



COMPREHENSIVE ANNUAL FINANCIAL⁶ REPORT

FOR THE TEN MONTHS ENDED JUNE 30, 2020

**KLEIN INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE TEN MONTHS ENDED
JUNE 30, 2020**

**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 TEN MONTHS ENDED JUNE 30, 2020

TABLE OF CONTENTS

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

KLEIN INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE TEN MONTHS ENDED JUNE 30, 2020

TABLE OF CONTENTS
(CONTINUED)

	<u>Page</u>	<u>Exhibit</u>
Schedule of the District's Contributions to the Teacher Retirement System of Texas Pension Plan.....	76	E-2
Schedule of the District's Proportionate Share of the Net OPEB Liability of a Cost-Sharing Multiple-Employer OPEB Plan Teacher Retirement System of Texas	78	E-3
Schedule of the District's Contributions to the Teacher Retirement System of Texas OPEB Plan.....	79	E-4
Notes to the Required Supplementary Information	80	

SUPPLEMENTARY INFORMATION

Combining and Individual Fund Financial Statements and Schedules:

Major Governmental Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund	85	F-1
---	----	-----

Nonmajor Governmental Funds:

Fund Descriptions – Nonmajor Governmental Funds – Special Revenue Funds.....	87	
Combining Balance Sheet – Nonmajor Governmental Funds – Special Revenue Funds.....	90	G-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds – Special Revenue Funds	98	G-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – National School Breakfast and Lunch Program	105	G-3

Fiduciary Fund:

Statement of Changes in Assets and Liabilities – Fiduciary Fund	107	H-1
---	-----	-----

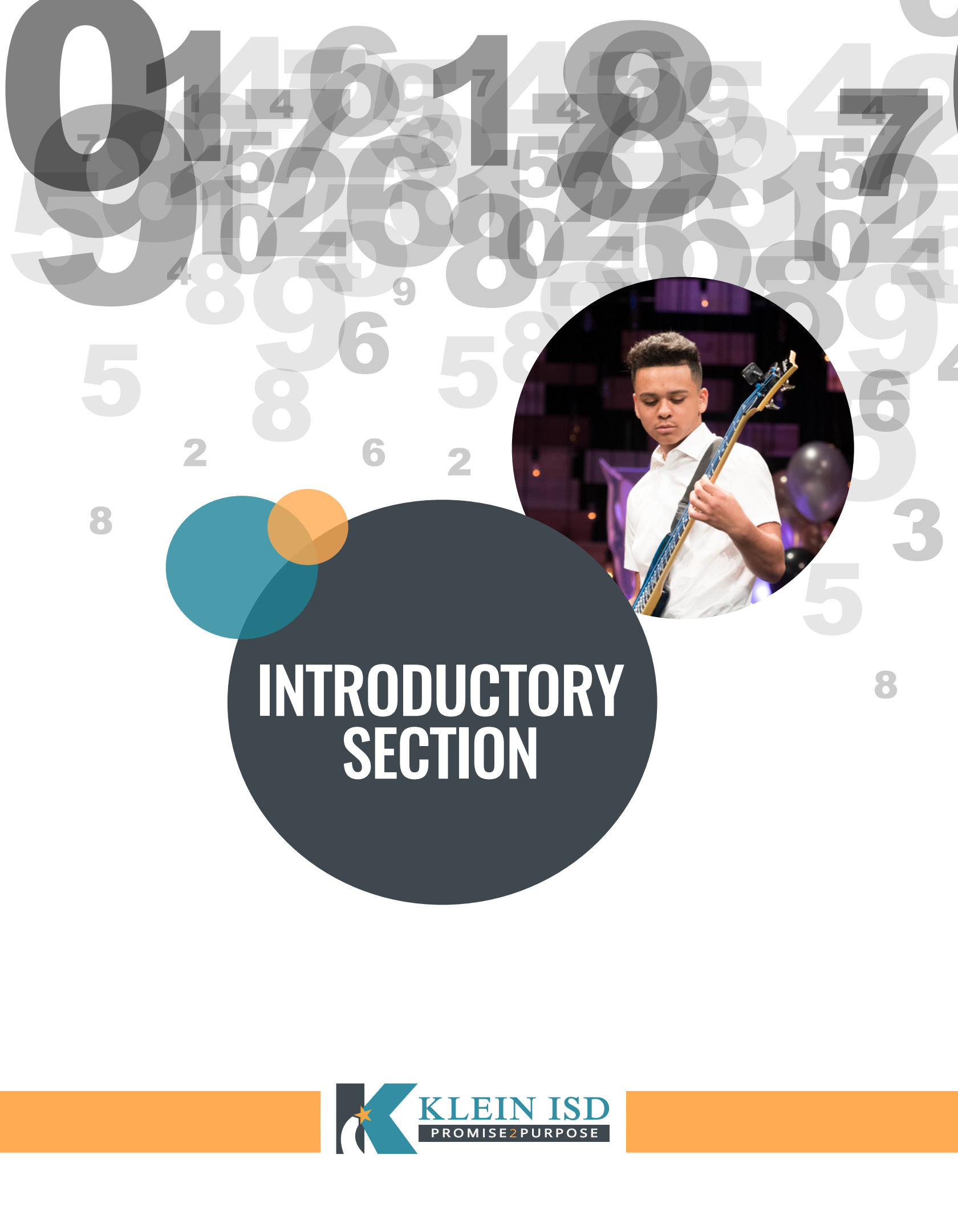
Compliance Schedule:

Schedule of Delinquent Taxes Receivable for Ten Months ended June 30, 2020	110	I-1a
Schedule of Delinquent Taxes Receivable for Twelve Months ended August 31, 2020	112	I-1b

KLEIN INDEPENDENT SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE TEN MONTHS ENDED JUNE 30, 2020

TABLE OF CONTENTS
(CONTINUED)

STATISTICAL SECTION	<u>Page</u>	<u>Table</u>
Financial Trends:		
Net Position by Component – Last Ten Fiscal Years.....	116	1
Changes in Net Position – Last Ten Fiscal Years	118	2
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	120	3
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	122	4
Revenue Capacity:		
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	125	5
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	126	6
Principal Property Taxpayers – Current Year and Nine Years Ago.....	128	7
Property Tax Levies and Collections – Last Ten Fiscal Years.....	129	8
Debt Capacity:		
Outstanding Debt by Type – Last Ten Fiscal Years.....	130	9
Ratios of Net General Obligation Bonded Debt Outstanding – Last Ten Fiscal Years	131	10
Direct and Overlapping Governmental Activities Debt	133	11
Demographic and Economic Information:		
Demographic and Economic Statistics – Last Ten Fiscal Years	134	12
Principal Employers – Current Year and Nine Years Ago.....	135	13
Operating Information:		
Full-time Equivalent District Employees by Position – Last Ten Fiscal Years	136	14
Operating Statistics – Last Ten Fiscal Years.....	138	15
Teacher Base Salaries – Last Ten Fiscal Years.....	141	16
School Building Information – Last Ten Fiscal Years	142	17
District Map.....	148	18



INTRODUCTORY SECTION

Introductory Section

Klein Independent School District

Central Office

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



November 9, 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 ten months ended June 30, 2020.

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 ten months ended June 30, 2020. 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-three elementary schools and serves an average daily attendance of 50,130 students. The ages of the school buildings range from one to forty-nine years. Fox Elementary, the 33rd elementary school in the district, opened in September 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 June 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 July 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

Springwoods Village and Pinto Business Park continue to add buildings and corporate tenants. 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.

Recent relocation announcements by several large corporations will continue to fuel growth in the region in the short-term. ExxonMobil acquired XTO Energy and relocated 1,200 positions from downtown Fort Worth to its northside Houston campus in the spring of 2018. Other relocations to Springwoods Village include Hewlett Packard Inc. and the American Bureau of Shipping. Also, Hewlett Packard Enterprise is expected to move operations to the new business district in 2022. Springwoods Village is planned to consist of 9 million square feet of office space.

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

Springwoods Village – The residential portion of this master-planned community has yet to develop in Klein ISD. Coventry Development Corporation is planning approximately 600 homes within KISD, but no infrastructure exists currently. 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.

Villas at Meadowhill – K. Hovanian recently platted 150 lots on approximately 25 acres west of Falvel Road and north along FM 2920. Development has not started.

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

Potential Residential – Nearly 19 acres formerly planned as a second phase of Willow Creek Apartments along FM 2920 now has single-family residential potential.

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. 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.

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 was 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-eight 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. The District has sold all 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 2019-2020 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. The District was not rated in 2019-2020 due to COVID-19.

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 2019-2020, 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, 2019. 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, 2019, 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. Likewise, the District has received the Award of Merit for Purchasing Operations from the Texas Association of School Business Officials for 2018-19 and 2019-20.

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



Earl Taylor, CPA
Director of Accounting

(This page intentionally left blank)

(GFOA CERTIFICATE IN PROCESS)



**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, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Klein ISD Organization Chart

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

Board of Trustees

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

Dr. Jenny McGown
Superintendent

Larry Whitehead
Interim
Deputy Superintendent

Kelly Schumacher
Associate Superintendent
Human Resource
Services

Robert Robertson
Associate Superintendent
Facilities & School
Services

Daniel Schaefer
Chief Financial Officer

Dayna Hernandez
Associate Superintendent
Communications & Public
Relations

Amy Miller
Chief Academic Officer

David Kimberly
Chief of Police

Amanda Salinas
Director
Research & Program
Evaluations

Stephanie Duran
Director
Internal Audit

Athletics
Campus Safety & Support
Klein Police
School Leadership

Human Resource Services
Workers' Compensation
Professional Learning
Staffing
Recruitment & Retention
Employee Relations

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

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

Communications
Public Relations
Klein Education Foundation
Community Relations

Teaching & Learning
Core Academics
College & Career Pathways
Fine Arts
Special Programs
Assessment & Accountability

KLEIN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL SCHOOL DISTRICT OFFICIALS

Elected Officials – Board of Trustees

Doug James	President
Georgan Reitmeier.....	Vice-President
Chris Todd.....	Secretary
Ronnie K. Anderson	Trustee
Cathy M. Arellano	Trustee
Julie Benes.....	Trustee
Rob Ellis.....	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
Dayna Hernandez	Associate Superintendent of Communications & Public Relations
Amy Miller	Chief Academic Officer
David Kimberly	Chief of Police
Kelly Schumacher.....	Associate Superintendent of Human Resource Services
Dr. Kirsten Allman	Executive Director of Special Programs
Audrey Ambridge, RTSBA	Executive Director of Financial Services
Beth Gilleland.....	Executive Director of College & Career Pathways
Jason Gossett, RTSBA.....	Executive Director of Business Services
Dr. Jeff Bailey	Executive Director of Teaching & Learning, Secondary
Dr. Joffery Jones.....	Executive Director of Campus Safety & Support
Dr. Alysa Cozart.....	Executive Director of Curriculum Design & Delivery
Katie Turner.....	Executive Director of Teaching & Learning, Elementary
Ron Webster	Executive Director of Campus Safety & Support
Cassandra Christian	Executive Director of Teaching & Learning, Elementary
Martha Werner.....	Executive Director of Staffing & Employee Relations
August Wunderlich.....	Executive Director of Facilities & School Services
Bob Anderson.....	Executive Director of Staffing & Employee Relations
Jessica Haddox	Executive Director of Teaching & Learning, Secondary
Earl Taylor, CPA	Director of Accounting
Brad Froebel	Director of Data Services
Amanda Toon	Director of Special Education-Assessment & Related Services
Chris Cummings.....	Director of Information Technology
Deedra Davis	Director of Staffing & Employee Relations
Christy Spisak.....	Director of Community Relations & Education Foundation
Stephanie B. Duran, CPA, RTSBA	Director of Internal Audit
Thomas Haggerty	Director of Capital Projects
Dawn Proctor.....	Director of Special Education
Stacy Kindsfather	Director of Assessment & Accountability
Scott Lazar.....	Director of Plant Operations
Doug Massey	Director of Nutrition & Food Services
Laura Padron, RTSBA.....	Director of Budget
Joshua Rice.....	Director of Transportation
Angie Campbell Pulido.....	Director of State & Federal Programs
Chris Ruggerio.....	Director of Staffing & Employee Relations
Amanda Salinas	Director of Research & Program Evaluation
Todd Schultz, RTSBA	Director of Warehousing
Shannon Strole.....	Director of Staffing & Employee Relations
Rachel Trotter.....	Director of Communications
Lisa Turner, CTSBO.....	Director of Purchasing
Tamara Bennett, CPA	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 ten months ended June 30, 2020 at a meeting of the Board of Trustees of such school district on the 9th day of November, 2020.

SIGNATURE OF BOARD SECRETARY

SIGNATURE OF BOARD PRESIDENT

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

(This page intentionally left blank)



FINANCE SECTION



Financial Section

(This page intentionally left blank)

Independent Auditor's Report

To 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 ten months ended June 30, 2020, 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

The District's 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 June 30, 2020, and the respective changes in financial position for the ten months then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Fiscal Year End

As discussed in Note 1.C. to the basic financial statements, the District elected to change its fiscal year ending from August 31 to June 30. As such, the financial statements are presented as of and for a ten month period ending June 30, 2020. Our opinions are not modified with respect to this matter.

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 November 1, 2020 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
November 1, 2020

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

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 ten months ended June 30, 2020.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal period by \$9,344,886 (*net position*).
- The District's total net position increased by \$49,445,032.
- As of the close of the current fiscal period, the District's governmental funds reported combined ending fund balances of \$411,087,229, an increase of \$106,574,968 in comparison with the prior year. The increase in governmental fund balances was primarily due to increases of \$53,113,152 in the general fund, \$5,068,973 in the capital projects fund, \$1,122,844 in other governmental funds, and \$47,269,999 in the debt service fund.
- At the end of the current fiscal period, unassigned fund balance for the general fund was \$161,275,648 or 41 percent of total general fund expenditures.
- The District's bonded debt, at par, increased by \$11,120,000 (1 percent) during the current fiscal period.
- The District changed its fiscal year end to June 30.

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)
JUNE 30, 2020

Change in fiscal year end. House Bill 98 enacted by the 76th Legislature of the State of Texas allowed school districts to change their fiscal year end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2019-2020 reporting period. As such, the financial statements are presented for a ten-month period of September 1, 2019 through June 30, 2020.

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 28 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 25 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.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

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.

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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,344,886 at the close of the fiscal period ended June 30, 2020.

KLEIN INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 504,629,922	\$ 366,859,824
Capital Assets, net of Accumulated Depreciation	1,171,982,500	1,166,330,244
Total Assets	1,676,612,422	1,533,190,068
Total Deferred Outflows of Resources	139,055,549	157,112,257
Other Liabilities	93,750,833	55,262,311
Long-term Liabilities Outstanding	1,594,334,299	1,599,430,849
Total Liabilities	1,688,085,132	1,654,693,160
Total Deferred Inflows of Resources	118,237,953	75,709,311
Net Position:		
Net Investment in Capital Assets	60,434,448	76,345,695
Restricted	61,865,510	28,482,722
Unrestricted (Deficit)	(112,955,072)	(144,928,563)
Total Net Position (Deficit)	\$ 9,344,886	\$ (40,100,146)

Net investment in capital assets of \$60,434,448 reflects the District's investment of \$1.17 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 \$61,865,510 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 \$58,271,228 is restricted for debt service, \$3,587,672 is restricted for Grants – Food Services, and \$6,610 is restricted for Grants – Instructional Services.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

Unrestricted net position of (\$112,955,072) 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.

