tax Assessor/Collector
Stephanie B. Duran, CPA .....	Director of Internal Audit
Todd Schultz .....	Director of Warehousing

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

**ARCHITECTS**

PBK Architects Inc.  
11 Greenway Plaza, Suite 2210  
Houston, Texas 77046

IBI Group Architects  
455 E. Medical Center Blvd., #500  
Webster, Texas 77598

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

Matrix Spencer Architects  
6001 Savoy Street, Suite 120  
Houston, Texas 77036

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

SBWV Architects, Inc.  
2121 Sage Road, Suite 240  
Houston, Texas 77056

BRW Architects, Inc.  
4501 Magnolia Cove Drive  
Suite 250, Building 6  
Houston, Texas 77345

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

**AUDITOR**

Hereford, Lynch, Sellars & Kirkham, PC  
1406 Wilson Road, Suite 100  
Conroe, Texas 77304

**BOARD ATTORNEY**

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

**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, 8<sup>th</sup> 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, 2015 at a meeting of the Board of Trustees of such school district on the 11th day of January, 2016.

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

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

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

(This page intentionally left blank)

## **Financial Section**

(This page intentionally left blank)

# HLSK

*Hereford, Lynch, Sellars & Kirkham*

Certified Public Accountants • A Professional Corporation

**Conroe**  
1406 Wilson Rd., Suite 100  
Conroe, Texas 77304  
Tel 936-756-8127  
Metro 936-441-1338  
Fax 936-756-8132

Members of the  
American Institute of Certified Public Accountants  
Texas Society of Certified Public Accounts  
Private Companies Practice Section  
of the AICPA Division for Firms

**Cleveland**  
111 East Boothe  
Cleveland, Texas 77327  
Tel 281-592-6443  
Fax 281-592-7706

## 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing 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, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note I.C., in 2015 the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, and Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Klein Independent School District's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and 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 Supplementary Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section 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 14, 2015, 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 14, 2015**

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

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, 2015.

**Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$198,665,440 (*net position*).
- Unrestricted net position of \$87,141,699 may be used to meet the District's ongoing obligations to students and creditors.
- The District's total net position decreased by \$43,970,685 primarily due to a prior period adjustment for Governmental Accounting Standards Board (GASB) Statement No. 68.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$389,776,918, an increase of \$186,735,806 in comparison with the prior year. The increase in governmental fund balances was primarily due to the increase in the capital projects fund from the issuance of debt.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$60,624,373 or 16 percent of total general fund expenditures.
- The District's bonded debt, at par, increased by \$205,210,000 (27.2 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.

In fiscal year 2015, the District adopted five new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

- Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- Statement No. 69, *Government Combinations and Disposals of Government Operations*
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (Pension Trusts) in which:

- a. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- b. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- c. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and presentation as pension trust funds in the financial statements of another government, and specifies the required approach to measuring the pension liability of employers and any nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which certain information is required to be presented. Distinctions are made regarding the particular presentation requirements depending upon the type of pension plan administered. For defined contribution plans, the Statement provides specific note disclosure requirements.

The adoption of Statement No. 67 has no impact on the District's financial statements.

Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and required supplementary information requirements about pensions are also addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined by the state legislature for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

to reflect the reporting of net pension liability and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement. Net position as of September 1, 2014 was decreased by \$58,399,108 to reflect the cumulative effect of adoption. The net pension liability of \$63,291,305 and the deferred outflows of resources of \$4,892,197 at August 31, 2014 were reported as a prior period adjustment to the net position on September 1, 2014. Refer to Note IV.C for more information regarding the District's pension.

Statement No. 69 improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term "government combinations" is used to refer to a variety of arrangements including mergers and acquisitions. Mergers include combinations of legally separate entities without the exchange of significant consideration. Government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services.

There was no impact on the District's financial statements as a result of the implementation of Statement No. 69.

Statement No. 70 was issued to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

There was no impact on the District's financial statements as a result of the implementation of Statement No. 70.

Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District's fiscal year-end, the effect from the District's reported contributions to the plan subsequent to the respective measurement date of the plan as an increase in deferred outflow of resources and a decrease in net position as follows:

TRS – The beginning deferred outflow includes contributions from September 1, 2013 through August 31, 2014, totaling \$4,892,197.

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

**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 and fiduciary funds.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

**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.

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

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

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

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the general fund is presented as required supplementary information. The required supplementary information is referenced as Exhibit D-1, E-1, and E-2, and the associated notes immediately following the exhibits 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 and deferred inflows of resources by \$198,665,440 at the close of the most recent fiscal year.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Current and Other Assets	\$ 447,605,842	\$ 245,691,400
Capital Assets, net of Accumulated Depreciation	859,912,733	812,687,021
<b>Total Assets</b>	<b>1,307,518,575</b>	<b>1,058,378,421</b>
<b>Total Deferred Outflows of Resources</b>	<b>27,341,142</b>	<b>11,076,321</b>
Other Liabilities	51,909,287	36,306,994
Long-term Liabilities Outstanding	1,068,517,652	790,511,623
<b>Total Liabilities</b>	<b>1,120,426,939</b>	<b>826,818,617</b>
<b>Total Deferred Inflows of Resources</b>	<b>15,767,338</b>	<b>-</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	83,664,009	86,495,792
Restricted	27,859,732	26,179,487
Unrestricted	87,141,699	129,960,846
<b>Total Net Position</b>	<b>\$ 198,665,440</b>	<b>\$ 242,636,125</b>

The decrease in the government-wide *Statement of Net Position* of \$43,970,685 at August 31, 2015 results from several factors. The most significant item included the recording of net pension liabilities of \$58,399,108 as of August 31, 2015, and other unfunded long-term liabilities which include workers' compensation claims and compensated absences.

The largest portion of the District's net position \$87,141,699 (44 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 42 percent of the District's 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 \$21,980,050 and grants are \$5,879,682 make up the remaining 14 percent of net position. At the end of the current fiscal year, the District is able to report positive balances in all three categories of net position.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

**Governmental activities.** Governmental activities decreased the District's net position by \$43,970,685. Key elements of this decrease are as follows:

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
<b>REVENUE</b>		
Program Revenues:		
Charges for Services	\$ 20,283,773	\$ 17,486,159
Operating Grants and Contributions	65,067,570	63,705,418
General Revenues:		
Taxes:		
Property Taxes, Levied for General Purpose	162,012,918	143,367,503
Property Taxes, Levied for Debt Service	54,807,873	54,028,207
Grants and Contributions Not Restricted to Specific Programs	206,980,778	194,177,589
Investment Earnings	951,706	340,241
Miscellaneous	1,068,558	2,212,271
<b>Total Revenues</b>	<b>511,173,176</b>	<b>475,317,388</b>
<b>EXPENSES</b>		
Instruction	266,100,967	261,995,657
Instructional Resources and Media Services	5,053,079	5,141,715
Curriculum and Instructional Staff Development	12,142,990	10,638,923
Instructional Leadership	3,488,463	3,220,638
School Leadership	27,312,594	25,250,622
Guidance, Counseling, and Evaluation Services	22,147,773	20,005,177
Social Work Services	344,491	342,695
Health Services	4,831,391	4,674,883
Student Transportation	12,804,878	12,620,591
Food Services	24,108,723	23,533,970
Extracurricular Activities	15,215,849	8,093,036
General Administration	9,119,865	8,574,785
Plant Maintenance and Operations	31,768,702	32,035,346
Security and Monitoring Services	5,953,900	5,103,168
Data Processing Services	9,273,936	9,412,906
Community Services	892,063	842,374
Interest on Long-term Debt	36,248,469	33,162,655
Bond Issuance Costs and Fees	2,001,163	504,392
Facilities Repair and Maintenance	5,484,843	2,388,678
Payments to Shared Services Arrangements	446,994	428,169
Payments to Juvenile Justice Alternative Education Programs	273,555	195,232
Other Intergovernmental Charges	1,730,065	1,498,385
<b>Total Expenses</b>	<b>496,744,753</b>	<b>469,663,997</b>
Change in Net Position	14,428,423	5,653,391
Net Position - Beginning	242,636,125	236,982,734
Prior Period Adjustment - Implement GASB 68 & 71 for Pensions (a)	(58,399,108)	-
Net Position - Beginning, as restated	184,237,017	236,982,734
<b>Net Position - Ending</b>	<b>\$ 198,665,440</b>	<b>\$ 242,636,125</b>

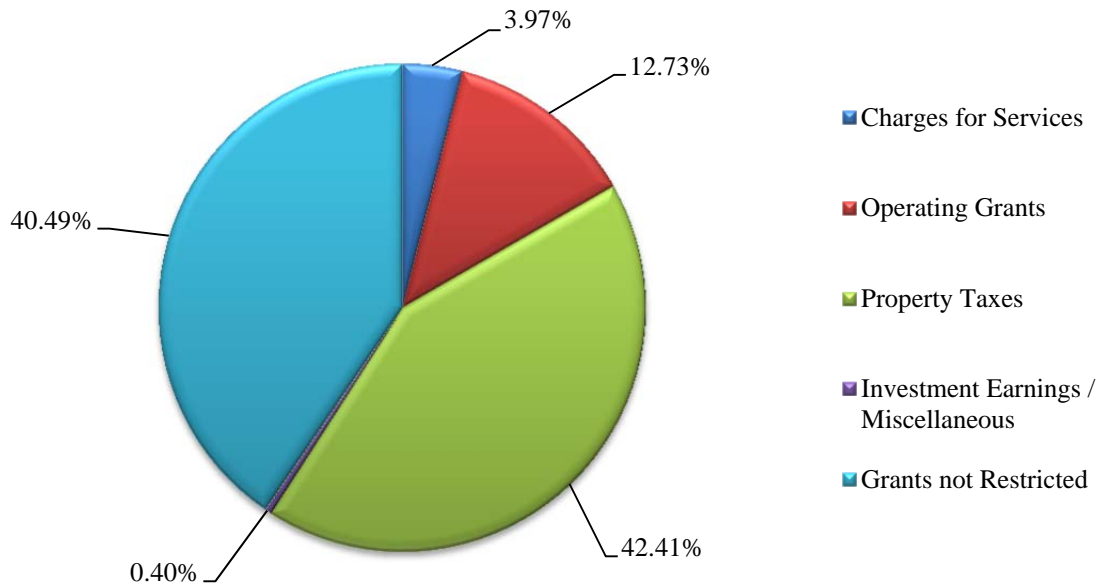
(a) The restatement of the beginning net position in fiscal year 2015 is the result of the District implementing GASB Statement No. 68 and 71 in fiscal year 2015. The implementation is discussed above in MD&A and more information is available in Note IV.C.

Revenues are generated primarily from two sources (see Figure A-1). Grants and contributions (program and general revenues totaling \$272,048,348) represent 53 percent of total revenues and property taxes (\$216,820,791) represent 42 percent of total revenues. The remaining 5 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.

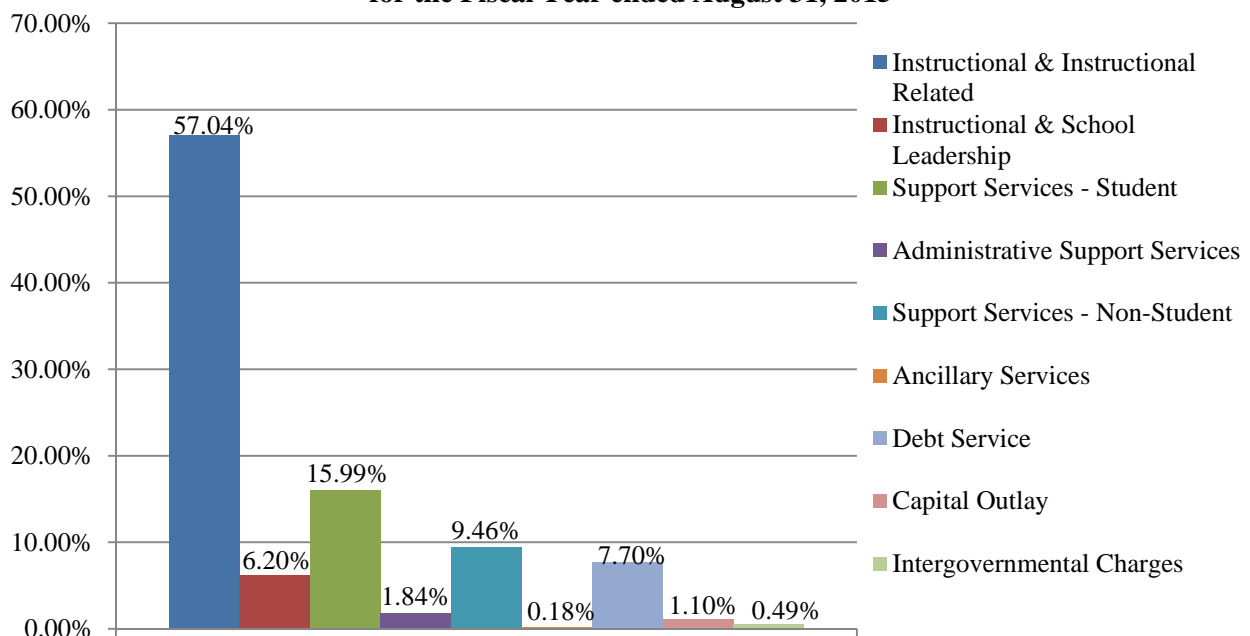
**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

The primary functional expense (see figure A-2) of the District is instruction (\$266,100,967), which represents 54 percent of total expenses. Interest on long-term debt (\$36,248,469) represents 7 percent of total expenses and plant maintenance and operations (\$31,768,702) represents 6 percent of total expenses. The remaining individual functional categories of expenses are each less than 6 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, 2015**



**Figure A-2**  
**Expenses by Major Function – Governmental Activities**  
**for the Fiscal Year ended August 31, 2015**



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

**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 \$389,776,918, an increase of \$186,735,806 in comparison with the prior year. The increase in ending governmental fund balances is primarily due to the increase in the capital projects fund from the issuance of debt. Out of the combined ending fund balances, \$60,624,373 constitutes unassigned fund balances. The remaining \$329,152,545 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 \$60,624,373 while total fund balance reached \$139,081,945. 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 16 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 \$10,799,326 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 \$23,385,420, 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, 2015 were \$70,496,732.

The capital projects fund has a total fund balance of \$218,820,939 all of which is reserved for authorized construction and technology projects and enhancements. The net increase in fund balance during the current year of \$174,300,220 was primarily due to the bond sale in July 2015.



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

**General Fund Budgetary Highlights**

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

<b>Estimated Revenues and Other Financing Sources</b>	
\$ 2,648,013	Increase in federal revenues earned from SHARS and E-Rate.
1,645,514	Increase in local revenues resulting from higher than estimated 2014 property values.
388,743	Net increase in state aid resulted from receipt of TEA revenue earned from 2010 and 2011 property value reductions; and reduction in 2014-15 anticipated state aid due to higher than estimated 2014 property values.
218,000	Increase in rental income from the Klein Multipurpose Center activities.
85,816	Increase in local revenues received for gifts, donations, and insurance recovery.
76,932	Other miscellaneous revenue increases.
(965,179)	Decrease in TRS On-Behalf due to overestimation of impact from new positions and pay increases.
<b>\$ 4,097,839</b>	<b>Total Estimated Revenues and Other Financing Sources Increase</b>
<b>Appropriations and Other Financing Uses</b>	
\$ 1,073,000	Increase in capital outlay expenditures utilizing excess payroll budgets to purchase non-recurring items.
729,465	Increase in extra duty pay resulting from reinstatement of the Optional Teacher Workday payment and due to increase of overtime and part-time payments issued by the Transportation department.
398,694	Increase in employee travel appropriations to fund Transform Academy training for campus administrators, and increase in student travel due to extracurricular competition advancements.
291,308	Increase in substitute budgets due to addition of permanent substitutes through the district.
213,365	Other miscellaneous appropriation increases.
(502,697)	Decrease in utility appropriations due to overestimation of recurring energy costs.
(532,667)	Decrease in property and liability insurance premium appropriations due to overestimation of February 2015 policy renewal increases and transfer out of excess bond election appropriations for non-recurring expenditures.
(965,179)	Decrease in TRS On-Behalf due to overestimation of impact from new positions and pay increases.
(1,029,494)	Decrease in contracted and consulting services from conversion of numerous Special Education contracts to permanent staff positions.
(2,097,387)	Decrease in salary and stipend appropriations due to unfilled positions; retirement savings from FY 2014; and lower than projected cost of 5% salary increase due to mid-point variances.
<b>\$ (2,421,592)</b>	<b>Total Appropriations and Other Financing Uses Decrease</b>

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, estimated revenues exceeded actual amounts by \$36,084. Operating expenditures were \$8,623,156 less than final budgeted amounts primarily due to utility costs being less than anticipated, decrease in contracted and consulting services, funded but unfilled positions, and leave of absences.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

**Capital Assets and Long-term Debt**

**Capital assets.** The District's investment in capital assets for its governmental type activities as of August 31, 2015, amounts to \$859,912,733 (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 5.8 percent.

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

- Construction began on High School #5, scheduled to open in August 2017. Major site work has been completed and the steel is going in for the construction of the building. The current year expenditures were \$22,005,096.
- Construction was completed on French Elementary and was opened for students in August 2015. The current year expenditures were \$20,940,853.
- Site work and construction began on Mahaffey Elementary, scheduled to open in August 2016. The current year expenditures were \$5,831,975.
- Final finishing items including furniture and equipment were completed at Klein High School, which opened to students in August 2014. The current year expenditures were \$3,757,614.
- Intermediate #10 located near Metzler, is in the planning and design phase. It is scheduled to open in August 2018. The current year expenditures were \$48,947.
- Schindewolf Intermediate is currently being renovated with an expansion to the locker rooms. The current year expenditures were \$551,724.
- The summer 2015 renovations to numerous existing facilities are almost completed. The current year expenditures were \$10,337,110.
- Land was purchased for a future elementary school and agricultural barn along with improvements made to land. The current year expenditures were \$6,968,079.

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Land	\$ 78,854,874	\$ 63,459,154
Buildings and Improvements	717,356,382	699,701,325
Furniture and Equipment	31,605,276	34,287,670
Construction in Progress	32,096,201	15,238,872
<b>Totals</b>	<b>\$ 859,912,733</b>	<b>\$ 812,687,021</b>

**Construction commitments.** The District has active construction projects as of August 31, 2015. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$157,415,733 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.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

**Long-term debt.** At the end of the current fiscal year, the District had total long-term bonded debt outstanding of \$958,300,000 backed by the full faith and credit of the District.

