

**KLEIN INDEPENDENT SCHOOL DISTRICT  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
AUGUST 31, 2016**

**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, 2016**

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## **Introductory Section**

# Klein Independent School District

## Central Office

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



January 9, 2017

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, 2016.

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.

Weaver and Tidwell, LLP, a firm of licensed certified public accountants, has issued an unmodified opinion based upon the audit of the District’s financial statements for the fiscal year ended August 31, 2016. 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-two elementary schools and serves an average daily attendance of 47,692 students. The ages of the school buildings range from zero to forty-five years. Construction began on Mahaffey Elementary School, during spring 2015 and opened for the 2016-17 school year. Construction began on Klein Cain High School during spring 2015 and is expected to be complete by August 2017. Construction began on intermediate #10 during spring 2016.

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 \$203,517. Some of the larger subdivisions located within the District are Gleannloch Farms, Memorial Northwest, WindRose, Cypresswood, Champion Forest, Auburn Lakes, Inwood North, Bridgestone, Greenwood Forest, Northampton, Northcliff, Willowood, Memorial Chase, Charterwood, Colony Creek, and Memorial Springs. The Northwest and Far Northwest sectors had the greatest residential activity during the fiscal year and the District's demographer estimates that more than 740 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. Employment growth slowed slightly over the last year and is expected to be flat in the Houston area this year. Two years ago, much of the new office space in and near the District was geared to the energy sector adding a high number of potential jobs in Klein ISD. The last two years, however, the expected growth in nearby energy has halted as large energy corporations near Klein ISD began cutting their work forces. In Klein, nonetheless, a significant proportion of the local ExxonMobil employees will continue to relocate slowly from the Greenspoint and Baytown areas, to homes near their new offices. Many of them are choosing Klein ISD as their place of residence. The Market at Springwoods Village and the Grand Parkway Marketplace will be adding 300 or more jobs, thus aiding overall employment stability within the District. The District's external demographer projects approximately 1,270 added

students per year for the coming four school years as a result of new housing, regeneration of older housing with younger families, and local employment trends. 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.

The District's total tax base grew 11.37% to \$15.6 billion in 2015-16. The tax base had increased on average more than 8 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, 47,692, has increased 22 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 1.83 percent during the 2016-17 school year. The level of student growth is expected to average 1.94 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-five schools, the District has reached approximately 83 percent of its permanent classroom facility requirements. The percentage of students at each instructional level is expected to be approximately 46 percent in grade levels PK through 5, 23 percent in grade levels 6 through 8, and 31 percent in grade levels 9 through 12. The long-range estimate of pupil density per square mile is expected to be approximately 715 students or more. The students per square mile are based on an enrollment that would stabilize after a peak in excess of 65,000 students. In May 2015, the District passed a \$498.1 million bond issue as part of a five-year plan that will address growth and facility needs for our students in five general areas: growth, technology, renovations, school buses, and safety and security. To date, the District has sold \$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 \$51,000 and remain competitive to recruit the highest quality staff; increase returning employee wages by approximately 4% to retain highest quality staff; add \$2.2 million to TRS ActiveCare employer contributions, ranging from \$50 to \$1,410 per employee per month; provide resources to fund the school reform project, Good to Great, at Klein Forest High School, Title I campuses within the District and at select non-Title I campuses with high needs; 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 2015-2016 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 2015-16, the highest rating in the state accountability rating system. Additionally, all campuses in Klein ISD received a "Met Standard" rating. 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 2015-16 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, 2015. 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, 2015, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO. We believe our current report will conform to the Certificate of Excellence Program requirements, and is being submitted to the ASBO for review.

In addition, the District was awarded the ASBO Meritorious Budget Award for its 2015-16 adopted budget document. To receive this award, a school district must publish a budget document that substantially conforms to the principles and standards of this organization.


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

  
Bret A. Champion, Ed.D.  
Superintendent

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

  
Tonya Little, CPA, RTSBA  
Controller

  
Audrey Ambridge, RTSBA  
Director of Accounting



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Klein Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2015**

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, 2015.**

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



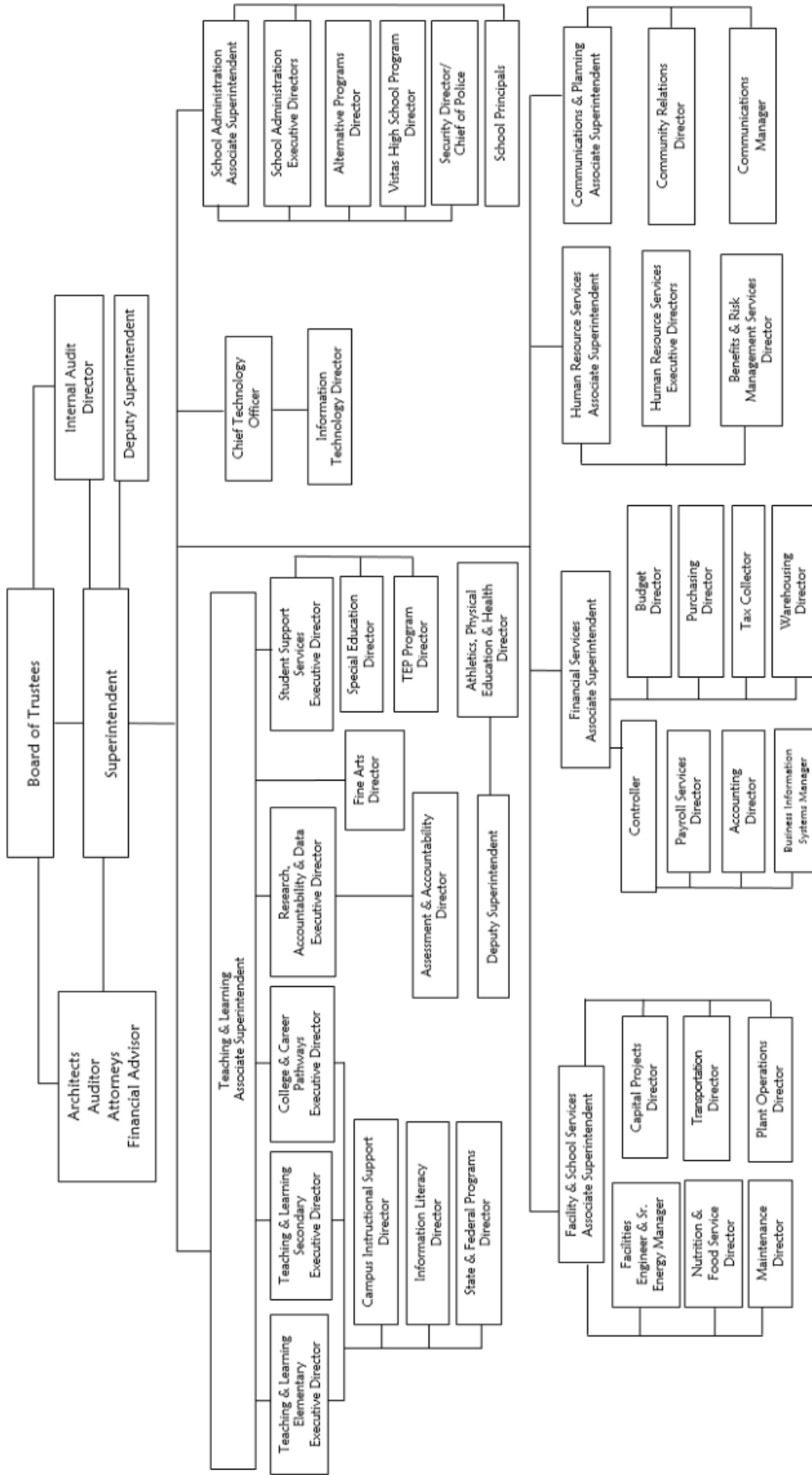
*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director

# KLEIN INDEPENDENT SCHOOL DISTRICT ORGANIZATIONAL CHART



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

**ELECTED OFFICIALS/BOARD OF TRUSTEES**

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

**APPOINTED**

Bret A. Champion, Ed.D.....	Superintendent
Larry Whitehead .....	Deputy Superintendent
Thomas E. Petrek, CPA, RTSBA .....	Associate Superintendent of Financial Services
Jenny McGown.....	Associate Superintendent of Teaching and Learning
Robert Robertson .....	Associate Superintendent of Facility and School Services
Judith Rimato.....	Associate Superintendent of Communications and Planning
Curt Drouillard.....	Associate Superintendent of Human Resource 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
Vacant.....	Executive Director of Curriculum and 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
Vacant.....	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
Vacant.....	Director of Curriculum and Instruction
Brian Marr .....	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

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

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

Matrix Design Companies, Inc.  
6001 Savoy Street, Suite 120  
Houston, Texas 77036

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

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

**AUDITOR**

Weaver and Tidwell, L.L.P.  
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, 2016 at a meeting of the Board of Trustees of such school district on the 9th day of January, 2017.

**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):

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## **Financial Section**

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## INDEPENDENT AUDITOR'S 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Klein Independent School District, as of August 31, 2016, 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.

***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 and Other Information*

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

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

The Introductory and Statistical Sections 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 January 9, 2017 on our consideration of Klein Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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.

Yours truly,

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

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas  
January 9, 2017

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2016**

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, 2016.

**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 \$196,348,229 (*net position*).
- Unrestricted net position of \$87,231,405 may be used to meet the District's ongoing obligations to students and creditors.
- The District's total net position decreased by \$2,317,210.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$254,548,430, a decrease of \$135,228,488 in comparison with the prior year. The decrease in governmental fund balances was primarily due to the increase in expenditures of the capital projects fund for the construction of Klein Cain High School and Mahaffey Elementary School.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$46,078,491 or 11 percent of total general fund expenditures.
- The District's bonded debt, at par, decreased by \$36,715,000 (4 percent) during the current fiscal year.

**Overview of the Financial Statements**

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

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

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

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

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

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

**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

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governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains twenty-six 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-three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and the *National School Breakfast and Lunch Program* special revenue fund.

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

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

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

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

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

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

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$196,348,229 at the close of the most recent fiscal year.

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

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current and Other Assets	\$ 316,884,984	\$ 447,605,842
Capital Assets, net of Accumulated Depreciation	968,575,488	859,912,733
<b>Total Assets</b>	<b>1,285,460,472</b>	<b>1,307,518,575</b>
<b>Total Deferred Outflows of Resources</b>	<b>89,889,952</b>	<b>27,341,142</b>
Other Liabilities	56,590,239	51,909,287
Long-term Liabilities Outstanding	1,102,552,885	1,068,517,652
<b>Total Liabilities</b>	<b>1,159,143,124</b>	<b>1,120,426,939</b>
<b>Total Deferred Inflows of Resources</b>	<b>19,859,070</b>	<b>15,767,338</b>
<b>Net Position:</b>		
Net Investment in Capital Assets	79,488,178	83,664,009
Restricted	30,206,175	27,859,732
Unrestricted	86,653,877	87,141,699
<b>Total Net Position</b>	<b>\$ 196,348,230</b>	<b>\$ 198,665,440</b>

Unrestricted net position of \$86,653,877 represents 44 percent and is the largest portion of the District's net position. Unrestricted net position is available to meet the District's ongoing obligations to students and creditors.

Net investment in capital assets of \$79,488,178 represents 41 percent of the District's total net position. Investment in capital assets (e.g., deferred charges and gains on refundings, land, buildings and improvements, furniture and equipment and construction in progress), less any outstanding related debt used to acquire those assets are used to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position is the smallest portion of the District's net position and consists of debt service and state and federal programs. Net position restricted for debt service of \$22,359,636 and restricted for state and federal programs are \$7,846,539 make up 15 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)**  
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**Governmental activities.** Governmental activities decreased the District's net position by \$2,317,210. Key elements of this decrease are as follows:

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

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
<b>REVENUE</b>		
Program Revenues:		
Charges for Services	\$ 18,851,107	\$ 20,283,773
Operating Grants and Contributions	72,598,700	65,067,570
General Revenues:		
Taxes:		
Property Taxes, Levied for General Purpose	179,128,104	162,012,918
Property Taxes, Levied for Debt Service	63,292,880	54,807,873
Grants and Contributions Not Restricted to Specific Programs	210,649,814	206,980,778
Investment Earnings	1,293,324	951,706
Miscellaneous	2,392,768	1,068,558
<b>Total Revenues</b>	<b>548,206,697</b>	<b>511,173,176</b>
<b>EXPENSES</b>		
Instruction	304,113,383	266,100,967
Instructional Resources and Media Services	5,366,476	5,053,079
Curriculum and Instructional Staff Development	13,238,508	12,142,990
Instructional Leadership	3,863,525	3,488,463
School Leadership	30,545,804	27,312,594
Guidance, Counseling, and Evaluation Services	24,868,239	22,147,773
Social Work Services	437,881	344,491
Health Services	5,484,771	4,831,391
Student Transportation	13,563,441	12,804,878
Food Services	24,183,474	24,108,723
Extracurricular Activities	15,584,454	15,215,849
General Administration	10,759,626	9,119,865
Plant Maintenance and Operations	34,208,250	31,768,702
Security and Monitoring Services	6,230,356	5,953,900
Data Processing Services	11,331,790	9,273,936
Community Services	1,025,017	892,063
Interest on Long-term Debt	38,708,632	36,248,469
Bond Issuance Costs and Fees	1,343,134	2,001,163
Facilities Repair and Maintenance	3,063,663	5,484,843
Payments to Shared Services Arrangements	531,338	446,994
Payments to Juvenile Justice Alternative Education Programs	241,501	273,555
Other Intergovernmental Charges	1,830,644	1,730,065
<b>Total Expenses</b>	<b>550,523,907</b>	<b>496,744,753</b>
Change in Net Position	(2,317,210)	14,428,423
Net Position - Beginning	198,665,440	242,636,125
Prior Period Adjustment - Implement GASB 68 & 71 for Pensions (a)	-	(58,399,108)
Net Position - Beginning, as restated	198,665,440	184,237,017
<b>Net Position - Ending</b>	<b>\$ 196,348,230</b>	<b>\$ 198,665,440</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.

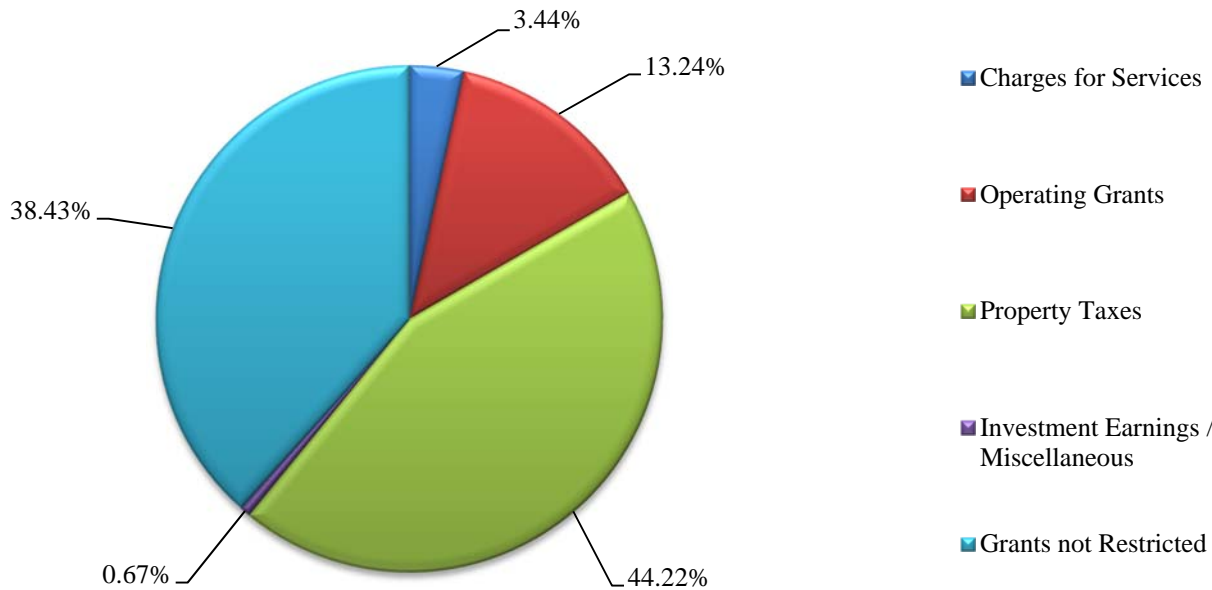
Revenues are generated primarily from two sources (see Figure A-1). Grants and contributions (program and general revenues totaling \$283,248,514) represent 52 percent of total revenues and property taxes (\$242,420,983) represent 44 percent of total revenues. The remaining 4 percent is generated from charges for services, investment earnings, and miscellaneous revenues. The increase in grants and contributions was primarily due to an increase in special revenue funding and state aid for increases in average daily attendance. Property taxes increased primarily due to an increase in property values.



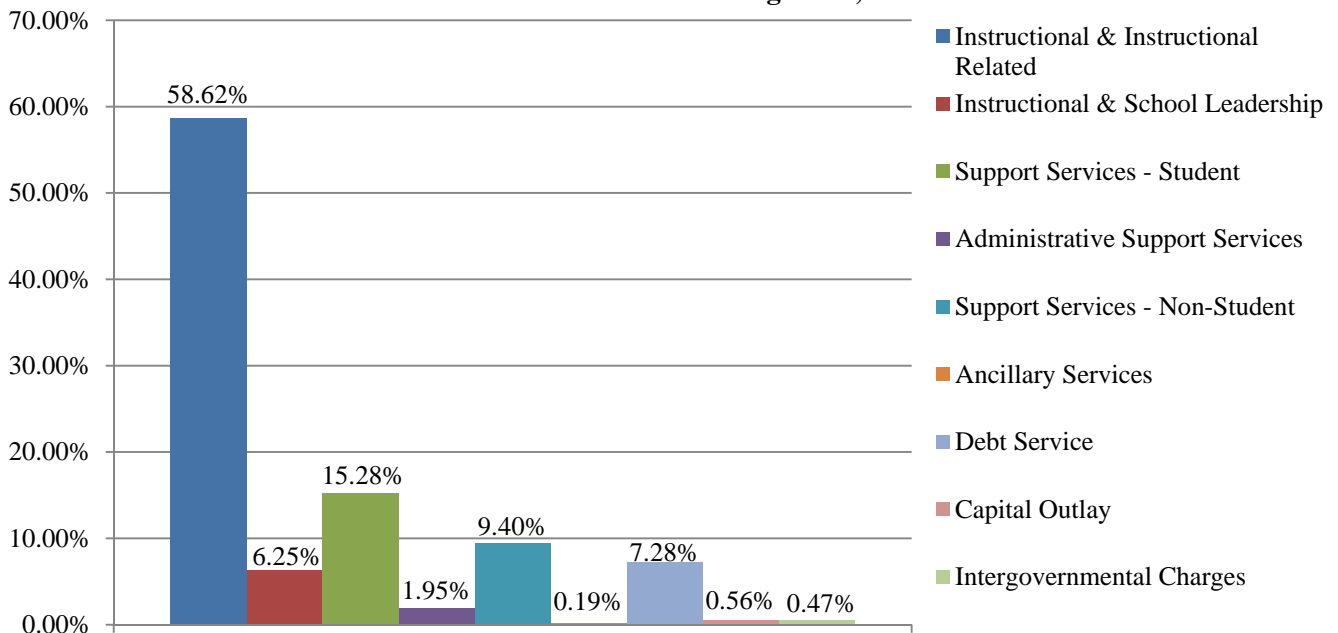
**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
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The primary functional expense (see figure A-2) of the District is instruction (\$304,113,383), which represents 55 percent of total expenses. Interest on long-term debt (\$38,708,632) represents 7 percent of total expenses and plant maintenance and operations (\$34,208,250) 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 opening a Mahaffey Elementary, salary increases and/or staffing changes.

