



KLEIN INDEPENDENT SCHOOL DISTRICT
7200 SPRING CYPRESS ROAD | KLEIN, TEXAS 77379
HARRIS COUNTY
WWW.KLEINISD.NET



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED AUGUST 31, 2019

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

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

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

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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 14, 2020

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

Dear Board of Trustees and Citizens:

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

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

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

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

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

PROFILE OF THE DISTRICT

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

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

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

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

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

LOCAL ECONOMY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LONG-TERM FINANCIAL PLANNING

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

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

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

RELEVANT FINANCIAL POLICIES

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

MAJOR INITIATIVES

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

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

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

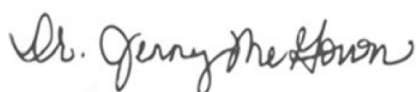
Students engaging in rigorous and advanced coursework is paramount to every student exiting with a purpose; to that end, the District offers high school advanced placement courses, an international baccalaureate program, and classes with dual high school and college credit through the Lone Star College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

AWARDS AND ACKNOWLEDGEMENTS

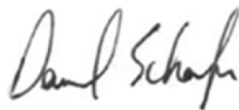
Klein Independent School District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its CAFR for the fiscal year ended August 31, 2018. To be awarded a Certificate of Achievement, a governmental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

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

Respectfully submitted,



Dr. Jenny McGown
Superintendent



Daniel A. Schaefer, CPA
Chief Financial Officer



Jason Gossett, RTSBA
Executive Director of Business Services



Amanda Boles, CPA, RTSBA
Director of Accounting

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Klein Independent School District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2018

Christopher P. Morrell

Executive Director/CEO



The Certificate of Excellence in Financial Reporting
is presented to

Klein Independent School District

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

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



A handwritten signature in black ink, appearing to read 'Tom Wohleber'.

Tom Wohleber, CSRM
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director



KLEIN ISD

PROMISE²PURPOSE

Klein ISD Organization Chart

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

Board of Trustees

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

DR. JENNY MCGOWN
Superintendent

Larry Whitehead
Interim Deputy
Superintendent

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

Kelly Schumacher
Associate Superintendent

Human Resource Services
Workers' Compensation &
Unemployment
Staffing
Employee Relations

Robert Robertson
Associate Superintendent

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

Daniel Schaefer
Chief Financial Officer

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

Chief of Police
David Kimberly

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

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

Communications
Rachel Trotter, Director

Internal Audit
Stephanie Duran,
Director

KLEIN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL SCHOOL DISTRICT OFFICIALS

Elected Officials – Board of Trustees

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

Appointed Administrators

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

KLEIN INDEPENDENT SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

ARCHITECTS

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

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

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

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

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

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

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

AUDITOR

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

GENERAL COUNSEL

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

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

BOND COUNSEL

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

PROPERTY TAX ATTORNEY

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

FINANCIAL ADVISOR

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

OFFICIAL DEPOSITORY

Wells Fargo
420 Montgomery
San Francisco, CA 94104

CERTIFICATE OF BOARD

KLEIN INDEPENDENT SCHOOL DISTRICT

Name of School

HARRIS

County

101-915

Co.-Dist. Number

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

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

for the year ended August 31, 2019 at a meeting of the Board of Trustees of such school district on the 14th day of January, 2020.



SIGNATURE OF BOARD SECRETARY



SIGNATURE OF BOARD PRESIDENT

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

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Financial Section

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Klein Independent School District (the District), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Klein Independent School District, as of August 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the Klein Independent School District's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2019 on our consideration of the Klein Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Klein Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Klein Independent School District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
December 20, 2019

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

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

Financial Highlights

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

Overview of the Financial Statements

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

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

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

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

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

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

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

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

The District maintains thirty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the capital projects fund, all of which are considered to be major funds. Data from the other twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements. The District adopts an annual appropriated budget for its general fund, debt service fund, and the *National School Breakfast and Lunch Program* special revenue fund.