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

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
General Obligation Bonds, par	\$ 958,300,000	\$ 753,090,000

The District's bonded debt increased by \$205,210,000 (27.25 percent) during the current fiscal year.

The \$80,000,000 Series 2015 bond sold in January 2015 was an all-new money sale and was sold with an "AAA" rating and guaranteed through the Texas Permanent School Fund (PSF) Guarantee Program.

The \$224,600,000 Series 2015A bonds sold in June 2015 consists of \$162,015,000 of new money and \$62,585,000 of refunding bonds were sold with an "AAA" rating and were guaranteed through the Texas Permanent School Fund (PSF) Guarantee Program. The new money portion of the sale generated \$8,985,000 of premium that was applied against the voted authorization. The new money portion of the sale with premium totaled \$171,000,000.

The District has sold \$646.9 million of the \$646.9 million bond authorization of 2008. In May 2015, the voters approved \$498.1 million in authorized but unissued bonds. In June 2015, the Series 2015A new money portion used \$123.2 million of the 2015 authorization leaving \$374.9 million of authorized but unissued bonds as of August 31, 2015.

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

**Pension.** The adoption of Statement No. 68 resulted in the District's reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for each of its qualified pension plans and the recognition of pension expense in accordance with the provisions of the Statement. The decrease in the District's net pension liability (NPL) to \$51,543,594 at August 31, 2015 from \$63,291,305 at August 31, 2014 was the result of a significant increase in net investment income in the TRS plan during 2014.

The following table provides the District's key pension statistics related to the TRS plan as of and for the fiscal year ended August 31, 2015:

**KLEIN INDEPENDENT SCHOOL DISTRICT'S KEY PENSION STATISTICS**

Net Pension Liability (NPL)	\$ 51,543,594
Pension Expense	\$ 18,138,930

Additional information on the District's net pension liability can be found in the Notes to the Financial Statements as indicated in the table of contents of this report.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2015**

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

- Average daily attendance (ADA) totaled 46,484 students, which is a 2.6 percent increase from the prior year.
- District staff totals 6,551 employees, which primarily consists of 3,243 teachers and 942 teachers' aides and secretaries.
- The District maintains 44 campuses for instruction.
- The unemployment rate for the County is currently 4.4 percent, which is a decrease from a rate of 5.4 percent a year ago. This compares to the State's unemployment rate of 4.1 percent, which is a decrease from a rate of 5.3 percent a year ago.
- Property values of the district have increased 16.37 percent over the past year.
- The property tax rate will be increased to \$1.41 per \$100 of assessed value for 2015-16.

All of these factors were considered in preparing the District's budget for the 2015-16 fiscal year.

**Requests for Information**

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

## **Basic Financial Statements**

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2015**

**Exhibit A-1**

<b>Data Control Codes</b>		<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>		
1110	<i>Cash and Cash Equivalents</i>	\$ 336,129,469
1120	<i>Current Investments</i>	8,351,176
1225	<i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i>	9,494,120
1240	<i>Due from Other Governments</i>	23,684,144
1250	<i>Accrued Interest</i>	8,333
1290	<i>Other Receivables</i>	354,280
1300	<i>Inventories, at Cost</i>	2,036,393
1410	<i>Prepaid Items</i>	687,395
1910	<i>Long-term Investments</i>	66,860,532
	Capital Assets, Not Being Depreciated:	
1510	<i>Land</i>	78,854,874
1580	<i>Construction in Progress</i>	32,096,201
	Capital Assets, Net of Accumulated Depreciation:	
1520	<i>Buildings and Improvements</i>	717,356,382
1530	<i>Furniture and Equipment</i>	31,605,276
1000	<b>Total Assets</b>	<b>1,307,518,575</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
1700	<i>Deferred Outflows of Resources</i>	27,341,142
	<b>Total Deferred Outflows of Resources</b>	<b>27,341,142</b>
<b>LIABILITIES</b>		
2110	<i>Accounts Payable</i>	30,597,763
2140	<i>Interest Payable</i>	3,574,483
2160	<i>Accrued Wages Payable</i>	17,468,390
2180	<i>Due to Other Governments</i>	81,671
2190	<i>Due to Student Groups</i>	21,606
2300	<i>Unearned Revenue</i>	165,374
	Noncurrent Liabilities:	
2501	<i>Due within One Year</i>	33,719,354
2502	<i>Due in More Than One Year</i>	1,034,798,298
2000	<b>Total Liabilities</b>	<b>1,120,426,939</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600	<i>Deferred Inflows of Resources</i>	15,767,338
	<b>Total Deferred Inflows of Resources</b>	<b>15,767,338</b>
<b>NET POSITION</b>		
3200	<i>Net Investment in Capital Assets</i>	83,664,009
	Restricted for:	
3820	<i>Grants</i>	5,879,682
3850	<i>Debt Service</i>	21,980,050
3900	<i>Unrestricted</i>	87,141,699
3000	<b>Total Net Position</b>	<b>\$ 198,665,440</b>

The accompanying notes are an integral part of this statement.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

**Exhibit A-2**

Data Control Codes	Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	
	<b>Primary Government:</b>				
	Governmental Activities:				
0011	Instruction	\$ 266,100,967	\$ 576,518	\$ 28,889,360	\$ (236,635,089)
0012	Instructional Resources and Media Services	5,053,079	-	444,375	(4,608,704)
0013	Curriculum and Instructional Staff Development	12,142,990	-	3,010,322	(9,132,668)
0021	Instructional Leadership	3,488,463	-	316,544	(3,171,919)
0023	School Leadership	27,312,594	-	1,309,567	(26,003,027)
0031	Guidance, Counseling and Evaluation Services	22,147,773	10,148	2,974,329	(19,163,296)
0032	Social Work Services	344,491	-	15,131	(329,360)
0033	Health Services	4,831,391	-	338,818	(4,492,573)
0034	Student Transportation	12,804,878	20,950	459,494	(12,324,434)
0035	Food Services	24,108,723	9,675,609	12,712,214	(1,720,900)
0036	Extracurricular Activities	15,215,849	7,954,832	308,487	(6,952,530)
0041	General Administration	9,119,865	-	448,895	(8,670,970)
0051	Plant Maintenance and Operations	31,768,702	2,045,684	951,798	(28,771,220)
0052	Security and Monitoring Services	5,953,900	-	214,954	(5,738,946)
0053	Data Processing Services	9,273,936	-	221,118	(9,052,818)
0061	Community Services	892,063	-	613,312	(278,751)
0072	Interest on Long-term Debt	36,248,469	32	11,766,946	(24,481,491)
0073	Bond Issuance Costs and Fees	2,001,163	-	-	(2,001,163)
0081	Facilities Repair and Maintenance	5,484,843	-	71,906	(5,412,937)
0093	Payments to Shared Services Arrangements	446,994	-	-	(446,994)
0095	Payments to Juvenile Justice Alternative Ed. Programs	273,555	-	-	(273,555)
0099	Other Intergovernmental Charges	1,730,065	-	-	(1,730,065)
TG	Total Governmental Activities	496,744,753	20,283,773	65,067,570	(411,393,410)
TP	Total Primary Government	\$ 496,744,753	\$ 20,283,773	\$ 65,067,570	(411,393,410)
General Revenues:					
MT	Property Taxes, Levied for General Purposes				162,012,918
DT	Property Taxes, Levied for Debt Service				54,807,873
GC	Grants and Contributions Not Restricted to Specific Programs				206,980,778
IE	Investment Earnings				951,706
MI	Miscellaneous				1,068,558
TR	Total General Revenues				425,821,833
CN	Change in Net Position				14,428,423
NB	Net Position - Beginning				242,636,125
PA	Prior Period Adjustment - Implement GASB 68 & 71 for Pensions				(58,399,108)
	Net Position - Beginning, as restated				184,237,017
NE	Net Position - Ending				\$ <b>198,665,440</b>

The accompanying notes are an integral part of this statement.



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AUGUST 31, 2015**

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>
<b>ASSETS</b>			
1110	<i>Cash and Cash Equivalents</i>	\$ 77,916,141	\$ 12,653,242
1120	<i>Current Investments</i>	7,054,600	1,296,576
1225	<i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i>	7,325,007	2,169,113
1240	<i>Due from Other Governments</i>	16,654,556	484,794
1250	<i>Accrued Interest</i>	8,333	-
1260	<i>Due from Other Funds</i>	4,704,861	18,074
1290	<i>Other Receivables</i>	284,334	-
1300	<i>Inventories, at Cost</i>	1,399,377	-
1410	<i>Prepaid Items</i>	632,163	-
1910	<i>Long-term Investments</i>	57,902,817	8,957,715
1000	<b>Total Assets</b>	<b>\$ 173,882,189</b>	<b>\$ 25,579,514</b>
<b>LIABILITIES</b>			
2110	<i>Accounts Payable</i>	\$ 10,014,765	\$ 24,981
2160	<i>Accrued Wages Payable</i>	16,384,919	-
2170	<i>Due to Other Funds</i>	888,433	-
2180	<i>Due to Other Governments</i>	81,671	-
2190	<i>Due to Student Groups</i>	21,606	-
2300	<i>Unearned Revenue</i>	83,843	-
2000	<b>Total Liabilities</b>	<b>27,475,237</b>	<b>24,981</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2600	<i>Unavailable Revenue-Property Taxes</i>	7,325,007	2,169,113
	<b>Total Deferred Inflows of Resources</b>	<b>7,325,007</b>	<b>2,169,113</b>
<b>FUND BALANCES</b>			
	Nonspendable:		
3410	<i>Inventories</i>	1,399,377	-
3430	<i>Prepaid Items</i>	632,163	-
	Restricted For:		
3450	<i>Federal and State Grants</i>	3,007,210	-
3470	<i>Land Acquisitions and Construction Projects</i>	-	-
3480	<i>Retirement of Long-term Debt</i>	-	23,385,420
	Committed To:		
3545	<i>Other</i>	14,691,800	-
	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>	54,452,022	-
3600	Unassigned:	60,624,373	-
3000	<b>Total Fund Balances</b>	<b>139,081,945</b>	<b>23,385,420</b>
4000	<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 173,882,189</b>	<b>\$ 25,579,514</b>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 237,746,837	\$ 7,813,249	\$ 336,129,469
-	-	8,351,176
-	-	9,494,120
-	6,544,794	23,684,144
-	-	8,333
-	888,433	5,611,368
27,020	42,926	354,280
-	637,016	2,036,393
-	55,232	687,395
-	-	66,860,532
<u>\$ 237,773,857</u>	<u>\$ 15,981,650</u>	<u>\$ 453,217,210</u>
\$ 18,897,714	\$ 1,660,303	\$ 30,597,763
795	1,082,676	17,468,390
54,409	4,668,526	5,611,368
-	-	81,671
-	-	21,606
-	81,531	165,374
<u>18,952,918</u>	<u>7,493,036</u>	<u>53,946,172</u>
-	-	9,494,120
-	-	9,494,120
-	637,016	2,036,393
-	55,232	687,395
-	2,872,472	5,879,682
218,820,939	-	218,820,939
-	-	23,385,420
-	4,923,894	19,615,694
-	-	400,000
-	-	675,000
-	-	3,200,000
-	-	54,452,022
-	-	60,624,373
<u>218,820,939</u>	<u>8,488,614</u>	<u>389,776,918</u>
<u>\$ 237,773,857</u>	<u>\$ 15,981,650</u>	<u>\$ 453,217,210</u>

(This page intentionally left blank)

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2015**

**Exhibit B-1R**

**Total Fund Balances - Governmental Funds (Exhibit B-1)** \$ 389,776,918

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	\$ 1,087,291,755	
Accumulated Depreciation of Governmental Capital Assets	<u>(227,379,022)</u>	859,912,733

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.	9,494,120
---	-----------

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

Bonds Payable, at Original Par	\$ (958,300,000)	
Premiums on Bonds Payable	(50,906,671)	
Deferred Charge on Refunding Adjustment	14,137,008	
Accrued Interest on Bonds	(3,574,483)	
Workers' Compensation	(1,887,803)	
Compensated Absences	(5,879,584)	
Net Pension Liability	<u>(51,543,594)</u>	(1,057,955,127)

Deferred outflows for pension are included in the statement of net position and are not reported in the funds since they are not current financial resources available to pay for current expenditures.	13,204,134
---	------------

Deferred inflows for pension are included in the statement of net position and are not reported in the funds since they are not current financial resources available to pay for current expenditures.	<u>(15,767,338)</u>
--	---------------------

**Total Net Position - Governmental Activities (Exhibit A-1)** \$ 198,665,440

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, 2015**

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>
<b>REVENUES</b>			
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 165,289,795	\$ 55,254,708
5800	<i>State Programs</i>	220,125,492	10,146,594
5900	<i>Federal Programs</i>	4,982,985	1,620,352
5020	<b>Total Revenues</b>	<b>390,398,272</b>	<b>67,021,654</b>
<b>EXPENDITURES</b>			
Current:			
0011	<i>Instruction</i>	236,698,349	-
0012	<i>Instructional Resources and Media Services</i>	4,582,968	-
0013	<i>Curriculum and Instructional Staff Development</i>	9,480,382	-
0021	<i>Instructional Leadership</i>	3,284,717	-
0023	<i>School Leadership</i>	26,170,391	-
0031	<i>Guidance, Counseling, and Evaluation Services</i>	19,580,931	-
0032	<i>Social Work Services</i>	350,430	-
0033	<i>Health Services</i>	4,500,581	-
0034	<i>Student Transportation</i>	11,414,748	-
0035	<i>Food Services</i>	-	-
0036	<i>Extracurricular Activities</i>	7,910,079	-
0041	<i>General Administration</i>	9,202,076	-
0051	<i>Plant Maintenance and Operations</i>	30,189,834	-
0052	<i>Security and Monitoring Services</i>	5,495,440	-
0053	<i>Data Processing Services</i>	7,776,823	-
0061	<i>Community Services</i>	339,823	-
Debt Service:			
0071	<i>Principal on Long-term Debt</i>	-	30,775,000
0072	<i>Interest on Long-term Debt</i>	-	37,739,074
0073	<i>Bond Issuance Costs and Fees</i>	18,505	1,982,658
Capital Outlay:			
0081	<i>Facilities Acquisition and Construction</i>	174,171	-
Intergovernmental:			
0093	<i>Payments to Shared Services Arrangements</i>	446,994	-
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	273,555	-
0099	<i>Other Intergovernmental Charges</i>	1,730,065	-
6030	<b>Total Expenditures</b>	<b>379,620,862</b>	<b>70,496,732</b>
1100	<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>10,777,410</b>	<b>(3,475,078)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
7901	<i>Issuance of Refunding Bonds</i>	-	62,585,000
7911	<i>Issuance of Capital-related Bonds</i>	-	-
7912	<i>Sale of Real and Personal Property</i>	89,416	-
7915	<i>Transfers In</i>	-	-
7916	<i>Premium from Issuance of Bonds</i>	-	15,232,299
8911	<i>Transfers Out</i>	(67,500)	-
8949	<i>Payment to Refunded Bond Escrow Agent</i>	-	(72,577,900)
7080	<b>Total Other Financing Sources (Uses)</b>	<b>21,916</b>	<b>5,239,399</b>
1200	<b>Net Change in Fund Balances</b>	<b>10,799,326</b>	<b>1,764,321</b>
0100	<b>Fund Balances - Beginning</b>	<b>128,282,619</b>	<b>21,621,099</b>
3000	<b>Fund Balances - Ending</b>	<b>\$ 139,081,945</b>	<b>\$ 23,385,420</b>

The accompanying notes are an integral part of this statement.

Exhibit B-2

Capital Projects Fund	Nonmajor Other Governmental Funds	Total Governmental Funds
\$ 1,507,064	\$ 17,307,313	\$ 239,358,880
-	7,816,359	238,088,445
5,315	27,387,495	33,996,147
<u>1,512,379</u>	<u>52,511,167</u>	<u>511,443,472</u>
1,355,792	16,877,335	254,931,476
-	246,632	4,829,600
-	2,537,723	12,018,105
3,385	161,695	3,449,797
-	95,971	26,266,362
-	2,014,202	21,595,133
-	-	350,430
-	125,778	4,626,359
685,526	32,076	12,132,350
-	22,901,090	22,901,090
-	6,823,245	14,733,324
-	20,500	9,222,576
-	284,302	30,474,136
163,407	-	5,658,847
-	-	7,776,823
-	586,179	926,002
-	-	30,775,000
-	-	37,739,074
-	-	2,001,163
76,239,165	-	76,413,336
-	-	446,994
-	-	273,555
-	-	1,730,065
<u>78,447,275</u>	<u>52,706,728</u>	<u>581,271,597</u>
<u>(76,934,896)</u>	<u>(195,561)</u>	<u>(69,828,125)</u>
-	-	62,585,000
242,015,000	-	242,015,000
235,116	-	324,532
-	67,500	67,500
8,985,000	-	24,217,299
-	-	(67,500)
-	-	(72,577,900)
<u>251,235,116</u>	<u>67,500</u>	<u>256,563,931</u>
174,300,220	(128,061)	186,735,806
44,520,719	8,616,675	203,041,112
<u>\$ 218,820,939</u>	<u>\$ 8,488,614</u>	<u>\$ 389,776,918</u>

(This page intentionally left blank

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

**Exhibit B-2R**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 186,735,806

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>	\$ 73,053,794	
Depreciation Expense	<u>(22,543,047)</u>	50,510,747

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (3,285,035)

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. 286,347

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	\$ (304,600,000)	
(Premium) Discount	<u>(24,217,299)</u>	(328,817,299)

Payment to the escrow agent to refund bonds from refunding proceeds reduces long-term liabilities. 72,577,900

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 30,775,000

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	\$ (710,004)	
Interest Accreted on the Capital Appreciation Bonds	1,093,925	
Amortization of Bond Premium	2,008,897	
Amortization of Deferred Charge on Refunding	<u>(902,213)</u>	1,490,605

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. (406,019)

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. 268,061

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

Deferred Outflows increased (decreased)	\$ 8,311,937	
Deferred Inflows (increased) decreased	(15,767,338)	
Net Pension Liability (increased) decreased	<u>11,747,711</u>	4,292,310

**Change in Net Position for Governmental Activities (Exhibit A-2)** \$ **14,428,423**

The accompanying notes are an integral part of this statement.