Governmental activities. Governmental activities increased the District's net position by \$49,445,034. Key elements of this increase are as follows:

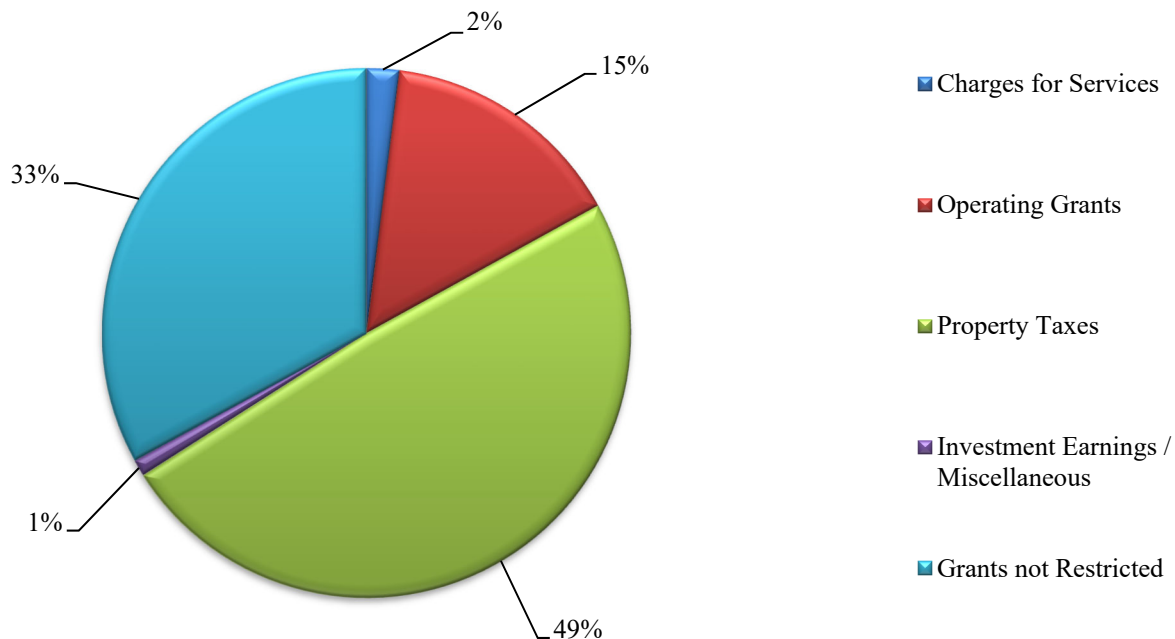
KLEIN INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities	
	2020	2019
REVENUE		
Program Revenues:		
Charges for Services	\$ 11,189,299	\$ 18,108,887
Operating Grants and Contributions	92,174,619	85,314,159
General Revenues:		
Taxes:		
Property Taxes, Levied for General Purpose	217,909,440	219,961,386
Property Taxes, Levied for Debt Service	87,582,707	76,710,403
Grants and Contributions Not Restricted to Specific Programs	207,342,177	227,081,601
Investment Earnings	4,622,954	8,296,940
Miscellaneous	1,229,838	2,400,981
Total Revenues	622,051,034	637,874,357
EXPENSES		
Instruction	324,041,608	336,498,692
Instructional Resources and Media Services	5,608,328	5,758,912
Curriculum and Instructional Staff Development	14,860,640	16,774,036
Instructional Leadership	4,298,595	4,393,010
School Leadership	32,854,807	35,265,987
Guidance, Counseling, and Evaluation Services	30,362,123	31,178,493
Social Work Services	551,360	619,209
Health Services	6,670,311	6,521,194
Student Transportation	14,097,327	16,498,887
Food Services	24,056,727	27,399,035
Extracurricular Activities	12,561,156	17,393,410
General Administration	9,287,149	11,259,864
Plant Maintenance and Operations	31,345,357	36,637,208
Security and Monitoring Services	6,019,695	6,816,190
Data Processing Services	11,522,745	11,937,060
Community Services	1,092,987	1,564,297
Interest on Long-term Debt	37,771,062	45,342,509
Bond Issuance Costs and Fees	1,357,839	847,885
Facilities Repair and Maintenance	2,015,139	3,436,397
Payments to Shared Services Arrangements	472,681	601,690
Payments to Juvenile Justice Alternative Education Programs	99,000	334,361
Other Intergovernmental Charges	1,659,366	2,191,066
Total Expenses	572,606,002	619,269,392
Change in Net Position	49,445,032	18,604,965
Net Position (Deficit) - Beginning	(40,100,146)	(58,705,111)
Net Position (Deficit) - Ending	\$ 9,344,886	\$ (40,100,146)

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

Revenues are generated primarily from two sources (see Figure A-1). Grants and contributions (program and general revenues totaling \$299,516,797) represent 48 percent of total revenues and property taxes (\$305,492,147) represent 49 percent of total revenues. The remaining 3 percent is generated from charges for services, investment earnings, and miscellaneous revenues. The decrease in grants and contributions is the result of a decrease in state allotment in foundation funding as a result of COVID-19 and the change in fiscal period. Property taxes increased primarily due to an increase in taxable property values.

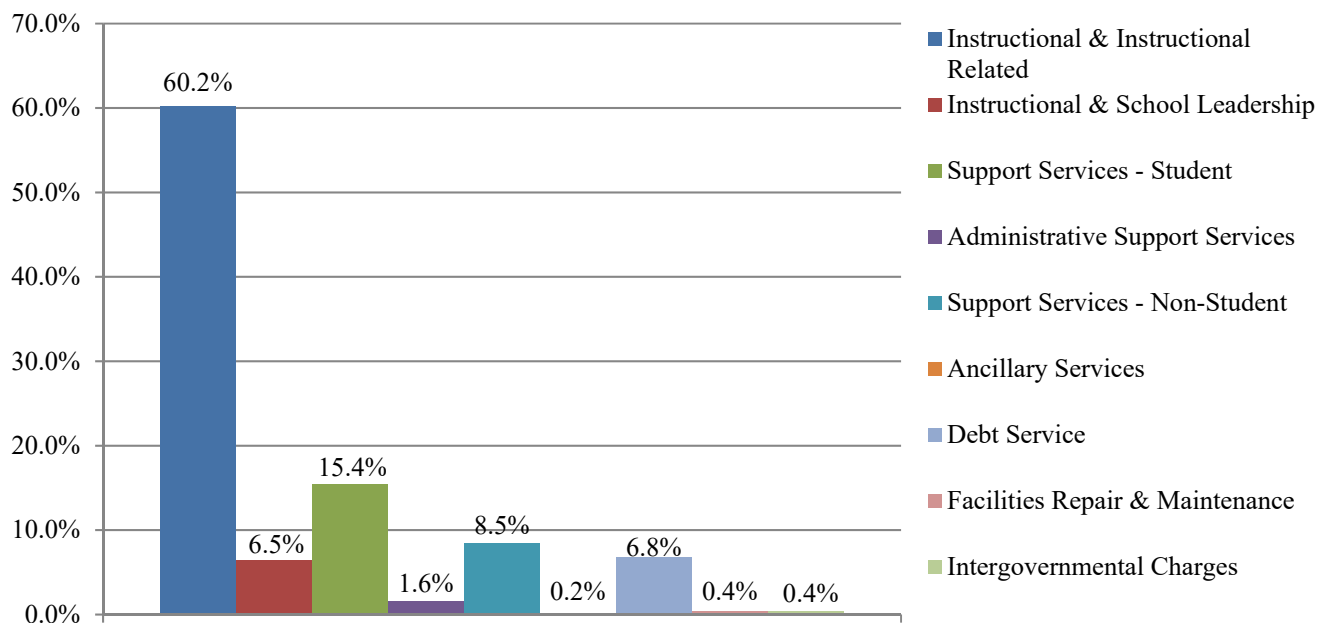
Figure A-1
Revenues by Source – Governmental Activities
for the Ten Months ended June 30, 2020



KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

The primary functional expense (see figure A-2) of the District is instruction (\$324,041,608), which represents 57 percent of total expenses and interest on long-term debt (\$37,771,062) 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 reduction in expenses affected by COVID-19 and the change in fiscal period.

Figure A-2
Expenses by Major Function Categories – Governmental Activities
for the Ten Months ended June 30, 2020



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 \$411,087,229, an increase of \$106,574,968 in comparison with the prior year. The increase in governmental fund balances was primarily due to increases in the general fund and debt service fund. Out of the combined ending fund balances, \$161,275,648 constitutes unassigned fund balances. The remaining \$249,811,581 is nonspendable, restricted, committed or assigned to indicate that it is not available for spending because it has already been committed.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

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 \$161,275,648 while total fund balance reached \$230,870,479. 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 41 percent of total general fund expenditures, while total fund balance represents 58 percent of that same amount. The District's general fund balance increased by \$53,113,152 during the current fiscal year primarily due to the effects of COVID-19 and the change in fiscal year.

The debt service fund has a total fund balance of \$71,585,172, all of which is restricted 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 ten months ended June 30, 2020 were \$43,102,868. The net increase in fund balance of \$47,269,999 was due to principal payments decreasing due to the issuance of refunding bonds and interest payments decreasing due to the change in fiscal year.

The capital projects fund has a total fund balance of \$95,563,603, a majority is restricted for authorized construction and technology projects. The net increase in fund balance during the current year of \$5,068,973 was primarily due to the sale of bonds for construction and renovation of facilities.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

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	
\$ (12,204,961)	Net decreases in state aid receivable due to fiscal year-end change.
(6,703,912)	Net decrease in FSP state aid due to five percent reduction for CARES Act.
2,926,598	Net increase in state aid due to year end student enrollment and property value supplemental rolls.
(3,594,055)	Net decrease in TRS on-Behalf due to 10 month fiscal year.
4,304	Net increase for expenses related to the continuing education of persons licensed as law enforcement officers.
(247,963)	Net decrease in summer school and athletic camp tuition due to COVID-19 closures.
(139,423)	Net decrease in facility rental revenue due to COVID-19 closures.
(587,301)	Net decrease in interest income revenues.
686,844	Net increase in property tax collections.
251,166	Net increase in local revenues due to donations, insurance proceeds, and other miscellaneous local revenues.
1,347,487	Net increase in eRate and indirect cost revenues.
\$ (18,261,216)	Total Estimated Revenues and Other Financing Sources Decrease
Appropriations and Other Financing Uses	
\$ (25,583,788)	Net decreases in payroll appropriations due to payroll accrual reversal for fiscal year-end change.
(6,703,912)	Net decrease in instructional payroll expenditures due to five percent reduction in FSP funding for CARES Act.
(3,594,055)	Net decrease due to decrease in TRS on-Behalf appropriation.
755,100	Net increase in contracted services and general supplies due to NSLP (food service) paying indirect costs.
571,000	Net increase in contracted services for new finance and human resources system.
438,564	Net increase in general supplies due to carryover resources from fiscal year 2019.
180,000	Net increase in general supplies due to purchasing of new band uniforms for KOHS.
233,581	Net increase due to increase in contracted services for vehicle repairs, increase for security software, increase in supplies for assessment printing, increase in equipment and vehicles, increase in campus allocations due to enrollment, increase in travel professional development for police officers, and miscellaneous supplies from donations.
\$ (33,703,510)	Total Appropriations and Other Financing Uses Increase

The review of the final amended budget versus actual for the general fund reflected that revenues were less than budgetary estimates and expenditures were less than budgetary estimates. At year end, actual revenues were \$209,254 less than estimated revenue amounts primarily due to net decreases in state aid receivable due to the fiscal year change. Operating expenditures were \$25,446,773 less than final budgeted amounts primarily due to instructional payroll costs that were reclassified to the ESSER grant (CARES Act) and further plant maintenance and operations expense relative to the change in fiscal year.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

Capital Assets and Long-term Debt

Capital assets. The District's investment in capital assets for its governmental type activities as of June 30, 2020, amounts to \$1,171,982,500 (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 ten months was less than 1 percent.

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

- Completion of Fox Elementary
- 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	
	2020	2019
Land	\$ 112,380,018	\$ 111,792,428
Buildings and Improvements	1,025,003,647	995,252,136
Furniture and Equipment	34,598,835	35,123,842
Construction in Progress	-	24,161,838
Totals	\$ 1,171,982,500	\$ 1,166,330,244

Construction commitments. The District has active construction projects as of June 30, 2020. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$23,525,252 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.

Long-term debt. At the end of the current fiscal period, the District had total long-term liabilities outstanding of \$1,594,334,299. Of this amount, \$1,125,655,000 (par value) is backed by the full faith and credit of the District.

KLEIN INDEPENDENT SCHOOL DISTRICT'S OUTSTANDING DEBT

	Governmental Activities	
	2020	2019
Bonds Payable	\$ 1,225,799,203	\$ 1,199,656,248
Compensated Absences	3,764,296	4,830,771
Workers' Compensation	528,971	1,202,973
Net Pension Liability	171,536,152	186,674,619
Net OPEB Liability	192,705,677	207,066,238
Totals	\$ 1,594,334,299	\$ 1,599,430,849

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2020

The District's bonded debt at par increased by \$11,120,000 (1 percent) during the current fiscal period.

The District has sold \$498.1 million of the bonds authorized on May 9, 2015, leaving no authorized but unissued bonds as of June 30, 2020.

The District's net pension liability decreased by \$15,138,467 primarily as a result of the decrease in the District's proportionate share of the collective net pension liability.

The District's net OPEB liability decreased by \$14,360,561 primarily as a result of the decrease in the District's proportionate share of the collective net pension liability.

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 50,816 students, which is a 1.4% increase from the prior year.
- District staff totals 7,582 employees, which primarily consists of 3,536 teachers and 1,240 teachers' aides and secretaries.
- The District maintains 48 campuses for instruction.
- The unemployment rate for the State is 6.8%, which continues month-to-month decreases since first being impacted by COVID-19 in March 2020.
- Property values of the district have increased 5.85% over the past year.
- The property tax rate will decrease by 2.27 cents to \$1.3373 per \$100 of assessed value for 2020-21, which is effectively a 1.34% increase in the tax rate.