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

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

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

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

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

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

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

Government-wide Financial Analysis

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

KLEIN INDEPENDENT SCHOOL DISTRICT'S NET POSITION

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

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

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

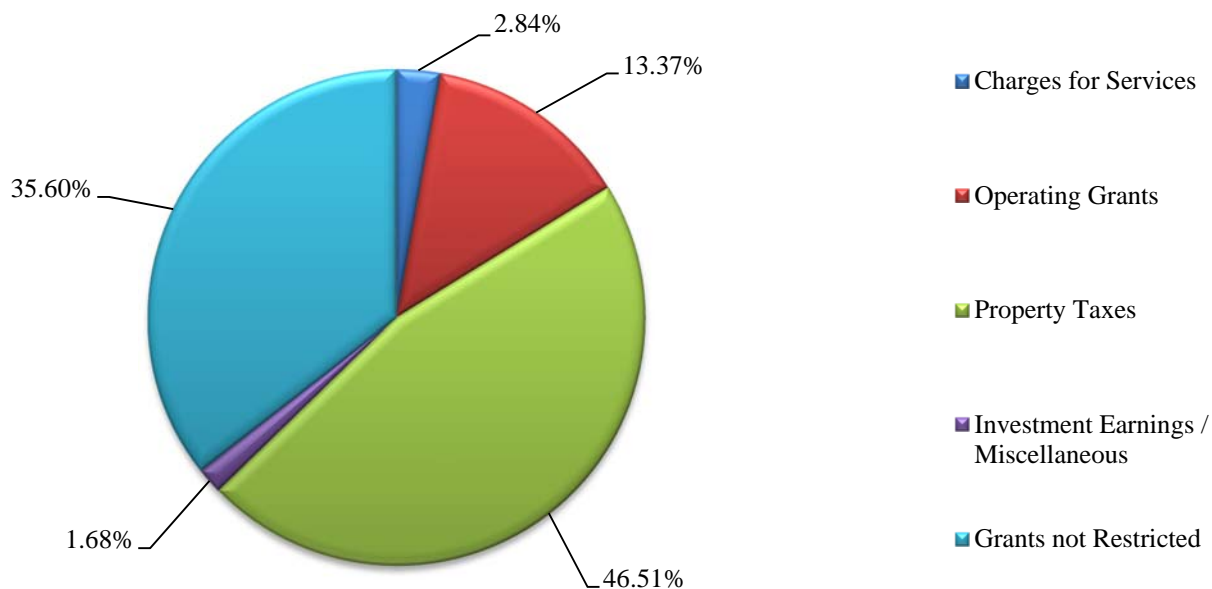
	Governmental Activities	
	2019	2018
REVENUE		
Program Revenues:		
Charges for Services	\$ 18,108,887	\$ 21,353,264
Operating Grants and Contributions	85,314,159	(24,538,225)
General Revenues:		
Taxes:		
Property Taxes, Levied for General Purpose	219,961,386	209,896,563
Property Taxes, Levied for Debt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

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

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

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

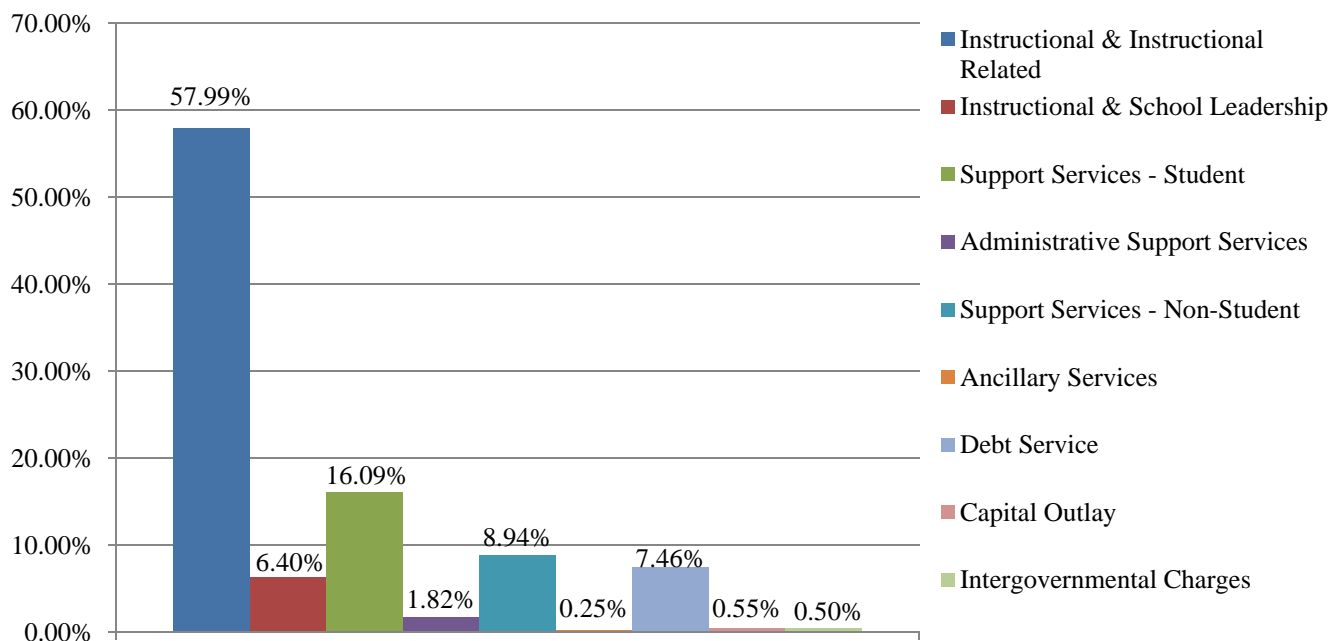
Figure A-1
Revenues by Source – Governmental Activities
for the Fiscal Year ended August 31, 2019