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**AUGUST 31, 2015**

**Exhibit C-1**

<b>Data Control Codes</b>		<b>Agency Fund</b>
	<b>ASSETS</b>	
1110	<i>Cash and Cash Equivalents</i>	\$ 1,660,373
1000	<b>Total Assets</b>	<b>\$ 1,660,373</b>
	<b>LIABILITIES</b>	
2190	<i>Due to Student Groups</i>	\$ 1,660,373
2000	<b>Total Liabilities</b>	<b>\$ 1,660,373</b>

The accompanying notes are an integral part of this statement.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

### I. Summary of Significant Accounting Policies

#### A. Reporting Entity

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

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

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

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

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

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

#### C. New Accounting Standards Adopted

In fiscal year 2015, the District adopted five new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*
- Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*
- Statement No. 69, *Government Combinations and Disposals of Government Operations*
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

# **KLEIN INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2015**

Statement No. 67 establishes financial reporting standards, but not funding or budgetary standards, for state and local government defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements (Pension Trusts) in which:

1. Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
2. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
3. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit pension plan, plan assets also are legally protected from creditors of the plan members.

For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and presentation as pension trust funds in the financial statements of another government, and specifies the required approach to measuring the pension liability of employers and any nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which certain information is required to be presented. Distinctions are made regarding the particular presentation requirements depending upon the type of pension plan administered. For defined contribution plans, the Statement provides specific note disclosure requirements.

The adoption of Statement No. 67 has no impact on the District's financial statements.

Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and required supplementary information requirements about pensions are also addressed. For defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liability and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement. Net position as of September 1, 2014, was decreased by \$58,399,108 to reflect the cumulative effect of adoption. The net pension liability of \$63,291,305 and the deferred outflows of resources of \$4,892,197 at August 31, 2014 were reported as a prior period adjustment to the net position on September 1, 2014. Refer to Note IV.C for more information regarding the District's pension.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

Statement No. 69 improves financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term “government combinations” is used to refer to a variety of arrangements including mergers and acquisitions. Mergers include combinations of legally separate entities without the exchange of significant consideration. Government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. Government combinations also include transfers of operations that do not constitute entire legally separate entities in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services.

There was no impact on the District’s financial statements as a result of the implementation of Statement No. 69.

Statement No. 70 was issued to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

The Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units.

There was no impact on the District’s financial statements as a result of the implementation of Statement No. 70.

Statement No. 71 amends Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Since the measurement date of the pension plan was different than the District’s fiscal year-end, the effects from the District’s reported contributions to the plan subsequent to the respective measurement date of the plan as an increase in deferred outflow of resources and a decrease in net position, as follows:

TRS – The beginning deferred outflow includes contributions from September 1, 2013 through August 31, 2014, totaling \$4,892,197.

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

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. 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 type:

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

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

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

### **E. 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, 2015. 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.

#### **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."

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

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.

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

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

Land and construction in progress are not depreciated.

# **KLEIN INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2015**

### ***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, 2015.

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, 2015. 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, 2015.

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

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

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

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

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

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

The components of the deferred outflows of resources and deferred inflows of resources in the government-wide and fund level financial statements are as follows:

	Statement of Net Position	Balance Sheet - Governmental Funds	
	Governmental Activities	General Fund	Debt Service Fund
Deferred Outflows of Resources:			
Deferred Outflows from Pension Activities	\$ 13,204,134	\$ -	\$ -
Deferred Charge on Refunding	14,137,008	-	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 27,341,142</b>	<b>\$ -</b>	<b>\$ -</b>
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activities	\$ 15,767,338	\$ -	\$ -
Unavailable Property Taxes	-	7,325,007	2,169,113
<b>Total Deferred Inflows of Resources</b>	<b>\$ 15,767,338</b>	<b>\$ 7,325,007</b>	<b>\$ 2,169,113</b>

Deferred outflows/inflows of resources are amortized as follows:

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

### 8. Net Position Flow Assumptions

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

### 9. Fund Balance Flow Assumptions

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

### 10. Fund Balance Policies

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

- Nonspendable fund balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors,



# **KLEIN INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2015**

- bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts can only be used for the purpose intended, which requires formal Board action to establish (as noted in Board minutes), unless the Board modifies or removes the specified use by taking the same formal Board action. The amounts reported in this category include the campus activity fund balances in the special revenue fund.
  - Assigned fund balance - amounts the District intends to use for a specific purpose. Intent can be expressed by the Board or by an official or body to which the Board delegates the authority pursuant to Board Policy CE (Local).
  - Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The District has adopted a minimum fund balance policy for the General Fund. The policy requires the unassigned 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.

### **11. Pension**

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.C. and the required supplementary information section immediately following the Notes to the Financial Statements), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The District recognizes a net pension liability for the qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the District's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the respective pensions' fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

## **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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2015**

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.

Encumbrances are reported in the financial statements as restricted, committed, or assigned for specific purposes in the governmental funds. As of August 31, 2015, significant encumbrances included in governmental fund balances are as follows:

	<b>Encumbrances Included in:</b>	
	<b>Restricted</b>	<b>Assigned</b>
	<b>Fund Balance</b>	<b>Fund Balance</b>
General Fund	\$ -	\$ 759,497
ESEA Title I Part A Improving Basic Programs	6,900	-
National School Breakfast and Lunch	43,659	-
ESEA Title III Part A English Language Acquisition & Enhancement	183	-
Klein ISD Education Foundation Grant	25,277	-
Capital Projects Fund	4,889,243	-
<b>Total Encumbrances</b>	<b>\$ 4,965,262</b>	<b>\$ 759,497</b>

**III. Detailed Notes on All Funds**

**A. Deposits and Investments**

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

*Investments:* The District's investment policy is in accordance with the Public Funds Investment Act, the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

obligations of governmental entities as permitted by Government Code 2256.009, certificates of deposit, commercial paper investments limited to investment pools, no-load money market funds, fully collateralized repurchase agreements, or investment pools.

For fiscal year 2015, 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 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	\$ 50,202,788	N/A
TexPool	38,234,697	1
Lone Star Investment Pool	249,352,358	1
Investments:		
Money Market Funds (RBC & Public Trust Advisors)	926,115	1
Municipal Securities	24,839,308	582
U.S. Treasuries	16,647,104	701
U.S. Government Agencies:		
Federal Farm Credit Banks	3,304,763	709
Federal Home Loan Mortgage Corporation	7,458,241	678
Federal National Mortgage Association	5,861,995	442
Federal Home Loan Bank	16,174,181	634
<b>Total Fair Value</b>	<b>\$ 413,001,550</b>	
<b>Portfolio Weighted Average Maturity</b>		<b>113</b>

*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

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

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 540 days (18 months), with the exception of bond proceeds that are matched to a specific cash flow, diversification and by holding securities to maturity. In addition, the District shall not directly invest in securities maturing more than twenty-four months from the date of purchase unless matched to a specific cash flow.

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

*Credit Risk:* State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. As of August 31, 2015, 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.

*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.

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, 2015, is included in investment earnings as follows:

Investment Earnings	\$ 958,836
Net Decrease in Fair Value of Investments	(7,130)
<b>Total Investment Earnings</b>	<b>\$ 951,706</b>

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

### B. Receivables

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Receivables:</b>					
Property Taxes, including					
Penalties and Interest	\$ 8,438,248	\$ 2,451,968	\$ -	\$ -	\$ 10,890,216
Due From Other Governments:					
Federal	3,093,776	-	-	3,532,350	6,626,126
State	13,560,780	484,794	-	3,012,444	17,058,018
Accrued Interest	8,333	-	-	-	8,333
Miscellaneous	284,334	-	27,020	42,926	354,280
Gross Receivables	25,385,471	2,936,762	27,020	6,587,720	34,936,973
Less: Allowance for Uncollectibles	(1,113,241)	(282,855)	-	-	(1,396,096)
<b>Net Total Receivables</b>	<b>\$ 24,272,230</b>	<b>\$ 2,653,907</b>	<b>\$ 27,020</b>	<b>\$ 6,587,720</b>	<b>\$ 33,540,877</b>

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

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

	<u>Unearned</u>
Athletic Tickets (General Fund)	\$ 18,364
Escrow Local Taxes (General Fund)	11,379
Facility Rentals (General Fund)	32,016
Tuition (General Fund)	22,084
Grant Funds Received Prior to Meeting all Eligibility Requirements (Special Revenue Funds)	81,531
<b>Total Unearned Revenue For Governmental Funds</b>	<b>\$ 165,374</b>

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2015**

**C. Capital Assets**

Capital asset activity for the year ended August 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers, Adjustments and Dispositions</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<b>Capital Assets, not being Depreciated:</b>				
Land	\$ 63,459,154	\$ 15,627,085	\$ (231,365)	\$ 78,854,874
Construction in Progress	15,238,872	19,217,760	(2,360,431)	32,096,201
<b>Total Capital Assets, not being Depreciated</b>	<b>78,698,026</b>	<b>34,844,845</b>	<b>(2,591,796)</b>	<b>110,951,075</b>
<b>Capital Assets, being Depreciated:</b>				
Buildings and Improvements	878,362,098	35,240,896	(3,369,385)	910,233,609
Furniture and Equipment	65,055,719	2,968,053	(1,916,701)	66,107,071
<b>Total Capital Assets, being Depreciated</b>	<b>943,417,817</b>	<b>38,208,949</b>	<b>(5,286,086)</b>	<b>976,340,680</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(178,660,773)	(17,188,258)	2,971,804	(192,877,227)
Furniture and Equipment	(30,768,049)	(5,354,789)	1,621,043	(34,501,795)
<b>Total Accumulated Depreciation</b>	<b>(209,428,822)</b>	<b>(22,543,047)</b>	<b>4,592,847</b>	<b>(227,379,022)</b>
<b>Total Capital Assets, being Depreciated, net</b>	<b>733,988,995</b>	<b>15,665,902</b>	<b>(693,239)</b>	<b>748,961,658</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 812,687,021</b>	<b>\$ 50,510,747</b>	<b>\$ (3,285,035)</b>	<b>\$ 859,912,733</b>

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

<b>Governmental Activities:</b>	
11 Instruction	\$ 12,782,115
12 Instructional Resources and Media Services	241,619
13 Curriculum and Instructional Staff Development	236,560
21 Instructional Leadership	53,889
23 School Leadership	1,251,751
31 Guidance, Counseling, and Evaluation Services	677,284
33 Health Services	233,487
34 Student Transportation	1,359,954
35 Food Services	1,510,854
36 Extracurricular Activities	522,516
41 General Administration	42,676
51 Plant Maintenance and Operations	1,508,726
52 Security and Monitoring Services	425,408
53 Data Processing Services	1,691,710
61 Community Services	4,498
<b>Total Depreciation Expense</b>	<b>\$ 22,543,047</b>

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

### Construction Commitments

The District has active construction projects as of August 31, 2015. The projects include the construction and equipment of school facilities. At year end, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
French Elementary	\$ 20,558,503	\$ 218,002
Klein High School Rebuild	108,838,089	71,338
High School #5	19,141,770	138,852,230
Mahaffey Elementary	5,018,995	16,688,005
2015 Facility Renovations	10,215,874	195,126
Schindewolf Locker Room Renovations	406,049	627,951
Benfer Roof	74,872	172,507
<b>Totals</b>	<b>\$ 164,254,152</b>	<b>\$ 156,825,159</b>

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

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

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

The composition of interfund balances as of August 31, 2015, is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental Funds:</b>		
General Fund	\$ 4,704,861	\$ 888,433
Debt Service Fund	18,074	-
Capital Projects Fund	-	54,409
Nonmajor Governmental Funds	888,433	4,668,526
<b>Totals</b>	<b>\$ 5,611,368</b>	<b>\$ 5,611,368</b>

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, 2015:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Other Governmental Funds - Nonmajor	\$ 67,500
<b>Total</b>		<b>\$ 67,500</b>

The transfer from the general fund to nonmajor governmental funds was made to enhance certain supplemental operations that are accounted for in the *National School Breakfast and Lunch Program* special revenue fund.

### **E. Long-term Liabilities**

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2015**

**Changes in Long-term Liabilities**

Long-term liability activity for the year ended August 31, 2015, was as follows:

	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>Ending Balance</u></b>	<b><u>Due Within One Year</u></b>
<i><b>Governmental Activities:</b></i>					
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 753,090,000	\$ 304,600,000	\$ (99,390,000)	\$ 958,300,000	\$ 31,830,000
Accreted Interest on Capital					
Appreciation Bonds	1,093,925	36,075	(1,130,000)	-	-
Deferred Amounts:					
For Issuance Premiums	28,698,269	24,217,299	(2,008,897)	50,906,671	-
<b><i>Total Bonds Payable, net</i></b>	<b><u>782,882,194</u></b>	<b><u>328,853,374</u></b>	<b><u>(102,528,897)</u></b>	<b><u>1,009,206,671</u></b>	<b><u>31,830,000</u></b>
Compensated Absences	5,473,565	810,670	(404,651)	5,879,584	1,551
Workers' Compensation	2,155,864	623,132	(891,193)	1,887,803	1,887,803
Net Pension Liability*	63,291,305	35,375,337	(47,123,048)	51,543,594	-
<b><i>Total Long-term Liabilities</i></b>	<b><u>\$ 853,802,928</u></b>	<b><u>\$ 365,662,513</u></b>	<b><u>\$ (150,947,789)</u></b>	<b><u>\$ 1,068,517,652</u></b>	<b><u>\$ 33,719,354</u></b>

\*Per GASB 68, beginning balance for net pension liability includes the restatement of net pension liability at September 1, 2014.

**General Obligation Bonds**

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

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



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2015**

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

<b>Series</b>	<b>Interest Rate</b>	<b>Original Issue</b>	<b>Maturity Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>
2005	3.50-5.50%	\$ 58,000,000	2031	\$ 19,100,000	\$ -	\$ (1,900,000)	\$ 17,200,000
2005 A	3.00-5.00%	63,715,000	2019	24,675,000	-	(24,675,000)	-
2006	3.00-5.50%	53,000,000	2032	10,795,000	-	(10,795,000)	-
2007	3.50-5.50%	45,000,000	2032	25,650,000	-	(8,875,000)	16,775,000
2008	4.00-5.00%	32,000,000	2033	23,300,000	-	(9,125,000)	14,175,000
2008 A	3.25-5.05%	184,905,000	2038	167,300,000	-	(32,535,000)	134,765,000
2009 A	2.00-5.00%	17,125,000	2019	11,770,000	-	(820,000)	10,950,000
2009 B	2.25-5.03%	45,000,000	2039	31,400,000	-	(740,000)	30,660,000
2010 A	2.50-5.00%	38,135,000	2023	29,125,000	-	(2,840,000)	26,285,000
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	27,460,000	-	-	27,460,000
2010 Rfdg (CAB)	-	795,000	2015	795,000	-	(795,000)	-
2011	3.00-5.00%	83,900,000	2041	80,050,000	-	(1,535,000)	78,515,000
2012 A	2.00-5.00%	51,115,000	2042	49,080,000	-	(1,050,000)	48,030,000
2012 B	2.00-4.00%	18,390,000	2023	14,655,000	-	(1,425,000)	13,230,000
2013 A	1.50-5.00%	79,305,000	2043	77,590,000	-	(1,270,000)	76,320,000
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	-	(1,010,000)	42,990,000
2015	2.70-4.00%	80,000,000	2045	-	80,000,000	-	80,000,000
2015 A	3.00-5.00%	224,600,000	2045	-	224,600,000	-	224,600,000
<b>Totals</b>				<b>\$ 753,090,000</b>	<b>\$ 304,600,000</b>	<b>\$ (99,390,000)</b>	<b>\$ 958,300,000</b>

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 2015 was reduced by 7.6 percent.

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, 2015, the District had issued all bonds remaining from the 2008 bond election.

On May 9, 2015, the authorized voters of the District approved the issuance of \$498,100,000 in general obligation bonds. As of August 31, 2015, the District had \$374,866,112 in authorized but unissued bonds remaining from the 2015 bond election.

In July 2015, the District issued \$224,600,000 of unlimited tax schoolhouse and refunding bonds. The proceeds of the refunding bonds were used to legally defease \$68,615,000 of previously issued District bonds in order to lower its overall debt service requirements. The reacquisition price exceeded the net carrying value of the old debt by \$3,962,901. The amount is netted against the new debt and amortized over the life of the new debt. The refunding resulted in a debt service savings of \$4,152,733 and an economic gain of \$3,991,971.

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.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2015**

At August 31, 2015, the following outstanding bonds are considered defeased:

2007	General Obligation Bonds (maturing 2017-2026, callable August 1, 2016)	\$	17,600,000
2008	General Obligation Bonds (maturing 2018-2025, callable August 1, 2017)		8,375,000
2008A	General Obligation Bonds (maturing 2020-2025, callable August 1, 2018)		26,335,000
<b>Total</b>		<b>\$</b>	<b><u>52,310,000</u></b>

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

<b>Year Ending August 31</b>	<b>Principal Value</b>	<b>Interest</b>	<b>Total Requirements</b>
2016	\$ 31,830,000	\$ 43,012,813	\$ 74,842,813
2017	35,790,000	41,814,213	77,604,213
2018	35,135,000	40,339,551	75,474,551
2019	34,280,000	38,733,176	73,013,176
2020	33,045,000	37,142,507	70,187,507
2021	36,205,000	35,740,180	71,945,180
2022	34,380,000	34,047,492	68,427,492
2023	32,540,000	32,390,892	64,930,892
2024	29,340,000	30,987,692	60,327,692
2025	30,855,000	29,588,095	60,443,095
2026	32,440,000	28,122,326	60,562,326
2027	33,960,000	26,551,008	60,511,008
2028	35,725,000	25,026,215	60,751,215
2029	37,180,000	23,430,719	60,610,719
2030	38,915,000	21,792,993	60,707,993
2031	40,740,000	20,049,979	60,789,979
2032	38,355,000	18,203,083	56,558,083
2033	33,575,000	16,485,342	50,060,342
2034	33,140,000	14,885,579	48,025,579
2035	34,675,000	13,304,073	47,979,073
2036	36,250,000	11,661,370	47,911,370
2037	37,915,000	9,942,633	47,857,633
2038	39,650,000	8,140,487	47,790,487
2039	30,990,000	6,254,318	37,244,318
2040	30,185,000	4,804,152	34,989,152
2041	24,370,000	3,381,030	27,751,030
2042	19,665,000	2,452,325	22,117,325
2043	17,120,000	1,712,340	18,832,340
2044	15,955,000	1,060,400	17,015,400
2045	14,095,000	466,500	14,561,500
<b>Totals</b>	<b>\$ <u>958,300,000</u></b>	<b>\$ <u>621,523,483</u></b>	<b>\$ <u>1,579,823,483</u></b>

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, 2015, the legal debt margin was \$411,963,155.