All of these factors were considered in preparing the District's budget for the 2020-21 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
JUNE 30, 2020

Exhibit A-1

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 357,929,479
1120	<i>Current Investments</i>	40,004,109
1225	<i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i>	18,070,624
1240	<i>Due from Other Governments</i>	63,391,084
1290	<i>Other Receivables</i>	512,624
1300	<i>Inventories, at Cost</i>	2,305,571
1410	<i>Prepaid Items</i>	2,869,648
1910	<i>Long-term Investments</i>	19,546,783
	Capital Assets, Not Being Depreciated:	
1510	<i>Land</i>	112,380,018
	Capital Assets, Net of Accumulated Depreciation:	
1520	<i>Buildings and Improvements</i>	1,025,003,647
1530	<i>Furniture and Equipment</i>	34,598,835
1000	Total Assets	1,676,612,422
DEFERRED OUTFLOWS OF RESOURCES		
1704	<i>Deferred Outflows - Bond Refunding</i>	18,687,548
1705	<i>Deferred Outflows - Pension</i>	83,771,676
1706	<i>Deferred Outflows - OPEB</i>	36,596,325
	Total Deferred Outflows of Resources	139,055,549
LIABILITIES		
2110	<i>Accounts Payable</i>	21,674,058
2140	<i>Interest Payable</i>	18,278,764
2160	<i>Accrued Wages Payable</i>	53,285,161
2180	<i>Due to Other Governments</i>	222,048
2300	<i>Unearned Revenue</i>	290,802
	Noncurrent Liabilities:	
2501	<i>Due within One Year</i>	45,518,592
	<i>Due in More Than One Year:</i>	
2502	<i>Bonds, Compensated Absences, and Workers' Compensation</i>	1,184,573,878
2540	<i>Net Pension Liabilities</i>	171,536,152
2545	<i>Net OPEB Liabilities</i>	192,705,677
2000	Total Liabilities	1,688,085,132
DEFERRED INFLOWS OF RESOURCES		
2605	<i>Deferred Inflows - Pension</i>	30,873,872
2606	<i>Deferred Inflows - OPEB</i>	87,364,081
	Total Deferred Inflows of Resources	118,237,953
NET POSITION		
3200	<i>Net Investment in Capital Assets</i>	60,434,448
	Restricted for:	
3820	<i>Grants - Food Services</i>	3,587,672
3820	<i>Grants - Instructional Services</i>	6,610
3850	<i>Debt Service</i>	58,271,228
3900	<i>Unrestricted (Deficit)</i>	(112,955,072)
T 3000	Total Net Position	\$ 9,344,886

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE TEN MONTHS ENDED JUNE 30, 2020

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	\$ 324,041,608	\$ 92,685	\$ 50,186,364	\$ (273,762,559)
0012	Instructional Resource and Media Services	5,608,328	-	931,981	(4,676,347)
0013	Curriculum and Instructional Staff Development	14,860,640	-	4,044,253	(10,816,387)
0021	Instructional Leadership	4,298,595	-	695,846	(3,602,749)
0023	School Leadership	32,854,807	-	3,407,390	(29,447,417)
0031	Guidance, Counseling, and Evaluation Services	30,362,123	384	6,287,070	(24,074,669)
0032	Social Work Services	551,360	-	45,195	(506,165)
0033	Health Services	6,670,311	-	745,713	(5,924,598)
0034	Student Transportation	14,097,327	3,000	805,112	(13,289,215)
0035	Food Services	24,056,727	6,067,670	14,692,235	(3,296,822)
0036	Extracurricular Activities	12,561,156	4,710,638	1,436,966	(6,413,552)
0041	General Administration	9,287,149	-	2,305,579	(6,981,570)
0051	Plant Maintenance and Operations	31,345,357	314,922	1,283,933	(29,746,502)
0052	Security and Monitoring Services	6,019,695	-	1,302,683	(4,717,012)
0053	Data Processing Services	11,522,745	-	803,108	(10,719,637)
0061	Community Services	1,092,987	-	687,925	(405,062)
0072	Interest on Long-term Debt	37,771,062	-	2,513,266	(35,257,796)
0073	Bond Issuance Costs and Fees	1,357,839	-	-	(1,357,839)
0081	Facilities Repair and Maintenance	2,015,139	-	-	(2,015,139)
0093	Payments to Shared Services Arrangements	472,681	-	-	(472,681)
0095	Payments to Juvenile Justice Alternative Ed. Programs	99,000	-	-	(99,000)
0099	Other Intergovernmental Charges	1,659,366	-	-	(1,659,366)
TG	Total Governmental Activities	572,606,002	11,189,299	92,174,619	(469,242,084)
TP	Total Primary Government	\$ 572,606,002	\$ 11,189,299	\$ 92,174,619	\$ (469,242,084)
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				217,909,440
DT	Property Taxes, Levied for Debt Services				87,582,707
GC	Grants and Contributions Not Restricted to Specific Programs				207,342,177
IE	Investment Earnings				4,622,954
MI	Miscellaneous				1,229,838
TR	Total General Revenues				518,687,116
CN	Change in Net Position				49,445,032
NB	Net Position (Deficit) - Beginning				(40,100,146)
NE	Net Position - Ending				\$ 9,344,886

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

KLEIN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

Data Control Codes		General Fund	Debt Service Fund
ASSETS			
1110	<i>Cash and Cash Equivalents</i>	\$ 176,816,728	\$ 60,606,602
1120	<i>Current Investments</i>	32,634,738	7,369,371
1225	<i>Property Taxes Receivable (Net of Allowance for Uncollectibles)</i>	13,105,804	4,964,820
1240	<i>Due from Other Governments</i>	51,513,633	-
1260	<i>Due from Other Funds</i>	10,478,260	18,378
1290	<i>Other Receivables</i>	200,512	-
1300	<i>Inventories, at Cost</i>	1,476,181	-
1410	<i>Prepaid Items</i>	2,836,188	-
1910	<i>Long-term Investments</i>	15,855,057	3,691,726
1000	Total Assets	\$ 304,917,101	\$ 76,650,897
LIABILITIES			
2110	<i>Accounts Payable</i>	\$ 9,637,860	\$ -
2160	<i>Accrued Wages Payable</i>	49,800,447	-
2170	<i>Due to Other Funds</i>	1,280,631	487
2180	<i>Due to Other Governments</i>	209,269	-
2300	<i>Unearned Revenue</i>	12,611	100,418
2000	Total Liabilities	60,940,818	100,905
DEFERRED INFLOWS OF RESOURCES			
2600	<i>Unavailable Revenue-Property Taxes</i>	13,105,804	4,964,820
	Total Deferred Inflows of Resources	13,105,804	4,964,820
FUND BALANCES			
Nonspendable:			
3410	<i>Inventories</i>	1,476,181	-
3430	<i>Prepaid Items</i>	2,836,188	-
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>	-	71,585,172
Committed To:			
3545	<i>Other</i>	-	-
Assigned To:			
3590	<i>Other</i>	65,282,462	-
3600	Unassigned	161,275,648	-
3000	Total Fund Balances	230,870,479	71,585,172
4000	Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 304,917,101	\$ 76,650,897

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

<u>Capital Projects Fund</u>	<u>Nonmajor Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 104,584,047	\$ 15,922,102	\$ 357,929,479
-	-	40,004,109
-	-	18,070,624
40,576	11,836,875	63,391,084
2,174,879	11,911	12,683,428
-	312,112	512,624
-	829,390	2,305,571
-	33,460	2,869,648
-	-	19,546,783
<u>\$ 106,799,502</u>	<u>\$ 28,945,850</u>	<u>\$ 517,313,350</u>
\$ 11,213,075	\$ 823,123	\$ 21,674,058
-	3,484,714	53,285,161
22,824	11,379,486	12,683,428
-	12,779	222,048
-	177,773	290,802
<u>11,235,899</u>	<u>15,877,875</u>	<u>88,155,497</u>
-	-	18,070,624
<u>-</u>	<u>-</u>	<u>18,070,624</u>
-	-	1,476,181
-	-	2,836,188
-	3,587,672	3,587,672
-	6,610	6,610
95,563,603	-	95,563,603
-	-	71,585,172
-	9,473,693	9,473,693
-	-	65,282,462
-	-	161,275,648
<u>95,563,603</u>	<u>13,067,975</u>	<u>411,087,229</u>
<u>\$ 106,799,502</u>	<u>\$ 28,945,850</u>	<u>\$ 517,313,350</u>

(This page intentionally left blank)

KLEIN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Exhibit B-1R

Total Fund Balances - Governmental Funds (Exhibit B-1) \$ 411,087,229

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	\$ 1,517,190,197	
Accumulated Depreciation of Governmental Capital Assets	<u>(345,207,697)</u>	1,171,982,500

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.	18,070,624
---	------------

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	\$ (1,125,655,000)	
Premiums on Bonds Payable	(100,144,203)	
Deferred Charge on Refunding Adjustment	18,687,548	
Accrued Interest on Bonds	(18,278,764)	
Workers' Compensation	(528,971)	
Compensated Absences	(3,764,296)	
Net Pension Liability	(171,536,152)	
Net OPEB Liability	<u>(192,705,677)</u>	(1,593,925,515)

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.	83,771,676
--	------------

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.	(30,873,872)
--	--------------

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.	36,596,325
---	------------

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>(87,364,081)</u>
---	---------------------

Total Net Position - Governmental Activities (Exhibit A-1) \$ 9,344,886

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 TEN MONTHS ENDED JUNE 30, 2020

Data Control Codes		General Fund	Debt Service Fund
REVENUES			
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 218,161,928	\$ 86,904,490
5800	<i>State Programs</i>	220,691,394	1,670,524
5900	<i>Federal Programs</i>	10,814,895	842,742
5020	Total Revenues	<u>449,668,217</u>	<u>89,417,756</u>
EXPENDITURES			
Current:			
0011	<i>Instruction</i>	248,002,573	-
0012	<i>Instructional Resources and Media Services</i>	4,084,218	-
0013	<i>Curriculum and Instructional Staff Development</i>	10,148,443	-
0021	<i>Instructional Leadership</i>	3,442,391	-
0023	<i>School Leadership</i>	27,693,579	-
0031	<i>Guidance, Counseling, and Evaluation Services</i>	22,565,679	-
0032	<i>Social Work Services</i>	509,766	-
0033	<i>Health Services</i>	5,569,517	-
0034	<i>Student Transportation</i>	12,214,887	-
0035	<i>Food Services</i>	3,720	-
0036	<i>Extracurricular Activities</i>	8,044,292	-
0041	<i>General Administration</i>	8,565,587	-
0051	<i>Plant Maintenance and Operations</i>	29,092,983	-
0052	<i>Security and Monitoring Services</i>	5,334,365	-
0053	<i>Data Processing Services</i>	8,814,183	-
0061	<i>Community Services</i>	262,572	-
Debt Service:			
0071	<i>Principal on Long-term Debt</i>	-	16,295,000
0072	<i>Interest on Long-term Debt</i>	-	25,833,616
0073	<i>Bond Issuance Costs and Fees</i>	-	974,252
Capital Outlay:			
0081	<i>Facilities Acquisition and Construction</i>	3,470	-
Intergovernmental:			
0093	<i>Payments to Shared Services Arrangements</i>	472,681	-
0095	<i>Payments to Juvenile Justice Alternative Education Programs</i>	99,000	-
0099	<i>Other Intergovernmental Charges</i>	1,659,366	-
6030	Total Expenditures	<u>396,583,272</u>	<u>43,102,868</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>53,084,945</u>	<u>46,314,888</u>
OTHER FINANCING SOURCES (USES)			
7901	<i>Issuance of Refunding Bonds</i>	-	99,425,000
7911	<i>Issuance of Capital-related Bonds</i>	-	-
7912	<i>Sale of Real and Personal Property</i>	100,707	-
7915	<i>Transfers In</i>	-	-
7916	<i>Premium from Issuance of Bonds</i>	-	15,412,001
8911	<i>Transfers Out</i>	(72,500)	-
8949	<i>Payment to Refunded Bond Escrow Agent</i>	-	(113,881,890)
7080	Total Other Financing Sources (Uses)	<u>28,207</u>	<u>955,111</u>
1200	Net Change in Fund Balances	53,113,152	47,269,999
0100	Fund Balances - Beginning	177,757,327	24,315,173
3000	Fund Balances - Ending	\$ <u>230,870,479</u>	\$ <u>71,585,172</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
\$ 59,937	\$ 12,339,534	\$ 317,465,889
-	5,357,890	227,719,808
468,787	35,420,953	47,547,377
<u>528,724</u>	<u>53,118,377</u>	<u>592,733,074</u>
2,941,694	22,146,511	273,090,778
-	905,109	4,989,327
-	2,723,646	12,872,089
4,408	227,179	3,673,978
-	609,018	28,302,597
-	3,340,883	25,906,562
-	-	509,766
-	235,872	5,805,389
1,766,768	489	13,982,144
-	20,325,559	20,329,279
7,153	3,182,399	11,233,844
-	-	8,565,587
385,425	88,998	29,567,406
207,392	13,973	5,555,730
398,787	643,863	9,856,833
-	556,603	819,175
-	-	16,295,000
-	-	25,833,616
383,587	-	1,357,839
30,492,148	197,839	30,693,457
-	-	472,681
-	-	99,000
-	-	1,659,366
<u>36,587,362</u>	<u>55,197,941</u>	<u>531,471,443</u>
<u>(36,058,638)</u>	<u>(2,079,564)</u>	<u>61,261,631</u>
-	-	99,425,000
40,085,000	-	40,085,000
-	7,821	108,528
862,900	4,057,487	4,920,387
4,164,698	-	19,576,699
(3,984,987)	(862,900)	(4,920,387)
-	-	(113,881,890)
<u>41,127,611</u>	<u>3,202,408</u>	<u>45,313,337</u>
5,068,973	1,122,844	106,574,968
90,494,630	11,945,131	304,512,261
<u>\$ 95,563,603</u>	<u>\$ 13,067,975</u>	<u>\$ 411,087,229</u>

(This page intentionally left blank)

KLEIN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE TEN MONTHS ENDED JUNE 30, 2020

Exhibit B-2R

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 106,574,968

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 increased	\$ 32,289,059	
Depreciation Expense	<u>(26,439,318)</u>	5,849,741

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (197,485)

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. 6,921,387

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	\$ (139,510,000)	
(Premium) Discount	<u>(19,576,699)</u>	(159,086,699)

Payment to the escrow agent to refund bonds from refunding proceeds reduces long-term liabilities. 113,881,890

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 16,295,000

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	\$ (14,214,779)	
Amortization of Bond Premium	3,702,835	
Amortization of Deferred Charge on Refunding	<u>(1,425,502)</u>	(11,937,446)

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. 1,066,475

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. 674,002

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)	\$ (20,946,760)	
Deferred Inflows (increased) decreased	(20,643,893)	
Net Pension Liability (increased) decreased	<u>15,138,467</u>	(26,452,186)

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)	\$ 3,379,573	
Deferred Inflows (increased) decreased	(21,884,749)	
Net OPEB Liability (increased) decreased	<u>14,360,561</u>	(4,144,615)

Change in Net Position for Governmental Activities (Exhibit A-2) \$ **49,445,032**

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2020

Exhibit C-1

Data Control Codes		Agency Fund
	ASSETS	
1110	<i>Cash and Cash Equivalents</i>	\$ 1,183,221
1290	<i>Other Receivables</i>	35,032
1000	Total Assets	\$ 1,218,253
	LIABILITIES	
2110	<i>Accounts Payable</i>	\$ 50,595
2190	<i>Due to Student Groups</i>	1,167,658
2000	Total Liabilities	\$ 1,218,253

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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. Change in Fiscal Year End

House Bill 98 enacted by the 76th Legislature of the State of Texas allowed school districts to change their fiscal year end from August 31 to June 30 beginning with the 2001-2002 fiscal year. The District elected to take advantage of this opportunity and chose to change its fiscal year beginning with the 2019-2020 reporting period. As such, the financial statements are presented for a ten-month period of September 1, 2019 through June 30, 2020.