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

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

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



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

Financial Analysis of the Government's Funds

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

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

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

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

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

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

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

General Fund Budgetary Highlights

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

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

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

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

Capital Assets and Long-term Debt

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT'S CAPITAL ASSETS

(Net of Depreciation)

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

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT'S OUTSTANDING DEBT

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

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

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

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

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

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

Economic Factors and Next Year's Budgets and Tax Rates

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

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

Requests for Information

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

Basic Financial Statements

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

Exhibit A-1

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

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

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

Exhibit A-2

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

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

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

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

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

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

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

Exhibit B-1R

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

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

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

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

Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds.	11,149,237
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Long-term liabilities, including bonds payable, compensated absences, workers' compensation, and net pension and OPEB liability are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items consist of:

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

Deferred outflows for pension represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.	104,718,436
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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.	(10,229,979)
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Deferred outflows for OPEB represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.	33,216,752
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Deferred inflows for OPEB represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.	<u>(65,479,332)</u>
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Total Net Position (Deficit) - Governmental Activities (Exhibit A-1) \$ (40,100,146)

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

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

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

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

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

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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, 2019

Exhibit B-2R

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exhibit C-1

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

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

The District reports the following major governmental funds:

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

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

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

Additionally, the District reports the following fund type:

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

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

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

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

1. Deposits and Investments

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

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

2. Receivables and Payables

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

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

3. Inventories and Prepaid Items

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

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

4. Capital Assets

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

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

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

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

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

Land and construction in progress are not depreciated.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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5. *Compensated Absences*

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

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

6. *Long-term Obligations*

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

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

7. *Deferred Outflows/Inflows of Resources*

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

Deferred outflows/inflows of resources are amortized as follows:

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

KLEIN INDEPENDENT SCHOOL DISTRICT

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8. Net Position Flow Assumptions

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

9. Fund Balance Flow Assumptions

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

10. Fund Balance Policies

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

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

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

11. Pension

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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12. Other Post-Employment Benefits

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

13. Use of Estimates

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

14. Data Control Codes

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

II. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

B. Encumbrances

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

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

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

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

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

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

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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 cash equivalents in the financial statements. The District's investment balances and weighted average maturity of such investments are as follows:

	Fair Value Measurements Using							Weighted Average Maturity (Days)	Credit Risk*			
	August 31, 2019	Quoted	Significant	Significant	Percent							
		Prices in								Other	Unobservable	of Total
		Active								Observable	Inputs	Investments
		Markets for Identical Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)								

Investments Pools, not subject to level reporting:

Investments Measured at Amortized Cost

Texpool	\$	86,425,797	\$	-	\$	-	\$	-	27.73%	36	AAA
Lone Star		83,332,125		-		-		-	26.73%	27	AAA

Investments Measured at Fair Value

Texas CLASS - Commercial Paper		61,088,695		-		-		-	19.60%	52	AAA
Texas CLASS - Government Overnight		22,489,246		-		-		-	7.21%	50	AAA