In accordance with the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Rebutable 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. Rebutable 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, 2015**

**F. Fund Balance**

Other committed fund balance includes the following commitments of funds:

**General Fund:**

Future Budget Deficits \$ 14,691,800

**Nonmajor and Other Funds:**

Earned but unspent funds in special local programs including campus activity 4,923,894

**Total Other Committed Fund Balance** \$ **19,615,694**

Other assigned fund balance includes the following assignments of funds:

**General Fund:**

Coca-Cola Funds \$ 4,211,894

Outstanding Encumbrances 759,497

Long-term Investments 26,351,048

Compensated Absences 5,879,583

Operating Costs of Future School Openings 13,250,000

Land Purchases for Future School Sites 4,000,000

**Total Other Assigned Fund Balance** \$ **54,452,022**

**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:

	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
Property Taxes	\$ 160,651,698	\$ 54,308,323	\$ -	\$ -	\$ 214,960,021
Penalties, Interest & Other Tax- Related Income	1,218,986	355,437	-	-	1,574,423
Charges for Services	2,272,829	32	1,223,800	16,844,107	20,340,768
Investment Earnings	349,674	590,916	9,840	1,276	951,706
Other	796,608	-	273,424	461,930	1,531,962
<b>Total</b>	<b>\$ 165,289,795</b>	<b>\$ 55,254,708</b>	<b>\$ 1,507,064</b>	<b>\$ 17,307,313</b>	<b>\$ 239,358,880</b>

**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, 2015

### 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 \$400,000 up to the statutory limits for any given claim. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years.

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

	<b>Year Ended 8/31/2015</b>	<b>Year Ended 8/31/2014</b>
<b>Unpaid Claims, Beginning of Fiscal Year</b>	\$ 2,155,864	\$ 2,764,588
Incurred Claims (including IBNRs)	623,132	381,945
Claim Payments	(891,193)	(990,669)
<b>Unpaid Claims, End of Fiscal Year</b>	<b>\$ 1,887,803</b>	<b>\$ 2,155,864</b>

### **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.

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, 2015, 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.

# **KLEIN INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2015**

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

#### **Plan Description**

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

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

#### **Pension Plan Fiduciary Net Position**

Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

#### **Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of services credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

#### **Contributions**

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

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

	<u>2015</u>	<u>2014</u>
Member	6.7%	6.4%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers/District	6.8%	6.8%

The contribution amounts for the District's fiscal year 2015 are as follows:

District Contributions	\$ 9,056,605
Member Contributions	\$ 19,623,007
NECE On-behalf Contributions (State)	\$ 14,255,812

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

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

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

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

### Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

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

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

### Discount Rate

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2015**

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Real Return Geometric Basis</b>	<b>Long-Term Expected Portfolio Real Rate of Return*</b>
<b>Global Equity</b>			
U.S.	18.0%	7.0%	1.4%
Non-U.S. Developed	13.0%	7.3%	1.1%
Emerging Markets	9.0%	8.1%	0.9%
Directional Hedge Funds	4.0%	5.4%	0.2%
Private Equity	13.0%	9.2%	1.4%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	2.9%	0.3%
Absolute Return	0.0%	4.0%	0.0%
Stable Value Hedge Funds	4.0%	5.2%	0.2%
Cash	1.0%	2.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.0%	3.1%	0.0%
Real Assets	16.0%	7.3%	1.5%
Energy and Natural Resources	3.0%	8.8%	0.3%
Commodities	0.0%	3.5%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	8.9%	0.4%
Alpha			1.0%
<b>Total</b>	<b>100.0%</b>		<b>8.7%</b>

\*The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

The following table presents the District's proportionate share of net pension liability for TRS calculated using the discount rate of 8.0%, as well as the District's proportionate share of the respective net pension liability if it was calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	<b>1% Decrease (7.00%)</b>	<b>Current Discount Rate (8.00%)</b>	<b>1% Increase (9.00%)</b>
TRS	\$ 92,105,277	\$ 51,543,594	\$ 21,211,009

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

At August 31, 2015, the District reported a liability of \$51,543,594 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District's Proportionate Share of the Net Pension Liability	\$ 51,543,594
State's Proportionate Share of the Net Pension Liability Associated with the District	144,671,755
<b>Total</b>	<b>\$ 196,215,349</b>



# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

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

At August 31, 2014, the employer's proportion of the net pension liability was .1929649%. The change in the employer proportion of the net pension liability was immaterial and therefore disregarded this year.

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

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5 % contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2013. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2015, the District recognized pension expense of \$18,138,930 and revenue of \$13,374,635 for support provided by the state.

At August 31, 2015, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences Between Expected and Actuarial Experience	\$ 797,138	\$ -
Changes of Assumptions	3,350,391	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	15,753,827
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions (Cost-Sharing Plan)	-	13,511
District Contribution after Measurement Date	9,056,605	-
<b>Totals</b>	<b>\$ 13,204,134</b>	<b>\$ 15,767,338</b>

The \$9,056,605 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2016. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

### Year Ending August 31:

2016	\$ (3,241,049)
2017	(3,241,049)
2018	(3,241,049)
2019	(3,241,049)
2020	697,408
Thereafter	646,979
<b>Total</b>	<b>\$ (11,619,809)</b>

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2015

### 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 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](http://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 78701-2698.

*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 2015, 2014, and 2013. 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, 2015, 2014, and 2013 are as follows:

#### Contribution Rates

Year	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2015	0.65%	\$ 1,903,725	1.00%	\$ 2,801,754	0.55%	\$ 1,610,844
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

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, 2015, 2014, and 2013, the subsidy payments received by TRS-Care on-behalf of the District were \$863,502, \$727,297, \$666,310, 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 2015, 2014 and 2013 was not readily determinable because it was included as a gross amount with Medicare Part D. 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, 2015

### 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, 2015 attributable to the District's participation in the shared services arrangement:

#### Revenues

State Revenue Distributed by TEA	\$ 324,569
Local Revenue Paid by District	452,186
<b>Total Revenues</b>	<b>\$ <u>776,755</u></b>

#### Expenditures

Payroll Costs	\$ 774,525
Contracted Services	531
Miscellaneous expenses	1,699
<b>Total Expenditures</b>	<b>\$ <u>776,755</u></b>

### F. Prior Period Adjustment

Net position at September 1, 2014 was restated per the following table for the implementation of GASB 68 and 71:

	<u>Governmental Activities</u>
Beginning Net Position, as Previously Reported	\$ 242,636,125
Implementation of GASB 68 and 71 for Pensions	(58,399,108)
<b>Beginning Net Position, Restated</b>	<b>\$ <u>184,237,017</u></b>

## **Required Supplementary Information**

(This page intentionally left blank)

# KLEIN INDEPENDENT SCHOOL DISTRICT

Exhibit D-1

## REQUIRED SUPPLEMENTARY INFORMATION

### GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –

### BUDGET AND ACTUAL

### FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 163,687,657	\$ 165,804,503	\$ 165,289,795	\$ (514,708)
5800	State Programs	220,148,276	219,571,840	220,125,492	553,652
5900	Federal Programs	2,410,000	5,058,013	4,982,985	(75,028)
5020	Total Revenues	386,245,933	390,434,356	390,398,272	(36,084)
EXPENDITURES					
Current:					
0011	Instruction	239,942,806	239,178,881	236,698,349	2,480,532
0012	Instructional Resources and Media Services	4,795,710	4,688,055	4,582,968	105,087
0013	Curriculum and Instructional Staff Development	8,978,282	10,069,734	9,480,382	589,352
0021	Instructional Leadership	3,356,655	3,426,704	3,284,717	141,987
0023	School Leadership	26,077,774	26,217,794	26,170,391	47,403
0031	Guidance, Counseling, and Evaluation Services	20,001,245	19,785,264	19,580,931	204,333
0032	Social Work Services	206,464	350,835	350,430	405
0033	Health Services	4,584,528	4,590,907	4,500,581	90,326
0034	Student Transportation	11,601,480	11,688,259	11,414,748	273,511
0036	Extracurricular Activities	7,783,847	8,369,067	7,910,079	458,988
0041	General Administration	9,465,323	9,644,587	9,202,076	442,511
0051	Plant Maintenance and Operations	33,447,053	32,622,247	30,189,834	2,432,413
0052	Security and Monitoring Services	5,214,529	5,900,657	5,495,440	405,217
0053	Data Processing Services	7,469,819	8,462,064	7,776,823	685,241
0061	Community Services	331,511	351,217	339,823	11,394
Debt Service:					
0073	Bond Issuance Costs and Fees	20,000	20,000	18,505	1,495
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	260,046	174,171	85,875
Intergovernmental:					
0093	Payments to Shared Services Arrangements	520,400	530,400	446,994	83,406
0095	Payments to Juvenile Justice Alternative Education Programs	200,000	295,000	273,555	21,445
0099	Other Intergovernmental Charges	1,800,000	1,792,300	1,730,065	62,235
6030	Total Expenditures	385,797,426	388,244,018	379,620,862	8,623,156
Excess (Deficiency) of Revenues Over (Under) Expenditures					
1100		448,507	2,190,338	10,777,410	8,587,072
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real and Personal Property	180,000	89,416	89,416	-
8911	Transfers Out	(105,000)	(80,000)	(67,500)	12,500
7080	Total Other Financing Sources and (Uses)	75,000	9,416	21,916	12,500
1200	Net Change in Fund Balance	523,507	2,199,754	10,799,326	8,599,572
0100	Fund Balance - Beginning	128,282,619	128,282,619	128,282,619	-
3000	Fund Balance - Ending	\$ 128,806,126	\$ 130,482,373	\$ 139,081,945	\$ 8,599,572

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

**KLEIN INDEPENDENT SCHOOL DISTRICT****Exhibit E-1****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY OF A COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN  
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)  
FOR THE YEAR ENDED AUGUST 31, 2015\***

	<b>2015</b>
District's Proportion of the Net Pension Liability	0.1929649%
District's Proportionate Share of the Net Pension Liability	\$ 51,543,594
State's Proportionate Share of the Net Pension Liability Associated with the District	144,671,755
<b>Total</b>	<b>\$ 196,215,349</b>
District's Covered-Employee Payroll	\$ 270,485,891
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	19.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

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

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S CONTRIBUTION TO THE**  
**TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)**  
**FOR THE YEAR ENDED AUGUST 31, 2015\***

**Exhibit E-2**

	<u><b>2015</b></u>
<b>TRS</b>	
Contractually Required Contributions	\$ 9,056,605
Contributions in Relation to the Contractually Required Contributions	<u>(9,056,605)</u>
<b>Contribution Deficiency (Excess)</b>	<b>\$ <u><u>-</u></u></b>
 District's Covered-Employee Payroll	 \$ 292,880,706
 Contributions as a Percentage of Covered - Employee Payroll	 3.09%
* The amounts presented for the fiscal year were determined as of the Plan's fiscal year end, August 31 of the prior year. Ten years of data is not available	

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



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**AUGUST 31, 2015**

**I. Budget**

**A. Budgetary Information**

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

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

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

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

**B. Variances with Final Budget**

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

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

The net increase of \$4,097,839 estimated revenues, including other financing sources, was primarily due to the additional state aid received as a result of 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 \$2,421,592 to appropriations, including other financing uses, was primarily due to utility costs being less than anticipated, decrease in contracted and consulting services, funded but unfilled positions, and leave of absences.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**AUGUST 31, 2015**

**II. Pension**

**A. TRS**

*Actuarial Assumptions.* The information presented in the required supplementary schedules was used in the actuarial valuation for determining the actuarially determined contribution rate and the net pension liability in accordance with GASB 67. Actuarial methods and assumptions used for funding purposes can be found in the Actuarial Section. The GASB 67 assumptions are as follows:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	5 Year Smoothed Market
Actuarial Assumptions:	
Discount Rate	8.00%
Long-term Expected Investment Rate of Return	8.00%
Inflation	3.00%
Salary Increases	4.25% to 7.25% Including Inflation
Ad hoc Post-Employment Benefit Changes	None*

\*The COLA for the period beginning September 1, 2013 was paid starting October 1, 2013 and was included in the 2013 actuarial valuation and thus is not considered an ad hoc post-employment benefit change assumption for fiscal year 2014.

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

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

(This page intentionally left blank)

## **Supplementary Information**

---

## **MAJOR GOVERNMENTAL FUNDS**

---

### **DEBT SERVICE FUND**

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

# KLEIN INDEPENDENT SCHOOL DISTRICT

Exhibit F-1

## DEBT SERVICE FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 54,665,468	\$ 55,413,804	\$ 55,254,708	\$ (159,096)
5800	State Programs	10,435,345	10,456,044	10,146,594	(309,450)
5900	Federal Programs	1,791,163	1,585,113	1,620,352	35,239
5020	Total Revenues	66,891,976	67,454,961	67,021,654	(433,307)
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	30,775,000	30,775,000	30,775,000	-
0072	Interest on Long-term Debt	36,604,227	37,749,542	37,739,074	10,468
0073	Bond Issuance Costs and Fees	18,000	2,069,304	1,982,658	86,646
6030	Total Expenditures	67,397,227	70,593,846	70,496,732	97,114
Excess (Deficiency) of Revenues Over (Under)					
1100	Expenditures	(505,251)	(3,138,885)	(3,475,078)	(336,193)
OTHER FINANCING SOURCES (USES)					
7901	Issuance of Refunding Bonds	-	62,585,000	62,585,000	-
7916	Premium from Issuance of Bonds	-	15,232,299	15,232,299	-
8949	Payment to Refunded Bond Escrow Agent	-	(72,577,901)	(72,577,900)	1
7080	Total Other Financing Sources (Uses)	-	5,239,398	5,239,399	1
1200	Net Change in Fund Balance	(505,251)	2,100,513	1,764,321	(336,192)
0100	Fund Balance - Beginning	21,621,099	21,621,099	21,621,099	-
3000	Fund Balance - Ending	\$ 21,115,848	\$ 23,721,612	\$ 23,385,420	\$ (336,192)

---

## **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, 2015***

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.

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

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

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

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 Education Service Center, to provide educational and related services for students with visual impairments.



## **KLEIN INDEPENDENT SCHOOL DISTRICT**

### ***FUND DESCRIPTIONS***

#### ***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS***

***AUGUST 31, 2015***

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

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

High School Completion and 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.

Miscellaneous Donations – To account for donations made to the Therapeutic Education Program and the Visually Impaired Program by individuals and businesses for the benefit of students in these programs. The Therapeutic Education Program is a special education program serving students with disabilities which impact the students' social and behavioral functioning. The program serves a variety of students including many 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. The donations for the Visually Impaired Program are used to purchase various types of equipment.

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 the Recipe for Success Foundation to implement the 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 the Recipe for Success Foundation.

Miscellaneous Grants – To account for funds awarded by Sunrise Custom Home, ICI Construction, and Region IV Education Service Center to purchase supplies for Title I schools, Johnson & Johnson/Rutgers to support the implementation of evidence-based health promotion, Play 60 to support the implementation of healthy eating and physical fitness programs, and Region IV Education Service Center for staff development.

## **KLEIN INDEPENDENT SCHOOL DISTRICT**

### ***FUND DESCRIPTIONS***

#### ***NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS***

***AUGUST 31, 2015***

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.

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.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2015**

		211	224	225
Data Control Codes		ESEA Title I Part A Improving Basic Programs	IDEA Part B Formula	IDEA Part B Preschool
	ASSETS			
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Due from Other Governments	1,394,869	1,233,753	25,557
1260	Due from Other Funds	-	-	-
1290	Other Receivables	-	-	-
1300	Inventories, at Cost	-	-	-
1410	Prepaid Items	-	-	-
1000	Total Assets	\$ 1,394,869	\$ 1,233,753	\$ 25,557
	LIABILITIES			
2110	Accounts Payable	\$ 95,041	\$ 58,988	\$ -
2160	Accrued Wages Payable	293,831	314,668	6,002
2170	Due to Other Funds	1,005,997	860,097	19,555
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	1,394,869	1,233,753	25,557
	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	\$ 1,394,869	\$ 1,233,753	\$ 25,557

226	240	244	255	263
IDEA Part B Discretionary	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
\$ -	\$ 3,621,857	\$ -	\$ -	\$ -
56,009	319,978	36,121	189,457	192,435
-	850	-	-	-
-	42,535	-	-	-
-	636,613	-	-	-
-	55,232	-	-	-
<b>\$ 56,009</b>	<b>\$ 4,677,065</b>	<b>\$ 36,121</b>	<b>\$ 189,457</b>	<b>\$ 192,435</b>
\$ -	\$ 702,188	\$ 19,694	\$ 10,125	\$ 126,450
-	388,435	4,816	58,546	16,378
56,009	80,728	11,611	120,786	49,607
-	-	-	-	-
56,009	1,171,351	36,121	189,457	192,435
-	636,613	-	-	-
-	55,232	-	-	-
-	2,813,869	-	-	-
-	-	-	-	-
-	3,505,714	-	-	-
<b>\$ 56,009</b>	<b>\$ 4,677,065</b>	<b>\$ 36,121</b>	<b>\$ 189,457</b>	<b>\$ 192,435</b>

*Continued*

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2015**

		272	288	385
<u>Data</u>				
<u>Control</u>				
<u>Codes</u>				
	<b>ASSETS</b>			
1110	<i>Cash and Cash Equivalents</i>	\$ -	\$ -	\$ -
1240	<i>Due from Other Governments</i>	58,871	25,300	-
1260	<i>Due from Other Funds</i>	-	-	-
1290	<i>Other Receivables</i>	-	-	-
1300	<i>Inventories, at Cost</i>	-	-	-
1410	<i>Prepaid Items</i>	-	-	-
1000	<b>Total Assets</b>	<u>\$ 58,871</u>	<u>\$ 25,300</u>	<u>\$ -</u>
	<b>LIABILITIES</b>			
2110	<i>Accounts Payable</i>	\$ -	\$ -	\$ -
2160	<i>Accrued Wages Payable</i>	-	-	-
2170	<i>Due to Other Funds</i>	58,871	25,300	-
2300	<i>Unearned Revenue</i>	-	-	-
2000	<b>Total Liabilities</b>	<u>58,871</u>	<u>25,300</u>	<u>-</u>
	<b>FUND BALANCES</b>			
	Nonspendable:			
3410	<i>Inventories</i>	-	-	-
3430	<i>Prepaid Items</i>	-	-	-
	Restricted For:			
3450	<i>Federal and State Grants</i>	-	-	-
	Committed To:			
3545	<i>Other</i>	-	-	-
3000	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 58,871</u>	<u>\$ 25,300</u>	<u>\$ -</u>