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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.

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.

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

1. Deposits and Investments

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

2. Receivables and Payables

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

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

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

3. Inventories and Prepaid Items

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, transportation, office and instructional supplies, and food service 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.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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

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

Land and construction in progress are not depreciated.

5. *Compensated Absences*

It is the District's policy to permit employees to accumulate earned but unused state personal and sick leave days and local sick leave days. Upon retirement, an employee is entitled to reimbursement for accumulated, unused days if the employee (1) has a minimum of ten (10) years of consecutive service in the District immediately preceding retirement; and (2) begins receiving benefits under the Texas Teacher Retirement System (TRS) on an unreduced pension/annuity immediately upon separation from the District. An eligible employee will be reimbursed for an unlimited amount of unused personal and sick leave days. Compensation for unused days is based on 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 June 30, 2020.

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 June 30, 2020. 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 June 30, 2020.

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.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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.

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.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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 three months of regular General Fund operating expenditures. The District may reduce unassigned and assigned fund balance below three 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.

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, 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 ensure 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 financial statements and schedules subsection. All other governmental funds adopt project-length budgets. All annual appropriations lapse at fiscal year-end.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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

1. Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 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 July 1, the budget is formally adopted 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.

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 June 30, 2020, the District had sufficient resources to liquidate encumbrances and such encumbrances are included in the governmental fund balances as follows:

	Encumbrances Included in:		
	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance
General Fund	\$ -	\$ -	\$ 2,132,865
National School Breakfast and Lunch Program	118,707	-	-
Campus Activity Funds	-	7,566	-
Capital Projects Fund	31,850,572	-	-
Total Encumbrances	\$ 31,969,279	\$ 7,566	\$ 2,132,865

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.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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 period 2020, 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.

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 guaranteed or 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 was organized under the pursuant to Section 2256.016 of the Public Fund Investment 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; collateralized reverse repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1, or equivalent by two nationally recognized rating agencies.

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

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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						
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk*
June 30, 2020							
<i>Investments Pools, not subject to level reporting:</i>							
Investments Measured at Amortized Cost							
Texpool	\$ 121,823,981	\$ -	\$ -	\$ -	30.32%	33	AAAm
Lone Star	93,859,453	-	-	-	23.35%	35	AAA
Investments Measured at Fair Value							
Texas CLASS	107,155,745	-	-	-	26.67%	64	AAAm
Texas CLASS - Government	19,443,054	-	-	-	4.84%	57	AAAm
<i>Investments Measured at Fair Value, subject to level reporting:</i>							
Municipal Securities	13,657,685	-	13,657,685	-	3.40%	251	*
Federal Agency Securities	36,585,374	-	36,585,374	-	9.10%	318	AA+
U.S. Treasuries	9,307,833	9,307,833	-	-	2.32%	211	AA+
Total Investments	\$ 401,833,125	\$ 9,307,833	\$ 50,243,059	\$ -	100.00%		
Cash and Checking Accounts	16,830,467						
Total District Cash & Cash Equivalents and Current & Long-term Investments, including Fiduciary Fund							
	\$ 418,663,592						

Investment Portfolio Weighted Average Maturity

80

*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.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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

The Texas CLASS investment 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 ten months ended June 30, 2020, is included in investment earnings as follows:

Investment Earnings	\$ 4,127,300
Net Increase in Fair Value of Investments	495,654
Total Investment Earnings	\$ 4,622,954

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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	\$ 14,486,984	\$ 5,376,183	\$ -	\$ -	\$ 19,863,167
Due From Other Governments:					
State	51,489,693	-	-	11,797,881	63,287,574
Federal	23,940	-	40,576	38,994	103,510
Miscellaneous	200,512	-	-	312,112	512,624
Gross Receivables	66,201,129	5,376,183	40,576	12,148,987	83,766,875
Less: Allowance for Uncollectibles	(1,381,180)	(411,363)	-	-	(1,792,543)
Net Total Receivables	\$ 64,819,949	\$ 4,964,820	\$ 40,576	\$ 12,148,987	\$ 81,974,332

66% 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>
Facility Rentals (General Fund)	\$ 2,217
Escrow Local Taxes (General Fund)	10,394
Unearned Existing Debt Allotment revenue (Debt Service Fund)	100,418
Grant Funds Received Prior to Meeting all Eligibility Requirements (Special Revenue Funds)	177,773
Total Unearned Revenue For Governmental Funds	\$ 290,802

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

C. Capital Assets

Capital asset activity for the ten months ended June 30, 2020 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	\$ 111,792,428	\$ 587,590	\$ -	\$ 112,380,018
Construction in Progress	24,161,838	-	(24,161,838)	-
Total Capital Assets, not being Depreciated	135,954,266	587,590	(24,161,838)	112,380,018
Capital Assets, being Depreciated:				
Buildings and Improvements	1,270,958,959	27,745,478	24,161,838	1,322,866,275
Furniture and Equipment	79,459,933	3,955,991	(1,472,020)	81,943,904
Total Capital Assets, being Depreciated	1,350,418,892	31,701,469	22,689,818	1,404,810,179
Less Accumulated Depreciation for:				
Buildings and Improvements	(275,706,823)	(22,155,805)	-	(297,862,628)
Furniture and Equipment	(44,336,091)	(4,283,513)	1,274,535	(47,345,069)
Total Accumulated Depreciation	(320,042,914)	(26,439,318)	1,274,535	(345,207,697)
Total Capital Assets, being Depreciated, net	1,030,375,978	5,262,151	23,964,353	1,059,602,482
Governmental Activities Capital Assets, net	\$ 1,166,330,244	\$ 5,849,741	\$ (197,485)	\$ 1,171,982,500

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

Governmental Activities:	
11 Instruction	\$ 16,127,267
12 Instructional Resources and Media Services	269,046
13 Curriculum and Instructional Staff Development	234,081
21 Instructional Leadership	45,503
23 School Leadership	1,348,508
31 Guidance, Counseling, and Evaluation Services	721,620
33 Health Services	264,620
34 Student Transportation	1,350,856
35 Food Services	1,592,428
36 Extracurricular Activities	497,685
41 General Administration	47,632
51 Plant Maintenance and Operations	1,964,332
52 Security and Monitoring Services	497,927
53 Data Processing Services	1,461,776
61 Community Services	16,037
Total Depreciation Expense	\$ 26,439,318

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Construction Commitments

The District has active construction projects as of June 30, 2020. 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>
TEP/CO	\$ 512,160
Klein Oak High School Auditorium	11,042,848
FRP-MEP 2020	7,450,167
Central Office Utilities	397,358
Fox Elementary	29,832
Restroom & Concession	1,775,087
Roofing projects	977,392
Fox Tract	16,327
Northampton Renovations	1,301,368
ES Safety MOD Doors	11,933
Safety & Security	8,760
Hildebrandt School Renovation	865
Card Access Control System	830
Klein Memorial Stadium Sound System	325
Total	\$ 23,525,252

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 June 30, 2020, is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 10,478,260	\$ 1,280,631
Debt Service Fund	18,378	487
Capital Projects Fund	2,174,879	22,824
Other Governmental Funds - Nonmajor	11,911	11,379,486
Totals	\$ 12,683,428	\$ 12,683,428

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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 ten months ended June 30, 2020:

Transfers Out	Transfers In	Amount
General Fund	Other Governmental Funds - Nonmajor	\$ 72,500
Capital Projects Fund	Other Governmental Funds - Nonmajor	3,984,987
Other Governmental Funds - Nonmajor	Capital Projects Fund	862,900
Total		\$ 4,920,387

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 capital projects fund for school safety expenditures that were accounted for in those funds in the prior fiscal year. The transfer from the capital projects fund to the consolidated fund was to transfer technical fees previously reported in the fund to a special revenue fund created to report such fees and donations.

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 ten months ended June 30, 2020, was as follows:

	Beginning Balance	Additions (Provision Adjustments)	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 1,114,535,000	\$ 139,510,000	\$ (128,390,000)	\$ 1,125,655,000	\$ 44,705,000
Issuance Premiums	85,121,248	19,576,699	(4,553,744)	100,144,203	-
Total Bonds Payable	1,199,656,248	159,086,699	(132,943,744)	1,225,799,203	44,705,000
Compensated Absences	4,830,771	(903,457)	(163,018)	3,764,296	284,621
Workers' Compensation	1,202,973	(86,341)	(587,661)	528,971	528,971
Net Pension Liability	186,674,619	24,044,860	(39,183,327)	171,536,152	-
Net OPEB Liability	207,066,238	20,470,496	(34,831,057)	192,705,677	-
Total Long-term Liabilities	\$ 1,599,430,849	\$ 202,612,257	\$ (207,708,807)	\$ 1,594,334,299	\$ 45,518,592

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.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2010A	2.50-5.00%	38,135,000	2024	14,125,000	-	(10,825,000)	3,300,000
2010B	4.982-5.96%	88,865,000	2041	88,865,000	-	(88,865,000)	-
2010	2.00-5.00%	28,445,000	2024	18,235,000	-	(12,405,000)	5,830,000
2011	3.00-5.00%	83,900,000	2041	75,100,000	-	(1,895,000)	73,205,000
2012A	2.00-5.00%	51,115,000	2042	45,865,000	-	(1,135,000)	44,730,000
2012B	2.00-4.00%	18,390,000	2024	10,410,000	-	(3,025,000)	7,385,000
2013A	1.50-5.00%	79,305,000	2043	63,560,000	-	(4,350,000)	59,210,000
2013B	4.00-5.00%	27,480,000	2028	21,305,000	-	-	21,305,000
2014	3.00-4.00%	44,000,000	2044	37,000,000	-	(805,000)	36,195,000
2015	2.70-4.00%	80,000,000	2045	73,840,000	-	(1,840,000)	72,000,000
2015A	3.00-5.00%	224,600,000	2046	199,870,000	-	-	199,870,000
2016A	2.00-5.00%	137,500,000	2039	131,905,000	-	-	131,905,000
2016B	3.00-5.00%	15,370,000	2032	13,245,000	-	-	13,245,000
2017	2.50-5.00%	145,890,000	2047	141,950,000	-	-	141,950,000
2018	3.00-5.00%	88,985,000	2048	88,985,000	-	(2,505,000)	86,480,000
2018A	4.00-6.00%	12,310,000	2039	12,310,000	-	-	12,310,000
2019	3.25-5.00%	77,965,000	2049	77,965,000	-	(740,000)	77,225,000
2020	3.00-5.00%	139,510,000	2049	-	139,510,000	-	139,510,000
Totals				\$ 1,114,535,000	\$ 139,510,000	\$ (128,390,000)	\$ 1,125,655,000

On May 9, 2015, the authorized voters of the District approved the issuance of \$498,100,000 in general obligation bonds. As of June 30, 2020, the District had no authorized but unissued bonds remaining from the 2015 bond election.

In May 2020, the District issued \$139,510,000 of unlimited tax schoolhouse and refunding bonds. The proceeds of the refunding bonds were used to legally defease \$112,095,000 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 \$1,486,563. The amount is amortized over the life of the refunded debt. The refunding resulted in a debt service savings of \$21,230,990 and an economic gain of \$16,873,575.

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

At June 30, 2020, the following outstanding bonds are considered defeased:

2010A Schoolhouse Bonds (maturing 2021-2023, callable August 1, 2020)	\$ 10,825,000
2010B Build America Bonds (maturing 2024-2040, callable August 1, 2020)	88,865,000
2010 Refunding Bonds (maturing 2021-2023, callable August 1, 2020)	12,405,000
Total	\$ 112,095,000

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

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

Year Ending June 30	Principal Value	Interest	Total Requirements
2021	44,705,000	45,715,548	90,420,548
2022	44,785,000	45,220,704	90,005,704
2023	45,580,000	43,094,979	88,674,979
2024	37,275,000	40,942,479	78,217,479
2025	37,405,000	39,107,804	76,512,804
2026	38,175,000	37,344,060	75,519,060
2027	42,915,000	35,550,748	78,465,748
2028	42,165,000	33,688,864	75,853,864
2029	43,850,000	31,870,933	75,720,933
2030	45,640,000	29,968,513	75,608,513
2031	47,860,000	27,942,506	75,802,506
2032	50,120,000	25,894,975	76,014,975
2033	45,015,000	23,865,581	68,880,581
2034	43,965,000	22,033,513	65,998,513
2035	45,305,000	20,261,775	65,566,775
2036	45,495,000	18,430,550	63,925,550
2037	47,425,000	16,566,300	63,991,300
2038	49,440,000	14,607,731	64,047,731
2039	51,565,000	12,563,525	64,128,525
2040	42,430,000	10,614,593	53,044,593
2041	44,255,000	8,862,584	53,117,584
2042	34,270,000	7,093,508	41,363,508
2043	32,390,000	5,659,818	38,049,818
2044	31,830,000	4,342,688	36,172,688
2045	30,575,000	3,091,788	33,666,788
2046	26,705,000	1,891,688	28,596,688
2047	18,140,000	1,039,050	19,179,050
2048	9,580,000	530,350	10,110,350
2049	5,075,000	187,313	5,262,313
2050	1,720,000	25,800	1,745,800
Totals	\$ 1,125,655,000	\$ 608,010,268	\$ 1,733,665,268

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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	9,473,693
Total Other Committed Fund Balance	\$ 9,473,693

Other assigned fund balance includes the following assignments of funds:

General Fund:

Property Insurance Deductible	\$ 17,750,000
Outstanding Encumbrances	2,132,865
Budgetary Rollforward due to COVID-19	4,281,997
Compensated Absences	3,762,543
Operating Costs of Future School Openings	7,500,000
Land Purchases for Future School Sites	14,000,000
Long-term Investments	15,855,057
Total Other Assigned Fund Balance	\$ 65,282,462

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

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

	General	Debt Service	Capital Projects	Other Governmental Funds	Totals
Property Taxes	\$ 211,613,893	\$ 85,035,595	\$ -	\$ -	\$ 296,649,488
Penalties, Interest & Other					
Tax Related Income	1,453,416	467,856	-	-	1,921,272
Charges for Services	1,252,973	-	-	9,936,326	11,189,299
Investment Earnings	3,125,853	1,401,039	5,618	90,444	4,622,954
Other	715,793	-	54,319	2,312,764	3,082,876
Total	\$ 218,161,928	\$ 86,904,490	\$ 59,937	\$ 12,339,534	\$ 317,465,889

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

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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 periods.