*Investments Measured at Fair Value,
subject to level reporting:*

Municipal Securities		12,104,833		-		12,104,833		-	3.88%	392	*
Federal Agency Securities		40,328,789		-		40,328,789		-	12.94%	316	AA+
U.S. Treasuries		5,945,345		5,945,345		-		-	1.91%	354	AA+
Total Investments	\$	311,714,830	\$	5,945,345	\$	52,433,622	\$	-	100.00%		
Cash and Checking Accounts		20,865,806									

**Total District Cash & Cash Equivalents and
Current & Long-term Investments, including Fiduciary** **\$ 332,580,636**

Investment Portfolio Weighted Average Maturity

102

*Ratings by Standard and Poors range from A to AAA

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

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

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

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

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

B. Receivables

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

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

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

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

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

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

C. Capital Assets

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

Construction Commitments

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

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

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

D. Interfund Receivables, Payables, and Transfers

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

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

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

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

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

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

E. Long-term Liabilities

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

Changes in Long-term Liabilities

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

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General Obligation Bonds

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

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

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

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

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

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

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

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

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

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

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

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 commitment of funds:

Nonmajor and Other Funds:

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

Other assigned fund balance includes the following assignments of funds:

General Fund:

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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IV. Other Information

A. Risk Management

Property/Liability

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

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

Workers' Compensation

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

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

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B. Contingent Liabilities

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

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

C. Defined Benefit Pension Plan

Plan Description

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

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

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to

KLEIN INDEPENDENT SCHOOL DISTRICT

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amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for plan fiscal years 2018 and 2019 would remain the same. Rates for such plan fiscal years are as follows:

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

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

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

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

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

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Actuarial Assumptions

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

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Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 3.69%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2018 are summarized below:

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

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

	Current	
1% Decrease	Discount Rate	1% Increase
(5.907%)	(6.907%)	(7.907%)
\$ 281,736,762	\$ 186,674,619	\$ 109,716,175

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

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

District's proportionate share of the net pension liability	\$ 186,674,619
State's proportionate share of the net pension liability associated with the District	258,121,285
Total	\$ 444,795,904

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

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

Changes Since the Prior Actuarial Valuation

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

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

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

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

Year Ending August 31:

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

D. Defined Other Post-Employment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

Benefits Provided

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

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

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

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

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

* or surviving spouse

Change of Benefit Terms since the Prior Measurement Date

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

Contributions

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

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

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

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

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

Actuarial Assumptions

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

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

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

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

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

Additional Actuarial Methods and Assumptions:

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

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

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

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

Discount Rate

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

Sensitivity of the Net OPEB Liability

Discount Rate

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

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

1% Decrease (2.69%)	Current Single Discount Rate (3.69%)	1% Increase (4.69%)
\$ 246,479,966	\$ 207,066,238	\$ 175,887,438

Healthcare Cost Trend Rates

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

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

1% Decrease (7.5%)	Current Healthcare Cost Trend Rate (8.5%)	1% Increase (9.5%)
\$ 171,971,883	\$ 207,066,238	\$ 253,286,262

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

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

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

District's proportionate share of the net OPEB liability	\$ 207,066,238
State's proportionate share of the net OPEB liability associated with the District	299,987,098
Total	\$ 507,053,336

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

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

Changes Since the Prior Actuarial Valuation

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

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

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

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

Year Ending August 31:

2020	\$ (6,176,505)
2021	(6,176,505)
2022	(6,176,505)
2023	(6,183,354)
2024	(6,187,271)
Thereafter	(4,238,067)
Total	\$ (35,138,207)

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2019

E. Shared Services Arrangement

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

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

Revenues

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

Expenditures

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

Required Supplementary Information

KLEIN INDEPENDENT SCHOOL DISTRICT

Exhibit D-1

REQUIRED SUPPLEMENTARY INFORMATION

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

BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2019

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT**Exhibit E-1****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET****PENSION LIABILITY OF A COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN****TEACHER RETIREMENT SYSTEM OF TEXAS****FOR THE FIVE YEARS ENDED***

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

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

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

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

Exhibit E-2

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT**Exhibit E-3****REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB
LIABILITY OF A COST-SHARING MULTIPLE-EMPLOYER OPEB PLAN
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE TWO YEARS ENDED***