**Figure A-1**  
**Revenues by Source – Governmental Activities**  
**for the Fiscal Year ended August 31, 2016**



**Figure A-2**  
**Expenses by Major Function – Governmental Activities**  
**for the Fiscal Year ended August 31, 2016**



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2016**

**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 \$254,548,430, a decrease of \$135,228,488 in comparison with the prior year. The decrease in governmental fund balances was primarily due to the increase in expenditures of the capital projects fund for the construction of Klein Cain High School and Mahaffey Elementary School. Out of the combined ending fund balances, \$46,078,491 constitutes unassigned fund balances. The remaining \$208,469,939 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 \$46,078,491 while total fund balance reached \$145,883,148. 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 11 percent of total general fund expenditures, while total fund balance represents 36 percent of that same amount. The District's general fund balance increased by \$6,801,203 during the current fiscal year primarily due to an increase in property values and a small increase in state aid funding when compared to the previous year.

The debt service fund has a total fund balance of \$24,069,184, 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, 2016 were \$73,892,041.

The capital projects fund has a total fund balance of \$73,690,363, all of which is reserved for authorized construction and technology projects. The net decrease in fund balance during the current year of \$145,130,576 was primarily due to the increase in expenditures of the capital projects fund for the construction of Klein Cain High School and Mahaffey Elementary School.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2016**

**General Fund Budgetary Highlights**

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

<b>Estimated Revenues and Other Financing Sources</b>		
\$	11,175,541	Net increase in state aid resulted from TEA Hold Harmless payments to offset levy loss on additional \$10,000 homestead exemption; increase in anticipated state aid due to higher realized Weighted Average Daily Attendance; larger than estimated 2015 property values; and state aid earned from 2012 property value reductions.
	2,933,973	Increase in other financing sources from insurance payments for April 2016 storm damages.
	695,723	Increase in TRS On-Behalf due to the addition of 122 new positions during the 2015-16 school year and increase in Medicare Part D expense.
	392,807	Increase in local revenues received for gifts, donations, and insurance recovery.
	250,095	Increase in interest income due to higher than estimated yields.
	238,188	Other miscellaneous revenue increases.
	(3,681,037)	Net decrease in local tax revenues resulting from additional \$10,000 homestead exemption approved by Texas voters in 2015.
\$	<b>12,005,290</b>	<b><i>Total Estimated Revenues and Other Financing Sources Increase</i></b>
<b>Appropriations and Other Financing Uses</b>		
\$	6,655,604	Increase in salary and related fringe benefit appropriations due to the addition of 122 new positions during the 2015-16 school year.
	1,188,211	Increase in general supplies due to carryover technology resources from fiscal year 2015.
	1,002,138	Increase in contracted services primarily for human resources recruitment module, inventory management system, moving and set-up of transportable buildings and miscellaneous professional development.
	695,723	Increase in TRS On-Behalf due to the addition of 122 new positions during the 2015-16 school year and increase in Medicare Part D expense.
	447,236	Increase in employee travel appropriations to fund Professional Learning Communities training and increase in student and staff travel due to extracurricular competition advancements.
	441,828	Increase in capital outlay expenditures utilizing excess payroll budgets to purchase non-recurring items.
	332,905	Increase in substitute budgets due to addition of permanent substitutes and increased utilization for professional development.
	202,057	Other miscellaneous appropriation increases.
	(1,351,752)	Decrease in utility appropriations due to overestimation of recurring energy costs.
\$	<b>9,613,950</b>	<b><i>Total Appropriations and Other Financing Uses Increase</i></b>

The review of the final amended budget versus actual for the general fund reflected that estimated revenues exceeded actual 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 \$1,180,005. Operating expenditures were \$7,221,161 less than final budgeted amounts primarily due to utility costs being less than anticipated.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**AUGUST 31, 2016**

**Capital Assets and Long-term Debt**

**Capital assets.** The District's investment in capital assets for its governmental type activities as of August 31, 2016, amounts to \$968,575,488 (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 12.6 percent.

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

- Construction continued on Klein Cain High School, scheduled to open in August 2017. The current year expenditures were \$85,471,444.
- Construction was completed on Mahaffey Elementary School and was opened in August 2016. The current year expenditures were \$18,213,286.
- The 2016 summer renovations and smaller renovations on numerous existing facilities are nearing completion. The current year expenditures were \$10,772,078.
- Preliminary site work and clearing began on the site of Intermediate #10, scheduled to open in August 2018. The planning and design phases began with the architects and engineers. The current year expenditures were \$3,085,642.
- Land was purchased for future schools as well as improvements made to existing land. The current year expenditures were \$2,863,890.
- Klein High School and Klein Collins High School are undergoing an upgrade and maintenance of existing athletic field lighting. The current year expenditures were \$1,981,041.
- Renovations are nearly completed on the Klein Oak Music Wing. The current year expenditures were \$1,959,614.
- Wunderlich Intermediate is currently being renovated with an expansion to include a 6th grade area and gym. The current year expenditures were \$1,740,100.
- Renovations and repairs are nearly finished for damage to Klein Collins High School from a tornado. The current year expenditures were \$942,452.
- The renovations were completed at Schindewolf Intermediate. The current year expenditures were \$646,339.

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

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Land	\$ 99,305,496	\$ 78,854,874
Buildings and Improvements	739,425,163	717,356,382
Furniture and Equipment	32,713,775	31,605,276
Construction in Progress	97,131,054	32,096,201
<b>Totals</b>	<b>\$ 968,575,488</b>	<b>\$ 859,912,733</b>

**Construction commitments.** The District has active construction projects as of August 31, 2016. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$65,389,758 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, 2016**

**Long-term debt.** At the end of the current fiscal year, the District had total long-term bonded debt outstanding of \$921,585,000 backed by the full faith and credit of the District.

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

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
General Obligation Bonds, par	\$ 921,585,000	\$ 958,300,000

The District's bonded debt decreased by \$36,715,000 (3.83 percent) during the current fiscal year.

The \$137,500,000 Series 2016A bonds sold in April 2016 were all refunding bonds sold with a "AAA" rating and guaranteed through the Texas Permanent School Fund (PSF) Guarantee Program. The \$15,370,000 Series 2016B bonds sold in April 2016 were all refunding bonds not guaranteed through the PSF Guarantee Program because when they were originally sold the PSF Guarantee Program was out of capacity.

The District has sold \$123.2 million of the \$498.1 million bond authorization of 2015 leaving \$374.9 million of authorized but unissued bonds as of August 31, 2016.

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 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. The increase in the District's net pension liability (NPL) to \$108,093,967 at August 31, 2016 from \$51,543,594 at August 31, 2015 was the result of differences between projected and actual investment earnings and changes in the District's contributions and its proportionate share of contributions.

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

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

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Net Pension Liability (NPL)	\$ 108,093,967	\$ 51,543,594
Pension Expense	\$ 32,661,485	\$ 18,138,930

Additional information on the District's net pension liability can be found in Note IV, item C of 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, 2016*

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

- Average daily attendance (ADA) totaled 47,692 students, which is a 2.6 percent increase from the prior year.
- District staff totals 6,825 employees, which primarily consists of 3,361 teachers and 991 teachers' aides and secretaries.
- The District maintains 45 campuses for instruction.
- The unemployment rate for the County is currently 5 percent, which is an increase from a rate of 4.4 percent a year ago. This compares to the State's unemployment rate of 4.7 percent, which is an increase from a rate of 4.1 percent a year ago.
- Property values of the district have increased 11.37 percent over the past year.
- The property tax rate will be increased to \$1.43 per \$100 of assessed value for 2016-17.

All of these factors were considered in preparing the District's budget for the 2016-17 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, 2016**

Exhibit A-1

<u>Data Control Codes</u>	<u>Primary Governmental Activities</u>
<b>ASSETS</b>	
1110 <i>Cash and Cash Equivalents</i>	\$ 219,926,300
1120 <i>Current Investments</i>	1,631,185
1225 <i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i>	9,127,687
1240 <i>Due from Other Governments</i>	17,739,514
1290 <i>Other Receivables</i>	1,406,101
1300 <i>Inventories, at Cost</i>	1,778,360
1410 <i>Prepaid Items</i>	1,339,348
1910 <i>Long-term Investments</i>	63,936,489
Capital Assets, Not Being Depreciated:	
1510 <i>Land</i>	99,305,496
1580 <i>Construction in Progress</i>	97,131,054
Capital Assets, Net of Accumulated Depreciation:	
1520 <i>Buildings and Improvements</i>	739,425,163
1530 <i>Furniture and Equipment</i>	32,713,775
1000 <b>Total Assets</b>	<u>1,285,460,472</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1700 <i>Deferred Outflows of Resources</i>	89,889,952
Total Deferred Outflows of Resources	<u>89,889,952</u>
<b>LIABILITIES</b>	
2110 <i>Accounts Payable</i>	30,858,887
2140 <i>Interest Payable</i>	3,381,372
2160 <i>Accrued Wages Payable</i>	21,401,190
2180 <i>Due to Other Governments</i>	663,802
2190 <i>Due to Student Groups</i>	27,311
2300 <i>Unearned Revenue</i>	257,677
Noncurrent Liabilities:	
2501 <i>Due within One Year</i>	37,563,885
2502 <i>Due in More Than One Year</i>	1,064,989,000
2000 <b>Total Liabilities</b>	<u>1,159,143,124</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2600 <i>Deferred Inflows of Resources</i>	19,859,070
Total Deferred Inflows of Resources	<u>19,859,070</u>
<b>NET POSITION</b>	
3200 <i>Net Investment in Capital Assets</i>	79,488,178
Restricted for:	
3820 <i>Grants</i>	7,846,539
3850 <i>Debt Service</i>	22,359,636
3900 <i>Unrestricted</i>	86,653,877
3000 <b>Total Net Position</b>	<u>\$ 196,348,230</u>

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



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

Exhibit A-2

Data Control Codes	Functions/Programs	Expenses	Program Revenues		Net (Expense)
			Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
	<b>Primary Government:</b>				
	Governmental Activities:				
0011	<i>Instruction</i>	\$ 304,113,383	\$ 544,373	\$ 34,820,451	\$ (268,748,559)
0012	<i>Instructional Resources and Media Services</i>	5,366,476	-	313,978	(5,052,498)
0013	<i>Curriculum and Instructional Staff Development</i>	13,238,508	-	3,013,553	(10,224,955)
0021	<i>Instructional Leadership</i>	3,863,525	-	274,678	(3,588,847)
0023	<i>School Leadership</i>	30,545,804	-	2,541,071	(28,004,733)
0031	<i>Guidance, Counseling and Evaluation Services</i>	24,868,239	2,588	3,335,961	(21,529,690)
0032	<i>Social Work Services</i>	437,881	-	7,787	(430,094)
0033	<i>Health Services</i>	5,484,771	-	474,999	(5,009,772)
0034	<i>Student Transportation</i>	13,563,441	3,000	986,235	(12,574,206)
0035	<i>Food Services</i>	24,183,474	9,681,304	12,953,294	(1,548,876)
0036	<i>Extracurricular Activities</i>	15,584,454	7,748,386	1,039,775	(6,796,293)
0041	<i>General Administration</i>	10,759,626	-	1,863,457	(8,896,169)
0051	<i>Plant Maintenance and Operations</i>	34,208,250	871,436	1,152,871	(32,183,943)
0052	<i>Security and Monitoring Services</i>	6,230,356	-	55,908	(6,174,448)
0053	<i>Data Processing Services</i>	11,331,790	-	346,423	(10,985,367)
0061	<i>Community Services</i>	1,025,017	-	677,666	(347,351)
0072	<i>Interest on Long-term Debt</i>	38,708,632	20	8,704,002	(30,004,610)
0073	<i>Bond Issuance Costs and Fees</i>	1,343,134	-	-	(1,343,134)
0081	<i>Facilities Repair and Maintenance</i>	3,063,663	-	8,642	(3,055,021)
0093	<i>Payments to Shared Services Arrangements</i>	531,338	-	27,949	(503,389)
0095	<i>Payments to Juvenile Justice Alternative Ed. Programs</i>	241,501	-	-	(241,501)
0099	<i>Other Intergovernmental Charges</i>	1,830,644	-	-	(1,830,644)
TG	Total Governmental Activities	<u>550,523,907</u>	<u>18,851,107</u>	<u>72,598,700</u>	<u>(459,074,100)</u>
TP	Total Primary Government	<u>\$ 550,523,907</u>	<u>\$ 18,851,107</u>	<u>\$ 72,598,700</u>	<u>(459,074,100)</u>
	<b>General Revenues:</b>				
MT	<i>Property Taxes, Levied for General Purposes</i>				179,128,104
DT	<i>Property Taxes, Levied for Debt Service</i>				63,292,880
GC	<i>Grants and Contributions Not Restricted to Specific Programs</i>				210,649,814
IE	<i>Investment Earnings</i>				1,293,324
MI	<i>Miscellaneous</i>				2,392,768
TR	Total General Revenues				<u>456,756,890</u>
CN	Change in Net Position				(2,317,210)
NB	Net Position - Beginning				198,665,440
NE	Net Position - Ending				<u>\$ 196,348,230</u>

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AUGUST 31, 2016**

<u>Data Control Codes</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>ASSETS</b>		
1110 <i>Cash and Cash Equivalents</i>	\$ 100,647,612	\$ 13,820,637
1120 <i>Current Investments</i>	1,063,398	567,787
1225 <i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i>	7,455,863	1,671,824
1240 <i>Due from Other Governments</i>	13,964,442	492,367
1260 <i>Due from Other Funds</i>	6,232,060	33,645
1290 <i>Other Receivables</i>	315,445	-
1300 <i>Inventories, at Cost</i>	1,200,440	-
1410 <i>Prepaid Items</i>	583,346	-
1910 <i>Long-term Investments</i>	54,198,195	9,738,294
1000 <b>Total Assets</b>	<b>\$ 185,660,801</b>	<b>\$ 26,324,554</b>
<b>LIABILITIES</b>		
2110 <i>Accounts Payable</i>	\$ 9,498,897	\$ 41,521
2160 <i>Accrued Wages Payable</i>	20,016,063	-
2170 <i>Due to Other Funds</i>	2,488,628	-
2180 <i>Due to Other Governments</i>	121,777	542,025
2190 <i>Due to Student Groups</i>	27,311	-
2300 <i>Unearned Revenue</i>	169,114	-
2000 <b>Total Liabilities</b>	<b>32,321,790</b>	<b>583,546</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
2600 <i>Unavailable Revenue-Property Taxes</i>	7,455,863	1,671,824
<b>Total Deferred Inflows of Resources</b>	<b>7,455,863</b>	<b>1,671,824</b>
<b>FUND BALANCES</b>		
Nonspendable:		
3410 <i>Inventories</i>	1,200,440	-
3430 <i>Prepaid Items</i>	583,346	-
Restricted For:		
3450 <i>Federal and State Grants</i>	3,075,533	-
3470 <i>Land Acquisitions and Construction Projects</i>	-	-
3480 <i>Retirement of Long-term Debt</i>	-	24,069,184
Committed To:		
3545 <i>Other</i>	14,045,900	-
Assigned To:		
3550 <i>Construction</i>	400,000	-
3570 <i>Capital Expenditures for Equipment</i>	675,000	-
3580 <i>Self-Insurance</i>	3,000,000	-
3590 <i>Other</i>	76,824,438	-
3600 <b>Unassigned:</b>	<b>46,078,491</b>	<b>-</b>
3000 <b>Total Fund Balances</b>	<b>145,883,148</b>	<b>24,069,184</b>
4000 <b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 185,660,801</b>	<b>\$ 26,324,554</b>

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

<u>Capital Projects Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 97,023,590	\$ 8,434,461	\$ 219,926,300
-	-	1,631,185
-	-	9,127,687
-	3,282,705	17,739,514
-	2,454,983	8,720,688
1,035,743	54,913	1,406,101
-	577,920	1,778,360
-	756,002	1,339,348
-	-	63,936,489
<u>\$ 98,059,333</u>	<u>\$ 15,560,984</u>	<u>\$ 325,605,672</u>
\$ 19,893,852	\$ 1,424,617	\$ 30,858,887
1,283	1,383,844	21,401,190
4,473,835	1,758,225	8,720,688
-	-	663,802
-	-	27,311
-	88,563	257,677
<u>24,368,970</u>	<u>4,655,249</u>	<u>61,929,555</u>
<u>-</u>	<u>-</u>	<u>9,127,687</u>
<u>-</u>	<u>-</u>	<u>9,127,687</u>
-	391	1,200,831
-	756,002	1,339,348
-	4,771,006	7,846,539
73,690,363	-	73,690,363
-	-	24,069,184
-	5,378,336	19,424,236
-	-	400,000
-	-	675,000
-	-	3,000,000
-	-	76,824,438
-	-	46,078,491
<u>73,690,363</u>	<u>10,905,735</u>	<u>254,548,430</u>
<u>\$ 98,059,333</u>	<u>\$ 15,560,984</u>	<u>\$ 325,605,672</u>

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**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2016**

**Exhibit B-1R**

**Total Fund Balances - Governmental Funds (Exhibit B-1)** \$ 254,548,430

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	\$ 1,216,766,703	
Accumulated Depreciation of Governmental Capital Assets	<u>(248,191,215)</u>	968,575,488

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.		9,127,687
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Long-term liabilities, including bonds payable, compensated absences, workers' compensation, 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	\$ (921,585,000)	
Premiums on Bonds Payable	(65,505,365)	
Deferred Charge on Refunding Adjustment	24,312,692	
Accrued Interest on Bonds	(3,381,372)	
Workers' Compensation	(1,749,903)	
Compensated Absences	(5,618,650)	
Net Pension Liability	<u>(108,093,967)</u>	(1,081,621,565)

Deferred outflows for pension represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.		65,577,260
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Deferred inflows for pension represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.		<u>(19,859,070)</u>
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**Total Net Position - Governmental Activities (Exhibit A-1)** \$ 196,348,230