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

	Ten Months Ended 6/30/2020	Year Ended 8/31/2019
Unpaid Claims, Beginning of Fiscal Period	\$ 1,202,973	\$ 1,814,669
Incurred Claims (including IBNRs), including provision adjustments	(86,341)	39,124
Claim Payments	(587,661)	(650,820)
Unpaid Claims, End of Fiscal Period	\$ 528,971	\$ 1,202,973

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 June 30, 2020, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

C. Defined Benefit Pension Plan

Plan Description

The 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% (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 where 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 postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. Contribution requirements are established or amended pursuant to Article XVI, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2020	2019
Member	7.7%	7.7%
Non-employer contributing entity (State)	7.5%	6.8%
Employers (District)	7.5%	6.8%
Employers (District - Non-OASDI)*	1.5%	1.5%

* SB12 requires an increase in employer contributions by public school districts, charter schools, and regional education service centers. Prior to SB12, only those employers not participating in social security were required to pay a 1.5% contribution (Non-OASDI surcharge). Beginning September 1, 2019 all employers are required to pay the Public Education Employer contribution irrespective of participation in Social Security.

The contribution amounts for the District's fiscal period 2020 are as follows:

District Contributions	\$ 10,162,997
Member Contributions	\$ 23,424,469
NECE On-behalf Contributions (State)	\$ 16,330,742

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.

As the non-employer contributing entity, 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 the 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 is an 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 member's salary.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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

At June 30, 2020, the District reported a liability of \$171,536,152 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	\$	171,536,152
State's proportionate share of the net pension liability associated with the District		230,879,106
Total	\$	<u>402,415,258</u>

The net pension liability was measured as of August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2018 rolled forward to August 31, 2019. 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, 2018 through August 31, 2019.

At the measurement date of August 31, 2019, the District's proportion of the collective net pension liability was .3299843%, which was a decrease of .0091625% from its proportion measured as of August 31, 2018.

For the period ended June 30, 2020, the District recognized pension expense of \$72,883,038 and revenue of \$36,267,855 for support provided by the state.

At June 30, 2020, the District reported 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	\$ 720,605	\$ 5,956,007
Changes of assumptions	53,218,939	21,992,583
Difference between projected and actual earnings on pension plan investments	1,722,421	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	17,946,714	2,925,282
District contributions paid subsequent to the measurement date	10,162,997	-
Totals	\$ <u>83,771,676</u>	\$ <u>30,873,872</u>

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

\$10,162,997 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2021	\$	11,400,578
2022		9,377,150
2023		10,843,112
2024		9,791,383
2025		3,100,018
Thereafter		(1,777,434)
Total	\$	42,734,807

Actuarial Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate of return	7.25%
Municipal bond rate as of August 2019	2.63%. 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."
Last year ending August 31 in projection period (100 years)	2116
Inflation	2.30%
Salary increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None
Active mortality rates	Based on 90% of the RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives 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 projection scale U-MP.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

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

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term 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, 2019 are summarized below:

Asset Class	Target Allocation*	Long-term Expected Arithmetic Real Rate of Return
Global equity:		
U.S.	18.00%	5.70%
Non-U.S. developed	13.00%	6.90%
Emerging markets	9.00%	8.95%
Directional hedge funds	4.00%	3.53%
Private equity	13.00%	10.18%
Stable value:		
U.S. treasuries	11.00%	1.11%
Stable value hedge funds	4.00%	3.09%
Real return:		
Global inflation linked bonds	3.00%	0.70%
Real estate	14.00%	5.21%
Energy, natural resources and infrastructure	5.00%	7.48%
Risk parity:		
Risk parity	5.00%	3.70%
Asset allocation leverage cash	1.00%	(0.30%)
Totals	100.00%	

* FY 2019 target allocation based on the strategic asset allocation dated 10/1/2018

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	<u>1% Decrease</u> <u>(6.25%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.25%)</u>	<u>1% Increase</u> <u>(8.25%)</u>
District's proportionate share of the net pension liability	\$ 263,675,985	\$ 171,536,152	\$ 96,885,103

Changes of Assumptions Since the Measurement Date

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.

Change of Benefit Terms Since the Prior Measurement Date

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

D. Defined Other Postemployment Benefit Plan

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

TRS-Care provides health insurance coverage to 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 non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. 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 of TRS 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.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

The premium rates for retirees are reflected in the following table:

TRS-Care Monthly Premium Rates

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

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.

Rates for such plan fiscal years are as follows:

	<u>Contribution Rates</u>	
	<u>2020</u>	<u>2019</u>
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

* Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the state rate.

The contribution amounts for the District's fiscal period 2020 are as follows:

District contributions	\$	2,530,222
Member contributions	\$	1,977,381
NECE on-behalf contributions (State)	\$	4,397,829

In addition, the State of Texas contributed \$1,565,456, \$1,342,791, and \$1,019,978 in 2020, 2019, and 2018, 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.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

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

At June 30, 2020, the District reported a liability of \$192,705,677 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	\$	192,705,677
State's proportionate share of the net OPEB liability associated with the District		<u>256,062,742</u>
Total	\$	<u>448,768,419</u>

The net OPEB liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 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, 2018 through August 31, 2019.

At the measurement date of August 31, 2019, the employer's proportion of the collective net OPEB liability was 0.4074872% which was a decrease of 0.0072183% from its proportion measured as of August 31, 2018.

For the fiscal period ended June 30, 2020, the District recognized OPEB expense of \$13,423,600 and revenue of \$6,748,763 for support provided by the State.

At June 30, 2020, the District reported 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 experience	\$ 9,453,851	\$ 31,534,240
Changes of assumptions	10,703,298	51,833,098
Difference between projected and actual investment earnings	20,790	
Changes in proportion and difference between District's contributions and the proportionate share of contributions	13,888,164	3,996,743
District contributions paid subsequent to the measurement date	<u>2,530,222</u>	<u>-</u>
Totals	\$ <u>36,596,325</u>	\$ <u>87,364,081</u>

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

\$2,530,222 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 June 30, 2021. 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 June 30:

2021	\$	(9,157,023)
2022		(9,157,023)
2023		(9,163,753)
2024		(9,167,601)
2025		(9,166,548)
Thereafter		(7,486,030)
Total	\$	<u>(53,297,978)</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2018. Update procedures were used to roll forward the total OPEB liability to August 31, 2019.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2019 TRS annual pension actuarial valuation:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

See Note IV, C for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. There was an initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50 % over a period of 13 years.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	2.63%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Ad hoc post-employment benefit changes	None

The impact of the Cadillac Tax that is returning in fiscal year 2023 has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.30%.
- 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 2.63% was used to measure the total OPEB liability at August 31, 2019. This was a decrease of 1.06% in the discount rate since the August 31, 2018 measurement date. The plan is essentially a “pay-as-you-go” plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. 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”.

KLEIN INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (2.63%) in measuring the net OPEB liability:

	<u>1% Decrease</u> <u>(1.63%)</u>	<u>Current Single</u> <u>Discount Rate</u> <u>(2.63%)</u>	<u>1% Increase</u> <u>(3.63%)</u>
District's proportionate share of the net OPEB liability	\$ 232,657,587	\$ 192,705,677	\$ 161,451,263

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:

	<u>1% Decrease</u>	<u>Current</u> <u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 157,202,532	\$ 192,705,677	\$ 240,263,591

Changes of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.
- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the total OPEB liability.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the total OPEB liability.

Change of Benefit Terms Since the Prior Measurement Date

There were no changes in benefit terms since the prior measurement date.

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 22 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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

Presented below are the revenues and expenditures as of June 30, 2020 attributable to the District's participation in the shared services arrangement:

Revenues

State Revenue Distributed by TEA	\$ 315,651
Local Revenue Paid by District	<u>616,876</u>
Total Revenues	\$ <u>932,527</u>

Expenditures

Payroll Costs	\$ 918,057
Contracted Services	14,060
Miscellaneous Expenses	<u>410</u>
Total Expenditures	\$ <u>932,527</u>

(This page intentionally left blank)

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 TEN MONTHS ENDED JUNE 30, 2020

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 220,036,107	\$ 219,953,766	\$ 218,161,928	\$ (1,791,838)
5800	State Programs	239,597,168	220,028,120	220,691,394	663,274
5900	Federal Programs	8,548,098	9,895,585	10,814,895	919,310
5020	Total Revenues	468,181,373	449,877,471	449,668,217	(209,254)
EXPENDITURES					
Current:					
0011	Instruction	289,782,054	253,968,861	248,002,573	5,966,288
0012	Instructional Resources and Media Services	4,574,953	4,357,721	4,084,218	273,503
0013	Curriculum and Instructional Staff Development	11,690,988	11,444,811	10,148,443	1,296,368
0021	Instructional Leadership	3,377,328	3,925,954	3,442,391	483,563
0023	School Leadership	30,384,346	30,023,136	27,693,579	2,329,557
0031	Guidance, Counseling, and Evaluation Services	25,754,744	25,505,512	22,565,679	2,939,833
0032	Social Work Services	545,597	601,601	509,766	91,835
0033	Health Services	5,960,879	5,600,538	5,569,517	31,021
0034	Student Transportation	14,272,367	13,485,211	12,214,887	1,270,324
0035	Food Services	-	250,019	3,720	246,299
0036	Extracurricular Activities	9,676,519	9,541,087	8,044,292	1,496,795
0041	General Administration	9,922,845	10,232,622	8,565,587	1,667,035
0051	Plant Maintenance and Operations	31,862,355	32,781,137	29,092,983	3,688,154
0052	Security and Monitoring Services	5,783,372	6,167,102	5,334,365	832,737
0053	Data Processing Services	8,401,764	10,372,939	8,814,183	1,558,756
0061	Community Services	398,444	423,294	262,572	160,722
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	3,500	3,470	30
Intergovernmental:					
0093	Payments to Shared Services Arrangements	730,000	730,000	472,681	257,319
0095	Payments to Juvenile Justice Alternative Education Programs	315,000	315,000	99,000	216,000
0099	Other Intergovernmental Charges	2,300,000	2,300,000	1,659,366	640,634
6030	Total Expenditures	455,733,555	422,030,045	396,583,272	25,446,773
Excess (Deficiency) of Revenues Over (Under) Expenditures					
1100		12,447,818	27,847,426	53,084,945	25,237,519
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real and Personal Property	55,699	98,385	100,707	2,322
8911	Transfers Out	(72,500)	(72,500)	(72,500)	-
7080	Total Other Financing Sources and (Uses)	(16,801)	25,885	28,207	2,322
1200	Net Change in Fund Balance	12,431,017	27,873,311	53,113,152	25,239,841
0100	Fund Balance - Beginning	177,757,327	177,757,327	177,757,327	-
3000	Fund Balance - Ending	\$ 190,188,344	\$ 205,630,638	\$ 230,870,479	\$ 25,239,841

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 PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY OF A COST-SHARING MULTIPLE-EMPLOYER
PENSION PLAN—TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE SIX YEARS ENDED*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Proportion of the Net Pension Liability	0.32998429%	0.33914680%	0.31507020%
District's Proportionate Share of the Net Pension Liability	\$ 171,536,152	\$ 186,674,619	\$ 100,742,471
State's Proportionate Share of the Net Pension Liability			
Associated with the District	<u>230,879,106</u>	<u>258,121,285</u>	<u>152,738,834</u>
Total	\$ <u>402,415,258</u>	\$ <u>444,795,904</u>	\$ <u>253,481,305</u>
District's Covered Payroll	\$ 348,034,890	\$ 346,854,772	\$ 326,904,468
District's Proportionate Share of the Net Pension Liability			
as a Percentage of its Covered Payroll	49.29%	53.82%	30.82%
Plan Fiduciary Net Position as a Percentage of the Total			
Pension Liability	75.24%	73.74%	82.17%

* 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.

<u>2017</u>	<u>2016</u>	<u>2015</u>
0.30598730%	0.30579369%	0.19296490%
\$ 115,628,048	\$ 108,093,967	\$ 51,543,594
184,046,365	171,194,816	144,671,755
\$ <u>299,674,413</u>	\$ <u>279,288,783</u>	\$ <u>196,215,349</u>
\$ 313,654,090	\$ 292,880,706	\$ 270,485,891
36.86%	36.91%	19.06%
78.00%	78.43%	83.25%

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

	<u>2020 **</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contributions	\$ 10,162,997	\$ 11,476,458	\$ 11,498,697
Contributions in Relation to the Contractually Required Contributions	<u>(10,162,997)</u>	<u>(11,476,458)</u>	<u>(11,498,697)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
 District's Covered Payroll	 \$ 304,212,226	 \$ 348,034,890	 \$ 346,854,772
 Contributions as a Percentage of Covered Payroll	 3.34%	 3.30%	 3.32%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end June 30, 2020, and August 31, 2019 and prior. Ten years of data is not available

** Beginning September 1, 2019, the District changed the fiscal year end to June 30, 2020; therefore, the District's covered payroll includes only 10 months of payroll expenditures.

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

2017		2016		2015
10,324,043	\$	9,721,927	\$	9,056,605
(10,324,043)		(9,721,927)		(9,056,605)
<u>-</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>
326,904,468	\$	313,654,090	\$	292,880,706
3.16%		3.10%		3.09%

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 THREE YEARS ENDED***

	2020	2019	2018
District's Proportion of the Net OPEB Liability	0.40748718%	0.41470550%	0.38577530%
District's Proportionate Share of the Net OPEB Liability	\$ 192,705,677	\$ 207,066,238	\$ 167,759,198
State's Proportionate Share of the Net OPEB Liability Associated with the District	256,062,742	299,987,098	259,984,330
Total	\$ 448,768,419	\$ 507,053,336	\$ 427,743,528
District's Covered Payroll	\$ 348,034,890	\$ 346,854,772	\$ 326,904,468
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	55.37%	59.70%	51.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	2.66%	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 THREE YEARS ENDED*

Exhibit E-4

	<u>2020 **</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contributions	\$ 2,530,222	\$ 2,875,627	\$ 2,878,027
Contributions in Relation to the Contractually Required Contributions	<u>(2,530,222)</u>	<u>(2,875,627)</u>	<u>(2,878,027)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
 District's Covered Payroll	 \$ 304,212,226	 \$ 348,034,890	 \$ 346,854,772
 Contributions as a Percentage of Covered Payroll	 0.83%	 0.83%	 0.83%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end June 30, 2020, and August 31, 2019 and prior. Ten years of data is not available.

** Beginning September 1, 2019, the District changed the fiscal year end to June 30, 2020; therefore, the District's covered payroll includes only 10 months of payroll expenditures.

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
JUNE 30, 2020

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 June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 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 July 1, the budget is formally adopted 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 decrease of \$18,261,216 in estimated revenues, including other financing sources, was primarily due to decreases in state aid due to payroll and the CARES Act, decreased TRS On-Behalf due to the change in fiscal year, and reduced tuition and facility revenues due to COVID-19 closures.