392	397	409	410	427
Non- Educational Community- Based Support	Advanced Placement Incentives	High School Completion & Success / Texas High School Project	State Textbook Fund	Read to Succeed Program
\$ -	\$ -	\$ -	\$ -	\$ -
14,095	-	-	2,998,349	-
-	59,394	-	-	1,834
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 14,095</u>	<u>\$ 59,394</u>	<u>\$ -</u>	<u>\$ 2,998,349</u>	<u>\$ 1,834</u>
\$ -	\$ 2,625	\$ -	\$ 632,479	\$ -
-	-	-	-	-
14,095	-	-	2,365,870	-
-	-	-	-	-
<u>14,095</u>	<u>2,625</u>	<u>-</u>	<u>2,998,349</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	56,769	-	-	1,834
-	-	-	-	-
-	56,769	-	-	1,834
<u>\$ 14,095</u>	<u>\$ 59,394</u>	<u>\$ -</u>	<u>\$ 2,998,349</u>	<u>\$ 1,834</u>

*Continued*

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2015**

		461	482	483
<b>Data</b>				
<b>Control</b>				
<b>Codes</b>				
	<b>Campus</b>	<b>Klein ISD Education</b>	<b>Miscellaneous</b>	
	<b>Activity Funds</b>	<b>Foundation Grant</b>	<b>Donations</b>	
<b>ASSETS</b>				
1110	<i>Cash and Cash Equivalents</i>	\$ 4,191,392	\$ -	\$ -
1240	<i>Due from Other Governments</i>	-	-	-
1260	<i>Due from Other Funds</i>	-	48,206	26,021
1290	<i>Other Receivables</i>	-	391	-
1300	<i>Inventories, at Cost</i>	-	-	-
1410	<i>Prepaid Items</i>	-	-	-
1000	<b>Total Assets</b>	<b>\$ 4,191,392</b>	<b>\$ 48,597</b>	<b>\$ 26,021</b>
<b>LIABILITIES</b>				
2110	<i>Accounts Payable</i>	\$ -	\$ 911	\$ -
2160	<i>Accrued Wages Payable</i>	-	-	-
2170	<i>Due to Other Funds</i>	-	-	-
2300	<i>Unearned Revenue</i>	-	47,686	-
2000	<b>Total Liabilities</b>	<b>-</b>	<b>48,597</b>	<b>-</b>
<b>FUND BALANCES</b>				
Nonspendable:				
3410	<i>Inventories</i>	-	-	-
3430	<i>Prepaid Items</i>	-	-	-
Restricted For:				
3450	<i>Federal and State Grants</i>	-	-	-
Committed To:				
3545	<i>Other</i>	4,191,392	-	26,021
3000	<b>Total Fund Balances</b>	<b>4,191,392</b>	<b>-</b>	<b>26,021</b>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,191,392</b>	<b>\$ 48,597</b>	<b>\$ 26,021</b>

486	487	488	489	490	
Unite for Understanding	Recipe for Success Grant	Miscellaneous Grants	Jason Project - Chevron	Dual Credit Program	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,813,249
-	-	-	-	-	6,544,794
2,907	329	13,936	30,915	704,041	888,433
-	-	-	-	-	42,926
403	-	-	-	-	637,016
-	-	-	-	-	55,232
<u>\$ 3,310</u>	<u>\$ 329</u>	<u>\$ 13,936</u>	<u>\$ 30,915</u>	<u>\$ 704,041</u>	<u>\$ 15,981,650</u>
\$ 180	\$ 329	\$ 11,006	\$ -	\$ 287	\$ 1,660,303
-	-	-	-	-	1,082,676
-	-	-	-	-	4,668,526
-	-	2,930	30,915	-	81,531
<u>180</u>	<u>329</u>	<u>13,936</u>	<u>30,915</u>	<u>287</u>	<u>7,493,036</u>
403	-	-	-	-	637,016
-	-	-	-	-	55,232
-	-	-	-	-	2,872,472
2,727	-	-	-	703,754	4,923,894
3,130	-	-	-	703,754	8,488,614
<u>\$ 3,310</u>	<u>\$ 329</u>	<u>\$ 13,936</u>	<u>\$ 30,915</u>	<u>\$ 704,041</u>	<u>\$ 15,981,650</u>



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

<b>Data Control Codes</b>	<b>211  ESEA Title I Part A Improving Basic Programs</b>	<b>224  IDEA Part B Formula</b>	<b>225  IDEA Part B Preschool</b>
<b>REVENUES</b>			
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -	\$ -
5800 <i>State Programs</i>	-	-	-
5900 <i>Federal Programs</i>	5,991,786	7,040,537	123,724
5020 <b>Total Revenues</b>	<u>5,991,786</u>	<u>7,040,537</u>	<u>123,724</u>
<b>EXPENDITURES</b>			
Current:			
0011 <i>Instruction</i>	3,929,138	5,084,981	123,724
0012 <i>Instructional Resources and Media Services</i>	56,319	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	1,251,568	14,395	-
0021 <i>Instructional Leadership</i>	81,477	46,308	-
0023 <i>School Leadership</i>	38,715	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	90,971	1,882,400	-
0033 <i>Health Services</i>	2,003	8,000	-
0034 <i>Student Transportation</i>	28,451	3,625	-
0035 <i>Food Services</i>	-	-	-
0036 <i>Extracurricular Activities</i>	2,190	-	-
0041 <i>General Administration</i>	-	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-	-
0061 <i>Community Services</i>	510,954	828	-
6030 <b>Total Expenditures</b>	<u>5,991,786</u>	<u>7,040,537</u>	<u>123,724</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
7915 <i>Transfers In</i>	-	-	-
7080 <b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
1200 <b>Net Change in Fund Balances</b>	-	-	-
0100 <b>Fund Balances - Beginning</b>	-	-	-
3000 <b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

226	240	244	255	263
IDEA Part B Discretionary	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
\$ -	\$ 9,797,001	\$ -	\$ -	\$ -
-	573,154	-	-	-
56,009	12,318,927	373,577	672,953	667,669
56,009	22,689,082	373,577	672,953	667,669
56,009	-	206,076	-	169,980
-	-	-	-	-
-	-	71,788	644,657	458,473
-	-	30,936	-	-
-	-	9,942	27,418	12,931
-	-	8,429	878	642
-	-	-	-	-
-	-	-	-	-
-	22,901,090	-	-	-
-	-	46,406	-	-
-	-	-	-	-
-	284,302	-	-	-
-	-	-	-	25,643
56,009	23,185,392	373,577	672,953	667,669
-	(496,310)	-	-	-
-	67,500	-	-	-
-	67,500	-	-	-
-	(428,810)	-	-	-
-	3,934,524	-	-	-
\$ -	\$ 3,505,714	\$ -	\$ -	\$ -

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, 2015**

		272	288	385
Data Control Codes		Medicaid Administrative Claiming Program	ESEA Title VI Part A Summer School LEP	State Supplemental Visually Impaired
REVENUES				
5700	Local, Intermediate, and Out-of-State	\$ -	\$ -	\$ -
5800	State Programs	-	-	20,000
5900	Federal Programs	115,775	26,538	-
5020	Total Revenues	115,775	26,538	20,000
EXPENDITURES				
Current:				
0011	Instruction	-	26,538	-
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-
0021	Instructional Leadership	-	-	-
0023	School Leadership	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	20,000
0033	Health Services	115,775	-	-
0034	Student Transportation	-	-	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	-	-	-
0041	General Administration	-	-	-
0051	Plant Maintenance and Operations	-	-	-
0061	Community Services	-	-	-
6030	Total Expenditures	115,775	26,538	20,000
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	\$ -	\$ -	\$ -

392	397	409	410	427
Non-Educational Community-Based Support	Advanced Placement Incentives	High School Completion & Success / Texas High School Project	State Textbook Fund	Read to Succeed Program
\$ -	\$ -	\$ -	\$ -	\$ -
37,960	42,300	-	7,142,700	245
-	-	-	-	-
37,960	42,300	-	7,142,700	245
-	-	-	6,952,387	-
-	-	-	190,313	-
-	17,592	9,418	-	-
-	-	-	-	-
-	811	-	-	-
-	2,848	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
37,960	-	-	-	-
37,960	21,251	9,418	7,142,700	-
-	21,049	(9,418)	-	245
-	-	-	-	-
-	-	-	-	-
-	21,049	(9,418)	-	245
-	35,720	9,418	-	1,589
\$ -	\$ 56,769	\$ -	\$ -	\$ 1,834

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, 2015**

		461	482	483
<b>Data Control Codes</b>		<b>Campus Activity Funds</b>	<b>Klein ISD Education Foundation Grant</b>	<b>Miscellaneous Donations</b>
<b>REVENUES</b>				
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 6,991,387	\$ 181,538	\$ 17,482
5800	<i>State Programs</i>	-	-	-
5900	<i>Federal Programs</i>	-	-	-
5020	Total Revenues	<u>6,991,387</u>	<u>181,538</u>	<u>17,482</u>
<b>EXPENDITURES</b>				
Current:				
0011	<i>Instruction</i>	-	157,221	22,137
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>	-	-	-
0033	<i>Health Services</i>	-	-	-
0034	<i>Student Transportation</i>	-	-	-
0035	<i>Food Services</i>	-	-	-
0036	<i>Extracurricular Activities</i>	6,772,289	2,254	106
0041	<i>General Administration</i>	-	20,500	-
0051	<i>Plant Maintenance and Operations</i>	-	-	-
0061	<i>Community Services</i>	-	1,563	-
6030	Total Expenditures	<u>6,772,289</u>	<u>181,538</u>	<u>22,243</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>219,098</u>	<u>-</u>	<u>(4,761)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
7915	<i>Transfers In</i>	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	219,098	-	(4,761)
0100	Fund Balances - Beginning	<u>3,972,294</u>	<u>-</u>	<u>30,782</u>
3000	<b>Fund Balances - Ending</b>	<u><u>\$ 4,191,392</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 26,021</u></u>

486	487	488	489	490	
Unite for Understanding	Recipe for Success Grant	Miscellaneous Grants	Jason Project - Chevron	Dual Credit Program	Total Nonmajor Governmental Funds
\$ 9,525	\$ 1,359	\$ 68,946	\$ 46,858	\$ 193,217	\$ 17,307,313
-	-	-	-	-	7,816,359
-	-	-	-	-	27,387,495
<u>9,525</u>	<u>1,359</u>	<u>68,946</u>	<u>46,858</u>	<u>193,217</u>	<u>52,511,167</u>
-	1,359	10,001	25,000	112,784	16,877,335
-	-	-	-	-	246,632
-	-	50,427	19,405	-	2,537,723
-	-	1,750	1,224	-	161,695
-	-	4,925	1,229	-	95,971
-	-	-	-	8,034	2,014,202
-	-	-	-	-	125,778
-	-	-	-	-	32,076
-	-	-	-	-	22,901,090
-	-	-	-	-	6,823,245
-	-	-	-	-	20,500
-	-	-	-	-	284,302
<u>7,388</u>	<u>-</u>	<u>1,843</u>	<u>-</u>	<u>-</u>	<u>586,179</u>
<u>7,388</u>	<u>1,359</u>	<u>68,946</u>	<u>46,858</u>	<u>120,818</u>	<u>52,706,728</u>
<u>2,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,399</u>	<u>(195,561)</u>
-	-	-	-	-	67,500
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,500</u>
2,137	-	-	-	72,399	(128,061)
993	-	-	-	631,355	8,616,675
<u>\$ 3,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 703,754</u>	<u>\$ 8,488,614</u>

(This page intentionally left blank)

# KLEIN INDEPENDENT SCHOOL DISTRICT

Exhibit G-3

## NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED AUGUST 31, 2015

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 10,103,321	\$ 10,103,321	\$ 9,797,001	\$ (306,320)
5800	State Programs	609,615	575,923	573,154	(2,769)
5900	Federal Programs	12,369,176	12,469,176	12,318,927	(150,249)
5020	Total Revenues	23,082,112	23,148,420	22,689,082	(459,338)
EXPENDITURES					
Current:					
0035	Food Services	22,726,907	22,987,593	22,901,090	86,503
0051	Plant Maintenance and Operations	355,205	310,827	284,302	26,525
6030	Total Expenditures	23,082,112	23,298,420	23,185,392	113,028
Excess (Deficiency) of Revenues Over					
1100	(Under) Expenditures	-	(150,000)	(496,310)	(346,310)
OTHER FINANCING SOURCES (USES)					
7915	Transfers In	70,000	70,000	67,500	(2,500)
7080	Total Other Financing Sources (Uses)	70,000	70,000	67,500	(2,500)
1200	Net Change in Fund Balance	70,000	(80,000)	(428,810)	(348,810)
0100	Fund Balance - Beginning	3,934,524	3,934,524	3,934,524	-
3000	Fund Balance - Ending	\$ 4,004,524	\$ 3,854,524	\$ 3,505,714	\$ (348,810)



---

## **FIDUCIARY FUND**

---

### **AGENCY FUND**

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

Exhibit H-1

<u>AGENCY FUND:</u>					
<u>Data Control Codes</u>		<u>Beginning Balance 9/1/2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance 8/31/2015</u>
ASSETS					
1110	Cash and Cash Equivalents	\$ 1,518,267	\$ 8,908,402	\$ 8,766,296	\$ 1,660,373
1000	Total Assets	\$ 1,518,267	\$ 8,908,402	\$ 8,766,296	\$ 1,660,373
LIABILITIES					
2190	Due to Student Groups	\$ 1,518,267	\$ 8,908,402	\$ 8,766,296	\$ 1,660,373
2000	Total Liabilities	\$ 1,518,267	\$ 8,908,402	\$ 8,766,296	\$ 1,660,373

(This page intentionally left blank)

---

## **COMPLIANCE SCHEDULE**

---

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
**FOR THE YEAR ENDED AUGUST 31, 2015**

<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>	
2006 and Prior Years	\$ Various	\$ Various	\$ Various
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	1.04	0.39	12,011,835,149
2015 School Year Under Audit	1.04	0.35	13,977,844,058
<b>TOTALS</b>			

<b>Beginning Balance 9/1/2014</b>	<b>Current Year's Total Levy</b>	<b>Maintenance Collections</b>	<b>Debt Service Collections</b>	<b>Entire Year's Adjustments</b>	<b>Ending Balance 8/31/2015</b>
\$ 1,103,430	\$ -	\$ 53,545	\$ 8,916	\$ (282,118)	\$ 758,851
415,039	-	20,492	3,141	(2,035)	389,371
308,047	-	19,878	4,205	(4,238)	279,726
416,198	-	40,092	10,409	3,581	369,278
542,776	-	119,180	36,671	101,021	487,946
454,330	-	105,782	37,634	72,931	383,845
574,332	-	160,671	60,251	111,654	465,064
825,727	-	260,659	100,253	125,819	590,634
1,854,972	-	584,620	219,233	(140,791)	910,328
-	194,292,032	159,289,090	53,828,155	20,951,807	2,126,594
<b>\$ 6,494,851</b>	<b>\$ 194,292,032</b>	<b>\$ 160,654,009</b>	<b>\$ 54,308,868</b>	<b>\$ 20,937,631</b>	<b>\$ 6,761,637</b>

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

Ending Balance at 8/31/15	\$ 6,761,637
Less: Uncollectible Taxes	(1,396,096)
Add: Penalties & Interest Accrued on Receivable Balance	4,128,579
Adjusted Ending Balance	9,494,120
Property Taxes Receivable (Net) per Exhibit B-1	\$ 9,494,120

(This page intentionally left blank)

---

## STATISTICAL SECTION

---

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

These schedules present information to assist in assessing the affordability of the District's current debt burden and its ability to issue additional debt in the future.