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

<u>Data Control Codes</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
<b>REVENUES</b>		
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ 182,679,131	\$ 64,499,659
5800 <i>State Programs</i>	224,146,291	7,034,639
5900 <i>Federal Programs</i>	5,331,555	1,669,363
5020 <b>Total Revenues</b>	<u>412,156,977</u>	<u>73,203,661</u>
<b>EXPENDITURES</b>		
Current:		
0011 <i>Instruction</i>	252,934,669	-
0012 <i>Instructional Resources and Media Services</i>	4,880,086	-
0013 <i>Curriculum and Instructional Staff Development</i>	10,190,720	-
0021 <i>Instructional Leadership</i>	3,604,014	-
0023 <i>School Leadership</i>	27,749,992	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	21,523,475	-
0032 <i>Social Work Services</i>	430,821	-
0033 <i>Health Services</i>	4,899,676	-
0034 <i>Student Transportation</i>	11,459,456	-
0035 <i>Food Services</i>	-	-
0036 <i>Extracurricular Activities</i>	7,975,896	-
0041 <i>General Administration</i>	9,487,156	-
0051 <i>Plant Maintenance and Operations</i>	32,502,057	-
0052 <i>Security and Monitoring Services</i>	5,586,509	-
0053 <i>Data Processing Services</i>	8,558,218	-
0061 <i>Community Services</i>	361,996	-
Debt Service:		
0071 <i>Principal on Long-term Debt</i>	-	31,955,000
0072 <i>Interest on Long-term Debt</i>	-	40,610,877
0073 <i>Bond Issuance Costs and Fees</i>	16,970	1,326,164
Capital Outlay:		
0081 <i>Facilities Acquisition and Construction</i>	433,641	-
Intergovernmental:		
0093 <i>Payments to Shared Services Arrangements</i>	503,389	-
0095 <i>Payments to Juvenile Justice Alternative Education Programs</i>	241,501	-
0099 <i>Other Intergovernmental Charges</i>	1,830,644	-
6030 <b>Total Expenditures</b>	<u>405,170,886</u>	<u>73,892,041</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>6,986,091</u>	<u>(688,380)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
7901 <i>Issuance of Refunding Bonds</i>	-	152,870,000
7912 <i>Sale of Real and Personal Property</i>	153,079	-
7915 <i>Transfers In</i>	-	-
7916 <i>Premium from Issuance of Bonds</i>	-	19,984,986
8911 <i>Transfers Out</i>	(68,750)	-
8913 <i>Loss from Tornado</i>	(269,217)	-
8949 <i>Payment to Refunded Bond Escrow Agent</i>	-	(171,482,842)
7080 <b>Total Other Financing Sources (Uses)</b>	<u>(184,888)</u>	<u>1,372,144</u>
1200 <b>Net Change in Fund Balances</b>	6,801,203	683,764
0100 <b>Fund Balances - Beginning</b>	139,081,945	23,385,420
3000 <b>Fund Balances - Ending</b>	<u>\$ 145,883,148</u>	<u>\$ 24,069,184</u>

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

<u>Capital Projects Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,224,844	\$ 17,115,371	\$ 266,519,005
-	5,382,551	236,563,481
794,564	28,676,772	36,472,254
<u>3,019,408</u>	<u>51,174,694</u>	<u>539,554,740</u>
13,110,203	12,847,218	278,892,090
54,088	216,153	5,150,327
32,629	2,895,459	13,118,808
23,464	134,278	3,761,756
-	112,445	27,862,437
-	2,004,861	23,528,336
-	4,686	435,507
-	132,393	5,032,069
2,800,584	39,397	14,299,437
-	23,023,338	23,023,338
-	6,417,574	14,393,470
-	23,850	9,511,006
-	266,623	32,768,680
365,708	1,226	5,953,443
1,807,557	-	10,365,775
-	678,873	1,040,869
-	-	31,955,000
-	-	40,610,877
-	-	1,343,134
129,955,751	-	130,389,392
-	27,949	531,338
-	-	241,501
-	-	1,830,644
<u>148,149,984</u>	<u>48,826,323</u>	<u>676,039,234</u>
(145,130,576)	2,348,371	(136,484,494)
-	-	152,870,000
-	-	153,079
-	68,750	68,750
-	-	19,984,986
-	-	(68,750)
-	-	(269,217)
-	-	(171,482,842)
<u>-</u>	<u>68,750</u>	<u>1,256,006</u>
(145,130,576)	2,417,121	(135,228,488)
218,820,939	8,488,614	389,776,918
<u>\$ 73,690,363</u>	<u>\$ 10,905,735</u>	<u>\$ 254,548,430</u>

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**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, 2016**

Exhibit B-2R

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ (135,228,488)

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>	\$ 132,624,844	
Depreciation Expense	<u>(23,704,048)</u>	108,920,796

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (258,041)

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. (366,433)

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	\$ (152,870,000)	
(Premium) Discount	<u>(19,984,986)</u>	(172,854,986)

Payment to the escrow agent to refund bonds from refunding proceeds reduces long-term liabilities. 171,482,842

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 31,955,000

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

Accrued Interest on Current Interest Bonds Payable	\$ 193,111	
Amortization of Bond Premium	3,106,527	
Amortization of Deferred Charge on Refunding	<u>(1,397,393)</u>	1,902,245

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. 260,934

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. 137,900

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)	\$ 52,373,126	
Deferred Inflows (increased) decreased	(4,091,732)	
Net Pension Liability (increased) decreased	<u>(56,550,373)</u>	<u>(8,268,979)</u>

**Change in Net Position for Governmental Activities (Exhibit A-2)** \$ (2,317,210)

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

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**AUGUST 31, 2016**

Exhibit C-1

<b>Data Control Codes</b>		<b><u>Agency Fund</u></b>
	<b>ASSETS</b>	
1110	<i>Cash and Cash Equivalents</i>	\$ 1,777,256
1000	<b>Total Assets</b>	<b>\$ <u>1,777,256</u></b>
	<b>LIABILITIES</b>	
2190	<i>Due to Student Groups</i>	\$ 1,777,256
2000	<b>Total Liabilities</b>	<b>\$ <u>1,777,256</u></b>

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

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2016

### I. Summary of Significant Accounting Policies

#### A. Reporting Entity

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

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

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

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

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

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues 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

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2016

fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

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

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

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

Additionally, the District reports the following fund type:

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

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

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

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

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

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, 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, except for certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations, and are reported at amortized costs or net asset value.

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

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

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

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2016

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 acquisition value at the date of donation.

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

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

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

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

Land and construction in progress are not depreciated.

### 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

# KLEIN INDEPENDENT SCHOOL DISTRICT

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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, 2016.

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, 2016. 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, 2016.

### 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.

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:

	<u>Statement of Net Position</u>	<u>Balance Sheet - Governmental Funds</u>	
	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Debt Service Fund</u>
Deferred Outflows of Resources:			
Deferred Outflows from Pension Activities	\$ 65,577,260	\$ -	\$ -
Deferred Charge on Refunding	24,312,692	-	-
<b>Total Deferred Outflows of Resources</b>	<b>\$ 89,889,952</b>	<b>\$ -</b>	<b>\$ -</b>
Deferred Inflows of Resources:			
Deferred Inflows from Pension Activities	\$ 19,859,070	\$ -	\$ -
Unavailable Property Taxes	-	7,455,863	1,671,824
<b>Total Deferred Inflows of Resources</b>	<b>\$ 19,859,070</b>	<b>\$ 7,455,863</b>	<b>\$ 1,671,824</b>

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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.
- District contributions after the measurement date are recognized in the subsequent year.

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

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

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

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

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

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

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

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

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### **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 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



# KLEIN INDEPENDENT SCHOOL DISTRICT

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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, 2016, significant encumbrances included in governmental fund balances are as follows:

	<b>Encumbrances Included in:</b>	
	<b>Restricted Fund Balance</b>	<b>Assigned Fund Balance</b>
General Fund	\$ -	\$ 1,475,204
National School Breakfast and Lunch Program	53,245	-
State Textbook Fund	180,000	-
Capital Projects Fund	3,158,078	-
<b>Total Encumbrances</b>	<b>\$ 3,391,323</b>	<b>\$ 1,475,204</b>

### III. Detailed Notes on All Funds

#### A. Deposits and Investments

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

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

For fiscal year 2016, the District invested in U.S. Treasuries and Government Agency securities, municipal securities, the TexPool Local Government Investment Pool, the Texas Association of School Board's Lone Star Investment Pool, and Texas CLASS Investment Pool. The District had investments in 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

## **KLEIN INDEPENDENT SCHOOL DISTRICT**

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

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agreements, and SEC-regulated no-load money market mutual funds that invest exclusively in the obligations described above. Texas Class is organized under the Sixth Amended Act. Texas CLASS is administered by Public Trust Advisors, LLC and all funds are held by the custodial agent, Wells Fargo N.A. Texas CLASS may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1, or equivalent by two nationally recognized rating agencies.

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

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

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

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The District, including fiduciary funds, has recurring fair value measurements as presented in the table below. The pools are reported as a cash equivalents in the financial statements. The District's investment balances and weighted average maturity of such investments (excluding the Non-TRS Pension Trust Fund) are as follows:

	Fair Value Measurements Using						Weighted Average Maturity (Days)	Credit Risk
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments				
August 31, 2016	(Level 1)	(Level 2)	(Level 3)	Investments				
<b>Investments Measured at Amortized Cost</b>								
<b>Investment Pools:</b>								
Texpool	\$ 91,442,223	\$ -	\$ -	\$ -	34%	42	AAAm	
Lone Star	104,234,331	-	-	-	38%	23	AAA	
<b>Investments Measured at Net Asset Value (NAV), fair value</b>								
Texas CLASS	10,013,977	-	-	-	4%	47	AAAm	
<b>Investments Subject to Fair Value</b>								
Money Market Funds (RBC & Public Trust Advisors)	791,048	791,048	-	-	0%	1	AAAm	
Municipal Securities	25,798,059	-	25,798,059	-	10%	637	Aa1 to AA+	
U.S. Treasuries	22,402,060	4,005,481	18,396,578	-	8%	681	AA+	
U.S. Government Agencies:								
Federal Farm Credit Banks	3,302,421	-	3,302,421	-	1%	709	AA+	
Federal Home Loan Mortgage Corporation	8,693,931	-	8,693,931	-	3%	682	AA+	
Federal National Mortgage Association	8,173	-	8,173	-	0%	617	AA+	
Federal Home Loan Bank	4,571,982	-	4,571,982	-	2%	703	AA+	
<b>Total Investments</b>	<b>\$ 271,258,205</b>	<b>\$ 4,796,529</b>	<b>\$ 60,771,144</b>	<b>\$ -</b>	<b>100%</b>			
Cash and Checking Accounts	16,013,025							
<b>Total District Cash &amp; Cash Equivalents and Current &amp; Long-term Investments, including Fiduciary Fund</b>	<b>\$ 287,271,230</b>							

Investment Portfolio Weighted Average Maturity

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

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

*Municipal Securities, U.S. Treasuries and U.S. Government Agency Securities* classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

The Texas CLASS investment pool is an external investment pool measured at net asset value. Texas CLASS's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. The

# KLEIN INDEPENDENT SCHOOL DISTRICT

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investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity.

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 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. The District's ratings and credit risks are reported in the table above.

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

Certain investments are reported by the District at fair value. The amount of increase in the fair value of these investments during the year ended August 31, 2016, is included in investment earnings as follows:

Investment Earnings	\$ 1,222,909
Net Increase in Fair Value of Investments	70,415
<b>Total Investment Earnings</b>	<b><u>\$ 1,293,324</u></b>

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
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**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	\$ 8,085,607	\$ 2,472,604	\$ -	\$ -	\$ 10,558,211
Due From Other Governments:					
Federal	10,760,164	-	-	3,256,705	14,016,869
State	3,204,278	492,367	-	26,000	3,722,645
Miscellaneous	315,445	-	1,035,743	54,913	1,406,101
Gross Receivables	<u>22,365,494</u>	<u>2,964,971</u>	<u>1,035,743</u>	<u>3,337,618</u>	<u>29,703,826</u>
Less: Allowance for Uncollectibles	(629,744)	(800,780)	-	-	(1,430,524)
<b>Net Total Receivables</b>	<b><u>\$ 21,735,750</u></b>	<b><u>\$ 2,164,191</u></b>	<b><u>\$ 1,035,743</u></b>	<b><u>\$ 3,337,618</u></b>	<b><u>\$ 28,273,302</u></b>

Sixty-five 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)	\$ 45,129
Escrow Local Taxes (General Fund)	27,498
Facility Rentals (General Fund)	28,942
Tuition (General Fund)	18,425
Miscellaneous Revenue (General Fund)	49,120
Grant Funds Received Prior to Meeting all Eligibility Requirements (Special Revenue Funds)	88,563
<b>Total Unearned Revenue For Governmental Funds</b>	<b><u>\$ 257,677</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**C. Capital Assets**

Capital asset activity for the year ended August 31, 2016 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	\$ 78,854,874	\$ 20,450,622	\$ -	\$ 99,305,496
Construction in Progress	32,096,201	70,947,349	(5,912,496)	97,131,054
<b>Total Capital Assets, not being Depreciated</b>	<b><u>110,951,075</u></b>	<b><u>91,397,971</u></b>	<b><u>(5,912,496)</u></b>	<b><u>196,436,550</u></b>
<b>Capital Assets, being Depreciated:</b>				
Buildings and Improvements	910,233,609	34,702,653	5,912,496	950,848,758
Furniture and Equipment	66,107,071	6,524,220	(3,149,896)	69,481,395
<b>Total Capital Assets, being Depreciated</b>	<b><u>976,340,680</u></b>	<b><u>41,226,873</u></b>	<b><u>2,762,600</u></b>	<b><u>1,020,330,153</u></b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	(192,877,227)	(18,546,368)	-	(211,423,595)
Furniture and Equipment	(34,501,795)	(5,157,680)	2,891,855	(36,767,620)
<b>Total Accumulated Depreciation</b>	<b><u>(227,379,022)</u></b>	<b><u>(23,704,048)</u></b>	<b><u>2,891,855</u></b>	<b><u>(248,191,215)</u></b>
<b>Total Capital Assets, being Depreciated, net</b>	<b><u>748,961,658</u></b>	<b><u>17,522,825</u></b>	<b><u>5,654,455</u></b>	<b><u>772,138,938</u></b>
<b>Governmental Activities Capital Assets, net</b>	<b><u>\$ 859,912,733</u></b>	<b><u>\$ 108,920,796</u></b>	<b><u>\$ (258,041)</u></b>	<b><u>\$ 968,575,488</u></b>

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

<b>Governmental Activities:</b>	
11 Instruction	\$ 13,930,146
12 Instructional Resources and Media Services	263,967
13 Curriculum and Instructional Staff Development	251,149
21 Instructional Leadership	53,889
23 School Leadership	1,324,001
31 Guidance, Counseling, and Evaluation Services	703,258
33 Health Services	255,769
34 Student Transportation	1,398,817
35 Food Services	1,562,014
36 Extracurricular Activities	518,637
41 General Administration	55,199
51 Plant Maintenance and Operations	1,583,591
52 Security and Monitoring Services	416,185
53 Data Processing Services	1,382,421
61 Community Services	5,385
<b>Total Depreciation Expense</b>	<b><u>\$ 23,704,428</u></b>

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*NOTES TO THE FINANCIAL STATEMENTS*

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**Construction Commitments**

The District has active construction projects as of August 31, 2016. 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>Remaining Commitment</u>
2016 Facility Renovations - MEP Projects	\$ 991,172
2016 Facility Renovations - Roofing	673,679
Intermediate #10	1,248,443
Klein High School and Klein Collins High School Baseball Field Lighting	1,469,079
Klein Cain High School	55,365,437
Klein Oak Music Wing	8,528
Mahaffey Elementary	393,350
Wunderlich Intermediate Renovations	5,092,807
Various Commitments	147,263
<b>Totals</b>	<b>\$ 65,389,758</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, 2016, is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Governmental Funds:</b>		
General Fund	\$ 6,232,060	\$ 2,488,628
Debt Service Fund	33,645	-
Capital Projects Fund	-	4,473,835
Nonmajor Governmental Funds	2,454,983	1,758,225
<b>Totals</b>	<b>\$ 8,720,688</b>	<b>\$ 8,720,688</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, 2016:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Other Governmental Funds - Nonmajor	\$ 68,750
<b>Total</b>		<b>\$ 68,750</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.

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**Changes in Long-term Liabilities**

Long-term liability activity for the year ended August 31, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 958,300,000	\$ 152,870,000	\$ (189,585,000)	\$ 921,585,000	\$ 35,790,000
Deferred Amounts:					
For Issuance Premiums	50,906,671	19,984,986	(5,386,292)	65,505,365	-
<b>Total Bonds Payable, net</b>	<b>1,009,206,671</b>	<b>172,854,986</b>	<b>(194,971,292)</b>	<b>987,090,365</b>	<b>35,790,000</b>
Compensated Absences*	5,879,584	(56,977)	(203,957)	5,618,650	23,982
Workers' Compensation	1,887,803	491,292	(629,192)	1,749,903	1,749,903
Net Pension Liability	51,543,594	73,637,518	(17,087,145)	108,093,967	-
<b>Total Long-term Liabilities</b>	<b>\$ 1,068,517,652</b>	<b>\$ 246,926,819</b>	<b>\$ (212,891,586)</b>	<b>\$ 1,102,552,885</b>	<b>\$ 37,563,885</b>

\*Additions includes a reduction of the provision

**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, and serial bonds with various amounts of principal maturing each year.

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

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
2005	3.50-5.50%	\$ 58,000,000	2031	\$ 17,200,000	\$ -	\$ (17,200,000)	\$ -
2007	3.50-5.50%	45,000,000	2032	16,775,000	-	(16,775,000)	-
2008	4.00-5.00%	32,000,000	2033	14,175,000	-	(13,350,000)	825,000
2008A	3.25-5.05%	184,905,000	2038	134,765,000	-	(99,425,000)	35,340,000
2009A	2.00-5.00%	17,125,000	2019	10,950,000	-	(2,195,000)	8,755,000
2009B	2.25-5.03%	45,000,000	2039	30,660,000	-	(18,735,000)	11,925,000
2010A	2.50-5.00%	38,135,000	2023	26,285,000	-	(2,910,000)	23,375,000
2010B	4.982-5.96%	88,865,000	2040	88,865,000	-	-	88,865,000
2010	2.00-5.00%	28,445,000	2023	27,460,000	-	(3,595,000)	23,865,000
2011	3.00-5.00%	83,900,000	2041	78,515,000	-	(1,615,000)	76,900,000
2012A	2.00-5.00%	51,115,000	2042	48,030,000	-	(1,070,000)	46,960,000
2012B	2.00-4.00%	18,390,000	2023	13,230,000	-	-	13,230,000
2013A	1.50-5.00%	79,305,000	2043	76,320,000	-	(1,960,000)	74,360,000
2013B	4.00-5.00%	27,480,000	2027	27,480,000	-	-	27,480,000
2014	3.00-4.00%	44,000,000	2044	42,990,000	-	(1,395,000)	41,595,000
2015	2.70-4.00%	80,000,000	2045	80,000,000	-	(1,150,000)	78,850,000
2015A	3.00-5.00%	224,600,000	2045	224,600,000	-	(6,085,000)	218,515,000
2016A	2.00-5.00%	137,500,000	2038	-	137,500,000	-	137,500,000
2016B	3.00-5.00%	15,370,000	2031	-	15,370,000	(2,125,000)	13,245,000
<b>Totals</b>				<b>\$ 958,300,000</b>	<b>\$ 152,870,000</b>	<b>\$ (189,585,000)</b>	<b>\$ 921,585,000</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 2016 was reduced by 6.8 percent.



# KLEIN INDEPENDENT SCHOOL DISTRICT

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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, 2016, the District had \$374,866,112 in authorized but unissued bonds remaining from the 2015 bond election.