The net decrease of \$33,703,510 to appropriations, including other financing uses, was primarily due to net decreases in payroll appropriations due to payroll accrual reversals for 2019-2020, net decreased instructional payroll expenditures due to a 5% reduction in FSP funding for the CARES Act, and a net decrease in TRS On-Behalf appropriation.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

II. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of net pension liability and net OPEB liability

Changes in actuarial assumptions and inputs

Measurement Date August 31	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-Term Expected Rate of Return	Discount Rate
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

Changes in demographic and economic assumptions

For Measurement Dates August 31, 2019 and 2014-2017—No changes in assumptions.

For Measurement Date August 31, 2018—Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

(This page intentionally left blank)

Supplementary Information

MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

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

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE TEN MONTHS ENDED JUNE 30, 2020

Exhibit F-1

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 87,858,837	\$ 87,726,521	\$ 86,904,490	\$ (822,031)
5800	State Programs	1,711,256	1,813,166	1,670,524	(142,642)
5900	Federal Programs	836,772	842,742	842,742	-
5020	Total Revenues	90,406,865	90,382,429	89,417,756	(964,673)
EXPENDITURES					
Debt Service:					
0071	Principal on Long-term Debt	16,295,000	16,295,000	16,295,000	-
0072	Interest on Long-term Debt	24,519,393	25,833,617	25,833,616	1
0073	Bond Issuance Costs and Fees	-	974,252	974,252	-
6030	Total Expenditures	40,814,393	43,102,869	43,102,868	1
Excess (Deficiency) of Revenues Over (Under)					
1100	Expenditures	49,592,472	47,279,560	46,314,888	(964,672)
OTHER FINANCING SOURCES (USES)					
7901	Issuance of Refunding Bonds	-	99,425,000	99,425,000	-
7916	Premium from Issuance of Bonds	-	15,412,002	15,412,001	(1)
8949	Payment to Refunded Bond Escrow Agent	-	(113,881,891)	(113,881,890)	1
7080	Total Other Financing Sources (Uses)	-	955,111	955,111	-
1200	Net Change in Fund Balance	49,592,472	48,234,671	47,269,999	(964,672)
0100	Fund Balance - Beginning	24,315,173	24,315,173	24,315,173	-
3000	Fund Balance - Ending	\$ 73,907,645	\$ 72,549,844	\$ 71,585,172	\$ (964,672)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

KLEIN INDEPENDENT SCHOOL DISTRICT

FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS FOR THE TEN MONTHS ENDED JUNE 30, 2020

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.

ESSER - 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 emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the Nation.

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.

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.

Federally Funded Special Revenue Funds – To account, on a project basis, for funds from various federal

KLEIN INDEPENDENT SCHOOL DISTRICT

FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS FOR THE TEN MONTHS ENDED JUNE 30, 2020

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.

School Safety and Security – To account, on a project basis, for funds received from the State Department of Education to assist the District in providing a secure and safe environment for education.

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.

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.

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

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

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

Consolidated Fund – To account for local donations and awards of restricted funds including, but not limited to, Young Sheldon STEM Initiative, Innovation Challenge, and Project Lead the Way. All funds are used primarily for District initiatives involving student advancement, leadership, and safety.

(This page intentionally left blank)

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
JUNE 30, 2020

Data Control Codes		211	224	225
		ESSA Title I Part A Improving Basic Programs	IDEA Part B Formula	IDEA Part B Preschool
	ASSETS			
1110	<i>Cash and Cash Equivalents</i>	\$ -	\$ -	\$ -
1240	<i>Due from Other Governments</i>	1,760,737	1,741,658	34,630
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	\$ 1,760,737	\$ 1,741,658	\$ 34,630
	LIABILITIES			
2110	<i>Accounts Payable</i>	\$ 93,429	\$ 4,725	\$ -
2160	<i>Accrued Wages Payable</i>	872,158	1,032,739	23,137
2170	<i>Due to Other Funds</i>	795,150	704,194	11,493
2180	<i>Due to Other Governments</i>	-	-	-
2300	<i>Unearned Revenue</i>	-	-	-
2000	Total Liabilities	1,760,737	1,741,658	34,630
	FUND BALANCES			
	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	\$ 1,760,737	\$ 1,741,658	\$ 34,630

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
\$ 169,682	\$ 5,207,383	\$ -	\$ -	\$ -
-	604,880	65,736	280,101	161,492
-	11,659	-	-	-
-	26,420	-	-	-
-	829,390	-	-	-
-	-	-	-	-
<u>\$ 169,682</u>	<u>\$ 6,679,732</u>	<u>\$ 65,736</u>	<u>\$ 280,101</u>	<u>\$ 161,492</u>
\$ -	\$ 322,839	\$ 43,870	\$ 138,436	\$ 29,461
-	1,413,381	2,793	36,096	70,332
-	1,355,840	19,073	105,569	61,699
-	-	-	-	-
169,682	-	-	-	-
<u>169,682</u>	<u>3,092,060</u>	<u>65,736</u>	<u>280,101</u>	<u>161,492</u>
-	3,587,672	-	-	-
-	-	-	-	-
-	-	-	-	-
-	3,587,672	-	-	-
<u>\$ 169,682</u>	<u>\$ 6,679,732</u>	<u>\$ 65,736</u>	<u>\$ 280,101</u>	<u>\$ 161,492</u>

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2020

		266	272	288
Data Control Codes			Medicaid Administrative Claiming Program	ESSA Title VI Part A Summer School LEP
	ASSETS	ESSER Grant		
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1240	Due from Other Governments	5,863,171	38,994	-
1260	Due from Other Funds	-	-	-
1290	Other Receivables	-	-	-
1300	Inventories, at Cost	-	-	-
1410	Prepaid Items	-	-	-
1000	Total Assets	\$ 5,863,171	\$ 38,994	\$ -
	LIABILITIES			
2110	Accounts Payable	\$ -	\$ -	\$ -
2160	Accrued Wages Payable	-	-	-
2170	Due to Other Funds	5,863,171	38,994	-
2180	Due to Other Governments	-	-	-
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	5,863,171	38,994	-
	FUND BALANCES			
	Restricted For:			
3450	Grants - Food Services	-	-	-
3450	Grants - Instructional Services	-	-	-
	Committed To:			
3545	Other	-	-	-
3000	Total Fund Balances	-	-	-
4000	Total Liabilities and Fund Balances	\$ 5,863,171	\$ 38,994	\$ -

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
\$ 4	\$ -	\$ 8,520	\$ 6,610	\$ -
45,728	-	-	-	376,848
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
33,460	-	-	-	-
<u>\$ 79,192</u>	<u>\$ -</u>	<u>\$ 8,520</u>	<u>\$ 6,610</u>	<u>\$ 376,848</u>
\$ -	\$ -	\$ -	\$ -	\$ -
28,710	-	-	-	-
50,482	-	8,520	-	376,848
-	-	-	-	-
-	-	-	-	-
<u>79,192</u>	<u>-</u>	<u>8,520</u>	<u>-</u>	<u>376,848</u>
-	-	-	-	-
-	-	-	6,610	-
-	-	-	-	-
-	-	-	6,610	-
<u>\$ 79,192</u>	<u>\$ -</u>	<u>\$ 8,520</u>	<u>\$ 6,610</u>	<u>\$ 376,848</u>

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
JUNE 30, 2020

	427	429	461
Data Control Codes	State Funded Special Revenue Funds	School Safety & Security	Campus Activity Funds
ASSETS			
1110 <i>Cash and Cash Equivalents</i>	\$ -	\$ -	\$ 5,334,190
1240 <i>Due from Other Governments</i>	-	862,900	-
1260 <i>Due from Other Funds</i>	-	-	-
1290 <i>Other Receivables</i>	-	-	285,692
1300 <i>Inventories, at Cost</i>	-	-	-
1410 <i>Prepaid Items</i>	-	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ 862,900</u>	<u>\$ 5,619,882</u>
LIABILITIES			
2110 <i>Accounts Payable</i>	\$ -	\$ -	\$ 65,468
2160 <i>Accrued Wages Payable</i>	-	-	3,320
2170 <i>Due to Other Funds</i>	-	862,900	456,659
2180 <i>Due to Other Governments</i>	-	-	-
2300 <i>Unearned Revenue</i>	-	-	-
2000 Total Liabilities	<u>-</u>	<u>862,900</u>	<u>525,447</u>
FUND BALANCES			
Restricted For:			
3450 <i>Grants - Food Services</i>	-	-	-
3450 <i>Grants - Instructional Services</i>	-	-	-
Committed To:			
3545 <i>Other</i>	-	-	5,094,435
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>5,094,435</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 862,900</u>	<u>\$ 5,619,882</u>

482	485	488	489	490
Klein ISD Education Foundation Grant	Young Sheldon STEM Initiative	Miscellaneous Grants	Jason Project - Chevron	Dual Credit Program
45,873	\$ -	\$ 19,866	\$ -	\$ 1,159,683
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>45,873</u>	<u>\$ -</u>	<u>\$ 19,866</u>	<u>\$ -</u>	<u>\$ 1,159,683</u>
27,651	\$ -	\$ 19,866	\$ -	\$ 465
-	-	-	-	-
-	-	-	-	3,246
10,131	-	-	-	-
8,091	-	-	-	-
<u>45,873</u>	<u>-</u>	<u>19,866</u>	<u>-</u>	<u>3,711</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,155,972
<u>45,873</u>	<u>\$ -</u>	<u>\$ 19,866</u>	<u>\$ -</u>	<u>\$ 1,159,683</u>

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
JUNE 30, 2020

Exhibit G-1
Page 4 of 4

499

Data Control Codes		Consolidated Fund	Total Nonmajor Governmental Funds
ASSETS			
1110	<i>Cash and Cash Equivalents</i>	\$ 3,970,291	\$ 15,922,102
1240	<i>Due from Other Governments</i>	-	11,836,875
1260	<i>Due from Other Funds</i>	252	11,911
1290	<i>Other Receivables</i>	-	312,112
1300	<i>Inventories, at Cost</i>	-	829,390
1410	<i>Prepaid Items</i>	-	33,460
1000	Total Assets	\$ 3,970,543	\$ 28,945,850
LIABILITIES			
2110	<i>Accounts Payable</i>	\$ 76,913	\$ 823,123
2160	<i>Accrued Wages Payable</i>	2,048	3,484,714
2170	<i>Due to Other Funds</i>	665,648	11,379,486
2180	<i>Due to Other Governments</i>	2,648	12,779
2300	<i>Unearned Revenue</i>	-	177,773
2000	Total Liabilities	747,257	15,877,875
FUND BALANCES			
Restricted For:			
3450	<i>Grants - Food Services</i>		3,587,672
3450	<i>Grants - Instructional Services</i>	-	6,610
Committed To:			
3545	<i>Other</i>	3,223,286	9,473,693
3000	Total Fund Balances	3,223,286	13,067,975
4000	Total Liabilities and Fund Balances	\$ 3,970,543	\$ 28,945,850

(This page intentionally left blank)

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2020

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>	\$ 8,821	\$ 94	\$ 3
5800 <i>State Programs</i>	-	-	-
5900 <i>Federal Programs</i>	7,365,737	7,522,781	127,553
5020 Total Revenues	<u>7,374,558</u>	<u>7,522,875</u>	<u>127,556</u>
EXPENDITURES			
Current:			
0011 <i>Instruction</i>	4,973,433	4,774,614	127,556
0012 <i>Instructional Resources and Media Services</i>	94,226	-	-
0013 <i>Curriculum and Instructional Staff Development</i>	992,096	213,621	-
0021 <i>Instructional Leadership</i>	58,018	43,827	-
0023 <i>School Leadership</i>	375,787	-	-
0031 <i>Guidance, Counseling, and Evaluation Services</i>	477,808	2,422,532	-
0033 <i>Health Services</i>	-	68,281	-
0034 <i>Student Transportation</i>	-	-	-
0035 <i>Food Services</i>	-	-	-
0036 <i>Extracurricular Activities</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>	403,190	-	-
0081 <i>Facilities Acquisition and Construction</i>	-	-	-
6030 Total Expenditures	<u>7,374,558</u>	<u>7,522,875</u>	<u>127,556</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
\$ -	\$ 6,131,662	\$ 2,123	\$ 1,596	\$ 1,810
-	625,033	-	-	-
-	11,697,108	357,485	1,193,040	696,206
-	18,453,803	359,608	1,194,636	698,016
-	-	270,577	-	373,692
-	-	-	-	-
-	-	46,677	1,024,071	318,755
-	-	32,619	58,026	5,123
-	-	-	111,088	446
-	-	250	1,451	-
-	-	-	-	-
-	-	-	-	-
-	20,325,559	-	-	-
-	-	9,485	-	-
-	-	-	-	-
-	125	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	20,325,684	359,608	1,194,636	698,016
-	(1,871,881)	-	-	-
-	7,821	-	-	-
-	72,500	-	-	-
-	-	-	-	-
-	80,321	-	-	-
-	(1,791,560)	-	-	-
-	5,379,232	-	-	-
\$ -	\$ 3,587,672	\$ -	\$ -	\$ -

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2020

		266	272	288
Data Control Codes			Medicaid Administrative Claiming Program	ESSA Title VI Part A Summer School LEP
REVENUES				
5700	Local, Intermediate, and Out-of-State	\$ -	\$ -	\$ -
5800	State Programs	-	-	-
5900	Federal Programs	5,863,171	143,396	5,372
5020	Total Revenues	5,863,171	143,396	5,372
EXPENDITURES				
Current:				
0011	Instruction	5,863,171	-	5,372
0012	Instructional Resources and Media Services	-	-	-
0013	Curriculum and Instructional Staff Development	-	-	-
0021	Instructional Leadership	-	23,878	-
0023	School Leadership	-	-	-
0031	Guidance, Counseling, and Evaluation Services	-	-	-
0033	Health Services	-	119,518	-
0034	Student Transportation	-	-	-
0035	Food Services	-	-	-
0036	Extracurricular Activities	-	-	-
0051	Plant Maintenance and Operations	-	-	-
0052	Security and Monitoring Services	-	-	-
0053	Data Processing Services	-	-	-
0061	Community Services	-	-	-
0081	Facilities Acquisition and Construction	-	-	-
6030	Total Expenditures	5,863,171	143,396	5,372
Excess (Deficiency) of Revenues Over				
1100	(Under) Expenditures	-	-	-
OTHER FINANCING SOURCES				
7912	Sale of Real and Personal Property	-	-	-
7915	Transfers In	-	-	-
8911	Transfers Out	-	-	-
7080	Total Other Financing Sources	-	-	-
1200	Net Change in Fund Balances	-	-	-
0100	Fund Balances - Beginning	-	-	-
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
\$ 923	\$ -	\$ -	\$ -	\$ -
-	20,000	12,660	20,951	3,815,958
449,104	-	-	-	-
<u>450,027</u>	<u>20,000</u>	<u>12,660</u>	<u>20,951</u>	<u>3,815,958</u>
10,171	-	-	-	3,306,591
-	-	-	-	468,983
5,211	-	-	18,465	-
5,123	-	-	-	-
2,865	-	-	-	-
320,386	20,000	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	40,384
106,271	-	12,660	-	-
-	-	-	-	-
<u>450,027</u>	<u>20,000</u>	<u>12,660</u>	<u>18,465</u>	<u>3,815,958</u>
-	-	-	2,486	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	2,486	-
-	-	-	4,124	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,610</u>	<u>\$ -</u>