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

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

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

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

Exhibit E-4

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

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

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

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

I. Budget

A. Budgetary Information

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

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

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

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

B. Variances Between Original and Final Budget

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

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

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

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

Supplementary Information

MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

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

KLEIN INDEPENDENT SCHOOL DISTRICT

Exhibit F-1

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

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

KLEIN INDEPENDENT SCHOOL DISTRICT

FUND DESCRIPTIONS

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

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

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

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

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

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

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

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

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

FUND DESCRIPTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

FUND DESCRIPTIONS

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

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

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

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

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

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

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

Continued

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

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

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

Continued

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

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

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

Continued

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

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

491

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

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

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

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

Continued

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

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

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

Continued

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

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

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

Continued

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

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

491

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

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KLEIN INDEPENDENT SCHOOL DISTRICT

Exhibit G-3

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

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

FIDUCIARY FUND

AGENCY FUND

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

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

Exhibit H-1

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

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COMPLIANCE SCHEDULE

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

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

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

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

Reconciliation of Ending Balance to Exhibit B-1:

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

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

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

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

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

Table 1

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

KLEIN INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

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

Table 2

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

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

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

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

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

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

Table 3

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

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

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

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

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

Table 4

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

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

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

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

Table 5

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

(1) The value is the appraised value at original certification and fluctuates due to property owner protests and preliminary appraisal values at the time of certification.

(2) Tax Rates are per \$100 of actual taxable value.

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

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

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

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

(1) Formerly North Harris Montgomery CCD.

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

Source: Harris County Appraisal District

Table 6

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

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

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

Table 7

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

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

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

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

Source: Harris County (Texas) Appraisal District

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

Table 8

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

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

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

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

Table 9

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

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

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

(3) See Table 12 for student enrollment data.

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

Table 10

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

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

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

(3) See Table 12 for student enrollment data.

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

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

Table 11

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

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

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

Table 12

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

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

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

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

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

Table 13

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

(1) Total Employment for 2019: 2,237,294

(2) Total Employment for 2010: 1,843,530

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

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

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

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

- (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.
- (3) Position Control was implemented districtwide resulting in a revision of category allocations.

Source: District budget and position control records.

Table 14

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

KLEIN INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

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

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

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

Table 15

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

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KLEIN INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 16

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

(1) Source: District records

(2) Source: Texas Education Agency website

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

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

(1) Klein HS was originally built in 1963, but was 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 17
Page 1 of 3