In May 2016, the District issued \$152,870,000 of unlimited tax refunding bonds. The proceeds of the refunding bonds were used to legally defease \$157,630,000 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 \$183,099,601. 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 \$26,527,071 and an economic gain of \$19,762,570.

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

At August 31, 2016, the following outstanding bonds are considered defeased:

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
2008	General Obligation Bonds (maturing 2026-2033, callable August 1, 2017)		12,575,000
2008A	General Obligation Bonds (maturing 2019-2038, callable August 1, 2018)		94,430,000
2009B	General Obligation Bonds (maturing 2020-2034, callable August 1, 2019)		17,975,000
<b>Total</b>		<b>\$</b>	<b><u>159,690,000</u></b>

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
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Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending August 31</u>	<u>Principal Value</u>	<u>Interest</u>	<u>Total Requirements</u>
2017	\$ 35,790,000	\$ 40,636,148	\$ 76,426,148
2018	35,135,000	39,161,486	74,296,486
2019	34,480,000	37,555,111	72,035,111
2020	33,255,000	35,954,442	69,209,442
2021	36,405,000	34,561,755	70,966,755
2022	34,570,000	32,880,817	67,450,817
2023	32,715,000	31,239,017	63,954,017
2024	29,500,000	29,851,717	59,351,717
2025	30,985,000	28,479,070	59,464,070
2026	32,540,000	27,042,501	59,582,501
2027	34,000,000	25,531,621	59,531,621
2028	35,200,000	24,065,158	59,265,158
2029	36,495,000	22,622,575	59,117,575
2030	38,295,000	20,925,818	59,220,818
2031	40,130,000	19,171,666	59,301,666
2032	38,125,000	17,432,133	55,557,133
2033	33,240,000	15,821,567	49,061,567
2034	32,695,000	14,330,529	47,025,529
2035	34,120,000	12,856,923	46,976,923
2036	35,600,000	11,313,820	46,913,820
2037	37,155,000	9,702,333	46,857,333
2038	38,775,000	8,015,937	46,790,937
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>921,585,000</u></b>	<b>\$ <u>559,283,209</u></b>	<b>\$ <u>1,480,868,209</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, 2016, the legal debt margin was \$593,711,011.

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**  
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**F. Fund Balance**

Other committed fund balance includes the following commitments of funds:

**General Fund:**

Future Budget Deficits \$ 14,045,900

**Nonmajor and Other Funds:**

Earned but unspent funds in special local programs including campus activity 5,378,336

**Total Other Committed Fund Balance** \$ **19,424,236**

Other assigned fund balance includes the following assignments of funds:

**General Fund:**

Coca-Cola Funds \$ 4,231,712

Outstanding Encumbrances 1,475,204

Long-term Investments 50,748,874

Compensated Absences 5,618,648

Operating Costs of Future School Openings 10,750,000

Land Purchases for Future School Sites 4,000,000

**Total Other Assigned Fund Balance** \$ **76,824,438**

**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	\$ 177,524,788	\$ 63,387,018	\$ -	\$ -	\$ 240,911,806
Penalties, Interest & Other Tax- Related Income	1,472,460	403,151	-	-	1,875,611
Charges for Services	2,125,033	20	111,471	16,614,583	18,851,107
Investment Earnings	571,411	709,470	2,100	10,343	1,293,324
Other	985,439	-	2,111,273	490,445	3,587,157
<b>Total</b>	<b>\$ 182,679,131</b>	<b>\$ 64,499,659</b>	<b>\$ 2,224,844</b>	<b>\$ 17,115,371</b>	<b>\$ 266,519,005</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 automobile and school liability coverage. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and will provide, through commercial companies, reinsurance contracts.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2016

### 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:

	<u>Year Ended</u> <u>8/31/2016</u>	<u>Year Ended</u> <u>8/31/2015</u>
<b>Unpaid Claims, Beginning of Fiscal Year</b>	\$ 1,887,803	\$ 2,155,864
Incurred Claims (including IBNRs)	491,292	623,132
Claim Payments	(629,192)	(891,193)
<b>Unpaid Claims, End of Fiscal Year</b>	<b>\$ <u>1,749,903</u></b>	<b>\$ <u>1,887,803</u></b>

### **B. Contingent Liabilities**

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

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2016, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

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

#### Plan Description

The Klein Independent School District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas

# KLEIN INDEPENDENT SCHOOL DISTRICT

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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.tris.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 service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (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.

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. The 84<sup>th</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan fiscal years 2016 and 2017. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for Plan fiscal years 2015 and 2016.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Member	7.2%	6.7%	6.4%
Non-Employer Contributing Entity (State)	6.8%	6.8%	6.8%
Employers/District	6.8%	6.8%	6.8%

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
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The contribution amounts for the District’s fiscal year 2016 are as follows:

District Contributions	\$ 9,721,927
Member Contributions	\$ 22,583,094
NECE On-behalf Contributions (State)	\$ 15,257,975

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

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

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

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

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

**Actuarial Assumptions**

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term Expected Investment Rate of Return	8.00%
Inflation	2.50%
Salary Increases Including Inflation	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit Changes During the Year	None
Ad Hoc Post-Employment Benefit Changes	None

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
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The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

**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.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2015 are summarized below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>	<b>Expected Contributions to Long-Term Portfolio Returns*</b>
<b>Global Equity</b>			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Hedge Funds (Stable Value)	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation-Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation	-	-	2.2%
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.

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

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### Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of net pension liability for TRS calculated using the discount rate of 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:

	<u>1% Decrease</u> <u>(7.00%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(8.00%)</u>	<u>1% Increase</u> <u>(9.00%)</u>
TRS	\$ 169,362,873	\$ 108,093,967	\$ 57,060,777

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

At August 31, 2016, the District reported a liability of \$108,093,967 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	\$ 108,093,967
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>171,194,816</u>
<b>Total</b>	<b><u>\$ 279,288,783</u></b>

The net pension liability was measured as of August 31, 2015 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, 2014 through August 31, 2015.

At August 31, 2015, the employer's proportion of the net pension liability was .30579369% which was an increase of .1128287% from its proportion measured at August 31, 2014. The change in the employer proportion of the net pension liability was primarily due to proportionality adjustments for contributions.

### Changes Since the Prior Actuarial Valuation

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

#### **Economic Assumptions**

- The inflation assumption was decreased from 3.00% to 2.50%.
- The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
- In accordance with the observed experience, there were small adjustments in the service-based promotional/longevity component of the salary scale.
- The payroll growth assumption was lowered from 3.50% to 2.50%.

#### **Mortality Assumptions**

- The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
- The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.



**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Other Demographic Assumptions**

- Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities, and therefore these 10% are no longer being counted as active members.
- There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
- Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
- Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
- For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

**Actuarial Methods and Policies**

- The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.

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

For the year ended August 31, 2016, the District recognized pension expense of \$32,661,485 and revenue of \$24,392,506 for support provided by the state.

At August 31, 2016, 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	\$ 662,954	\$ 4,154,148
Changes of Assumptions	2,784,892	3,856,319
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	26,621,137	11,815,371
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions (Cost-Sharing Plan)	25,786,350	33,232
District Contribution after Measurement Date	9,721,927	-
<b>Totals</b>	<b>\$ 65,577,260</b>	<b>\$ 19,859,070</b>

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2016

The \$9,721,927 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:**

2017	\$ 6,421,890
2018	6,421,890
2019	6,421,890
2020	10,360,347
2021	3,654,634
Thereafter	2,715,612
<b>Total</b>	<b>\$ <u>35,996,263</u></b>

### 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 2016, 2015, and 2014. 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, 2016, 2015, and 2014 are as follows:

#### Contribution Rates

Year	Active Member		State		School District	
	Rate	Amount	Rate	Amount	Rate	Amount
2016	0.65%	\$ 2,038,752	1.00%	\$ 3,005,757	0.55%	\$ 1,725,097
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

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

# KLEIN INDEPENDENT SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2016

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, 2016, 2015, and 2014, the subsidy payments received by TRS-Care on-behalf of the District were \$1,220,986, \$863,502, and \$727,297, 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 2016, 2015 and 2014 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.

### 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 23 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, 2016 attributable to the District's participation in the shared services arrangement:

#### Revenues

State Revenue Distributed by TEA	\$	353,701
Local Revenue Paid by District		519,643
<b>Total Revenues</b>	<b>\$</b>	<b><u>873,344</u></b>

#### Expenditures

Payroll Costs	\$	870,237
Contracted Services		1,565
Miscellaneous Expenses		1,542
<b>Total Expenditures</b>	<b>\$</b>	<b><u>873,344</u></b>

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## **Required Supplementary Information**

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**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, 2016**

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
<b>REVENUES</b>					
5700	Local, Intermediate, and Out-of-State	\$ 187,067,895	\$ 184,169,448	\$ 182,679,131	\$ (1,490,317)
5800	State Programs	212,322,770	224,194,034	224,146,291	(47,743)
5900	Federal Programs	4,875,000	4,973,500	5,331,555	358,055
5020	Total Revenues	<u>404,265,665</u>	<u>413,336,982</u>	<u>412,156,977</u>	<u>(1,180,005)</u>
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	249,300,623	253,971,744	252,934,669	1,037,075
0012	Instructional Resources and Media Services	4,815,841	4,959,923	4,880,086	79,837
0013	Curriculum and Instructional Staff Development	10,372,806	10,890,430	10,190,720	699,710
0021	Instructional Leadership	3,664,618	3,613,503	3,604,014	9,489
0023	School Leadership	27,431,141	27,889,310	27,749,992	139,318
0031	Guidance, Counseling, and Evaluation Services	21,110,019	21,716,985	21,523,475	193,510
0032	Social Work Services	356,005	430,735	430,821	(86)
0033	Health Services	4,850,819	5,000,685	4,899,676	101,009
0034	Student Transportation	11,921,640	11,974,620	11,459,456	515,164
0036	Extracurricular Activities	8,059,681	8,601,833	7,975,896	625,937
0041	General Administration	9,483,281	9,947,160	9,487,156	460,004
0051	Plant Maintenance and Operations	33,701,386	33,904,826	32,502,057	1,402,769
0052	Security and Monitoring Services	5,344,114	5,782,145	5,586,509	195,636
0053	Data Processing Services	8,793,748	10,176,521	8,558,218	1,618,303
0061	Community Services	361,975	397,399	361,996	35,403
Debt Service:					
0073	Bond Issuance Costs and Fees	20,000	20,000	16,970	3,030
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	507,502	433,641	73,861
Intergovernmental:					
0093	Payments to Shared Services Arrangements	520,400	520,400	503,389	17,011
0095	Payments to Juvenile Justice Alternative Education Programs	300,000	250,000	241,501	8,499
0099	Other Intergovernmental Charges	1,800,000	1,836,326	1,830,644	5,682
6030	Total Expenditures	<u>402,208,097</u>	<u>412,392,047</u>	<u>405,170,886</u>	<u>7,221,161</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,057,568</u>	<u>944,935</u>	<u>6,986,091</u>	<u>6,041,156</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7912	Sale of Real and Personal Property	200,000	133,973	153,079	19,106
8911	Transfers Out	(3,638,750)	(68,750)	(68,750)	-
8913	Loss from Tornado	-	-	(269,217)	(269,217)
7080	Total Other Financing Sources and (Uses)	<u>(3,438,750)</u>	<u>65,223</u>	<u>(184,888)</u>	<u>(250,111)</u>
1200	Net Change in Fund Balance	(1,381,182)	1,010,158	6,801,203	5,791,045
0100	Fund Balance - Beginning	139,081,945	139,081,945	139,081,945	-
<b>3000</b>	<b>Fund Balance - Ending</b>	<b>\$ 137,700,763</b>	<b>\$ 140,092,103</b>	<b>\$ 145,883,148</b>	<b>\$ 5,791,045</b>

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 TWO YEARS ENDED\***

	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.30579369%	0.1929649%
District's Proportionate Share of the Net Pension Liability	\$ 108,093,967	\$ 51,543,594
State's Proportionate Share of the Net Pension Liability Associated with the District	171,194,816	144,671,755
<b>Total</b>	<b>\$ <u>279,288,783</u></b>	<b>\$ <u>196,215,349</u></b>
District's Covered-Employee Payroll	\$ 292,880,706	\$ 270,485,891
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	36.91%	19.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.43%	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 TWO YEARS ENDED\***

Exhibit E-2

	<u>2016</u>	<u>2015</u>
<b>TRS</b>		
Contractually Required Contributions	\$ 9,721,927	\$ 9,056,605
Contributions in Relation to the Contractually Required Contributions	<u>(9,721,927)</u>	<u>(9,056,605)</u>
<b>Contribution Deficiency (Excess)</b>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 313,654,090	\$ 292,880,706
Contributions as a Percentage of Covered - Employee Payroll	3.10%	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, 2016**

**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 \$9,005,290 estimated revenues, including other financing sources, was primarily due to the additional state aid received as a result of TEA Hold Harmless payments, higher than expected Weighted Average Daily Attendance, larger than estimated property values, state aid earned from property value reductions; and an increase in other financing sources from insurance payments for the April 2016 flood and storm damages.

The net increase of \$6,613,950 to appropriations, including other financing uses, was primarily due to utility costs being less than anticipated, increase in salary and benefits for additional positions, increase in general supplies for technology, and an increase in contracted services for various initiatives.

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**AUGUST 31, 2016**

**II. Pension**

**A. TRS – Actuarial Assumptions for Contribution Rate**

*Actuarial Assumptions.* The information presented in the preceding table was used in the actuarial valuation for determining the actuarially determined contribution rate. The assumptions are as follows:

Valuation Date	August 31, 2015
Actuarial Cost Method	Ultimate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	33 Years
Asset Valuation Method	5 Year Smoothed Market
Actuarial Assumptions:	
Inflation	2.50%
Salary Increases	3.50% to 9.50% Including Inflation
Investment Rate of Return	8.00%
Ad hoc Post-Employment Benefit Changes	None
Benefit Changes During the Year	None

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## **Supplementary Information**

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## **MAJOR GOVERNMENTAL FUNDS**

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### **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, 2016**

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
<b>REVENUES</b>					
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 65,875,795	\$ 65,033,777	\$ 64,499,659	\$ (534,118)
5800	<i>State Programs</i>	4,246,168	6,995,076	7,034,639	39,563
5900	<i>Federal Programs</i>	1,791,163	1,669,364	1,669,363	(1)
5020	Total Revenues	<u>71,913,126</u>	<u>73,698,217</u>	<u>73,203,661</u>	<u>(494,556)</u>
<b>EXPENDITURES</b>					
Debt Service:					
0071	<i>Principal on Long-term Debt</i>	31,830,000	31,955,000	31,955,000	-
0072	<i>Interest on Long-term Debt</i>	43,012,815	40,610,878	40,610,877	1
0073	<i>Bond Issuance Costs and Fees</i>	30,000	1,322,273	1,326,164	(3,891)
6030	Total Expenditures	<u>74,872,815</u>	<u>73,888,151</u>	<u>73,892,041</u>	<u>(3,890)</u>
Excess (Deficiency) of Revenues Over (Under)					
1100	Expenditures	<u>(2,959,689)</u>	<u>(189,934)</u>	<u>(688,380)</u>	<u>(498,446)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7901	<i>Issuance of Refunding Bonds</i>	3,570,000	152,870,000	152,870,000	-
7916	<i>Premium from Issuance of Bonds</i>	-	19,984,990	19,984,986	(4)
8949	<i>Payment to Refunded Bond Escrow Agent</i>	-	(171,482,843)	(171,482,842)	1
7080	Total Other Financing Sources (Uses)	<u>3,570,000</u>	<u>1,372,147</u>	<u>1,372,144</u>	<u>(3)</u>
1200	Net Change in Fund Balance	610,311	1,182,213	683,764	(498,449)
0100	Fund Balance - Beginning	23,385,420	23,385,420	23,385,420	-
3000	<b>Fund Balance - Ending</b>	<u>\$ 23,995,731</u>	<u>\$ 24,567,633</u>	<u>\$ 24,069,184</u>	<u>\$ (498,449)</u>

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## **NONMAJOR GOVERNMENTAL FUNDS**

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### **SPECIAL REVENUE FUNDS**

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



## **KLEIN INDEPENDENT SCHOOL DISTRICT**

### ***FUND DESCRIPTIONS***

#### ***NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS FOR THE YEAR ENDED AUGUST 31, 2016***

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 Texas Education Agency, 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 Texas Education Agency, 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 Texas Education Agency, 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 Texas Education Agency, 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 Texas Education Agency, 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 Texas Education Agency, 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 Texas Education Agency, 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 Texas Education Agency, 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 Texas Education Agency, 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 Texas Education Agency 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 FOR THE YEAR ENDED AUGUST 31, 2016***

Non-Educational Community-Based Support – To account, on a project basis, for funds received from the Texas Education Agency, 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 Texas Education Agency to school districts under the Texas Advanced Placement Award Incentive Program.

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

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

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

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

Miscellaneous Donations – To account for 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.