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2020

	427	429	461
Data Control Codes	State Funded Special Revenue Funds	School Safety & Security	Campus Activity Funds
REVENUES			
5700 <i>Local, Intermediate, and Out-of-State</i>	\$ -	\$ -	\$ 5,063,134
5800 <i>State Programs</i>	388	862,900	-
5900 <i>Federal Programs</i>	-	-	-
5020 Total Revenues	<u>388</u>	<u>862,900</u>	<u>5,063,134</u>
EXPENDITURES			
Current:			
0011 <i>Instruction</i>	-	-	1,422,548
0012 <i>Instructional Resources and Media Services</i>	38	-	316,137
0013 <i>Curriculum and Instructional Staff Development</i>	350	-	64,548
0021 <i>Instructional Leadership</i>	-	-	-
0023 <i>School Leadership</i>	-	-	95,841
0031 <i>Guidance, Counseling, and Evaluation Services</i>	-	-	34,654
0033 <i>Health Services</i>	-	-	1,696
0034 <i>Student Transportation</i>	-	-	489
0035 <i>Food Services</i>	-	-	-
0036 <i>Extracurricular Activities</i>	-	-	3,164,310
0051 <i>Plant Maintenance and Operations</i>	-	-	88,998
0052 <i>Security and Monitoring Services</i>	-	-	4,662
0053 <i>Data Processing Services</i>	-	-	-
0061 <i>Community Services</i>	-	-	15,829
0081 <i>Facilities Acquisition and Construction</i>	-	-	197,839
6030 Total Expenditures	<u>388</u>	<u>-</u>	<u>5,407,551</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>862,900</u>	<u>(344,417)</u>
OTHER FINANCING SOURCES			
7912 <i>Sale of Real and Personal Property</i>	-	-	-
7915 <i>Transfers In</i>	-	-	-
8911 <i>Transfers Out</i>	-	(862,900)	-
7080 Total Other Financing Sources	<u>-</u>	<u>(862,900)</u>	<u>-</u>
1200 Net Change in Fund Balances	-	-	(344,417)
0100 Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>5,438,852</u>
3000 Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,094,435</u>

482	485	488	489	490
Klein ISD Education Foundation Grant	Young Sheldon STEM Initiative	Miscellaneous Grants	Jason Project - Chevron	Dual Credit Program
87,001	\$ 97,292	\$ 50,348	\$ 12,500	\$ 341,670
-	-	-	-	-
-	-	-	-	-
87,001	97,292	50,348	12,500	341,670
49,171	96,942	2,001	12,500	179,397
25,725	-	-	-	-
-	350	32,598	-	6,135
-	-	405	-	-
10,636	-	11,715	-	640
-	-	3,395	-	60,407
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,469	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	234	-	-
-	-	-	-	-
-	-	-	-	-
87,001	97,292	50,348	12,500	246,579
-	-	-	-	95,091
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	95,091
-	-	-	-	1,060,881
-	\$ -	\$ -	\$ -	\$ 1,155,972

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
FOR THE TEN MONTHS ENDED JUNE 30, 2020

Exhibit G-2
Page 4 of 4

499

Data Control Codes		Consolidated Fund	Total Nonmajor Governmental Funds
REVENUES			
5700	<i>Local, Intermediate, and Out-of-State</i>	\$ 540,557	\$ 12,339,534
5800	<i>State Programs</i>	-	5,357,890
5900	<i>Federal Programs</i>	-	35,420,953
5020	Total Revenues	<u>540,557</u>	<u>53,118,377</u>
EXPENDITURES			
Current:			
0011	<i>Instruction</i>	678,775	22,146,511
0012	<i>Instructional Resources and Media Services</i>	-	905,109
0013	<i>Curriculum and Instructional Staff Development</i>	769	2,723,646
0021	<i>Instructional Leadership</i>	160	227,179
0023	<i>School Leadership</i>	-	609,018
0031	<i>Guidance, Counseling, and Evaluation Services</i>	-	3,340,883
0033	<i>Health Services</i>	46,377	235,872
0034	<i>Student Transportation</i>	-	489
0035	<i>Food Services</i>	-	20,325,559
0036	<i>Extracurricular Activities</i>	7,135	3,182,399
0051	<i>Plant Maintenance and Operations</i>	-	88,998
0052	<i>Security and Monitoring Services</i>	9,186	13,973
0053	<i>Data Processing Services</i>	603,245	643,863
0061	<i>Community Services</i>	18,653	556,603
0081	<i>Facilities Acquisition and Construction</i>	-	197,839
6030	Total Expenditures	<u>1,364,300</u>	<u>55,197,941</u>
Excess (Deficiency) of Revenues Over			
1100	(Under) Expenditures	<u>(823,743)</u>	<u>(2,079,564)</u>
OTHER FINANCING SOURCES			
7912	<i>Sale of Real and Personal Property</i>	-	7,821
7915	<i>Transfers In</i>	3,984,987	4,057,487
8911	<i>Transfers Out</i>	-	(862,900)
7080	Total Other Financing Sources	<u>3,984,987</u>	<u>3,202,408</u>
1200	Net Change in Fund Balances	3,161,244	1,122,844
0100	Fund Balances - Beginning	62,042	11,945,131
3000	Fund Balances - Ending	<u><u>\$ 3,223,286</u></u>	<u><u>\$ 13,067,975</u></u>

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
FOR THE TEN MONTHS ENDED JUNE 30, 2020

Exhibit G-3

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local, Intermediate, and Out-of-State	\$ 8,407,276	\$ 8,407,276	\$ 6,131,662	\$ (2,275,614)
5800	State Programs	687,854	630,560	625,033	(5,527)
5900	Federal Programs	15,042,528	14,123,796	11,697,108	(2,426,688)
5020	Total Revenues	24,137,658	23,161,632	18,453,803	(4,707,829)
EXPENDITURES					
Current:					
0035	Food Services	23,361,518	23,700,577	20,325,559	3,375,018
0052	Security and Monitoring Services	-	125	125	-
6030	Total Expenditures	23,361,518	23,700,702	20,325,684	3,375,018
Excess (Deficiency) of Revenues Over					
1100	(Under) Expenditures	776,140	(539,070)	(1,871,881)	(1,332,811)
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real and Personal Property	1,512	7,548	7,821	273
7915	Transfers In	72,500	72,500	72,500	-
7080	Total Other Financing Sources (Uses)	74,012	80,048	80,321	273
1200	Net Change in Fund Balance	850,152	(459,022)	(1,791,560)	(1,332,538)
0100	Fund Balance - Beginning	5,379,232	5,379,232	5,379,232	-
3000	Fund Balance - Ending	\$ 6,229,384	\$ 4,920,210	\$ 3,587,672	\$ (1,332,538)

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 TEN MONTHS ENDED JUNE 30, 2020

Exhibit H-1

<u>AGENCY FUND:</u>				
Data Control Codes	Beginning Balance 9/1/2019	Additions	Deductions	Ending Balance 6/30/2020
ASSETS				
1110 <i>Cash and Cash Equivalents</i>	\$ 2,332,238	\$ 6,009,091	\$ 7,158,108	\$ 1,183,221
1290 <i>Other Receivables</i>	28,923	35,032	28,923	35,032
1000 Total Assets	\$ 2,361,161	\$ 6,044,123	\$ 7,187,031	\$ 1,218,253
LIABILITIES				
2110 <i>Accounts Payable</i>	\$ 1,335,766	\$ 50,595	\$ 1,335,766	\$ 50,595
2190 <i>Due to Student Groups</i>	1,025,395	5,993,528	5,851,265	1,167,658
2000 Total Liabilities	\$ 2,361,161	\$ 6,044,123	\$ 7,187,031	\$ 1,218,253

(This page intentionally left blank)

COMPLIANCE SCHEDULES

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

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE TEN MONTHS ENDED JUNE 30, 2020

Year Ended August 31 / June 30	Tax Rates		Actual Taxable Value For School Tax Purposes
	Maintenance	Debt Service	
2011 and Prior Years	\$ Various	\$ Various	\$ Various
2012	1.04	0.39	11,869,203,918
2013	1.04	0.40	11,734,906,867
2014	1.04	0.39	12,011,835,149
2015	1.04	0.35	13,977,844,058
2016	1.04	0.37	15,567,321,931
2017	1.04	0.39	17,570,905,964
2018	1.04	0.39	19,094,598,428
2019	1.06	0.37	19,760,962,804
2020 School Year Under Audit *	0.97	0.39	20,424,235,515

TOTALS

* Fiscal year end changed to June 30.

Beginning Balance 9/1/2019	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 6/30/2020
\$ 989,523	\$ -	\$ 8,867	\$ 4,968	\$ (273,256)	\$ 702,432
314,483	-	11,618	4,357	(2,850)	295,658
354,006	-	13,078	5,030	(1,772)	334,126
389,508	-	27,792	10,422	8,519	359,813
453,980	-	58,209	19,590	31,447	407,628
566,511	-	66,369	23,612	22,596	499,126
788,142	-	103,698	38,887	36,120	681,677
1,303,385	-	134,643	50,491	(142,601)	975,650
3,320,927	-	466,044	162,677	(1,320,849)	1,371,357
-	277,769,603	210,666,858	84,701,098	26,600,592	9,002,239
\$ 8,480,465	\$ 277,769,603	\$ 211,557,176	\$ 85,021,132	\$ 24,957,946	\$ 14,629,706

Reconciliation of Ending Balance to Exhibit B-1:

Ending Balance at 6/30/20	\$ 14,629,706
Less: Uncollectible Taxes	(1,792,543)
Add: Penalties & Interest Accrued on Receivable Balance	5,233,461
Adjusted Ending Balance	18,070,624
Property Taxes Receivable (Net) per Exhibit B-1	\$ 18,070,624

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE TWELVE MONTHS ENDED AUGUST 31, 2020

Year Ended August 31 / June 30	Tax Rates		Actual Taxable Value For School Tax Purposes
	Maintenance	Debt Service	
2011 and Prior Years	\$ Various	\$ Various	\$ Various
2012	1.04	0.39	11,869,203,918
2013	1.04	0.40	11,734,906,867
2014	1.04	0.39	12,011,835,149
2015	1.04	0.35	13,977,844,058
2016	1.04	0.37	15,567,321,931
2017	1.04	0.39	17,570,905,964
2018	1.04	0.39	19,094,598,428
2019	1.06	0.37	19,760,962,804
2020 School Year Under Audit *	0.97	0.39	20,424,235,515

TOTALS

* Fiscal year end changed to June 30.

Beginning Balance 9/1/2019	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 8/31/2020
\$ 989,523	\$ -	\$ 8,883	\$ 4,973	\$ (261,086)	\$ 714,581
314,483	-	11,656	4,371	(1,960)	296,496
354,006	-	13,278	5,107	(1,185)	334,436
389,508	-	29,490	11,059	8,376	357,335
453,980	-	70,965	23,883	55,297	414,429
566,511	-	78,027	27,760	39,724	500,448
788,142	-	118,343	44,379	60,708	686,128
1,303,385	-	149,127	55,923	(133,939)	964,396
3,320,927	-	512,305	178,825	(1,366,796)	1,263,001
-	277,769,603	211,098,914	84,874,811	25,785,724	7,581,602
\$ 8,480,465	\$ 277,769,603	\$ 212,090,988	\$ 85,231,091	\$ 24,184,863	\$ 13,112,852

(This page intentionally left blank)



STATISTICAL SECTION

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>2020*</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 60,434,448	\$ 76,345,695	\$ 74,915,595	\$ 79,527,264
Restricted	61,865,510	28,482,722	27,925,315	27,472,410
Unrestricted	<u>(112,955,072)</u>	<u>(144,928,563)</u>	<u>(161,546,021)</u>	<u>71,495,159</u>
Total Primary Government Net Position	\$ <u>9,344,886</u>	\$ <u>(40,100,146)</u>	\$ <u>(58,705,111)</u> (2)	\$ <u>178,494,833</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.

* Beginning September 1, 2019, the District changed the fiscal year end to June 30, 2020.

Table 1

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 79,488,178	\$ 83,664,009	\$ 86,495,792	\$ 91,841,007	\$ 97,566,894	\$ 116,250,408
30,206,175	27,859,732	26,179,487	21,083,922	17,712,203	27,516,920
86,653,877	87,141,699	129,960,846	124,057,805	125,344,755	110,003,812
<u>\$ 196,348,230</u>	<u>\$ 198,665,440</u>	<u>(1) \$ 242,636,125</u>	<u>\$ 236,982,734</u>	<u>\$ 240,623,852</u>	<u>\$ 253,771,140</u>

KLEIN INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	2020*	2019	2018	2017
Expenses				
Governmental Activities:				
Instruction	\$ 324,041,608	\$ 336,498,692	\$ 219,985,174	\$ 302,562,778
Instructional Resources and Media Services	5,608,328	5,758,912	4,012,887	5,872,131
Curriculum and Instructional Staff Development	14,860,640	16,774,036	9,912,203	13,918,101
Instructional Leadership	4,298,595	4,393,010	2,960,023	4,708,140
School Leadership	32,854,807	35,265,987	22,411,053	30,958,352
Guidance, Counseling, and Evaluation Services	30,362,123	31,178,493	18,153,980	25,963,997
Social Work Services	551,360	619,209	319,702	392,916
Health Services	6,670,311	6,521,194	4,222,768	5,765,440
Student Transportation	14,097,327	16,498,887	13,451,366	14,669,296
Food Services	24,056,727	27,399,035	19,098,672	25,390,491
Extracurricular Activities	12,561,156	17,393,410	14,585,567	16,450,685
General Administration	9,287,149	11,259,864	8,729,159	10,581,827
Plant Maintenance and Operations	31,345,357	36,637,208	32,872,126	35,126,854
Security and Monitoring Services	6,019,695	6,816,190	5,613,791	6,128,003
Data Processing Services	11,522,745	11,937,060	9,465,491	10,646,336
Community Services	1,092,987	1,564,297	696,243	1,413,527
Interest on Long-term Debt	37,771,062	45,342,509	44,781,279	42,018,764
Bond Issuance Costs and Fees	1,357,839	847,885	1,128,181	1,098,266
Facilities Repair and Maintenance	2,015,139	3,436,397	7,271,334	14,507,936
Payments to Shared Services Arrangements	472,681	601,690	614,273	554,092
Payments to Juvenile Justice Alternative Ed. Programs	99,000	334,361	344,556	204,017
Other Intergovernmental Charges	1,659,366	2,191,066	2,122,804	1,990,384
Total Primary Government Expenses	572,606,002	619,269,392	442,752,632	570,922,333
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	92,685	567,257	561,685	503,180
Food Services	6,067,670	8,440,734	7,784,855	9,201,747
Extracurricular Activities	4,710,638	7,345,793	8,378,294	7,586,968
Other Activities	318,306	1,755,103	4,628,430	876,229
Operating Grants and Contributions	92,174,620	85,314,159	(24,538,225)	63,735,482
Total Primary Government Program Revenues	103,363,919	103,423,046	(3,184,961)	81,903,606
Net (Expense)/Revenue				
Total Primary Government Net Expense	\$ (469,242,083)	\$ (515,846,346)	\$ (445,937,593)	\$ (489,018,727)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 217,909,440	\$ 219,961,386	\$ 209,896,563	\$ 196,607,111
Property Taxes, Levied for Debt Service	87,582,707	76,710,403	78,631,659	74,706,981
Investment Earnings	4,622,954	8,296,940	5,204,773	2,687,183
Grants and Contributions Not Restricted to Specific Programs	207,342,177	227,081,601	202,377,983	194,835,547
Miscellaneous	1,229,837	2,400,981	6,079,242	3,720,690
Extraordinary Items	-	-	712,170	(1,392,182)
Total Primary Government General Revenues and Extraordinary Items	518,687,115	534,451,311	502,902,390	471,165,330
Change in Net Position - Total Primary Government	\$ 49,445,032	\$ 18,604,965	\$ 56,964,797	\$ (17,853,397)

* Beginning September 1, 2019, the District changed the fiscal year end to June 30, 2020.