### **Demographic and Economic Information**

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

### **Operating Information**

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

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



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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 83,664,009	\$ 86,495,792	\$ 91,841,007	\$ 97,566,894
Restricted	27,859,732	26,179,487	21,083,922	17,712,203
Unrestricted	87,141,699	129,960,846	124,057,805	125,344,755
<b>Total Primary Government Net Position</b>	<b>\$ <u>198,665,440</u> (1)</b>	<b>\$ <u>242,636,125</u></b>	<b>\$ <u>236,982,734</u></b>	<b>\$ <u>240,623,852</u></b>

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

**Table 1**

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 116,250,408	\$ 97,112,148	\$ 104,157,550	\$ 103,341,789	\$ 98,434,326	\$ 91,479,931
27,516,920	27,392,482	30,588,549	27,171,650	22,467,670	22,067,759
110,003,812	106,680,037	90,111,225	86,626,810	98,407,365	86,671,906
<b>\$ 253,771,140</b>	<b>\$ 231,184,667</b>	<b>\$ 224,857,324</b>	<b>\$ 217,140,249</b>	<b>\$ 219,309,361</b>	<b>\$ 200,219,596</b>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 266,100,967	\$ 261,995,657	\$ 237,402,727	\$ 228,428,016
Instructional Resources and Media Services	5,053,079	5,141,715	4,735,979	4,597,243
Curriculum and Instructional Staff Development	12,142,990	10,638,923	8,791,759	7,383,084
Instructional Leadership	3,488,463	3,220,638	2,793,028	2,816,981
School Leadership	27,312,594	25,250,622	22,703,876	21,257,601
Guidance, Counseling, and Evaluation Services	22,147,773	20,005,177	17,245,827	16,053,051
Social Work Services	344,491	342,695	341,274	335,801
Health Services	4,831,391	4,674,883	3,973,678	3,758,239
Student Transportation	12,804,878	12,620,591	11,421,613	10,293,905
Food Services	24,108,723	23,533,970	21,063,851	20,463,403
Extracurricular Activities	15,215,849	8,093,036	7,264,382	7,096,837
General Administration	9,119,865	8,574,785	7,553,949	7,017,401
Plant Maintenance and Operations	31,768,702	32,035,346	30,318,968	30,342,379
Security and Monitoring Services	5,953,900	5,103,168	4,422,906	4,157,771
Data Processing Services	9,273,936	9,412,906	7,348,984	7,235,616
Community Services	892,063	842,374	820,411	758,595
Interest on Long-term Debt	36,248,469	33,162,655	32,297,830	31,923,267
Bond Issuance Costs and Fees	2,001,163	504,392	1,028,515	30,312
Facilities Repair and Maintenance	5,484,843	2,388,678	6,098,178	21,537,898
Payments to Shared Services Arrangements	446,994	428,169	417,838	442,927
Payments to Juvenile Justice Alternative Ed. Programs	273,555	195,232	116,444	95,784
Other Intergovernmental Charges	1,730,065	1,498,385	1,447,764	1,489,863
<b>Total Primary Government Expenses</b>	<u>496,744,753</u>	<u>469,663,997</u>	<u>429,609,781</u>	<u>427,515,974</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Instruction	576,518	6,249,630	6,773,107	5,811,787
Food Services	9,675,609	9,462,827	9,420,047	8,842,033
Extracurricular Activities	7,954,832	972,415	924,248	927,954
Other Activities	2,076,814	801,287	275,758	225,114
Operating Grants and Contributions	65,067,570	63,705,418	56,014,013	65,592,853
<b>Total Primary Government Program Revenues</b>	<u>85,351,343</u>	<u>81,191,577</u>	<u>73,407,173</u>	<u>81,399,741</u>
<b>Net (Expense)/Revenue</b>				
<b>Total Primary Government Net Expense</b>	<u>\$ (411,393,410)</u>	<u>\$ (388,472,420)</u>	<u>\$ (356,202,608)</u>	<u>\$ (346,116,233)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 162,012,918	\$ 143,367,503	\$ 132,808,947	\$ 131,996,247
Property Taxes, Levied for Debt Service	54,807,873	54,028,207	51,399,561	49,968,675
Investment Earnings	951,706	340,241	656,765	403,110
Grants and Contributions Not Restricted to Specific Programs	206,980,778	194,177,589	171,074,720	150,136,654
Miscellaneous	1,068,558	2,212,271	708,269	464,259
<b>Total Primary Government General Revenues</b>	<u>425,821,833</u>	<u>394,125,811</u>	<u>356,648,262</u>	<u>332,968,945</u>
<b>Extraordinary Item - Gain from Insurance Proceeds</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position - Total Primary Government</b>	<u>\$ 14,428,423</u>	<u>\$ 5,653,391</u>	<u>\$ 445,654</u>	<u>\$ (13,147,288)</u>

Table 2

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 226,936,309	\$ 227,259,298	\$ 210,080,162	\$ 205,680,181	\$ 169,702,516	\$ 146,726,364
4,665,295	4,676,195	4,571,064	4,718,509	5,399,541	4,159,322
8,884,156	8,555,952	8,237,518	7,158,484	5,667,654	3,918,869
3,233,607	3,051,479	2,847,376	3,343,346	3,063,653	2,730,039
22,680,296	21,530,470	20,759,231	20,316,532	18,126,505	15,586,469
16,725,075	16,175,961	15,725,641	15,350,307	12,286,622	13,531,940
311,120	284,689	232,713	205,422	59,700	173,194
3,927,511	3,744,745	3,506,935	3,404,158	3,056,435	2,544,319
7,740,516	10,320,720	10,014,649	10,124,859	8,633,689	7,954,881
20,424,181	18,317,408	16,754,450	16,772,892	15,501,098	14,015,922
7,072,470	7,016,028	6,988,560	6,236,396	5,790,210	5,749,977
7,130,879	6,995,391	7,127,181	7,049,686	7,474,895	6,887,545
30,875,139	32,141,123	34,547,230	33,360,736	29,420,556	26,929,490
4,630,736	3,956,517	3,545,021	3,421,982	2,811,550	2,978,128
7,099,607	6,550,447	5,627,867	4,532,509	3,418,396	2,761,987
812,290	797,016	678,202	758,332	738,981	527,119
29,288,228	26,158,019	24,376,255	17,623,239	16,678,143	13,893,827
572,296	293,400	238,368	154,208	104,883	268,507
(8,862,409)	7,151,895	4,430,405	4,330,227	14,098,119	11,682,542
373,556	413,808	384,219	-	-	218,383
59,982	92,232	351,446	339,900	279,927	312,322
1,489,965	1,441,158	1,380,616	1,191,508	-	-
<u>396,070,805</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>
416,506	475,413	654,875	682,393	597,967	635,608
9,158,425	9,492,564	9,480,182	9,778,360	9,045,920	8,791,562
6,936,180	6,463,566	6,445,225	8,550,857	2,119,161	1,839,517
154,445	185,458	202,065	250,170	257,549	257,313
68,781,819	68,483,283	46,304,943	39,349,792	34,431,072	33,346,045
<u>85,447,375</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>\$ (310,623,430)</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>
\$ 130,391,777	\$ 134,619,451	\$ 133,668,302	\$ 122,691,376	\$ 140,365,774	\$ 141,619,818
46,602,489	41,700,392	34,519,630	25,832,907	21,301,522	18,894,044
542,000	1,215,906	5,401,383	6,233,386	10,912,538	7,841,307
155,453,082	150,113,558	150,243,370	150,528,732	119,014,396	96,675,948
220,555	501,703	646,540	6,328	3,356,939	262,480
<u>333,209,903</u>	<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>
-	-	2,555,669	-	-	-
<u>\$ 22,586,473</u>	<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>

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

	<u>2015 (1)</u>	<u>2014 (1)</u>	<u>2013 (1)</u>	<u>2012 (1)</u>
<b>General Fund (2)</b>				
Nonspendable	\$ 2,031,540	\$ 2,077,777	\$ 2,398,595	\$ 2,397,862
Restricted	3,007,210	3,212,274	3,347,006	3,200,295
Committed	14,691,800	-	1,415,000	3,300,000
Assigned	58,727,022	79,111,760	74,336,973	52,554,775
Unassigned	60,624,373	43,880,808	35,843,498	50,168,919
Reserved	-	-	-	-
Unreserved	-	-	-	-
<b>Total General Fund</b>	<b>\$ <u>139,081,945</u></b>	<b>\$ <u>128,282,619</u></b>	<b>\$ <u>117,341,072</u></b>	<b>\$ <u>111,621,851</u></b>
<b>All Other Governmental Funds (2)</b>				
Nonspendable	\$ 692,248	\$ 835,914	\$ 626,940	\$ 623,138
Restricted	245,078,831	69,288,389	70,449,813	105,908,645
Committed	4,923,894	4,634,190	7,945,659	7,313,627
Reserved (3)	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ <u>250,694,973</u></b>	<b>\$ <u>74,758,493</u></b>	<b>\$ <u>79,022,412</u></b>	<b>\$ <u>113,845,410</u></b>

(1) Beginning with fiscal year 2011, GASB Statement No. 54 provides more clearly defined fund balance categories.

(2) The increases/decreases in fund balances are explained in the governmental funds section of the Management's Discussion and Analysis on page 24.

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

Table 3

<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 2,277,226	\$ -	\$ -	\$ -	\$ -	\$ -
3,156,524	-	-	-	-	-
3,700,000	-	-	-	-	-
48,703,900	-	-	-	-	-
46,782,498	-	-	-	-	-
-	18,631,069	17,698,183	16,118,884	13,640,277	15,850,739
-	77,455,372	62,813,933	57,359,080	68,452,852	55,078,369
<u><u>\$ 104,620,148</u></u>	<u><u>\$ 96,086,441</u></u>	<u><u>\$ 80,512,116</u></u>	<u><u>\$ 73,477,964</u></u>	<u><u>\$ 82,093,129</u></u>	<u><u>\$ 70,929,108</u></u>
\$ 681,239	\$ -	\$ -	\$ -	\$ -	\$ -
183,231,527	-	-	-	-	-
6,738,527	-	-	-	-	-
-	189,426,064	176,879,854	212,621,875	41,848,763	60,090,563
<u><u>\$ 190,651,293</u></u>	<u><u>\$ 189,426,064</u></u>	<u><u>\$ 176,879,854</u></u>	<u><u>\$ 212,621,875</u></u>	<u><u>\$ 41,848,763</u></u>	<u><u>\$ 60,090,563</u></u>

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

	2015	2014	2013	2012
<b>REVENUES</b>				
Local, Intermediate, and Out-of-State	\$ 239,358,880	\$ 217,841,699	\$ 204,262,883	\$ 199,547,347
State Programs	238,088,445 (5)	223,969,748 (5)	193,988,410	178,791,537
Federal Programs	33,996,147	32,230,586	32,303,258	36,168,738
Total Revenues	511,443,472	474,042,033	430,554,551	414,507,622
<b>EXPENDITURES</b>				
Current:				
Instruction (1)	254,931,476	244,961,463	228,421,970	219,544,329
Instructional Resources and Media Services	4,829,600	4,812,891	4,528,306	4,404,689
Curriculum and Instructional Staff Development	12,018,105	10,272,298	8,630,149	7,279,333
Instructional Leadership	3,449,797	3,194,789	2,740,767	2,786,900
School Leadership	26,266,362	23,646,088	21,601,616	20,242,960
Guidance, Counseling, and Evaluation Services	21,595,133	19,118,162	16,652,008	15,552,339
Social Work Services	350,430	342,660	340,865	335,717
Health Services	4,626,359	4,331,424	3,749,147	3,576,446
Student Transportation	12,132,350	11,733,461	10,513,598	9,831,779
Food Services	22,901,090	22,398,855	20,090,723	19,629,942
Extracurricular Activities	14,733,324	7,340,347	6,822,027	6,645,847
General Administration	9,222,576	8,541,307	7,575,212	6,997,310
Plant Maintenance and Operations	30,474,136	30,801,398	29,397,947	30,019,180
Security and Monitoring Services	5,658,847	5,079,679	4,340,696	4,072,466
Data Processing Services	7,776,823	7,129,217	5,835,742	5,833,107
Community Services	926,002	836,262	832,559	749,323
Debt Service: (2)				
Principal on Long-term Debt	30,775,000	33,375,232	29,154,981	28,207,440
Interest on Long-term Debt	37,739,074	34,609,848	34,138,584	31,695,184
Bond Issuance Costs and Fees	2,001,163	29,160	1,023,534	353,053
Capital Outlay:				
Facilities Acquisition and Construction (3)	76,413,336	40,883,290	60,499,465	122,218,814
Intergovernmental:				
Payments to Shared Services Arrangements	446,994	428,169	417,838	442,927
Payments to Juvenile Justice Alternative Education Programs	273,555	195,232	116,444	95,784
Other Intergovernmental Charges (4)	1,730,065	1,498,385	1,447,764	1,489,863
Total Expenditures	581,271,597	515,559,617	498,871,942	542,004,732
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,828,125)	(41,517,584)	(68,317,391)	(127,497,110)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Capital-Related Bonds	242,015,000	44,000,000	36,840,000	51,115,000
Issuance of Refunding Bonds	62,585,000	-	69,945,000	18,390,000
Premium/Discount from Issuance of Bonds	24,217,299	899,845	13,331,052	8,291,398
Sale of Real and Personal Property	324,532	1,710,665	490,855	168,546
Loan Proceeds	-	-	-	-
Insurance Proceeds	-	-	-	38,834
Other Resources	-	-	-	-
Transfers In	67,500	3,052,202	65,000	1,512,268
Transfers Out	(67,500)	(1,467,500)	(65,000)	(1,512,268)
Payment to Refunded Bond Escrow Agent	(72,577,900)	-	(81,393,293)	(20,310,848)
Other Uses	-	-	-	-
Total Other Financing Sources (Uses)	256,563,931	48,195,212	39,213,614	57,692,930
<b>EXTRAORDINARY ITEM</b>				
Insurance Proceeds for Fire Damages	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>\$ 186,735,806</b>	<b>\$ 6,677,628</b>	<b>\$ (29,103,777)</b>	<b>\$ (69,804,180)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures (2)</b>	13.48%	14.35%	14.36%	13.67%

- (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

2011	2010	2009	2008	2007	2006
\$ 195,135,296	\$ 194,875,123	\$ 190,512,938	\$ 174,177,819	\$ 184,488,888	\$ 178,848,300
174,003,953	169,083,287	170,277,202	170,279,933	136,111,189	110,382,000
49,596,155	49,054,502	25,877,121	19,304,146	17,060,326	19,766,906
418,735,404	413,012,912	386,667,261	363,761,898	337,660,403	308,997,206
215,421,836	219,506,912	199,711,365	195,999,862	163,299,288	148,323,894
4,540,607	4,488,172	4,374,549	4,442,226	5,203,337	4,181,875
8,634,881	8,377,827	7,996,284	7,031,380	5,650,189	3,911,781
3,199,092	2,965,176	2,851,314	3,221,640	3,035,617	2,678,248
21,314,541	20,500,683	19,722,736	19,041,209	17,458,792	15,721,365
15,976,596	15,525,757	15,035,619	14,811,425	11,987,426	13,623,996
308,251	287,298	230,988	196,320	59,504	173,218
3,692,921	3,571,320	3,336,767	3,247,089	2,946,869	2,577,348
11,623,856	10,725,430	11,060,564	10,925,173	7,851,656	7,591,913
19,169,730	17,973,253	16,273,457	16,403,006	15,302,042	14,225,193
6,643,691	6,641,773	6,588,311	6,145,935	5,629,768	5,609,977
7,045,050	6,932,585	7,017,191	6,885,302	7,421,324	6,824,211
30,118,417	31,281,461	34,013,437	33,100,207	29,154,613	26,835,379
4,501,082	3,780,272	3,317,685	3,398,784	2,719,867	3,056,713
5,608,809	5,405,260	4,917,412	4,164,092	3,453,960	2,837,225
803,375	787,212	689,974	751,463	732,409	530,964
23,555,000	23,620,000	19,235,000	17,255,000	15,820,000	16,235,000
30,610,055	25,456,550	24,159,633	17,581,029	16,400,622	13,830,485
579,357	1,528,515	549,355	1,846,235	300,075	746,429
77,836,659	103,993,554	81,917,265	35,543,367	78,281,201	73,488,772
373,556	413,808	384,219	-	-	218,383
59,982	92,232	351,446	339,900	279,927	312,322
1,489,965	1,441,158	1,380,616	1,191,508	-	-
493,107,309	515,296,208	465,115,187	403,522,152	392,988,486	363,534,691
(74,371,905)	(102,283,296)	(78,447,926)	(39,760,254)	(55,328,083)	(54,537,485)
83,900,000	127,000,000	45,000,000	200,000,000	45,000,000	53,000,000
-	29,240,000	17,125,000	16,905,000	-	64,450,000
111,617	6,408,464	2,348,997	4,159,604	138,668	3,623,924
119,224	114,632	128,742	133,905	62,788	85,215
-	-	-	-	-	-
-	127,127	533,339	88,228	3,048,848	6,500,000
-	-	-	-	-	-
85,000	3,152,886	80,000	9,380,000	52,500	50,000
(85,000)	(3,152,886)	(80,000)	(9,380,000)	(52,500)	(50,000)
-	(32,486,392)	(18,319,581)	(19,368,536)	-	(67,512,169)
-	-	-	-	-	-
84,130,841	130,403,831	46,816,497	201,918,201	48,250,304	60,146,970
-	-	2,923,560	-	-	-
\$ 9,758,936	\$ 28,120,535	\$ (28,707,869)	\$ 162,157,947	\$ (7,077,779)	\$ 5,609,485
13.64%	11.90%	11.26%	9.45%	9.84%	10.01%



(This page intentionally left blank)

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

**Table 5**

<b>Fiscal Year Ended 8/31:</b>	<b>Assessed Value (5)</b>			<b>Actual Taxable Value</b>	<b>Total Direct Rate (2)</b>
	<b>Real Property Value (1)</b>	<b>Personal Property Value (1)</b>	<b>Less: Exemptions</b>		
2015	\$ 15,345,634,575	\$ 1,539,123,969	\$ 2,906,914,486	\$ 13,977,844,058	\$ 1.3900
2014	13,632,247,916	750,942,078	2,371,354,845	12,011,835,149	1.4300
2013	13,229,882,647	1,193,301,696	2,688,277,476	11,734,906,867	1.4400
2012	13,374,069,141	1,009,325,197	2,514,190,420	11,869,203,918	1.4300
2011	12,597,717,816	1,064,690,098	2,488,148,279	11,174,259,635	1.4100
2010	12,544,497,254	1,196,994,058	2,382,578,735	11,358,912,577	1.3600
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