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

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

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

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

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**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2016**

	211	224	225
<b>Data Control Codes</b>	<b>ESEA Title I Part A Improving Basic Programs</b>	<b>IDEA Part B Formula</b>	<b>IDEA Part B Preschool</b>
<b>ASSETS</b>			
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -	\$ -
1240 <i>Due from Other Governments</i>	1,063,886	1,347,732	21,191
1260 <i>Due from Other Funds</i>	-	-	-
1290 <i>Other Receivables</i>	342	-	-
1300 <i>Inventories, at Cost</i>	-	-	-
1410 <i>Prepaid Items</i>	-	-	-
1000 <b>Total Assets</b>	<b>\$ 1,064,228</b>	<b>\$ 1,347,732</b>	<b>\$ 21,191</b>
<b>LIABILITIES</b>			
2110 <i>Accounts Payable</i>	\$ 138,357	\$ 49,511	\$ -
2160 <i>Accrued Wages Payable</i>	373,970	406,958	6,825
2170 <i>Due to Other Funds</i>	551,901	891,263	14,366
2300 <i>Unearned Revenue</i>	-	-	-
2000 <b>Total Liabilities</b>	<b>1,064,228</b>	<b>1,347,732</b>	<b>21,191</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>	-	-	-
3000 <b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>
4000 <b>Total Liabilities and Fund Balances</b>	<b>\$ 1,064,228</b>	<b>\$ 1,347,732</b>	<b>\$ 21,191</b>

226	240	244	255	263
<u>IDEA Part B Discretionary</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical Basic Grant</u>	<u>ESEA Title II Part A Teacher/Principal Training/Recruiting</u>	<u>ESEA Title III Part A English Language Acquisition and Enhancement</u>
\$ -	\$ 3,865,437	\$ -	\$ -	\$ -
27,949	468,016	88,388	120,318	31,340
-	-	-	-	-
-	53,852	719	-	-
-	577,529	-	-	-
-	28,004	-	-	-
<u>\$ 27,949</u>	<u>\$ 4,992,838</u>	<u>\$ 89,107</u>	<u>\$ 120,318</u>	<u>\$ 31,340</u>
\$ -	\$ 854,647	\$ 45,458	\$ 450	\$ 6,188
-	501,603	336	54,378	23,743
27,949	64,680	43,313	65,490	1,409
-	-	-	-	-
<u>27,949</u>	<u>1,420,930</u>	<u>89,107</u>	<u>120,318</u>	<u>31,340</u>
-	-	-	-	-
-	28,004	-	-	-
-	3,543,904	-	-	-
-	-	-	-	-
-	3,571,908	-	-	-
<u>\$ 27,949</u>	<u>\$ 4,992,838</u>	<u>\$ 89,107</u>	<u>\$ 120,318</u>	<u>\$ 31,340</u>

Continued

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2016**

	272	288	385
<u>Data Control Codes</u>	<u>Medicaid Administrative Claiming Program</u>	<u>ESEA Title VI Part A Summer School LEP</u>	<u>State Supplemental Visually Impaired</u>
<b>ASSETS</b>			
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -	\$ -
1240 <i>Due from Other Governments</i>	57,756	30,129	-
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>\$ 57,756</u>	<u>\$ 30,129</u>	<u>\$ -</u>
<b>LIABILITIES</b>			
2110 <i>Accounts Payable</i>	\$ -	\$ -	\$ -
2160 <i>Accrued Wages Payable</i>	281	-	-
2170 <i>Due to Other Funds</i>	57,475	30,129	-
2300 <i>Unearned Revenue</i>	-	-	-
2000 <b>Total Liabilities</b>	<u>57,756</u>	<u>30,129</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 Total Liabilities and Fund Balances</b>	<u>\$ 57,756</u>	<u>\$ 30,129</u>	<u>\$ -</u>

392	397	410	427	461
Non- Educational Community- Based Support	Advanced Placement Incentives	State Textbook Fund	State Funded Special Revenue Funds	Campus Activity Funds
\$ -	\$ -	\$ -	\$ -	\$ 4,569,024
10,250	-	-	15,750	-
-	66,229	1,410,464	1,449	-
-	-	-	-	-
-	-	-	-	-
-	-	727,998	-	-
<u>\$ 10,250</u>	<u>\$ 66,229</u>	<u>\$ 2,138,462</u>	<u>\$ 17,199</u>	<u>\$ 4,569,024</u>
\$ -	\$ 1,755	\$ 248,857	\$ 428	\$ -
-	-	-	15,750	-
10,250	-	-	-	-
-	-	-	-	-
<u>10,250</u>	<u>1,755</u>	<u>248,857</u>	<u>16,178</u>	<u>-</u>
-	-	-	-	-
-	-	727,998	-	-
-	64,474	1,161,607	1,021	-
-	-	-	-	4,569,024
-	64,474	1,889,605	1,021	4,569,024
<u>\$ 10,250</u>	<u>\$ 66,229</u>	<u>\$ 2,138,462</u>	<u>\$ 17,199</u>	<u>\$ 4,569,024</u>

Continued

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**AUGUST 31, 2016**

	482	483	486
<b>Data Control Codes</b>	<b>Klein ISD Education Foundation Grant</b>	<b>Miscellaneous Donations</b>	<b>Unite for Understanding</b>
<b>ASSETS</b>			
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -	\$ -
1240 <i>Due from Other Governments</i>	-	-	-
1260 <i>Due from Other Funds</i>	70,572	15,819	2,236
1290 <i>Other Receivables</i>	-	-	-
1300 <i>Inventories, at Cost</i>	-	-	391
1410 <i>Prepaid Items</i>	-	-	-
1000 <b>Total Assets</b>	<b>\$ 70,572</b>	<b>\$ 15,819</b>	<b>\$ 2,627</b>
<b>LIABILITIES</b>			
2110 <i>Accounts Payable</i>	\$ 15,109	\$ -	\$ -
2160 <i>Accrued Wages Payable</i>	-	-	-
2170 <i>Due to Other Funds</i>	-	-	-
2300 <i>Unearned Revenue</i>	55,463	-	-
2000 <b>Total Liabilities</b>	<b>70,572</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable:			
3410 <i>Inventories</i>	-	-	391
3430 <i>Prepaid Items</i>	-	-	-
Restricted For:			
3450 <i>Federal and State Grants</i>	-	-	-
Committed To:			
3545 <i>Other</i>	-	15,819	2,236
3000 <b>Total Fund Balances</b>	<b>-</b>	<b>15,819</b>	<b>2,627</b>
<b>4000 Total Liabilities and Fund Balances</b>	<b>\$ 70,572</b>	<b>\$ 15,819</b>	<b>\$ 2,627</b>



488	489	490	491	Total Nonmajor Governmental Funds
<u>Miscellaneous Grants</u>	<u>Jason Project - Chevron</u>	<u>Dual Credit Program</u>	<u>Aquaponics Project</u>	
\$ -	\$ -	\$ -	\$ -	\$ 8,434,461
-	-	-	-	3,282,705
43,513	44,111	792,590	8,000	2,454,983
-	-	-	-	54,913
-	-	-	-	577,920
-	-	-	-	756,002
<u>\$ 43,513</u>	<u>\$ 44,111</u>	<u>\$ 792,590</u>	<u>\$ 8,000</u>	<u>\$ 15,560,984</u>
\$ 39,912	\$ 22,612	\$ 1,333	\$ -	\$ 1,424,617
-	-	-	-	1,383,844
-	-	-	-	1,758,225
3,601	21,499	-	8,000	88,563
<u>43,513</u>	<u>44,111</u>	<u>1,333</u>	<u>8,000</u>	<u>4,655,249</u>
-	-	-	-	391
-	-	-	-	756,002
-	-	-	-	4,771,006
-	-	791,257	-	5,378,336
-	-	791,257	-	10,905,735
<u>\$ 43,513</u>	<u>\$ 44,111</u>	<u>\$ 792,590</u>	<u>\$ 8,000</u>	<u>\$ 15,560,984</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, 2016**

<b>Data Control Codes</b>	<b>211</b>	<b>224</b>	<b>225</b>
	<b>ESEA Title I Part A Improving Basic Programs</b>	<b>IDEA Part B Formula</b>	<b>IDEA Part B Preschool</b>
<b>REVENUES</b>			
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ 7,174	\$ 1,123	\$ -
5800 <i>State Programs</i>	-	-	-
5900 <i>Federal Programs</i>	<u>6,937,680</u>	<u>6,874,403</u>	<u>81,062</u>
5020 <b>Total Revenues</b>	<u>6,944,854</u>	<u>6,875,526</u>	<u>81,062</u>
<b>EXPENDITURES</b>			
Current:			
0011 <i>Instruction</i>	4,369,454	4,908,703	81,062
0012 <i>Instructional Resources and Media Services</i>	109,762	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	1,616,532	35,835	-
0021 <i>Instructional Leadership</i>	57,600	48,164	-
0023 <i>School Leadership</i>	90,838	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	47,597	1,879,389	-
0032 <i>Social Work Services</i>	-	-	-
0033 <i>Health Services</i>	746	605	-
0034 <i>Student Transportation</i>	36,257	2,830	-
0035 <i>Food Services</i>	-	-	-
0036 <i>Extracurricular Activities</i>	1,644	-	-
0041 <i>General Administration</i>	-	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-	-
0052 <i>Security and Monitoring Services</i>	-	-	-
0061 <i>Community Services</i>	614,424	-	-
Intergovernmental:			
0093 <i>Payments to Shared Services Arrangements</i>	-	-	-
6030 <b>Total Expenditures</b>	<u>6,944,854</u>	<u>6,875,526</u>	<u>81,062</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
7915 <i>Transfers In</i>	<u>-</u>	<u>-</u>	<u>-</u>
7080 <b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
1200 <b>Net Change in Fund Balances</b>	-	-	-
0100 <b>Fund Balances - Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
3000 <b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

226	240	244	255	263
<u>IDEA Part B Discretionary</u>	<u>National School Breakfast and Lunch Program</u>	<u>Career and Technical Basic Grant</u>	<u>ESEA Title II Part A Teacher/Principal Training/Recruiting</u>	<u>ESEA Title III Part A English Language Acquisition and Enhancement</u>
\$ -	\$ 9,803,882	\$ 1,322	\$ 530	\$ 3,839
-	599,122	-	-	-
<u>27,949</u>	<u>12,884,401</u>	<u>371,595</u>	<u>626,945</u>	<u>717,646</u>
<u>27,949</u>	<u>23,287,405</u>	<u>372,917</u>	<u>627,475</u>	<u>721,485</u>
-	-	224,687	-	241,592
-	-	-	-	-
-	-	66,052	626,694	456,669
-	-	24,122	-	-
-	-	15,806	781	700
-	-	9,371	-	9,134
-	-	-	-	-
-	-	-	-	-
-	-	-	-	310
-	23,023,338	-	-	-
-	-	32,879	-	-
-	-	-	-	-
-	266,623	-	-	-
-	-	-	-	-
-	-	-	-	13,080
<u>27,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>27,949</u>	<u>23,289,961</u>	<u>372,917</u>	<u>627,475</u>	<u>721,485</u>
<u>-</u>	<u>(2,556)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	68,750	-	-	-
-	68,750	-	-	-
-	66,194	-	-	-
-	3,505,714	-	-	-
<u>\$ -</u>	<u>\$ 3,571,908</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

<u>Data Control Codes</u>	272	288	385
	<u>Medicaid Administrative Claiming Program</u>	<u>ESEA Title VI Part A Summer School LEP</u>	<u>State Supplemental Visually Impaired</u>
<b>REVENUES</b>			
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -	\$ -
5800 <i>State Programs</i>	-	-	20,000
5900 <i>Federal Programs</i>	123,547	31,544	-
5020 <b>Total Revenues</b>	<u>123,547</u>	<u>31,544</u>	<u>20,000</u>
<b>EXPENDITURES</b>			
Current:			
0011 <i>Instruction</i>	-	31,544	-
0012 <i>Instructional Resources and Media Services</i>	-	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	-	-	-
0021 <i>Instructional Leadership</i>	-	-	-
0023 <i>School Leadership</i>	-	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	-	20,000
0032 <i>Social Work Services</i>	-	-	-
0033 <i>Health Services</i>	123,547	-	-
0034 <i>Student Transportation</i>	-	-	-
0035 <i>Food Services</i>	-	-	-
0036 <i>Extracurricular Activities</i>	-	-	-
0041 <i>General Administration</i>	-	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-	-
0052 <i>Security and Monitoring Services</i>	-	-	-
0061 <i>Community Services</i>	-	-	-
Intergovernmental:			
0093 <i>Payments to Shared Services Arrangements</i>	-	-	-
6030 <b>Total Expenditures</b>	<u>123,547</u>	<u>31,544</u>	<u>20,000</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>			
7915 <i>Transfers In</i>	-	-	-
7080 <b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
1200 <b>Net Change in Fund Balances</b>	-	-	-
0100 <b>Fund Balances - Beginning</b>	-	-	-
3000 <b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

392	397	410	427	461
<u>Non-Educational Community-Based Support</u>	<u>Advanced Placement Incentives</u>	<u>State Textbook Fund</u>	<u>State Funded Special Revenue Funds</u>	<u>Campus Activity Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,760,683
43,150	38,700	4,665,627	15,952	-
-	-	-	-	-
<u>43,150</u>	<u>38,700</u>	<u>4,665,627</u>	<u>15,952</u>	<u>6,760,683</u>
-	1,073	2,704,003	-	-
-	-	72,019	1,015	-
-	29,645	-	15,750	-
-	-	-	-	-
-	-	-	-	-
-	277	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	6,383,051
-	-	-	-	-
-	-	-	-	-
43,150	-	-	-	-
-	-	-	-	-
<u>43,150</u>	<u>30,995</u>	<u>2,776,022</u>	<u>16,765</u>	<u>6,383,051</u>
-	7,705	1,889,605	(813)	377,632
-	-	-	-	-
-	-	-	-	-
-	7,705	1,889,605	(813)	377,632
-	56,769	-	1,834	4,191,392
<u>\$ -</u>	<u>\$ 64,474</u>	<u>\$ 1,889,605</u>	<u>\$ 1,021</u>	<u>\$ 4,569,024</u>

Continued

**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

<u>Data Control Codes</u>	482	483	486
	<u>Klein ISD Education Foundation Grant</u>	<u>Miscellaneous Donations</u>	<u>Unite for Understanding</u>
<b>REVENUES</b>			
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ 155,099	\$ 18,171	\$ 6,110
5800 <i>State Programs</i>	-	-	-
5900 <i>Federal Programs</i>	-	-	-
5020 <b>Total Revenues</b>	<u>155,099</u>	<u>18,171</u>	<u>6,110</u>
<b>EXPENDITURES</b>			
Current:			
0011 <i>Instruction</i>	73,210	23,687	-
0012 <i>Instructional Resources and Media Services</i>	33,357	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	1,796	-	-
0021 <i>Instructional Leadership</i>	-	-	-
0023 <i>School Leadership</i>	-	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	14,682	-	-
0032 <i>Social Work Services</i>	-	4,686	-
0033 <i>Health Services</i>	7,495	-	-
0034 <i>Student Transportation</i>	-	-	-
0035 <i>Food Services</i>	-	-	-
0036 <i>Extracurricular Activities</i>	-	-	-
0041 <i>General Administration</i>	23,250	-	-
0051 <i>Plant Maintenance and Operations</i>	-	-	-
0052 <i>Security and Monitoring Services</i>	-	-	-
0061 <i>Community Services</i>	1,309	-	6,613
Intergovernmental:			
0093 <i>Payments to Shared Services Arrangements</i>	-	-	-
6030 <b>Total Expenditures</b>	<u>155,099</u>	<u>28,373</u>	<u>6,613</u>
1100 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>(10,202)</u>	<u>(503)</u>
<b>OTHER FINANCING SOURCES</b>			
7915 <i>Transfers In</i>	-	-	-
7080 <b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
1200 <b>Net Change in Fund Balances</b>	-	(10,202)	(503)
0100 <b>Fund Balances - Beginning</b>	-	26,021	3,130
3000 <b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ 15,819</u>	<u>\$ 2,627</u>

488	489	490	491	Total Nonmajor Governmental Funds
Miscellaneous Grants	Jason Project - Chevron	Dual Credit Program	Aquaponics Project	
\$ 74,748	\$ 67,617	\$ 215,073	\$ -	\$ 17,115,371
-	-	-	-	5,382,551
-	-	-	-	28,676,772
<u>74,748</u>	<u>67,617</u>	<u>215,073</u>	<u>-</u>	<u>51,174,694</u>
30,599	57,612	99,992	-	12,847,218
-	-	-	-	216,153
37,499	7,020	1,967	-	2,895,459
2,930	1,462	-	-	134,278
3,120	-	1,200	-	112,445
-	-	24,411	-	2,004,861
-	-	-	-	4,686
-	-	-	-	132,393
-	-	-	-	39,397
-	-	-	-	23,023,338
-	-	-	-	6,417,574
600	-	-	-	23,850
-	-	-	-	266,623
-	1,226	-	-	1,226
-	297	-	-	678,873
-	-	-	-	27,949
<u>74,748</u>	<u>67,617</u>	<u>127,570</u>	<u>-</u>	<u>48,826,323</u>
-	-	87,503	-	2,348,371
-	-	-	-	68,750
-	-	-	-	68,750
-	-	87,503	-	2,417,121
-	-	703,754	-	8,488,614
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 791,257</u>	<u>\$ -</u>	<u>\$ 10,905,735</u>

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**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED AUGUST 31, 2016**

Exhibit G-3

Data Control Codes	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
<b>REVENUES</b>					
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 10,537,596	\$ 10,537,596	\$ 9,803,882	\$ (733,714)
5800	<i>State Programs</i>	600,159	600,164	599,122	(1,042)
5900	<i>Federal Programs</i>	12,680,951	12,680,951	12,884,401	203,450
5020	Total Revenues	<u>23,818,706</u>	<u>23,818,711</u>	<u>23,287,405</u>	<u>(531,306)</u>
<b>EXPENDITURES</b>					
Current:					
0035	<i>Food Services</i>	23,620,173	23,611,493	23,023,338	588,155
0051	<i>Plant Maintenance and Operations</i>	<u>300,260</u>	<u>300,260</u>	<u>266,623</u>	<u>33,637</u>
6030	Total Expenditures	<u>23,920,433</u>	<u>23,911,753</u>	<u>23,289,961</u>	<u>621,792</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(101,727)</u>	<u>(93,042)</u>	<u>(2,556)</u>	<u>90,486</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
7915	<i>Transfers In</i>	68,750	68,750	68,750	-
8911	<i>Transfers Out</i>	<u>-</u>	<u>(8,685)</u>	<u>-</u>	<u>8,685</u>
7080	Total Other Financing Sources (Uses)	<u>68,750</u>	<u>60,065</u>	<u>68,750</u>	<u>8,685</u>
1200	Net Change in Fund Balance	(32,977)	(32,977)	66,194	99,171
0100	Fund Balance - Beginning	3,505,714	3,505,714	3,505,714	-
3000	<b>Fund Balance - Ending</b>	<u>\$ 3,472,737</u>	<u>\$ 3,472,737</u>	<u>\$ 3,571,908</u>	<u>\$ 99,171</u>

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## **FIDUCIARY FUND**

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### **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, 2016**

Exhibit H-1

<b><u>AGENCY FUND:</u></b>				
<b>Data Control Codes</b>	<b>Beginning Balance 9/1/2015</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance 8/31/2016</b>
<b>ASSETS</b>				
1110 <i>Cash and Cash Equivalents</i>	\$ 1,660,373	\$ 8,445,739	\$ 8,328,856	\$ 1,777,256
1000 <b>Total Assets</b>	<u>\$ 1,660,373</u>	<u>\$ 8,445,739</u>	<u>\$ 8,328,856</u>	<u>\$ 1,777,256</u>
<b>LIABILITIES</b>				
2190 <i>Due to Student Groups</i>	\$ 1,660,373	\$ 8,445,739	\$ 8,328,856	\$ 1,777,256
2000 <b>Total Liabilities</b>	<u>\$ 1,660,373</u>	<u>\$ 8,445,739</u>	<u>\$ 8,328,856</u>	<u>\$ 1,777,256</u>

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## **COMPLIANCE SCHEDULE**

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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, 2016**

<u>Year Ended</u> <u>August 31</u>	<u>Tax Rates</u>		<u>Actual</u> <u>Taxable Value</u> <u>For School</u> <u>Tax Purposes</u>
	<u>Maintenance</u>	<u>Debt Service</u>	
2007 and Prior Years	\$ Various	\$ Various	\$ Various
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	1.04	0.35	13,977,844,058
2016 School Year Under Audit	1.04	0.37	15,567,321,931
<b>TOTALS</b>			

Beginning Balance 9/1/2015	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 8/31/2016
\$ 1,148,222	\$ -	\$ 30,995	\$ 5,661	\$ (450,110)	\$ 661,456
279,726	-	11,295	2,389	(1,447)	264,595
369,278	-	23,161	6,013	(1,829)	338,275
487,946	-	84,150	25,892	(45,768)	332,136
383,845	-	86,419	30,745	69,319	336,000
465,064	-	56,877	21,329	11,975	398,833
590,634	-	91,986	35,379	17,136	480,405
910,328	-	195,522	73,321	5,651	647,136
2,126,594	-	695,097	233,927	(263,801)	933,769
-	219,499,239	176,251,472	62,952,805	22,592,951	2,887,913
<b><u>\$ 6,761,637</u></b>	<b><u>\$ 219,499,239</u></b>	<b><u>\$ 177,526,974</u></b>	<b><u>\$ 63,387,461</u></b>	<b><u>\$ 21,934,077</u></b>	<b><u>\$ 7,280,518</u></b>