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

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

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

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

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

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

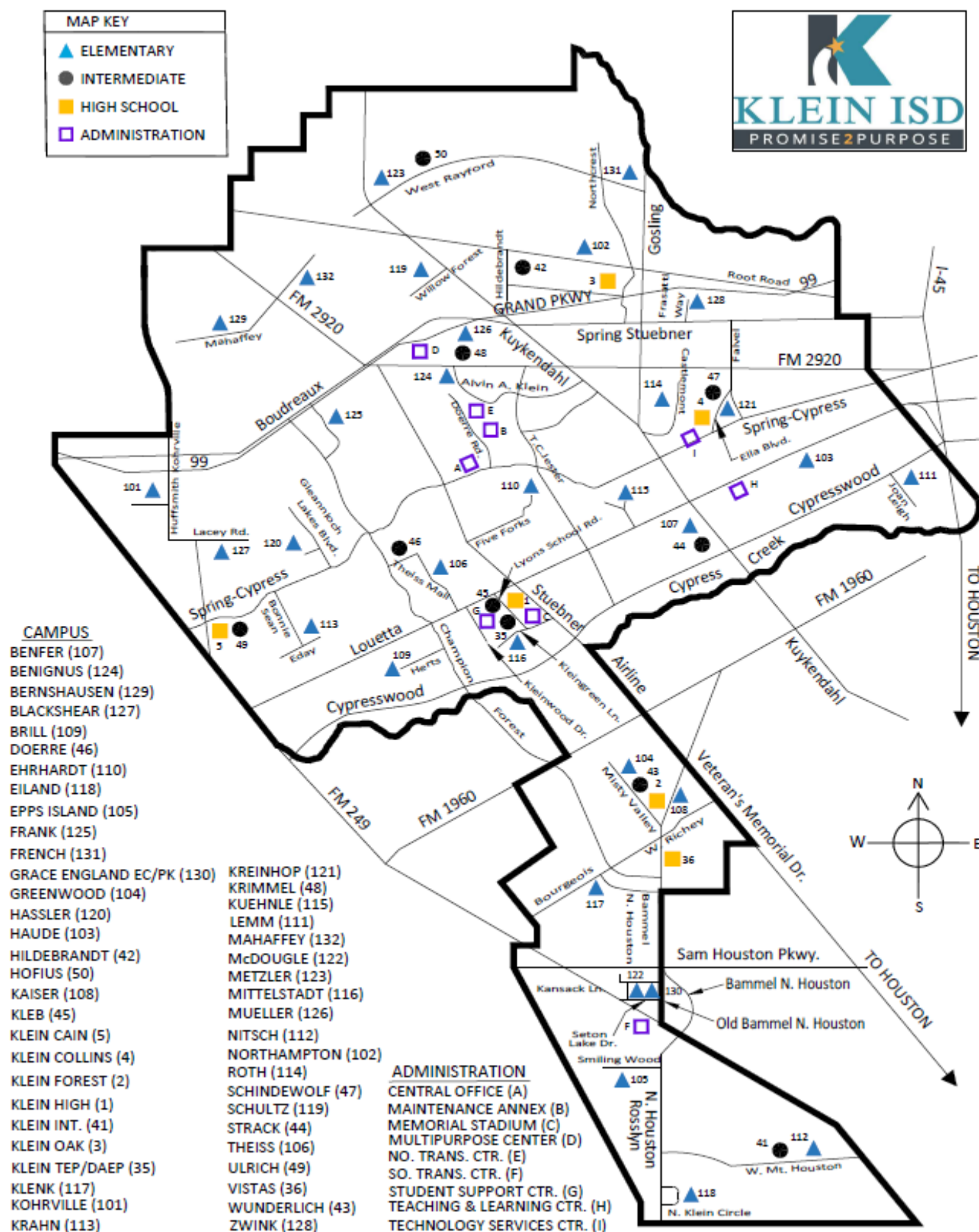
Table 17
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2015	2014	2013	2012	2011	2010
107,898	107,898	107,898	107,898	107,898	107,898
928	928	928	928	945	945
738	770	978	975	1,055	1,027
109,116	109,116	109,116	109,116	109,150	109,150
1,085	1,085	1,085	1,085	1,011	1,011
745	758	775	779	1,039	1,000
108,293	108,293	108,293	108,293	108,293	108,293
984	984	984	984	959	959
891	855	829	942	937	934
87,216	87,216	87,216	87,216	87,250	87,250
831	831	831	831	793	793
765	697	651	866	803	790
103,056	103,056	103,056	103,056	103,090	103,090
705	705	705	705	843	843
605	591	578	721	709	692
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
108,293	108,293	108,293	108,293	108,293	108,293
796	796	796	796	959	959
698	667	629	774	825	793
108,293	108,293	108,293	108,293	108,293	108,293
914	914	914	914	929	929
872	860	969	899	878	867
91,494	91,494	91,494	91,494	91,528	91,528
891	891	891	891	824	824
854	887	839	749	680	696
115,689	115,689	115,689	115,689	115,689	115,689
935	935	935	935	900	900
931	827	720	744	686	647
93,810	93,810	93,166	93,166	93,200	93,200
802	802	802	802	833	833
790	791	737	840	843	853
75,711	75,711	75,711	75,711	75,711	75,711
863	863	863	863	731	731
865	815	778	895	895	859
98,891	98,891	98,891	98,891	98,891	95,580
852	852	852	852	852	816
712	694	699	759	768	750
93,816	93,816	93,816	93,816	93,850	93,850
906	906	906	906	836	836
921	877	821	767	772	753
71,277	71,277	71,277	71,277	71,311	71,311
754	754	754	754	703	703
637	631	661	643	678	686
125,073	125,073	125,073	125,073	-	-
940	940	940	940	-	-
934	883	830	-	-	-

KLEIN INDEPENDENT SCHOOL DISTRICT

DISTRICT MAP
AUGUST 31, 2019

Table 18





KLEIN INDEPENDENT SCHOOL DISTRICT
7200 SPRING CYPRESS ROAD
KLEIN, TEXAS 77379
HARRIS COUNTY

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