(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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b><u>Overlapping Rates:</u></b>				
Bilma PUD	\$ 0.5700	\$ 0.5900	\$ 0.5900	\$ 0.5900
Bridgestone MUD	0.7100	0.7500	0.7500	0.7500
Charterwood MUD	0.5400	0.5900	0.6400	0.6400
Cypress Forest PUD	0.3219	0.3240	0.3240	0.3240
Cypress Klein UD	0.2000	0.2200	0.2400	0.2500
Cypresswood UD	0.3600	0.3700	0.3700	0.3000
Dowdell PUD	0.9200	0.9200	0.9200	0.8800
Encanto Real UD	0.9875	0.9875	0.9875	0.9400
Fountainhead MUD	0.6500	0.6700	0.6700	0.6700
Harris County MUD No. 1	0.9700	1.0200	1.0300	1.0400
Harris County MUD No. 24	0.5700	0.5900	0.6000	0.6000
Harris County MUD No. 104	0.5000	0.5500	0.5500	0.5500
Harris County MUD No. 118	0.7200	0.7200	0.7200	0.6500
Harris County MUD No. 119	0.4850	0.5150	0.4700	0.4600
Harris County MUD No. 150	0.9400	0.9800	0.9800	0.9500
Harris County MUD No. 180	0.8300	0.9800	0.9800	0.9000
Harris County MUD No. 202	1.2500	1.2500	1.2500	1.2500
Harris County MUD No. 275	0.9000	1.0000	1.0000	1.1000
Harris County MUD No. 316	0.6000	0.6700	0.7200	0.7200
Harris County MUD No. 366	0.2000	0.2500	0.2500	0.2500
Harris County MUD No. 367	0.6850	0.7000	0.7000	0.7100
Harris County MUD No. 368	0.8700	0.9950	0.9950	0.9450
Harris County MUD No. 383	0.8900	0.9400	0.9400	0.9400
Harris County MUD No. 401	1.1850	1.2500	1.2500	1.2500
Harris County MUD No. 468	0.7900	0.8400	0.8500	0.8500
Harris County WC&ID No. 109	0.2500	0.2500	0.2500	0.2500
Harris County WC&ID No. 110	0.4600	0.5300	0.5400	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	0.5400	0.5900	0.5900	0.5500
Harris County WC&ID No. 132	0.4800	0.4500	0.4400	0.3900
Harris County WC&ID No. 133	0.9700	0.9900	0.9900	0.9900
Heatherloch MUD	0.3950	0.3950	0.3950	0.3750
Klein PUD	0.4300	0.4300	0.4300	0.4300
Kleinwood MUD	0.4700	0.5300	0.5600	0.6000
Lonestar College System (1)	0.1081	0.1160	0.1198	0.1210
Louetta North PUD	0.2800	0.3100	0.3600	0.4200
Louetta Road UD	0.4750	0.5000	0.5000	0.4900
Meadowhill Regional MUD (2)	0.7900	0.8750	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	0.9900	1.1200	1.1200	1.1200
Northwest Harris County MUD No. 24	0.8000	0.8300	0.8300	0.8300
Northwest Harris County MUD No. 28	0.6800	0.6800	0.6800	0.6800
Northwest Harris County MUD No. 30	0.7500	0.8000	0.8000	0.8000
Northwest Harris County MUD No. 32	0.7900	0.8950	0.9100	0.9100
Northwest Harris County MUD No. 36	0.8500	0.8660	0.8660	0.8300
Northwest Park MUD	0.4800	0.5200	0.5500	0.5200
Oakmont PUD	1.1000	1.2400	1.2500	1.2500
Shasla PUD	1.0900	1.1900	1.0950	0.9680
Spring Creek Forest PUD	0.4750	0.4900	0.4950	0.4950
Spring West MUD	0.9000	0.9800	1.0200	1.0500
Terranova West MUD	0.6800	0.6900	0.6900	0.6900
Harris County (3)	\$ 0.4173	\$ 0.6363	\$ 0.6366	\$ 0.6366
Houston, City of	0.6311	0.6388	0.6388	0.6388
Total Harris County/City of Houston	<u>\$ 1.0484</u>	<u>\$ 1.2751</u>	<u>\$ 1.2754</u>	<u>\$ 1.2754</u>
<b><u>District Direct Rates (4):</u></b>				
Maintenance & Operations	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
Debt Service	0.3500	0.3900	0.4000	0.3900
<b>Total District Direct Rates</b>	<u><b>\$ 1.3900</b></u>	<u><b>\$ 1.4300</b></u>	<u><b>\$ 1.4400</b></u>	<u><b>\$ 1.4300</b></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

2011	2010	2009	2008	2007	2006
\$ 0.5600	\$ 0.5600	\$ 0.5500	\$ 0.5500	\$ 0.5500	\$ 0.5500
0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
0.6400	0.6400	0.6500	0.7000	0.7500	0.7750
0.3100	0.3100	0.3040	0.3000	0.3000	0.3000
0.2450	0.2300	0.2300	0.2320	0.2500	0.2500
0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
0.8500	0.8500	0.8500	0.8500	0.8500	0.8500
0.9400	0.9400	0.9400	0.9600	0.9600	0.9600
0.5500	0.5350	0.5100	0.5100	0.5100	0.5100
1.0400	1.0500	1.0500	1.0600	1.0600	1.0714
0.6000	0.6000	0.5800	0.6000	0.6000	0.6000
0.5500	0.5500	0.5500	0.6200	0.6900	0.6900
0.6000	0.6000	0.6500	0.6500	0.6500	0.7800
0.4600	0.4600	0.4600	0.4600	0.5000	0.5400
0.9300	0.8500	0.8500	0.8500	0.8500	0.8200
0.9000	0.9000	0.9000	0.9000	0.9400	0.9900
1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
1.3500	1.3500	1.3500	1.3500	1.3500	1.8856
0.7500	0.7200	0.7500	0.8000	0.8700	0.9200
0.2500	0.2500	0.2500	0.3200	0.3500	0.4400
0.7400	0.7500	0.7700	0.7800	0.8000	0.9300
0.9300	0.9300	0.9300	0.9600	1.0400	1.1400
0.9400	0.9400	0.9800	1.0800	1.1800	1.1900
1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
0.8500	0.8500	0.8500	0.8500	0.0000	0.0000
0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
0.5500	0.5300	0.5000	0.5000	0.5000	0.5300
0.3000	0.3000	0.1000	0.1000	0.1000	0.2000
0.1000	0.1000	0.1000	0.1750	0.1750	0.1750
0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
0.3500	0.3500	0.3500	0.3500	0.3500	0.3300
0.9900	0.8200	0.7600	0.7000	0.7000	0.7000
0.3750	0.3600	0.3600	0.3600	0.3700	0.4100
0.4280	0.4150	0.3750	0.3750	0.3750	0.3750
0.6300	0.6300	0.6300	0.6500	0.6688	0.6688
0.1176	0.1101	0.1101	0.1144	0.1167	0.1207
0.4200	0.4300	0.4600	0.4800	0.5200	0.5600
0.4900	0.4850	0.4500	0.4500	0.4500	0.4500
0.9400	0.9400	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
1.0900	1.0300	1.0300	1.0300	1.0900	1.1540
0.8800	1.0000	1.0700	1.1000	1.1800	1.1800
0.6800	0.6800	0.6500	0.6500	0.8300	0.8300
0.8000	0.7700	0.7200	0.7200	0.7200	0.7600
0.9100	0.9100	1.0100	1.0200	1.0500	1.0800
0.8300	0.8300	0.7700	0.7800	0.7800	0.7800
0.5000	0.4800	0.4300	0.4300	0.5100	0.6100
1.2500	1.2500	1.2500	1.2500	1.3000	1.3500
0.9680	0.9400	0.9400	0.7500	0.7600	0.7600
0.4950	0.4950	0.4700	0.4700	0.4900	0.5500
1.0600	1.0900	1.0900	1.0900	1.0900	1.1400
0.6900	0.6900	0.6900	0.6600	0.6600	0.6000
\$ 0.6366	\$ 0.6360	\$ 0.6358	\$ 0.6358	\$ 0.6462	\$ 0.6462
0.6388	0.6388	0.6388	0.6438	0.6450	0.6475
<u>\$ 1.2754</u>	<u>\$ 1.2748</u>	<u>\$ 1.2746</u>	<u>\$ 1.2796</u>	<u>\$ 1.2912</u>	<u>\$ 1.2937</u>
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.3700	\$ 1.5000
0.3700	0.3200	0.2700	0.2200	0.2100	0.2000
<u>\$ 1.4100</u>	<u>\$ 1.3600</u>	<u>\$ 1.3100</u>	<u>\$ 1.2600</u>	<u>\$ 1.5800</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	2015			2006		
	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)	\$ 211,148,452	1	1.51%	\$ 48,820,678	2	0.57%
Centerpoint Energy (4)	93,936,574	2	0.67%	91,775,598	1	1.07%
Vintage Dunhill LLC	62,290,000	3	0.45%	-	-	-
National Oilwell, Inc.	60,668,348	4	0.43%	-	-	-
Eastgroup Properties LP	60,550,944	5	0.43%	-	-	-
Liberty Property	60,001,571	6	0.43%	-	-	-
Kroger	58,650,849	7	0.42%	28,585,097	7	0.33%
Beltway Lakes I & II LP	57,150,720	8	0.41%	-	-	-
ABB Vetco Gray, Inc.	53,694,532	9	0.38%	44,603,776	3	0.52%
St. Lukes Hospital	53,296,678	10	0.38%	-	-	-
Southwestern Bell Telephone Co.	-	-	-	43,828,705	4	0.51%
Weingarten Realty	-	-	-	42,481,350	5	0.50%
Houston Pipeline	-	-	-	32,539,912	6	0.38%
Royal Window Covering	-	-	-	23,889,441	8	0.28%
Hanover Companies	-	-	-	21,483,237	9	0.25%
Texas Cable Partners LP	-	-	-	21,229,590	10	0.25%
<b>TOTALS</b>	<b>\$ 771,388,668</b>		<b>5.51%</b>	<b>\$ 399,237,384</b>		<b>4.66%</b>

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

(2) Actual taxable value equals: \$ 13,977,844,058

(3) Actual taxable value equals: \$ 8,552,064,470

(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		Total Collections to Date					
				Percentage of Net Tax Levy						
	Amount		Collections in Subsequent Years	Amount	Percent of Total Tax Collections to Net Tax Levy					
2015	\$	215,243,839	\$	213,117,245	99.01%	\$	-	\$	213,117,245	99.01%
2014		196,019,902		194,305,721	99.13%		803,853		195,109,574	99.54%
2013		184,110,590		182,305,315	99.02%		1,173,532		183,478,847	99.66%
2012		180,714,299		178,874,525	98.98%		1,370,259		180,244,784	99.74%
2011		175,066,972		173,154,058	98.91%		1,799,739		174,953,797	99.94%
2010		173,728,355		171,233,764	98.56%		2,854,625		174,088,389	100.21%
2009		166,003,965		162,738,993	98.03%		3,299,680		166,038,673	100.02%
2008		146,140,745		142,561,880	97.55%		4,588,118		147,149,998	100.69%
2007		160,844,136		155,834,889	96.89%		4,436,389		160,271,278	99.64%
2006		157,806,462		153,241,594	97.11%		3,655,503		156,897,097	99.42%

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

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

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

**Table 9**

<b>Fiscal Year Ended 8/31:</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Ratio of Debt to Actual Taxable Value (2)</b>	<b>Debt Per Student (3)</b>
	<b>General Obligation Bonds (1)</b>	<b>Notes Payable (1)</b>			
2015	\$ 1,009,206,671	\$ -	\$ 1,009,206,671	7.22%	\$ 21,711
2014	782,882,194	-	782,882,194	6.52%	17,275
2013	773,206,303	-	773,206,303	6.59%	17,495
2012	756,966,455	-	756,966,455	6.38%	17,467
2011	724,265,763	-	724,265,763	6.48%	16,996
2010	664,789,180	-	664,789,180	5.85%	15,798
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

(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**

<b>Fiscal Year Ended 8/31:</b>	<b>General Obligation Bonds (1)</b>	<b>Less Amounts Available in Debt Service Fund (4)</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Actual Taxable Value (2)</b>	<b>Net Bonded Debt Per Student (3)</b>
2015	\$ 1,009,206,671	\$ 23,385,420	\$ 985,821,251	7.05%	21,208
2014	782,882,194	21,621,099	761,261,095	6.34%	16,798
2013	773,206,303	19,527,198	753,679,105	6.42%	17,053
2012	756,966,455	19,935,384	737,031,071	6.21%	17,007
2011	724,265,763	20,167,803	704,097,960	6.30%	16,523
2010	664,789,180	21,534,864	643,254,316	5.66%	15,286
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

(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.



(This page intentionally left blank)

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)**  
**AS OF AUGUST 31, 2015**

**Table 11**

<b>Taxing Authority</b>	<b>Gross Debt Outstanding</b>	<b>Percent Overlapping (1)</b>	<b>Amount Applicable to School District</b>
<b><u>Overlapping:</u></b>			
Bilma PUD	\$ 16,600,000	100.00%	\$ 16,600,000
Bridgestone MUD	77,280,000	100.00%	77,280,000
Charterwood MUD	13,970,000	100.00%	13,970,000
Cypress Forest PUD	1,755,000	88.65%	1,555,808
Cypress-Klein UD	1,095,000	100.00%	1,095,000
Cypresswood UD	3,195,000	100.00%	3,195,000
Dowdell PUD	23,870,000	100.00%	23,870,000
Encanto Real UD	5,650,000	100.00%	5,650,000
Fountainhead MUD	1,810,000	100.00%	1,810,000
Harris County	2,678,076,350	4.38%	117,299,744
Harris County Dept. of Education	7,210,000	4.38%	315,798
Harris County Flood Control District	87,400,000	4.38%	3,828,120
Harris County ID# 18	63,400,000	0.11%	69,740
Harris County MUD No. 1	36,625,000	100.00%	36,625,000
Harris County MUD No. 24	18,310,000	100.00%	18,310,000
Harris County MUD No. 104	7,910,000	100.00%	7,910,000
Harris County MUD No. 118	10,185,000	100.00%	10,185,000
Harris County MUD No. 119	5,540,000	62.91%	3,485,214
Harris County MUD No. 150	15,730,000	33.88%	5,329,324
Harris County MUD No. 180	10,409,999	100.00%	10,409,999
Harris County MUD No. 275	445,000	100.00%	445,000
Harris County MUD No. 316	2,670,000	100.00%	2,670,000
Harris County MUD No. 367	19,735,000	100.00%	19,735,000
Harris County MUD No. 368	56,130,000	100.00%	56,130,000
Harris County MUD No. 383	30,445,000	100.00%	30,445,000
Harris County MUD No. 401	14,145,000	100.00%	14,145,000
Harris County MUD No. 468	41,105,000	100.00%	41,105,000
Harris County WC&ID No. 109	6,785,000	90.11%	6,113,964
Harris County WC&ID No. 110	22,350,000	37.92%	8,475,120
Harris County WC&ID No. 119	26,590,000	100.00%	26,590,000
Harris County WC&ID No. 133	3,330,000	100.00%	3,330,000
Heatherloch MUD	1,190,000	100.00%	1,190,000
Houston, City of	3,268,340,000	0.11%	3,595,174
Kleinwood MUD	12,559,996	100.00%	12,559,996
Lone Star College (2)	569,325,000	10.31%	58,697,408
Louetta North PUD	6,335,000	100.00%	6,335,000
Louetta Road UD	700,000	100.00%	700,000
Meadowhill Regional MUD (3)	29,645,000	100.00%	29,645,000
Northampton MUD	20,040,000	100.00%	20,040,000
Northwest Harris County MUD No. 6	8,710,000	100.00%	8,710,000
Northwest Harris County MUD No. 19	56,045,000	100.00%	56,045,000
Northwest Harris County MUD No. 24	6,965,000	100.00%	6,965,000
Northwest Harris County MUD No. 28	4,070,000	100.00%	4,070,000
Northwest Harris County MUD No. 30	18,610,000	100.00%	18,610,000
Northwest Harris County MUD No. 32	27,645,000	100.00%	27,645,000
Northwest Harris County MUD No. 36	14,270,000	100.00%	14,270,000
Northwest Park MUD	21,150,000	31.96%	6,759,540
Oakmont PUD	32,830,000	100.00%	32,830,000
Port of Houston Authority	690,219,397	4.38%	30,231,610
Shasla PUD	5,465,000	100.00%	5,465,000
Spring Creek Forest PUD	4,180,000	100.00%	4,180,000
Spring West MUD	20,986,818	45.25%	9,496,535
Terranova West MUD	4,325,000	100.00%	4,325,000
Total Overlapping Debt			930,343,094
<b><u>Direct:</u></b>			
Klein Independent School District (4)	1,009,206,671	100.00%	1,009,206,671
<b>TOTAL OVERLAPPING AND DIRECT DEBT</b>			<b>\$ 1,939,549,765</b>
Ratio of Total Overlapping Debt and Direct Debt to Actual Taxable Value for Fiscal Year Ended August 31, 2015 (5)			<b>13.88%</b>

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District.  
The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total actual taxable value.
- (2) Formerly North Harris Montgomery CCD.
- (3) 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: \$ 13,977,844,058

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 1,397,784,406	\$ 1,201,183,515	\$ 1,173,490,687	\$ 1,186,920,392
Total Net Debt Applicable to Limit	<u>985,821,251</u>	<u>761,261,095</u>	<u>753,679,105</u>	<u>737,031,071</u>
Legal Debt Margin	<u>\$ 411,963,155</u>	<u>\$ 439,922,420</u>	<u>\$ 419,811,582</u>	<u>\$ 449,889,321</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	70.53%	63.38%	64.23%	62.10%

**Legal Debt Margin Calculation for Fiscal Year 2015:**

Actual Taxable Value (2)	\$ 13,977,844,058
Debt Limit Percentage of Actual Taxable Value (1)	<u>10%</u>
Debt Limitation	<u>1,397,784,406</u>
Debt Applicable to Debt Limitation:	
Total Bonded Debt	\$ 1,009,206,671
Less Restricted for Retirement of Bonded Debt (3)	<u>23,385,420</u>
Total Amount of Debt Applicable to Debt Limitation	<u>985,821,251</u>
	<u>\$ 411,963,155</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 1,117,425,964	\$ 1,135,891,258	\$ 1,105,376,660	\$ 1,007,350,956	\$ 899,433,403	\$ 855,206,447
<u>704,097,960</u>	<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><u>413,328,004</u></u>	\$ <u><u>492,636,942</u></u>	\$ <u><u>567,636,171</u></u>	\$ <u><u>493,250,118</u></u>	\$ <u><u>568,509,548</u></u>	\$ <u><u>553,765,763</u></u>
63.01%	56.63%	48.65%	51.03%	36.79%	35.25%

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

**Table 13**

<b>Fiscal Year Ended 8/31:</b>	<b>Residential Units (1)</b>	<b>Total Assessed Value of Residential Units (1)</b>	<b>Average Assessed Value per Residential Unit</b>	<b>Average Daily Attendance (2)</b>	<b>Unemployment Rate (3)</b>
2015	72,266	\$ 11,000,231,720	\$ 152,219	46,484	4.4%
2014	70,589	9,542,096,201	135,178	45,318	5.4%
2013	69,017	9,050,841,712	131,139	44,196	6.3%
2012	67,898	9,182,307,445	135,237	43,336	7.2%
2011	66,950	9,189,036,275	137,252	42,613	8.5%
2010	66,080	9,347,021,057	141,450	42,080	8.4%
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%

(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	2015			2006		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Wal-Mart Stores	32,000	1	1.50%	29,554	1	1.63%
Houston ISD	28,729	2	1.35%	25,521	2	1.41%
H-E-B	21,471	3	1.01%	-	-	-
University of Texas MD Anderson Cancer Center	20,357	4	0.95%	15,293	7	0.84%
Memorial Herman Healthcare System	20,055	5	0.94%	16,248	6	0.90%
Houston Methodist	16,961	6	0.80%	-	-	-
Kroger	15,216	7	0.71%	12,803	8	0.71%
United Airlines (3)	15,108	8	0.71%	-	-	-
Exxon Mobil Corporation	12,814	9	0.60%	16,732	5	0.92%
Schlumberger	12,207	10	0.57%	-	-	-
Adminstaff	-	-	-	19,851	3	1.09%
Continental Airlines (3)	-	-	-	19,661	4	1.08%
Halliburton	-	-	-	11,868	9	0.65%
Shell Oil Company	-	-	-	11,780	10	0.65%
	<u>194,918</u>		<u>9.14%</u>	<u>179,311</u>		<u>9.88%</u>

(1) Total Employment for 2015: 2,132,714

(2) Total Employment for 2006: 1,813,658

(3) United Airlines merged with Continental Airlines in 2010.