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

Ending Balance at 8/31/16	\$ 7,280,518
Less: Uncollectible Taxes	(1,430,524)
Add: Penalties & Interest Accrued on Receivable Balance	<u>3,277,693</u>
Adjusted Ending Balance	<u>9,127,687</u>
Property Taxes Receivable (Net) per Exhibit B-1	<u>\$ 9,127,687</u>

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## STATISTICAL SECTION

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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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 79,488,178	\$ 83,664,009	\$ 86,495,792	\$ 91,841,007
Restricted	30,206,175	27,859,732	26,179,487	21,083,922
Unrestricted	86,653,877	87,141,699	129,960,846	124,057,805
<b>Total Primary Government Net Position</b>	<b>\$ <u>196,348,230</u></b>	<b>\$ <u>198,665,440</u> (1)</b>	<b>\$ <u>242,636,125</u></b>	<b>\$ <u>236,982,734</u></b>

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

**Table 1**

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 97,566,894	\$ 116,250,408	\$ 97,112,148	\$ 104,157,550	\$ 103,341,789	\$ 98,434,326
17,712,203	27,516,920	27,392,482	30,588,549	27,171,650	22,467,670
125,344,755	110,003,812	106,680,037	90,111,225	86,626,810	98,407,365
<u>\$ 240,623,852</u>	<u>\$ 253,771,140</u>	<u>\$ 231,184,667</u>	<u>\$ 224,857,324</u>	<u>\$ 217,140,249</u>	<u>\$ 219,309,361</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$ 304,113,383	\$ 266,100,967	\$ 261,995,657	\$ 237,402,727
Instructional Resources and Media Services	5,366,476	5,053,079	5,141,715	4,735,979
Curriculum and Instructional Staff Development	13,238,508	12,142,990	10,638,923	8,791,759
Instructional Leadership	3,863,525	3,488,463	3,220,638	2,793,028
School Leadership	30,545,804	27,312,594	25,250,622	22,703,876
Guidance, Counseling, and Evaluation Services	24,868,239	22,147,773	20,005,177	17,245,827
Social Work Services	437,881	344,491	342,695	341,274
Health Services	5,484,771	4,831,391	4,674,883	3,973,678
Student Transportation	13,563,441	12,804,878	12,620,591	11,421,613
Food Services	24,183,474	24,108,723	23,533,970	21,063,851
Extracurricular Activities	15,584,454	15,215,849	8,093,036	7,264,382
General Administration	10,759,626	9,119,865	8,574,785	7,553,949
Plant Maintenance and Operations	34,208,250	31,768,702	32,035,346	30,318,968
Security and Monitoring Services	6,230,356	5,953,900	5,103,168	4,422,906
Data Processing Services	11,331,790	9,273,936	9,412,906	7,348,984
Community Services	1,025,017	892,063	842,374	820,411
Interest on Long-term Debt	38,708,632	36,248,469	33,162,655	32,297,830
Bond Issuance Costs and Fees	1,343,134	2,001,163	504,392	1,028,515
Facilities Repair and Maintenance	3,063,663	5,484,843	2,388,678	6,098,178
Payments to Shared Services Arrangements	531,338	446,994	428,169	417,838
Payments to Juvenile Justice Alternative Ed. Programs	241,501	273,555	195,232	116,444
Other Intergovernmental Charges	1,830,644	1,730,065	1,498,385	1,447,764
<b>Total Primary Government Expenses</b>	<u>550,523,907</u>	<u>496,744,753</u>	<u>469,663,997</u>	<u>429,609,781</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services:				
Instruction	544,373	576,518	6,249,630	6,773,107
Food Services	9,681,304	9,675,609	9,462,827	9,420,047
Extracurricular Activities	7,748,386	7,954,832	972,415	924,248
Other Activities	877,044	2,076,814	801,287	275,758
Operating Grants and Contributions	72,598,700	65,067,570	63,705,418	56,014,013
<b>Total Primary Government Program Revenues</b>	<u>91,449,807</u>	<u>85,351,343</u>	<u>81,191,577</u>	<u>73,407,173</u>
<b>Net (Expense)/Revenue</b>				
<b>Total Primary Government Net Expense</b>	<u>\$ (459,074,100)</u>	<u>\$ (411,393,410)</u>	<u>\$ (388,472,420)</u>	<u>\$ (356,202,608)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 179,128,104	\$ 162,012,918	\$ 143,367,503	\$ 132,808,947
Property Taxes, Levied for Debt Service	63,292,880	54,807,873	54,028,207	51,399,561
Investment Earnings	1,293,324	951,706	340,241	656,765
Grants and Contributions Not Restricted to Specific Programs	210,649,814	206,980,778	194,177,589	171,074,720
Miscellaneous	2,392,768	1,068,558	2,212,271	708,269
<b>Total Primary Government General Revenues</b>	<u>456,756,890</u>	<u>425,821,833</u>	<u>394,125,811</u>	<u>356,648,262</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>\$ (2,317,210)</u>	<u>\$ 14,428,423</u>	<u>\$ 5,653,391</u>	<u>\$ 445,654</u>

Table 2

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	228,428,016	\$ 226,936,309	\$ 227,259,298	\$ 210,080,162	\$ 205,680,181	\$ 169,702,516
	4,597,243	4,665,295	4,676,195	4,571,064	4,718,509	5,399,541
	7,383,084	8,884,156	8,555,952	8,237,518	7,158,484	5,667,654
	2,816,981	3,233,607	3,051,479	2,847,376	3,343,346	3,063,653
	21,257,601	22,680,296	21,530,470	20,759,231	20,316,532	18,126,505
	16,053,051	16,725,075	16,175,961	15,725,641	15,350,307	12,286,622
	335,801	311,120	284,689	232,713	205,422	59,700
	3,758,239	3,927,511	3,744,745	3,506,935	3,404,158	3,056,435
	10,293,905	7,740,516	10,320,720	10,014,649	10,124,859	8,633,689
	20,463,403	20,424,181	18,317,408	16,754,450	16,772,892	15,501,098
	7,096,837	7,072,470	7,016,028	6,988,560	6,236,396	5,790,210
	7,017,401	7,130,879	6,995,391	7,127,181	7,049,686	7,474,895
	30,342,379	30,875,139	32,141,123	34,547,230	33,360,736	29,420,556
	4,157,771	4,630,736	3,956,517	3,545,021	3,421,982	2,811,550
	7,235,616	7,099,607	6,550,447	5,627,867	4,532,509	3,418,396
	758,595	812,290	797,016	678,202	758,332	738,981
	31,923,267	29,288,228	26,158,019	24,376,255	17,623,239	16,678,143
	30,312	572,296	293,400	238,368	154,208	104,883
	21,537,898	(8,862,409)	7,151,895	4,430,405	4,330,227	14,098,119
	442,927	373,556	413,808	384,219	-	-
	95,784	59,982	92,232	351,446	339,900	279,927
	1,489,863	1,489,965	1,441,158	1,380,616	1,191,508	-
	<u>427,515,974</u>	<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>
	5,811,787	416,506	475,413	654,875	682,393	597,967
	8,842,033	9,158,425	9,492,564	9,480,182	9,778,360	9,045,920
	927,954	6,936,180	6,463,566	6,445,225	8,550,857	2,119,161
	225,114	154,445	185,458	202,065	250,170	257,549
	65,592,853	68,781,819	68,483,283	46,304,943	39,349,792	34,431,072
	<u>81,399,741</u>	<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>\$ (346,116,233)</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>
\$	131,996,247	\$ 130,391,777	\$ 134,619,451	\$ 133,668,302	\$ 122,691,376	\$ 140,365,774
	49,968,675	46,602,489	41,700,392	34,519,630	25,832,907	21,301,522
	403,110	542,000	1,215,906	5,401,383	6,233,386	10,912,538
	150,136,654	155,453,082	150,113,558	150,243,370	150,528,732	119,014,396
	464,259	220,555	501,703	646,540	6,328	3,356,939
	<u>332,968,945</u>	<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>
	-	-	-	2,555,669	-	-
	<u>\$ (13,147,288)</u>	<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>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General Fund (2)</b>				
Nonspendable	\$ 1,783,786	\$ 2,031,540	\$ 2,077,777	\$ 2,398,595
Restricted	3,075,533	3,007,210	3,212,274	3,347,006
Committed	14,045,900	14,691,800	-	1,415,000
Assigned	80,899,438	58,727,022	79,111,760	74,336,973
Unassigned	46,078,491	60,624,373	43,880,808	35,843,498
Reserved	-	-	-	-
Unreserved	-	-	-	-
<b>Total General Fund</b>	<b><u>\$ 145,883,148</u></b>	<b><u>\$ 139,081,945</u></b>	<b><u>\$ 128,282,619</u></b>	<b><u>\$ 117,341,072</u></b>
 <b>All Other Governmental Funds (2)</b>				
Nonspendable	\$ 756,393	\$ 692,248	\$ 835,914	\$ 626,940
Restricted	102,530,553	245,078,831	69,288,389	70,449,813
Committed	5,378,336	4,923,894	4,634,190	7,945,659
Reserved (3)	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b><u>\$ 108,665,282</u></b>	<b><u>\$ 250,694,973</u></b>	<b><u>\$ 74,758,493</u></b>	<b><u>\$ 79,022,412</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 22.
- (3) The fluctuations were primarily due to the unspent bond proceeds for capital projects.

Table 3

<u>2012</u>	<u>2011 (1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 2,397,862	\$ 2,277,226	\$ -	\$ -	\$ -	\$ -
3,200,295	3,156,524	-	-	-	-
3,300,000	3,700,000	-	-	-	-
52,554,775	48,703,900	-	-	-	-
50,168,919	46,782,498	-	-	-	-
-	-	18,631,069	17,698,183	16,118,884	13,640,277
-	-	77,455,372	62,813,933	57,359,080	68,452,852
<u>\$ 111,621,851</u>	<u>\$ 104,620,148</u>	<u>\$ 96,086,441</u>	<u>\$ 80,512,116</u>	<u>\$ 73,477,964</u>	<u>\$ 82,093,129</u>
\$ 623,138	\$ 681,239	\$ -	\$ -	\$ -	\$ -
105,908,645	183,231,527	-	-	-	-
7,313,627	6,738,527	-	-	-	-
-	-	189,426,064	176,879,854	212,621,875	41,848,763
<u>\$ 113,845,410</u>	<u>\$ 190,651,293</u>	<u>\$ 189,426,064</u>	<u>\$ 176,879,854</u>	<u>\$ 212,621,875</u>	<u>\$ 41,848,763</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>				
Local, Intermediate, and Out-of-State	\$ 266,519,005	\$ 239,358,880	\$ 217,841,699	\$ 204,262,883
State Programs	236,563,481	238,088,445 (5)	223,969,748 (5)	193,988,410
Federal Programs	36,472,254	33,996,147	32,230,586	32,303,258
Total Revenues	<u>539,554,740</u>	<u>511,443,472</u>	<u>474,042,033</u>	<u>430,554,551</u>
<b>EXPENDITURES</b>				
Current:				
Instruction (1)	278,892,090	254,931,476	244,961,463	228,421,970
Instructional Resources and Media Services	5,150,327	4,829,600	4,812,891	4,528,306
Curriculum and Instructional Staff Development	13,118,808	12,018,105	10,272,298	8,630,149
Instructional Leadership	3,761,756	3,449,797	3,194,789	2,740,767
School Leadership	27,862,437	26,266,362	23,646,088	21,601,616
Guidance, Counseling, and Evaluation Services	23,528,336	21,595,133	19,118,162	16,652,008
Social Work Services	435,507	350,430	342,660	340,865
Health Services	5,032,069	4,626,359	4,331,424	3,749,147
Student Transportation	14,299,437	12,132,350	11,733,461	10,513,598
Food Services	23,023,338	22,901,090	22,398,855	20,090,723
Extracurricular Activities	14,393,470	14,733,324	7,340,347	6,822,027
General Administration	9,511,006	9,222,576	8,541,307	7,575,212
Plant Maintenance and Operations	32,768,680	30,474,136	30,801,398	29,397,947
Security and Monitoring Services	5,953,443	5,658,847	5,079,679	4,340,696
Data Processing Services	10,365,775	7,776,823	7,129,217	5,835,742
Community Services	1,040,869	926,002	836,262	832,559
Debt Service: (2)				
Principal on Long-term Debt	31,955,000	30,775,000	33,375,232	29,154,981
Interest on Long-term Debt	40,610,877	37,739,074	34,609,848	34,138,584
Bond Issuance Costs and Fees	1,343,134	2,001,163	29,160	1,023,534
Capital Outlay:				
Facilities Acquisition and Construction (3)	130,389,392	76,413,336	40,883,290	60,499,465
Intergovernmental:				
Payments to Shared Services Arrangements	531,338	446,994	428,169	417,838
Payments to Juvenile Justice Alternative Education Programs	241,501	273,555	195,232	116,444
Other Intergovernmental Charges (4)	1,830,644	1,730,065	1,498,385	1,447,764
Total Expenditures	<u>676,039,234</u>	<u>581,271,597</u>	<u>515,559,617</u>	<u>498,871,942</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(136,484,494)</u>	<u>(69,828,125)</u>	<u>(41,517,584)</u>	<u>(68,317,391)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Capital-Related Bonds	-	242,015,000	44,000,000	36,840,000
Issuance of Refunding Bonds	152,870,000	62,585,000	-	69,945,000
Premium/Discount from Issuance of Bonds	19,984,986	24,217,299	899,845	13,331,052
Sale of Real and Personal Property	153,079	324,532	1,710,665	490,855
Insurance Proceeds	-	-	-	-
Transfers In	68,750	67,500	3,052,202	65,000
Transfers Out	(68,750)	(67,500)	(1,467,500)	(65,000)
Loss from Tornado Damages	(269,217)	-	-	-
Payment to Refunded Bond Escrow Agent	(171,482,842)	(72,577,900)	-	(81,393,293)
Total Other Financing Sources (Uses)	<u>1,256,006</u>	<u>256,563,931</u>	<u>48,195,212</u>	<u>39,213,614</u>
<b>Net Change in Fund Balances</b>	<u>\$ (135,228,488)</u>	<u>\$ 186,735,806</u>	<u>\$ 6,677,628</u>	<u>\$ (29,103,777)</u>
<b>Debt Service as a Percentage of Noncapital Expenditures (2)</b>	13.35%	13.48%	14.35%	14.36%

- (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**

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
\$	199,547,347	\$ 195,135,296	\$ 194,875,123	\$ 190,512,938	\$ 174,177,819	\$ 184,488,888
	178,791,537	174,003,953	169,083,287	170,277,202	170,279,933	136,111,189
	36,168,738	49,596,155	49,054,502	25,877,121	19,304,146	17,060,326
	<u>414,507,622</u>	<u>418,735,404</u>	<u>413,012,912</u>	<u>386,667,261</u>	<u>363,761,898</u>	<u>337,660,403</u>
	219,544,329	215,421,836	219,506,912	199,711,365	195,999,862	163,299,288
	4,404,689	4,540,607	4,488,172	4,374,549	4,442,226	5,203,337
	7,279,333	8,634,881	8,377,827	7,996,284	7,031,380	5,650,189
	2,786,900	3,199,092	2,965,176	2,851,314	3,221,640	3,035,617
	20,242,960	21,314,541	20,500,683	19,722,736	19,041,209	17,458,792
	15,552,339	15,976,596	15,525,757	15,035,619	14,811,425	11,987,426
	335,717	308,251	287,298	230,988	196,320	59,504
	3,576,446	3,692,921	3,571,320	3,336,767	3,247,089	2,946,869
	9,831,779	11,623,856	10,725,430	11,060,564	10,925,173	7,851,656
	19,629,942	19,169,730	17,973,253	16,273,457	16,403,006	15,302,042
	6,645,847	6,643,691	6,641,773	6,588,311	6,145,935	5,629,768
	6,997,310	7,045,050	6,932,585	7,017,191	6,885,302	7,421,324
	30,019,180	30,118,417	31,281,461	34,013,437	33,100,207	29,154,613
	4,072,466	4,501,082	3,780,272	3,317,685	3,398,784	2,719,867
	5,833,107	5,608,809	5,405,260	4,917,412	4,164,092	3,453,960
	749,323	803,375	787,212	689,974	751,463	732,409
	28,207,440	23,555,000	23,620,000	19,235,000	17,255,000	15,820,000
	31,695,184	30,610,055	25,456,550	24,159,633	17,581,029	16,400,622
	353,053	579,357	1,528,515	549,355	1,846,235	300,075
	122,218,814	77,836,659	103,993,554	81,917,265	35,543,367	78,281,201
	442,927	373,556	413,808	384,219	-	-
	95,784	59,982	92,232	351,446	339,900	279,927
	1,489,863	1,489,965	1,441,158	1,380,616	1,191,508	-
	<u>542,004,732</u>	<u>493,107,309</u>	<u>515,296,208</u>	<u>465,115,187</u>	<u>403,522,152</u>	<u>392,988,486</u>
	(127,497,110)	(74,371,905)	(102,283,296)	(78,447,926)	(39,760,254)	(55,328,083)
	51,115,000	83,900,000	127,000,000	45,000,000	200,000,000	45,000,000
	18,390,000	-	29,240,000	17,125,000	16,905,000	-
	8,291,398	111,617	6,408,464	2,348,997	4,159,604	138,668
	168,546	119,224	114,632	128,742	133,905	62,788
	38,834	-	127,127	3,456,899	88,228	3,048,848
	1,512,268	85,000	3,152,886	80,000	9,380,000	52,500
	(1,512,268)	(85,000)	(3,152,886)	(80,000)	(9,380,000)	(52,500)
	-	-	-	-	-	-
	(20,310,848)	-	(32,486,392)	(18,319,581)	(19,368,536)	-
	<u>57,692,930</u>	<u>84,130,841</u>	<u>130,403,831</u>	<u>46,816,497</u>	<u>201,918,201</u>	<u>48,250,304</u>
\$	<u><b>(69,804,180)</b></u>	<u><b>9,758,936</b></u>	<u><b>28,120,535</b></u>	<u><b>(28,707,869)</b></u>	<u><b>162,157,947</b></u>	<u><b>(7,077,779)</b></u>
	13.67%	13.64%	11.90%	11.26%	9.45%	9.84%

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**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 (4)</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>		
2016	\$ 17,484,252,247	\$ 1,701,877,578	\$ 3,618,807,894	\$ 15,567,321,931	\$ 1.4100
2015	15,345,634,575	1,539,123,969	2,906,914,486	13,977,844,058	1.3900
2014	13,632,247,916	750,942,078	2,371,354,845	12,011,835,149	1.4300
2013	13,229,882,647	1,193,301,696	2,688,277,476	11,734,906,867	1.4400
2012	13,374,069,141	1,009,325,197	2,514,190,420	11,869,203,918	1.4300
2011	12,597,717,816	1,064,690,098	2,488,148,279	11,174,259,635	1.4100
2010	12,544,497,254	1,196,994,058	2,382,578,735	11,358,912,577	1.3600
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)

(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) Information to present more categories of assessed value is not readily available.

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

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

Taxing Authority	2016	2015	2014	2013
<b><u>Overlapping Rates:</u></b>				
Bilma PUD	\$ 0.5600	\$ 0.5700	\$ 0.5900	\$ 0.5900
Bridgestone MUD	0.6000	0.7100	0.7500	0.7500
Charterwood MUD	0.4400	0.5400	0.5900	0.6400
Cypress Forest PUD	0.2930	0.3219	0.3240	0.3240
Cypress Klein UD	0.1700	0.2000	0.2200	0.2400
Cypresswood UD	0.3500	0.3600	0.3700	0.3700
Dowdell PUD	0.9000	0.9200	0.9200	0.9200
Encanto Real UD	0.9875	0.9875	0.9875	0.9875
Fountainhead MUD	0.6300	0.6500	0.6700	0.6700
Harris County MUD No. 1	0.9200	0.9700	1.0200	1.0300
Harris County MUD No. 24	0.5400	0.5700	0.5900	0.6000
Harris County MUD No. 104	0.4800	0.5000	0.5500	0.5500
Harris County MUD No. 118	0.6400	0.7200	0.7200	0.7200
Harris County MUD No. 119	0.4850	0.4850	0.5150	0.4700
Harris County MUD No. 150	0.8400	0.9400	0.9800	0.9800
Harris County MUD No. 180	0.7950	0.8300	0.9800	0.9800
Harris County MUD No. 202	1.2500	1.2500	1.2500	1.2500
Harris County MUD No. 275	0.9000	0.9000	1.0000	1.0000
Harris County MUD No. 316	0.5300	0.6000	0.6700	0.7200
Harris County MUD No. 366	0.2000	0.2000	0.2500	0.2500
Harris County MUD No. 367	0.6700	0.6850	0.7000	0.7000
Harris County MUD No. 368	0.7900	0.8700	0.9950	0.9950
Harris County MUD No. 383	0.8400	0.8900	0.9400	0.9400
Harris County MUD No. 401	1.1300	1.1850	1.2500	1.2500
Harris County MUD No. 468	0.7400	0.7900	0.8400	0.8500
Harris County WC&ID No. 109	0.2500	0.2500	0.2500	0.2500
Harris County WC&ID No. 110	0.4400	0.4600	0.5300	0.5400
Harris County WC&ID No. 114	0.2500	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	0.5200	0.5400	0.5900	0.5900
Harris County WC&ID No. 132	0.4700	0.4800	0.4500	0.4400
Harris County WC&ID No. 133	0.9400	0.9700	0.9900	0.9900
Heatherloch MUD	0.3900	0.3950	0.3950	0.3950
Klein PUD	0.4300	0.4300	0.4300	0.4300
Kleinwood MUD	0.4300	0.4700	0.5300	0.5600
Lonestar College System (1)	0.1079	0.1081	0.1160	0.1198
Louetta North PUD	0.2700	0.2800	0.3100	0.3600
Louetta Road UD	0.4400	0.4750	0.5000	0.5000
Meadowhill Regional MUD (2)	0.7900	0.7900	0.8750	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	0.8800	0.9900	1.1200	1.1200
Northwest Harris County MUD No. 24	0.7000	0.8000	0.8300	0.8300
Northwest Harris County MUD No. 28	0.6800	0.6800	0.6800	0.6800
Northwest Harris County MUD No. 30	0.7200	0.7500	0.8000	0.8000
Northwest Harris County MUD No. 32	0.7200	0.7900	0.8950	0.9100
Northwest Harris County MUD No. 36	0.8100	0.8500	0.8660	0.8660
Northwest Park MUD	0.4500	0.4800	0.5200	0.5500
Oakmont PUD	1.0000	1.1000	1.2400	1.2500
Shasla PUD	1.0100	1.0900	1.1900	1.0950
Spring Creek Forest PUD	0.4650	0.4750	0.4900	0.4950
Spring West MUD	0.8200	0.9000	0.9800	1.0200
Terranova West MUD	0.6500	0.6800	0.6900	0.6900
Harris County (3)	\$ 0.4192	\$ 0.4173	\$ 0.6363	\$ 0.6366
Houston, City of	0.6011	0.6311	0.6388	0.6388
Total Harris County/City of Houston	\$ <u>1.0203</u>	\$ <u>1.0484</u>	\$ <u>1.2751</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	0.3700	0.3500	0.3900	0.4000
<b>Total District Direct Rates</b>	\$ <u><u>1.4100</u></u>	\$ <u><u>1.3900</u></u>	\$ <u><u>1.4300</u></u>	\$ <u><u>1.4400</u></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**

2012		2011		2010		2009		2008		2007	
\$	0.5900	\$	0.5600	\$	0.5600	\$	0.5500	\$	0.5500	\$	0.5500
	0.7500		0.7500		0.7500		0.7500		0.7500		0.7500
	0.6400		0.6400		0.6400		0.6500		0.7000		0.7500
	0.3240		0.3100		0.3100		0.3040		0.3000		0.3000
	0.2500		0.2450		0.2300		0.2300		0.2320		0.2500
	0.3000		0.2500		0.2500		0.2500		0.2500		0.2500
	0.8800		0.8500		0.8500		0.8500		0.8500		0.8500
	0.9400		0.9400		0.9400		0.9400		0.9600		0.9600
	0.6700		0.5500		0.5350		0.5100		0.5100		0.5100
	1.0400		1.0400		1.0500		1.0500		1.0600		1.0600
	0.6000		0.6000		0.6000		0.5800		0.6000		0.6000
	0.5500		0.5500		0.5500		0.5500		0.6200		0.6900
	0.6500		0.6000		0.6000		0.6500		0.6500		0.6500
	0.4600		0.4600		0.4600		0.4600		0.4600		0.5000
	0.9500		0.9300		0.8500		0.8500		0.8500		0.8500
	0.9000		0.9000		0.9000		0.9000		0.9000		0.9400
	1.2500		1.2500		1.2500		1.2500		1.2500		1.2500
	1.1000		1.3500		1.3500		1.3500		1.3500		1.3500
	0.7200		0.7500		0.7200		0.7500		0.8000		0.8700
	0.2500		0.2500		0.2500		0.2500		0.3200		0.3500
	0.7100		0.7400		0.7500		0.7700		0.7800		0.8000
	0.9450		0.9300		0.9300		0.9300		0.9600		1.0400
	0.9400		0.9400		0.9400		0.9800		1.0800		1.1800
	1.2500		1.2500		1.2500		1.2500		1.2500		1.2500
	0.8500		0.8500		0.8500		0.8500		0.8500		0.0000
	0.2500		0.2500		0.2500		0.2500		0.2500		0.2500
	0.5500		0.5500		0.5300		0.5000		0.5000		0.5000
	0.3000		0.3000		0.3000		0.1000		0.1000		0.1000
	0.1000		0.1000		0.1000		0.1000		0.1750		0.1750
	0.5500		0.5500		0.5500		0.5500		0.5500		0.5500
	0.3900		0.3500		0.3500		0.3500		0.3500		0.3500
	0.9900		0.9900		0.8200		0.7600		0.7000		0.7000
	0.3750		0.3750		0.3600		0.3600		0.3600		0.3700
	0.4300		0.4280		0.4150		0.3750		0.3750		0.3750
	0.6000		0.6300		0.6300		0.6300		0.6500		0.6688
	0.1210		0.1176		0.1101		0.1101		0.1144		0.1167
	0.4200		0.4200		0.4300		0.4600		0.4800		0.5200
	0.4900		0.4900		0.4850		0.4500		0.4500		0.4500
	0.9400		0.9400		0.9400		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
	1.1200		1.0900		1.0300		1.0300		1.0300		1.0900
	0.8300		0.8800		1.0000		1.0700		1.1000		1.1800
	0.6800		0.6800		0.6800		0.6500		0.6500		0.8300
	0.8000		0.8000		0.7700		0.7200		0.7200		0.7200
	0.9100		0.9100		0.9100		1.0100		1.0200		1.0500
	0.8300		0.8300		0.8300		0.7700		0.7800		0.7800
	0.5200		0.5000		0.4800		0.4300		0.4300		0.5100
	1.2500		1.2500		1.2500		1.2500		1.2500		1.3000
	0.9680		0.9680		0.9400		0.9400		0.7500		0.7600
	0.4950		0.4950		0.4950		0.4700		0.4700		0.4900
	1.0500		1.0600		1.0900		1.0900		1.0900		1.0900
	0.6900		0.6900		0.6900		0.6900		0.6600		0.6600
\$	0.6366	\$	0.6366	\$	0.6360	\$	0.6358	\$	0.6358	\$	0.6462
	0.6388		0.6388		0.6388		0.6388		0.6438		0.6450
\$	<u>1.2754</u>	\$	<u>1.2754</u>	\$	<u>1.2748</u>	\$	<u>1.2746</u>	\$	<u>1.2796</u>	\$	<u>1.2912</u>
\$	1.0400	\$	1.0400	\$	1.0400	\$	1.0400	\$	1.0400	\$	1.3700
	0.3900		0.3700		0.3200		0.2700		0.2200		0.2100
\$	<u>1.4300</u>	\$	<u>1.4100</u>	\$	<u>1.3600</u>	\$	<u>1.3100</u>	\$	<u>1.2600</u>	\$	<u>1.5800</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**

<u>Taxpayer</u>	<u>2016</u>			<u>2007</u>		
	<u>Actual Taxable Value (1)</u>	<u>Rank</u>	<u>Percentage of Actual Taxable Value (2)</u>	<u>Actual Taxable Value (1)</u>	<u>Rank</u>	<u>Percentage of Actual Taxable Value (3)</u>
Hewlett Packard	\$ 230,805,163	1	1.48%	\$ 160,997,606	1	1.79%
Centerpoint Energy	125,004,747	2	0.80%	86,974,116	2	0.97%
Vintage Dunhill LLC	78,970,285	3	0.51%	-	-	-
Eastgroup Properties LP	78,584,150	4	0.50%	-	-	-
Kroger	63,085,434	5	0.41%	29,323,568	8	0.33%
Liberty Property	61,005,592	6	0.39%	-	-	-
Beltway Lakes I & II LP	57,638,510	7	0.37%	-	-	-
IMF Investments 105 LP	55,534,864	8	0.36%	-	-	-
ABB Vetco Gray, Inc.	54,259,148	9	0.35%	59,821,899	3	0.67%
National Oilwell, Inc.	52,902,274	10	0.34%	-	-	-
Weingarten Realty	-	-	-	55,474,000	4	0.62%
Southwestern Bell Telephone Co.	-	-	-	46,321,699	5	0.52%
IHR Vintage Park Partners LP	-	-	-	30,670,000	6	0.34%
Hanover Companies	-	-	-	29,872,132	7	0.33%
Kleinwood Center LLC	-	-	-	21,479,388	9	0.24%
Cypress Lodge Apartments	-	-	-	21,442,300	10	0.24%
<b>TOTALS</b>	<b>\$ <u>857,790,167</u></b>		<b><u>5.51%</u></b>	<b>\$ <u>542,376,708</u></b>		<b><u>6.05%</u></b>

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

(2) Actual taxable value equals: \$ 15,567,321,931

(3) Actual taxable value equals: \$ 8,994,334,032

Source: Harris County (Texas) Appraisal District

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

**Table 8**

<b>Fiscal Year Ended 8/31:</b>	<b>Net Tax Levy For The Fiscal Year (1)</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Net Tax Levy</b>		<b>Amount</b>	<b>Percent of Total Tax Collections to Net Tax Levy</b>
2016	\$ 242,092,190	\$ 239,204,277	98.81%	\$ -	\$ 239,204,277	98.81%
2015	214,980,038	213,117,245	99.13%	929,024	214,046,269	99.57%
2014	196,025,553	194,305,721	99.12%	1,072,696	195,378,417	99.67%
2013	184,127,726	182,305,315	99.01%	1,342,006	183,647,321	99.74%
2012	180,726,274	178,874,525	98.98%	1,452,916	180,327,441	99.78%
2011	175,136,291	173,154,058	98.87%	1,646,233	174,800,291	99.81%
2010	173,682,587	171,233,764	98.59%	2,116,687	173,350,451	99.81%
2009	166,002,136	162,738,993	98.03%	2,924,868	165,663,861	99.80%
2008	146,139,298	142,561,880	97.55%	3,312,823	145,874,703	99.82%
2007	160,394,026	155,834,889	97.16%	3,897,681	159,732,570	99.59%

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

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

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

**Table 9**

<b>Fiscal Year 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>			
2016	\$ 987,090,365	\$ -	\$ 987,090,365	6.34%	\$ 20,697
2015	1,009,206,671	-	1,009,206,671	7.22%	21,711
2014	782,882,194	-	782,882,194	6.52%	17,275
2013	773,206,303	-	773,206,303	6.59%	17,495
2012	756,966,455	-	756,966,455	6.38%	17,467
2011	724,265,763	-	724,265,763	6.48%	16,996
2010	664,789,180	-	664,789,180	5.85%	15,798
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

(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>
2016	\$ 987,090,365	\$ 24,069,184	\$ 963,021,181	6.19%	20,193
2015	1,009,206,671	23,385,420	985,821,251	7.05%	21,208
2014	782,882,194	21,621,099	761,261,095	6.34%	16,798
2013	773,206,303	19,527,198	753,679,105	6.42%	17,053
2012	756,966,455	19,935,384	737,031,071	6.21%	17,007
2011	724,265,763	20,167,803	704,097,960	6.30%	16,523
2010	664,789,180	21,534,864	643,254,316	5.66%	15,286
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

- (1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements. Outstanding debt is presented at par value, net of premiums, discounts, and adjustments.
- (2) See Table 5 for actual taxable value data.
- (3) See Table 13 for student enrollment data.
- (4) This is the amount restricted for debt service payments on general obligation bonds in the governmental fund financial statements.

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**KLEIN INDEPENDENT SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)**  
**AS OF AUGUST 31, 2016**

Table 11

Taxing Authority	Gross Debt Outstanding	Percent Overlapping (1)	Amount Applicable to School District
<b><u>Overlapping:</u></b>			
Bilma PUD	\$ 15,685,000	100.00%	\$ 15,685,000
Bridgestone MUD	79,775,000	100.00%	79,775,000
Charterwood MUD	13,255,000	100.00%	13,255,000
Cypress Forest PUD	1,605,000	87.66%	1,406,943
Cypress-Klein UD	720,000	100.00%	720,000
Cypresswood UD	3,195,000	100.00%	3,195,000
Dowdell PUD	24,065,000	100.00%	24,065,000
Encanto Real UD	12,390,000	100.00%	12,390,000
Fountainhead MUD	5,320,000	100.00%	5,320,000
Harris County	2,421,235,464	4.33%	104,839,496
Harris County Dept. of Education	7,000,000	4.33%	303,100
Harris County Flood Control District	83,075,000	4.33%	3,597,148
Harris County Hospital District	62,815,000	4.33%	2,719,890
Harris County Improvement Dist. No. 18 (Defined Area No. 1)	11,940,000	100.00%	11,940,000
Harris County Improvement District No. 18	101,670,000	0.11%	111,837
Harris County MUD No. 1	44,575,000	100.00%	44,575,000
Harris County MUD No. 24	17,075,000	100.00%	17,075,000
Harris County MUD No. 104	7,145,000	100.00%	7,145,000
Harris County MUD No. 118	10,485,000	100.00%	10,485,000
Harris County MUD No. 119	5,380,000	63.33%	3,407,154
Harris County MUD No. 150	14,920,000	33.58%	5,010,136
Harris County MUD No. 180	10,154,999	100.00%	10,154,999
Harris County MUD No. 316	2,445,000	100.00%	2,445,000
Harris County MUD No. 367	24,135,000	100.00%	24,135,000
Harris County MUD No. 368	56,130,000	100.00%	56,130,000
Harris County MUD No. 383	38,400,000	100.00%	38,400,000
Harris County MUD No. 401	22,695,000	100.00%	22,695,000
Harris County MUD No. 468	41,105,000	100.00%	41,105,000
Harris County WC&ID No. 109	6,420,000	90.11%	5,785,062
Harris County WC&ID No. 110	22,350,000	37.92%	8,475,120
Harris County WC&ID No. 119	30,010,000	100.00%	30,010,000
Harris County WC&ID No. 132	3,800,000	100.00%	3,800,000
Harris County WC&ID No. 133	3,330,000	100.00%	3,330,000
Heatherloch MUD	1,060,000	100.00%	1,060,000
Houston, City of	2,924,340,000	0.11%	3,216,774
Kleinwood MUD	11,829,992	100.00%	11,829,992
Lone Star College (2)	548,875,000	10.26%	56,314,575
Louetta North PUD	5,930,000	100.00%	5,930,000
Louetta Road UD	700,000	100.00%	700,000
Meadowhill Regional MUD (3)	28,570,000	100.00%	28,570,000
Northampton MUD	19,320,000	100.00%	19,320,000
Northwest Harris County MUD No. 6	8,485,000	100.00%	8,485,000
Northwest Harris County MUD No. 19	54,865,000	100.00%	54,865,000
Northwest Harris County MUD No. 24	5,950,000	100.00%	5,950,000
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	26,300,000	100.00%	26,300,000
Northwest Harris County MUD No. 36	13,395,000	100.00%	13,395,000
Northwest Park MUD	20,465,000	33.29%	6,812,799
Oakmont PUD	31,475,000	100.00%	31,475,000
Port of Houston Authority	674,269,397	4.33%	29,195,865
Shasla PUD	5,180,000	100.00%	5,180,000
Spring Creek Forest PUD	3,845,000	100.00%	3,845,000
Spring West MUD	20,986,818	40.27%	8,451,392
Terranova West MUD	4,030,000	100.00%	4,030,000
Total Overlapping Debt			961,092,282
<b><u>Direct:</u></b>			
Klein Independent School District (4)	987,090,365	100.00%	987,090,365
<b>TOTAL OVERLAPPING AND DIRECT DEBT</b>			<b>\$ 1,948,182,647</b>
Ratio of Total Overlapping Debt and Direct Debt to Actual Taxable Value for Fiscal Year Ended August 31, 2016 (5)			<b>12.51%</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: \$ 15,567,321,931

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 1,556,732,193	\$ 1,397,784,406	\$ 1,201,183,515	\$ 1,173,490,687
Total Net Debt Applicable to Limit	<u>963,021,181</u>	<u>985,821,251</u>	<u>761,261,095</u>	<u>753,679,105</u>
Legal Debt Margin	<u>\$ 593,711,012</u>	<u>\$ 411,963,155</u>	<u>\$ 439,922,420</u>	<u>\$ 419,811,582</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	61.86%	70.53%	63.38%	64.23%

**Legal Debt Margin Calculation for Fiscal Year 2016:**

Actual Taxable Value (2)	\$ 15,567,321,931
Debt Limit Percentage of Actual Taxable Value (1)	<u>10%</u>
Debt Limitation	1,556,732,193
Debt Applicable to Debt Limitation:	
Total Bonded Debt	\$ 987,090,365
Less Restricted for Retirement of Bonded Debt (3)	<u>24,069,184</u>
Total Amount of Debt Applicable to Debt Limitation	<u>963,021,181</u>
	<u>\$ 593,711,012</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,186,920,392	\$ 1,117,425,964	\$ 1,135,891,258	\$ 1,105,376,660	\$ 1,007,350,956	\$ 899,433,403
<u>737,031,071</u>	<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>\$ 449,889,321</u>	<u>\$ 413,328,004</u>	<u>\$ 492,636,942</u>	<u>\$ 567,636,171</u>	<u>\$ 493,250,118</u>	<u>\$ 568,509,548</u>
62.10%	63.01%	56.63%	48.65%	51.03%	36.79%