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

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

<b>POSITION:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Administrator	57.0	57.0	57.0	56.0
Assistant Athletic Director	5.0	5.0	4.0	4.0
Associate/Assistant Principal	120.0	111.0	110.3	97.0
Bus Driver	231.0	226.0	224.0	214.0
Bus Driver Attendant	51.0	47.0	45.0	40.0
Cafeteria Workers	532.0	446.0	447.0	435.0
Clinic Assistant	42.5	42.0	40.5	38.5
Counselor	117.5	109.5	105.5	103.5
Custodial	323.0	319.0	314.0	303.0
Full-time Crossing Guard	26.0	25.0	25.0	22.0
Librarian/Library Assistant/Historian	74.0	73.0	72.5	69.6
Manual Trades/Warehouse	188.0	186.0	171.6	163.6
Nurse	50.0	50.0	49.0	49.0
Other Professional (1)	351.0	295.0	243.3	204.6
Parking Lot Monitor	4.0	4.0	4.0	4.0
Police Officer	43.0	43.0	35.0	34.0
Principal	43.7	43.0	42.7	42.4
PRS Coordinator/Day Care Staff	1.0	1.0	1.0	1.0
Registrar	9.0	8.0	8.0	8.0
Secretary/Clerical	417.7	410.0	383.7	367.9
Teacher	3,019.8	2,918.0	2,810.4	2,786.2
Teacher - Bilingual/ESL	222.8	210.8	211.4	204.6
Teacher Assistant	524.5	499.5	459.0	454.5
Technical	95.0	85.0	87.0	88.0
Vending	2.0	2.0	2.0	2.0
<b>Total Employees</b>	<b>6,550.5</b>	<b>6,215.8</b>	<b>5,952.9</b>	<b>5,792.4</b>

(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

2011	2010	2009	2008	2007	2006
57.0	56.0	53.0	53.0	52.7	48.5
4.0	4.0	4.0	4.0	4.0	4.0
108.3	105.5	102.5	99.0	92.8	88.5
216.0	206.0	201.0	194.0	183.0	173.0
40.0	37.0	36.0	33.0	30.0	29.0
428.0	413.0	398.0	405.0	373.0	368.0
37.0	34.5	34.5	33.0	30.5	29.5
109.0	106.3	101.0	96.5	86.0	79.5
299.0	320.0	358.5	356.0	350.0	337.0
22.0	22.0	22.0	22.0	19.0	17.0
87.1	85.1	85.1	85.2	82.2	77.0
172.6	175.0	170.0	156.0	153.0	150.0
48.0	45.0	43.0	43.0	44.0	40.0
207.7	207.5	198.0	168.7	162.9	156.9
4.0	4.0	4.0	4.0	4.0	4.0
34.0	34.0	34.0	34.0	30.0	28.0
40.7	39.8	38.6	38.0	37.5	35.8
1.0	1.0	1.0	5.0	5.0	6.4
6.0	6.0	6.0	5.0	5.0	4.0
396.5	381.5	377.0	376.0	362.7	346.3
2,814.6	2,763.9	2,675.9	2,607.9	2,465.4	2,295.5
210.6	209.5	205.5	190.0	154.0	129.6
495.0	492.5	456.0	461.0	401.5	386.5
89.0	88.0	81.0	77.0	63.0	52.0
3.0	4.0	6.0	6.0	6.0	5.0
<b>5,930.1</b>	<b>5,841.1</b>	<b>5,691.6</b>	<b>5,552.3</b>	<b>5,197.2</b>	<b>4,891.0</b>



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

<b>Fiscal Year Ended 8/31:</b>	<b>Average Daily Attendance</b>	<b>Operating Expenditures (1)</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>
2015	46,484	\$ 437,702,566	\$ 9,416	5.15%
2014	45,318	405,842,742	8,955	5.09%
2013	44,196	376,594,325	8,521	-2.27%
2012	43,336	377,866,687	8,719	8.53%
2011	42,613	342,333,505	8,034	-6.85%
2010	42,080	362,932,220	8,625	3.84%
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%

(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>
\$ 496,744,753	\$ 10,686	3.11%	3,243	14.33	42.90%
469,663,997	10,364	6.61%	3,129	14.48	40.80%
429,609,781	9,721	-1.46%	3,022	14.63	41.20%
427,515,974	9,865	6.14%	2,991	14.45	41.90%
396,070,805	9,295	-3.88%	3,025	14.05	39.30%
406,923,951	9,670	3.97%	2,973	14.13	36.10%
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%

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

**Table 17**

<b>Fiscal Year Ended 8/31:</b>	<b>District</b>		<b>County Average Salary (2)</b>	<b>Statewide Average Salary (2)</b>
	<b>Minimum Salary (1)</b>	<b>Maximum Salary (1)</b>		
2015	\$ 50,000	\$ 67,000	\$ 54,284	\$ 50,715
2014	50,000	67,000	52,356	49,692
2013	45,750	66,925	51,124	48,821
2012	44,250	66,925	50,536	48,375
2011	44,250	66,925	50,712	48,639
2010	43,750	66,925	50,236	48,263
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

(1) Source: District records

(2) Source: Texas Education Agency website

(This page intentionally left blank)

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

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>HIGH SCHOOLS</b>				
<b>Klein (2014) (1)</b>				
Square Footage	674,633	674,633	519,437	519,437
Capacity	3,600	3,600	3,462	3,462
Enrollment	3,860	3,762	3,561	3,112
<b>Klein Collins (2001)</b>				
Square Footage	582,488	582,488	582,488	582,488
Capacity	3,500	3,500	3,500	3,500
Enrollment	3,633	3,484	3,437	3,368
<b>Klein Forest (1979)</b>				
Square Footage	644,310	644,310	644,310	644,310
Capacity	4,000	4,000	4,000	4,000
Enrollment	3,582	3,451	3,507	3,511
<b>Klein Oak (1982)</b>				
Square Footage	603,924	603,924	603,924	603,924
Capacity	3,500	3,500	3,500	3,500
Enrollment	3,883	3,828	3,730	4,139
<b>INTERMEDIATE SCHOOLS</b>				
<b>Doerre (1984)</b>				
Square Footage	171,250	171,250	171,250	171,250
Capacity	1,219	1,219	1,219	1,219
Enrollment	1,154	1,203	1,225	1,188
<b>Hildebrandt (1973)</b>				
Square Footage	207,360	207,360	207,360	207,360
Capacity	1,349	1,349	1,349	1,349
Enrollment	1,139	1,102	1,014	934
<b>Kleb (1993)</b>				
Square Footage	172,000	172,000	172,000	172,000
Capacity	1,257	1,257	1,257	1,257
Enrollment	1,396	1,344	1,346	1,313
<b>Klein (1984)</b>				
Square Footage	192,972	192,972	192,972	192,972
Capacity	1,213	1,213	1,213	1,213
Enrollment	1,239	1,236	1,212	1,209
<b>Krimmel (2007)</b>				
Square Footage	186,700	186,700	186,700	186,700
Capacity	1,180	1,180	1,180	1,180
Enrollment	1,319	1,142	1,064	1,026
<b>Schindewolf (2002)</b>				
Square Footage	183,000	183,000	183,000	183,000
Capacity	1,170	1,170	1,170	1,170
Enrollment	1,326	1,357	1,339	1,301
<b>Strack (1977)</b>				
Square Footage	215,125	215,125	215,125	215,125
Capacity	1,295	1,295	1,295	1,295
Enrollment	1,198	1,167	1,173	1,100
<b>Ulrich (2010)</b>				
Square Footage	195,825	195,825	195,825	195,825
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,130	1,079	1,079	972
<b>Wunderlich (1975)</b>				
Square Footage	211,415	211,415	211,415	211,415
Capacity	1,458	1,458	1,458	1,458
Enrollment	1,552	1,550	1,571	1,513

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

**Table 18**  
**Page 1 of 3**

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</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
3,019	3,152	3,183	3,287	3,413	3,465
582,315	582,315	534,213	534,213	534,213	534,213
3,500	3,500	3,131	3,131	3,131	3,131
3,265	3,279	3,244	3,239	3,167	3,003
644,310	634,002	634,002	634,002	634,002	513,957
4,000	4,000	3,973	3,973	3,973	2,973
3,472	3,534	3,539	3,491	3,543	3,523
608,924	608,924	526,461	526,461	526,461	526,461
3,500	3,500	2,903	2,903	2,903	2,903
3,933	3,727	3,462	3,177	2,830	2,399
172,000	172,000	172,000	172,000	172,000	172,000
1,168	1,168	1,168	1,168	1,168	1,168
1,220	1,320	1,341	1,326	1,395	1,287
207,360	207,360	207,360	207,360	207,360	207,360
1,365	1,365	1,365	1,365	1,365	1,365
944	1,215	1,213	1,138	2,036	1,822
172,000	172,000	172,000	172,000	172,000	172,000
1,204	1,204	1,204	1,204	1,204	1,204
1,264	1,026	1,032	1,030	1,103	1,117
192,972	192,972	192,972	192,972	192,972	192,972
1,199	1,199	1,199	1,199	1,199	1,199
1,167	1,123	1,121	1,106	1,077	1,263
186,700	186,700	186,700	186,700	186,700	-
1,250	1,250	1,250	1,250	1,250	-
1,027	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
1,323	1,495	1,520	1,467	1,424	1,371
215,125	215,125	215,125	199,881	199,881	199,881
1,361	1,361	1,361	1,361	1,361	1,361
1,133	1,180	1,159	1,136	1,218	1,143
195,825	195,825	-	-	-	-
1,250	1,250	-	-	-	-
867	-	-	-	-	-
211,615	211,615	211,615	197,500	197,500	197,500
1,458	1,458	1,458	1,341	1,341	1,341
1,471	1,411	1,364	1,396	1,343	1,338

*Continued*

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

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>ELEMENTARY SCHOOLS</b>				
<b>Benfer (1977)</b>				
Square Footage	86,963	86,963	86,963	86,963
Capacity	818	818	818	818
Enrollment	800	707	707	666
<b>Benignus (2006)</b>				
Square Footage	108,750	108,750	108,750	108,750
Capacity	868	868	868	868
Enrollment	947	950	939	895
<b>Bernshausen (2013)</b>				
Square Footage	117,282	117,282	117,282	-
Capacity	850	850	850	-
Enrollment	784	686	675	-
<b>Blackshear (2011)</b>				
Square Footage	116,727	116,727	116,727	116,727
Capacity	940	940	940	940
Enrollment	973	914	906	810
<b>Brill (1978)</b>				
Square Footage	95,238	95,238	95,238	95,238
Capacity	846	846	846	846
Enrollment	772	747	743	749
<b>Ehrhardt (1979)</b>				
Square Footage	88,481	88,481	88,481	88,481
Capacity	810	810	810	810
Enrollment	699	686	681	687
<b>Eiland (1993)</b>				
Square Footage	87,366	87,366	87,366	87,366
Capacity	684	684	684	684
Enrollment	616	564	568	712
<b>Epps Island (1973)</b>				
Square Footage	93,639	93,639	93,639	93,639
Capacity	887	887	887	887
Enrollment	763	806	782	879
<b>Frank (2007)</b>				
Square Footage	108,750	108,750	108,750	108,750
Capacity	844	844	844	844
Enrollment	618	614	875	849
<b>French (2015)</b>				
Square Footage	125,752	-	-	-
Capacity	940	-	-	-
Enrollment	-	-	-	-
<b>Grace England Early Childhood &amp; PreK Center (2012)</b>				
Square Footage	65,500	65,500	65,500	65,500
Capacity	1,000	1,000	1,000	1,000
Enrollment	472	532	503	-
<b>Greenwood Forest (1971)</b>				
Square Footage	75,711	75,711	75,711	75,711
Capacity	667	667	667	667
Enrollment	734	720	688	726
<b>Hassler (1999)</b>				
Square Footage	115,145	115,145	115,145	115,145
Capacity	794	794	794	794
Enrollment	656	708	698	731
<b>Haude (1971)</b>				
Square Footage	75,712	75,712	75,712	75,712
Capacity	747	747	747	747
Enrollment	705	706	701	690
<b>Kaiser (1978)</b>				
Square Footage	109,790	109,790	109,790	109,790
Capacity	892	892	892	892
Enrollment	794	631	789	893

**Table 18**  
**Page 2 of 3**

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
87,263	87,263	87,263	87,263	72,175	71,456
851	851	851	851	675	675
667	679	675	641	656	652
108,750	108,750	108,750	108,750	108,750	108,750
850	850	850	850	850	800
892	900	1,083	1,038	957	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
116,727	-	-	-	-	-
940	-	-	-	-	-
-	-	-	-	-	-
95,272	95,272	95,272	95,272	95,272	95,272
823	823	823	823	823	823
896	892	847	838	717	731
88,515	88,515	88,515	88,515	88,515	88,515
829	829	829	829	829	829
703	691	672	715	702	660
87,400	87,400	87,400	87,400	87,400	79,550
744	744	744	744	744	744
712	671	660	680	695	723
93,876	93,876	93,876	93,876	93,876	92,911
891	891	891	891	891	891
936	889	898	863	854	819
108,750	108,750	108,750	108,750	108,750	-
850	850	850	850	850	-
1,048	1,003	935	816	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
75,711	75,711	75,711	75,711	75,711	75,711
721	721	721	721	721	721
725	687	633	648	686	672
115,179	115,179	115,179	115,179	115,179	107,329
828	828	828	828	828	913
781	800	804	819	1,097	933
75,683	75,683	75,683	75,683	75,683	75,683
701	701	701	701	701	701
713	702	693	707	701	867
109,790	108,875	108,875	108,875	108,875	108,875
961	961	961	961	961	961
948	946	932	936	905	794

*Continued*



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

<b>Building:</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>ELEMENTARY SCHOOLS</b>				
<b>Klenk (1992)</b>				
Square Footage	91,494	91,494	91,494	91,494
Capacity	894	894	894	894
Enrollment	857	791	787	876
<b>Kohrville (2002)</b>				
Square Footage	107,898	107,898	107,898	107,898
Capacity	928	928	928	928
Enrollment	738	770	978	975
<b>Krahn (1983)</b>				
Square Footage	109,116	109,116	109,116	109,116
Capacity	1,085	1,085	1,085	1,085
Enrollment	745	758	775	779
<b>Kreinhop (2004)</b>				
Square Footage	108,293	108,293	108,293	108,293
Capacity	984	984	984	984
Enrollment	891	855	829	942
<b>Kuehnle (1989)</b>				
Square Footage	87,216	87,216	87,216	87,216
Capacity	831	831	831	831
Enrollment	765	697	651	866
<b>Lemm (1980)</b>				
Square Footage	103,056	103,056	103,056	103,056
Capacity	705	705	705	705
Enrollment	605	591	578	721
<b>McDougle (2004)</b>				
Square Footage	108,293	108,293	108,293	108,293
Capacity	796	796	796	796
Enrollment	698	667	629	774
<b>Metzler (2005)</b>				
Square Footage	108,293	108,293	108,293	108,293
Capacity	914	914	914	914
Enrollment	872	860	969	899
<b>Mittelstadt (1991)</b>				
Square Footage	91,494	91,494	91,494	91,494
Capacity	891	891	891	891
Enrollment	854	887	839	749
<b>Mueller (2009)</b>				
Square Footage	115,689	115,689	115,689	115,689
Capacity	935	935	935	935
Enrollment	931	827	720	744
<b>Nitsch (1980)</b>				
Square Footage	93,810	93,810	93,166	93,166
Capacity	802	802	802	802
Enrollment	790	791	737	840
<b>Northampton (1971)</b>				
Square Footage	75,711	75,711	75,711	75,711
Capacity	863	863	863	863
Enrollment	865	815	778	895
<b>Roth (1984)</b>				
Square Footage	98,891	98,891	98,891	98,891
Capacity	852	852	852	852
Enrollment	712	694	699	759
<b>Schultz (1994)</b>				
Square Footage	93,816	93,816	93,816	93,816
Capacity	906	906	906	906
Enrollment	921	877	821	767
<b>Theiss (1974)</b>				
Square Footage	71,277	71,277	71,277	71,277
Capacity	754	754	754	754
Enrollment	637	631	661	643
<b>Zwink (2012)</b>				
Square Footage	125,073	125,073	125,073	125,073
Capacity	940	940	940	940
Enrollment	934	883	830	-

**Table 18**  
**Page 3 of 3**

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
91,528	91,528	91,528	91,528	91,528	83,678
824	824	824	824	824	824
879	890	864	888	881	836
107,898	107,898	107,898	107,898	107,898	107,898
945	945	945	945	945	945
1,055	1,027	1,001	949	1,338	1,172
109,150	109,150	109,150	109,150	109,150	109,150
1,011	1,011	1,011	1,011	1,011	1,011
1,039	1,000	968	948	991	921
108,293	108,293	108,293	108,293	108,293	108,293
959	959	959	959	959	959
937	934	936	994	974	947
87,250	87,250	87,250	87,250	87,250	79,400
793	793	793	793	793	793
803	790	740	706	627	629
103,090	103,090	103,090	103,090	103,090	103,090
843	843	843	843	843	843
709	692	715	763	747	670
108,293	108,293	108,293	108,293	108,293	108,293
959	959	959	959	959	959
825	793	795	755	765	707
108,293	108,293	108,293	108,293	108,293	108,293
929	929	929	929	929	929
878	867	817	779	729	605
91,528	91,528	91,528	91,528	91,528	83,678
824	824	824	824	824	824
680	696	654	671	725	752
115,689	115,689	115,689	-	-	-
900	900	900	-	-	-
686	647	-	-	-	-
93,200	93,200	93,200	93,200	93,200	93,200
833	833	833	833	833	833
843	853	852	844	901	957
75,711	75,711	75,711	75,711	75,711	75,711
731	731	731	731	731	731
895	859	840	845	811	927
98,891	95,580	95,580	95,580	95,580	88,000
852	816	816	816	816	816
768	750	759	688	581	1,000
93,850	93,850	93,850	93,850	93,850	86,000
836	836	836	836	836	836
772	753	1,066	955	822	699
71,311	71,311	71,311	71,311	71,311	71,311
703	703	703	703	703	703
678	686	667	651	662	657
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

## Table 19

Table 19