**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>
2016	74,036	\$ 12,147,539,543	\$ 164,076	47,692	5.0%
2015	72,266	11,000,231,720	152,219	46,484	4.4%
2014	70,589	9,542,096,201	135,178	45,318	5.4%
2013	69,017	9,050,841,712	131,139	44,196	6.3%
2012	67,898	9,182,307,445	135,237	43,336	7.2%
2011	66,950	9,189,036,275	137,252	42,613	8.5%
2010	66,080	9,347,021,057	141,450	42,080	8.4%
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%

(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**

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment (1)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment (2)</u>
Wal-Mart Stores	37,000	1	1.73%	28,780	1	1.56%
Houston ISD	29,402	2	1.37%	25,788	2	1.40%
Memorial Herman Healthcare System	24,108	3	1.12%	18,935	4	1.03%
H-E-B	23,732	4	1.11%	-		-
University of Texas MD Anderson Cancer Center	21,086	5	0.98%	16,064	6	0.87%
McDonald's Corp.	20,918	6	0.98%	-		-
Houston Methodist	20,000	7	0.93%	-		-
Kroger	16,000	8	0.75%	13,201	8	0.72%
United Airlines (3)	14,941	9	0.70%	-		-
Schlumberger	12,069	10	0.56%	-		-
Exxon Mobil Corporation	-		-	14,835	7	0.81%
Adminstaff	-		-	20,816	3	1.13%
Continental Airlines (3)	-		-	18,007	5	0.98%
Shell Oil Company	-		-	11,918	9	0.65%
The Methodist Hospital System	-		-	11,092	10	0.60%
	<u>219,256</u>		<u>10.23%</u>	<u>179,436</u>		<u>9.75%</u>

- (1) Total Employment for 2016: 2,143,733
- (2) Total Employment for 2007: 1,841,942
- (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>2016 (1)</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Administrator	63.0	62.0	62.0	61.0
Associate/Assistant Principal	126.0	120.0	111.0	110.3
Bus Driver/Attendant	283.0	282.0	273.0	269.0
Cafeteria Workers	539.0	532.0	446.0	447.0
Custodial	330.0	323.0	319.0	314.0
Library Info. Spec./Library Asst./Historian	75.5	74.0	73.0	72.5
Manual Trades/Warehouse/Vending	193.0	190.0	188.0	173.6
Nurse/Clinic Assistant	95.0	92.5	92.0	89.5
Other Professional (2)	375.1	352.0	296.0	244.3
Police Officer	43.0	43.0	43.0	35.0
Principal	44.9	43.7	43.0	42.7
Registrar	9.0	9.0	8.0	8.0
School Counselor	121.5	117.5	109.5	105.5
Secretary/Clerical	424.8	417.7	410.0	383.7
Security Support Personnel	93.5	30.0	29.0	29.0
Teacher	3,123.0	3,019.8	2,918.0	2,810.4
Teacher - Bilingual/ESL	237.7	222.8	210.8	211.4
Teacher Assistant	565.9	524.5	499.5	459.0
Technical	82.0	95.0	85.0	87.0
	<b><u>6,824.9</u></b>	<b><u>6,550.5</u></b>	<b><u>6,215.8</u></b>	<b><u>5,952.9</u></b>

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

Source: District budget and position control records.



Table 15

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
60.0	61.0	60.0	57.0	57.0	56.7
97.0	108.3	105.5	102.5	99.0	92.8
254.0	256.0	243.0	237.0	227.0	213.0
435.0	428.0	413.0	398.0	405.0	373.0
303.0	299.0	320.0	358.5	356.0	350.0
69.6	87.1	85.1	85.1	85.2	82.2
165.6	175.6	179.0	176.0	162.0	159.0
87.5	85.0	79.5	77.5	76.0	74.5
205.6	208.7	208.5	199.0	169.7	163.9
34.0	34.0	34.0	34.0	34.0	30.0
42.4	40.7	39.8	38.6	38.0	37.5
8.0	6.0	6.0	6.0	5.0	5.0
103.5	109.0	106.3	101.0	96.5	86.0
367.9	396.5	381.5	377.0	376.0	362.7
26.0	26.0	26.0	26.0	26.0	23.0
2,786.2	2,814.6	2,763.9	2,675.9	2,607.9	2,465.4
204.6	210.6	209.5	205.5	190.0	154.0
454.5	495.0	492.5	456.0	465.0	405.5
88.0	89.0	88.0	81.0	77.0	63.0
<u><b>5,792.4</b></u>	<u><b>5,930.1</b></u>	<u><b>5,841.1</b></u>	<u><b>5,691.6</b></u>	<u><b>5,552.3</b></u>	<u><b>5,197.2</b></u>

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

<u>Fiscal Year Ended 8/31:</u>	<u>Average Daily Attendance</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
2016	47,692	\$ 469,505,379	\$ 9,845	4.56%
2015	46,484	437,702,566	9,416	5.15%
2014	45,318	405,842,742	8,955	5.09%
2013	44,196	376,594,325	8,521	-2.27%
2012	43,336	377,866,687	8,719	8.53%
2011	42,613	342,333,505	8,034	-6.85%
2010	42,080	362,932,220	8,625	3.84%
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%

(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>
\$ 550,523,907	\$ 11,543	8.02%	3,361	14.19	40.71%
496,744,753	10,686	3.11%	3,243	14.33	42.90%
469,663,997	10,364	6.61%	3,129	14.48	40.80%
429,609,781	9,721	-1.46%	3,022	14.63	41.20%
427,515,974	9,865	6.14%	2,991	14.45	41.90%
396,070,805	9,295	-3.88%	3,025	14.05	39.30%
406,923,951	9,670	3.97%	2,973	14.13	36.10%
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%

**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>		
2016	\$ 51,000	\$ 67,000	\$ 55,791	\$ 51,892
2015	50,000	67,000	54,284	50,715
2014	50,000	67,000	52,356	49,692
2013	45,750	66,925	51,124	48,821
2012	44,250	66,925	50,536	48,375
2011	44,250	66,925	50,712	48,639
2010	43,750	66,925	50,236	48,263
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

(1) Source: District records

(2) Source: Texas Education Agency website

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

<b>Building:</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>HIGH SCHOOLS</b>				
<b>Klein (2014) (1)</b>				
Square Footage	674,633	674,633	674,633	519,437
Capacity	3,600	3,600	3,600	3,462
Enrollment	3,922	3,860	3,762	3,561
<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	3,582	3,633	3,484	3,437
<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	3,661	3,582	3,451	3,507
<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	3,996	3,883	3,828	3,730
<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	1,141	1,154	1,203	1,225
<b>Hildebrandt (1973)</b>				
Square Footage	207,360	207,360	207,360	207,360
Capacity	1,349	1,349	1,349	1,349
Enrollment	1,247	1,139	1,102	1,014
<b>Kleb (1993)</b>				
Square Footage	172,000	172,000	172,000	172,000
Capacity	1,257	1,257	1,257	1,257
Enrollment	1,403	1,396	1,344	1,346
<b>Klein (1984)</b>				
Square Footage	192,972	192,972	192,972	192,972
Capacity	1,213	1,213	1,213	1,213
Enrollment	1,113	1,239	1,236	1,212
<b>Krimmel (2007)</b>				
Square Footage	186,700	186,700	186,700	186,700
Capacity	1,180	1,180	1,180	1,180
Enrollment	1,280	1,319	1,142	1,064
<b>Schindewolf (2002)</b>				
Square Footage	187,308	183,000	183,000	183,000
Capacity	1,170	1,170	1,170	1,170
Enrollment	1,375	1,326	1,357	1,339
<b>Strack (1977)</b>				
Square Footage	215,125	215,125	215,125	215,125
Capacity	1,295	1,295	1,295	1,295
Enrollment	1,217	1,198	1,167	1,173
<b>Ulrich (2010)</b>				
Square Footage	195,825	195,825	195,825	195,825
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,152	1,130	1,079	1,079
<b>Wunderlich (1975)</b>				
Square Footage	211,415	211,415	211,415	211,415
Capacity	1,458	1,458	1,458	1,458
Enrollment	1,569	1,552	1,550	1,571

(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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
519,437	519,437	519,437	519,437	519,437	519,437
3,462	3,381	3,381	3,381	3,381	3,381
3,112	3,019	3,152	3,183	3,287	3,413
582,488	582,315	582,315	534,213	534,213	534,213
3,500	3,500	3,500	3,131	3,131	3,131
3,368	3,265	3,279	3,244	3,239	3,167
644,310	644,310	634,002	634,002	634,002	634,002
4,000	4,000	4,000	3,973	3,973	3,973
3,511	3,472	3,534	3,539	3,491	3,543
603,924	608,924	608,924	526,461	526,461	526,461
3,500	3,500	3,500	2,903	2,903	2,903
4,139	3,933	3,727	3,462	3,177	2,830
171,250	172,000	172,000	172,000	172,000	172,000
1,219	1,168	1,168	1,168	1,168	1,168
1,188	1,220	1,320	1,341	1,326	1,395
207,360	207,360	207,360	207,360	207,360	207,360
1,349	1,365	1,365	1,365	1,365	1,365
934	944	1,215	1,213	1,138	2,036
172,000	172,000	172,000	172,000	172,000	172,000
1,257	1,204	1,204	1,204	1,204	1,204
1,313	1,264	1,026	1,032	1,030	1,103
192,972	192,972	192,972	192,972	192,972	192,972
1,213	1,199	1,199	1,199	1,199	1,199
1,209	1,167	1,123	1,121	1,106	1,077
186,700	186,700	186,700	186,700	186,700	186,700
1,180	1,250	1,250	1,250	1,250	1,250
1,026	1,027	1,558	1,468	1,244	-
183,000	183,000	183,000	183,000	183,000	183,000
1,170	1,176	1,176	1,176	1,176	1,176
1,301	1,323	1,495	1,520	1,467	1,424
215,125	215,125	215,125	215,125	199,881	199,881
1,295	1,361	1,361	1,361	1,361	1,361
1,100	1,133	1,180	1,159	1,136	1,218
195,825	195,825	195,825	-	-	-
1,250	1,250	1,250	-	-	-
972	867	-	-	-	-
211,415	211,615	211,615	211,615	197,500	197,500
1,458	1,458	1,458	1,458	1,341	1,341
1,513	1,471	1,411	1,364	1,396	1,343

*Continued*

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

<b>Building:</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</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	792	800	707	707
<b>Benignus (2006)</b>				
Square Footage	108,750	108,750	108,750	108,750
Capacity	868	868	868	868
Enrollment	910	947	950	939
<b>Bernshausen (2013)</b>				
Square Footage	117,282	117,282	117,282	117,282
Capacity	850	850	850	850
Enrollment	806	784	686	675
<b>Blackshear (2011)</b>				
Square Footage	116,727	116,727	116,727	116,727
Capacity	940	940	940	940
Enrollment	960	973	914	906
<b>Brill (1978)</b>				
Square Footage	95,238	95,238	95,238	95,238
Capacity	846	846	846	846
Enrollment	766	772	747	743
<b>Ehrhardt (1979)</b>				
Square Footage	88,481	88,481	88,481	88,481
Capacity	810	810	810	810
Enrollment	729	699	686	681
<b>Eiland (1993)</b>				
Square Footage	87,366	87,366	87,366	87,366
Capacity	684	684	684	684
Enrollment	579	616	564	568
<b>Epps Island (1973)</b>				
Square Footage	93,639	93,639	93,639	93,639
Capacity	887	887	887	887
Enrollment	723	763	806	782
<b>Frank (2007)</b>				
Square Footage	108,750	108,750	108,750	108,750
Capacity	844	844	844	844
Enrollment	645	618	614	875
<b>French (2015)</b>				
Square Footage	125,752	125,752	-	-
Capacity	940	940	-	-
Enrollment	565	-	-	-
<b>Grace England Early Childhood &amp; PreK Center (2012)</b>				
Square Footage	65,500	65,500	65,500	65,500
Capacity	1,000	1,000	1,000	1,000
Enrollment	510	472	532	503
<b>Greenwood Forest (1971)</b>				
Square Footage	75,711	75,711	75,711	75,711
Capacity	667	667	667	667
Enrollment	756	734	720	688
<b>Hassler (1999)</b>				
Square Footage	115,145	115,145	115,145	115,145
Capacity	794	794	794	794
Enrollment	639	656	708	698
<b>Haude (1971)</b>				
Square Footage	75,712	75,712	75,712	75,712
Capacity	747	747	747	747
Enrollment	736	705	706	701
<b>Kaiser (1978)</b>				
Square Footage	109,790	109,790	109,790	109,790
Capacity	892	892	892	892
Enrollment	798	794	631	789



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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
86,963	87,263	87,263	87,263	87,263	72,175
818	851	851	851	851	675
666	667	679	675	641	656
108,750	108,750	108,750	108,750	108,750	108,750
868	850	850	850	850	850
895	892	900	1,083	1,038	957
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
116,727	116,727	-	-	-	-
940	940	-	-	-	-
810	-	-	-	-	-
95,238	95,272	95,272	95,272	95,272	95,272
846	823	823	823	823	823
749	896	892	847	838	717
88,481	88,515	88,515	88,515	88,515	88,515
810	829	829	829	829	829
687	703	691	672	715	702
87,366	87,400	87,400	87,400	87,400	87,400
684	744	744	744	744	744
712	712	671	660	680	695
93,639	93,876	93,876	93,876	93,876	93,876
887	891	891	891	891	891
879	936	889	898	863	854
108,750	108,750	108,750	108,750	108,750	108,750
844	850	850	850	850	850
849	1,048	1,003	935	816	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
65,500	-	-	-	-	-
1,000	-	-	-	-	-
-	-	-	-	-	-
75,711	75,711	75,711	75,711	75,711	75,711
667	721	721	721	721	721
726	725	687	633	648	686
115,145	115,179	115,179	115,179	115,179	115,179
794	828	828	828	828	828
731	781	800	804	819	1,097
75,712	75,683	75,683	75,683	75,683	75,683
747	701	701	701	701	701
690	713	702	693	707	701
109,790	109,790	108,875	108,875	108,875	108,875
892	961	961	961	961	961
893	948	946	932	936	905

*Continued*

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

<b>Building:</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</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	830	857	791	787
<b>Kohrville (2002)</b>				
Square Footage	107,898	107,898	107,898	107,898
Capacity	928	928	928	928
Enrollment	725	738	770	978
<b>Krahn (1983)</b>				
Square Footage	109,116	109,116	109,116	109,116
Capacity	1,085	1,085	1,085	1,085
Enrollment	730	745	758	775
<b>Kreinhop (2004)</b>				
Square Footage	108,293	108,293	108,293	108,293
Capacity	984	984	984	984
Enrollment	871	891	855	829
<b>Kuehne (1989)</b>				
Square Footage	87,216	87,216	87,216	87,216
Capacity	831	831	831	831
Enrollment	851	765	697	651
<b>Lemm (1980)</b>				
Square Footage	103,056	103,056	103,056	103,056
Capacity	705	705	705	705
Enrollment	677	605	591	578
<b>Mahaffey (2016)</b>				
Square Footage	126,000	-	-	-
Capacity	950	-	-	-
Enrollment	-	-	-	-
<b>McDougle (2004)</b>				
Square Footage	108,293	108,293	108,293	108,293
Capacity	796	796	796	796
Enrollment	666	698	667	629
<b>Metzler (2005)</b>				
Square Footage	108,293	108,293	108,293	108,293
Capacity	914	914	914	914
Enrollment	851	872	860	969
<b>Mittelstadt (1991)</b>				
Square Footage	91,494	91,494	91,494	91,494
Capacity	891	891	891	891
Enrollment	877	854	887	839
<b>Mueller (2009)</b>				
Square Footage	115,689	115,689	115,689	115,689
Capacity	935	935	935	935
Enrollment	1,022	931	827	720
<b>Nitsch (1980)</b>				
Square Footage	93,810	93,810	93,810	93,166
Capacity	802	802	802	802
Enrollment	804	790	791	737
<b>Northampton (1971)</b>				
Square Footage	75,711	75,711	75,711	75,711
Capacity	863	863	863	863
Enrollment	502	865	815	778
<b>Roth (1984)</b>				
Square Footage	98,891	98,891	98,891	98,891
Capacity	852	852	852	852
Enrollment	694	712	694	699
<b>Schultz (1994)</b>				
Square Footage	93,816	93,816	93,816	93,816
Capacity	906	906	906	906
Enrollment	980	921	877	821
<b>Theiss (1974)</b>				
Square Footage	71,277	71,277	71,277	71,277
Capacity	754	754	754	754
Enrollment	641	637	631	661
<b>Zwink (2012)</b>				
Square Footage	125,073	125,073	125,073	125,073
Capacity	940	940	940	940
Enrollment	1,010	934	883	830

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
91,494	91,528	91,528	91,528	91,528	91,528
894	824	824	824	824	824
876	879	890	864	888	881
107,898	107,898	107,898	107,898	107,898	107,898
928	945	945	945	945	945
975	1,055	1,027	1,001	949	1,338
109,116	109,150	109,150	109,150	109,150	109,150
1,085	1,011	1,011	1,011	1,011	1,011
779	1,039	1,000	968	948	991
108,293	108,293	108,293	108,293	108,293	108,293
984	959	959	959	959	959
942	937	934	936	994	974
87,216	87,250	87,250	87,250	87,250	87,250
831	793	793	793	793	793
866	803	790	740	706	627
103,056	103,090	103,090	103,090	103,090	103,090
705	843	843	843	843	843
721	709	692	715	763	747
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,293	108,293	108,293	108,293	108,293	108,293
796	959	959	959	959	959
774	825	793	795	755	765
108,293	108,293	108,293	108,293	108,293	108,293
914	929	929	929	929	929
899	878	867	817	779	729
91,494	91,528	91,528	91,528	91,528	91,528
891	824	824	824	824	824
749	680	696	654	671	725
115,689	115,689	115,689	115,689	-	-
935	900	900	900	-	-
744	686	647	-	-	-
93,166	93,200	93,200	93,200	93,200	93,200
802	833	833	833	833	833
840	843	853	852	844	901
75,711	75,711	75,711	75,711	75,711	75,711
863	731	731	731	731	731
895	895	859	840	845	811
98,891	98,891	95,580	95,580	95,580	95,580
852	852	816	816	816	816
759	768	750	759	688	581
93,816	93,850	93,850	93,850	93,850	93,850
906	836	836	836	836	836
767	772	753	1,066	955	822
71,277	71,311	71,311	71,311	71,311	71,311
754	703	703	703	703	703
643	678	686	667	651	662
125,073	-	-	-	-	-
940	-	-	-	-	-
-	-	-	-	-	-

# KLEIN INDEPENDENT SCHOOL DISTRICT

Table 19

DISTRICT MAP  
AUGUST 31, 2016