Table 2

	2016	2015	2014	2013	2012	2011
\$	304,113,383	\$ 266,100,967	\$ 261,995,657	\$ 237,402,727	\$ 228,428,016	\$ 226,936,309
	5,366,476	5,053,079	5,141,715	4,735,979	4,597,243	4,665,295
	13,238,508	12,142,990	10,638,923	8,791,759	7,383,084	8,884,156
	3,863,525	3,488,463	3,220,638	2,793,028	2,816,981	3,233,607
	30,545,804	27,312,594	25,250,622	22,703,876	21,257,601	22,680,296
	24,868,239	22,147,773	20,005,177	17,245,827	16,053,051	16,725,075
	437,881	344,491	342,695	341,274	335,801	311,120
	5,484,771	4,831,391	4,674,883	3,973,678	3,758,239	3,927,511
	13,563,441	12,804,878	12,620,591	11,421,613	10,293,905	7,740,516
	24,183,474	24,108,723	23,533,970	21,063,851	20,463,403	20,424,181
	15,584,454	15,215,849	8,093,036	7,264,382	7,096,837	7,072,470
	10,759,626	9,119,865	8,574,785	7,553,949	7,017,401	7,130,879
	34,208,250	31,768,702	32,035,346	30,318,968	30,342,379	30,875,139
	6,230,356	5,953,900	5,103,168	4,422,906	4,157,771	4,630,736
	11,331,790	9,273,936	9,412,906	7,348,984	7,235,616	7,099,607
	1,025,017	892,063	842,374	820,411	758,595	812,290
	38,708,632	36,248,469	33,162,655	32,297,830	31,923,267	29,288,228
	1,343,134	2,001,163	504,392	1,028,515	30,312	572,296
	3,063,663	5,484,843	2,388,678	6,098,178	21,537,898	(8,862,409)
	531,338	446,994	428,169	417,838	442,927	373,556
	241,501	273,555	195,232	116,444	95,784	59,982
	1,830,644	1,730,065	1,498,385	1,447,764	1,489,863	1,489,965
	<u>550,523,907</u>	<u>496,744,753</u>	<u>469,663,997</u>	<u>429,609,781</u>	<u>427,515,974</u>	<u>396,070,805</u>
	544,373	576,518	6,249,630	6,773,107	5,811,787	416,506
	9,681,304	9,675,609	9,462,827	9,420,047	8,842,033	9,158,425
	7,748,386	7,954,832	972,415	924,248	927,954	6,936,180
	877,044	2,076,814	801,287	275,758	225,114	154,445
	<u>72,598,700</u>	<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>91,449,807</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>(459,074,100)</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>
\$	179,128,104	\$ 162,012,918	\$ 143,367,503	\$ 132,808,947	\$ 131,996,247	\$ 130,391,777
	63,292,880	54,807,873	54,028,207	51,399,561	49,968,675	46,602,489
	1,293,324	951,706	340,241	656,765	403,110	542,000
	210,649,814	206,980,778	194,177,589	171,074,720	150,136,654	155,453,082
	2,392,768	1,068,558	2,212,271	708,269	464,259	220,555
	-	-	-	-	-	-
	<u>456,756,890</u>	<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>(2,317,210)</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>

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

	<u>2020*</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund (2)				
Nonspendable	\$ 4,312,369	\$ 2,697,764	\$ 2,508,812	\$ 2,102,815
Restricted	-	-	-	1,758,031
Committed	-	-	22,694,356	-
Assigned	65,282,462	90,035,019	44,723,594	61,782,500
Unassigned	161,275,648	85,024,544	69,795,426	72,038,231
Total General Fund	\$ <u>230,870,479</u>	\$ <u>177,757,327</u>	\$ <u>139,722,188</u>	\$ <u>137,681,577</u>
 All Other Governmental Funds (1)				
Nonspendable	\$ -	\$ 48,486	\$ 29,145	\$ 33,444
Restricted (2)	170,843,475	120,144,673	117,605,300	119,403,922
Committed	9,473,693	6,561,775	7,663,735	5,523,593
Total All Other Governmental Funds	\$ <u>180,317,168</u>	\$ <u>126,754,934</u>	\$ <u>125,298,180</u>	\$ <u>124,960,959</u>

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

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

* Beginning September 1, 2019, the District changed the fiscal year end to June 30, 2020.

Table 3

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,783,786	\$ 2,031,540	\$ 2,077,777	\$ 2,398,595	\$ 2,397,862	\$ 2,277,226
3,075,533	3,007,210	3,212,274	3,347,006	3,200,295	3,156,524
14,045,900	14,691,800	-	1,415,000	3,300,000	3,700,000
80,899,438	58,727,022	79,111,760	74,336,973	52,554,775	48,703,900
46,078,491	60,624,373	43,880,808	35,843,498	50,168,919	46,782,498
<u>\$ 145,883,148</u>	<u>\$ 139,081,945</u>	<u>\$ 128,282,619</u>	<u>\$ 117,341,072</u>	<u>\$ 111,621,851</u>	<u>\$ 104,620,148</u>
\$ 756,393	\$ 692,248	\$ 835,914	\$ 626,940	\$ 623,138	\$ 681,239
102,530,553	245,078,831	69,288,389	70,449,813	105,908,645	183,231,527
5,378,336	4,923,894	4,634,190	7,945,659	7,313,627	6,738,527
<u>\$ 108,665,282</u>	<u>\$ 250,694,973</u>	<u>\$ 74,758,493</u>	<u>\$ 79,022,412</u>	<u>\$ 113,845,410</u>	<u>\$ 190,651,293</u>

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

	<u>2020 *</u>	<u>2019</u>	<u>2018</u>
REVENUES			
Local, Intermediate, and Out-of-State	\$ 317,465,889	\$ 327,462,911	\$ 321,609,273
State Programs (4)	227,719,808	248,300,735	224,228,095
Federal Programs	47,547,377	46,557,159	48,916,751
Total Revenues	<u>592,733,074</u>	<u>622,320,805</u>	<u>594,754,119</u>
EXPENDITURES			
Current:			
Instruction (1)	273,090,778	293,827,321	300,003,279
Instructional Resources and Media Services	4,989,327	5,176,204	4,996,803
Curriculum and Instructional Staff Development	12,872,089	15,102,392	13,768,359
Instructional Leadership	3,673,978	3,990,607	4,648,663
School Leadership	28,302,597	31,390,711	30,783,223
Guidance, Counseling, and Evaluation Services	25,906,562	27,399,588	26,772,972
Social Work Services	509,766	571,155	515,924
Health Services	5,805,389	5,821,830	5,652,413
Student Transportation	13,982,144	16,463,650	16,075,452
Food Services	20,329,279	24,276,881	23,485,904
Extracurricular Activities	11,233,844	16,100,891	16,313,944
General Administration	8,565,587	10,696,770	11,591,603
Plant Maintenance and Operations	29,567,406	34,852,941	35,843,692
Security and Monitoring Services	5,555,730	6,121,451	6,756,825
Data Processing Services	9,856,833	12,892,663	11,623,353
Community Services	819,175	1,280,029	1,353,750
Debt Service: (5)			
Principal on Long-term Debt	16,295,000	35,855,000	37,075,000
Interest on Long-term Debt	25,833,616	49,572,697	45,252,061
Bond Issuance Costs and Fees	1,357,839	847,885	1,128,181
Capital Outlay:			
Facilities Acquisition and Construction (3)	30,693,457	66,406,277	90,198,390
Intergovernmental:			
Payments to Shared Services Arrangements	472,681	601,690	614,273
Payments to Juvenile Justice Alternative Education Programs	99,000	334,361	344,556
Other Intergovernmental Charges	1,659,366	2,191,066	2,122,804
Total Expenditures	<u>531,471,443</u>	<u>661,774,060</u>	<u>686,921,424</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>61,261,631</u>	<u>(39,453,255)</u>	<u>(92,167,305)</u>
OTHER FINANCING SOURCES (USES) AND EXTRAORDINARY ITEMS			
Issuance of Capital-Related Bonds	40,085,000	69,865,000	88,985,000
Issuance of Refunding Bonds	99,425,000	8,100,000	12,310,000
Premium/Discount from Issuance of Bonds	19,576,699	10,488,977	6,827,826
Sale of Real and Personal Property	108,528	166,569	63,849
Insurance Proceeds	-	-	-
Transfers In	4,920,387	1,632,731	71,250
Transfers Out	(4,920,387)	(1,632,731)	(71,250)
Payment to Refunded Bond Escrow Agent	(113,881,890)	(9,675,398)	(14,353,708)
Extraordinary Items	-	-	712,170
Total Other Financing Sources (Uses) and Extraordinary Items	<u>45,313,337</u>	<u>78,945,148</u>	<u>94,545,137</u>
Net Change in Fund Balances	\$ <u>106,574,968</u>	\$ <u>39,491,893</u>	\$ <u>2,377,832</u>
Debt Service as a Percentage of Noncapital Expenditures (2)	8.44%	14.42%	13.73%

(1) Expenditures for instruction have risen over the past ten years due to fast student growth; however, has decreased in relation to the prior year resulting from the change in fiscal year.

(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.

* Beginning September 1, 2019, the District changed the fiscal year end to June 30, 2020.

Table 4

2017	2016	2015	2014	2013	2012	2011
\$ 294,654,365	\$ 266,519,005	\$ 239,358,880	\$ 217,841,699	\$ 204,262,883	\$ 199,547,347	\$ 195,135,296
216,482,265 (4)	236,563,481 (4)	238,088,445	223,969,748	193,988,410	178,791,537	174,003,953
37,833,273	36,472,254	33,996,147	32,230,586	32,303,258	36,168,738	49,596,155
<u>548,969,903</u>	<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>
280,378,113	278,892,090	254,931,476	244,961,463	228,421,970	219,544,329	215,421,836
5,521,936	5,150,327	4,829,600	4,812,891	4,528,306	4,404,689	4,540,607
13,084,592	13,118,808	12,018,105	10,272,298	8,630,149	7,279,333	8,634,881
4,414,194	3,761,756	3,449,797	3,194,789	2,740,767	2,786,900	3,199,092
28,828,086	27,862,437	26,266,362	23,646,088	21,601,616	20,242,960	21,314,541
24,438,551	23,528,336	21,595,133	19,118,162	16,652,008	15,552,339	15,976,596
389,809	435,507	350,430	342,660	340,865	335,717	308,251
5,379,602	5,032,069	4,626,359	4,331,424	3,749,147	3,576,446	3,692,921
13,066,425	14,299,437	12,132,350	11,733,461	10,513,598	9,831,779	11,623,856
23,673,901	23,023,338	22,901,090	22,398,855	20,090,723	19,629,942	19,169,730
15,681,648	14,393,470	14,733,324	7,340,347	6,822,027	6,645,847	6,643,691
10,371,524	9,511,006	9,222,576	8,541,307	7,575,212	6,997,310	7,045,050
33,455,017	32,768,680	30,474,136	30,801,398	29,397,947	30,019,180	30,118,417
6,021,987	5,953,443	5,658,847	5,079,679	4,340,696	4,072,466	4,501,082
10,411,220	10,365,775	7,776,823	7,129,217	5,835,742	5,833,107	5,608,809
1,435,557	1,040,869	926,002	836,262	832,559	749,323	803,375
35,790,000	31,955,000	30,775,000	33,375,232	29,154,981	28,207,440	23,555,000
43,856,249	40,610,877	37,739,074	34,609,848	34,138,584	31,695,184	30,610,055
1,098,266	1,343,134	2,001,163	29,160	1,023,534	353,053	579,357
140,575,834	130,389,392	76,413,336	40,883,290	60,499,465	122,218,814	77,836,659
554,092	531,338	446,994	428,169	417,838	442,927	373,556
204,017	241,501	273,555	195,232	116,444	95,784	59,982
1,990,384	1,830,644	1,730,065	1,498,385	1,447,764	1,489,863	1,489,965
<u>700,621,004</u>	<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>(151,651,101)</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>
145,890,000	-	242,015,000	44,000,000	36,840,000	51,115,000	83,900,000
-	152,870,000	62,585,000	-	69,945,000	18,390,000	-
15,204,877	19,984,986	24,217,299	899,845	13,331,052	8,291,398	111,617
42,512	153,079	324,532	1,710,665	490,855	168,546	119,224
-	-	-	-	-	38,834	-
70,000	68,750	67,500	3,052,202	65,000	1,512,268	85,000
(70,000)	(68,750)	(67,500)	(1,467,500)	(65,000)	(1,512,268)	(85,000)
-	(171,482,842)	(72,577,900)	-	(81,393,293)	(20,310,848)	-
(1,392,182)	(269,217)	-	-	-	-	-
<u>159,745,207</u>	<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>\$ 8,094,106</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>
13.92%	13.35%	13.48%	14.35%	14.36%	13.67%	13.64%

(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.

(5) Debt service principal payments decreased due to refunding. Interest expenditures decreased due to change in fiscal year.

(This page intentionally left blank)

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

Table 5

Fiscal Year Ended 6/30:	Assessed Value (3)			Actual Taxable Value	Total Direct Rate (2)
	Real Property Value (1)	Personal Property Value (1)	Less: Exemptions		
2020*	\$ 23,083,419,439	\$ 1,256,720,685	\$ 3,915,904,609	\$ 20,424,235,515	\$ 1.3600
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

* FY 2019-2020 changed to June 30 year end from August 31.

- (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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Overlapping Rates:</u>				
Bilma PUD	\$ 0.5200	\$ 0.5200	\$ 0.5300	\$ 0.5300
Bridgestone MUD	0.5200	0.5200	0.5200	0.5500
Charterwood MUD	0.4050	0.4200	0.4200	0.4200
Cypress Forest PUD	0.2900	0.2900	0.2900	0.2800
Cypress Klein UD	0.1150	0.1150	0.1120	0.1500
Cypresswood UD	0.3500	0.3600	0.3600	0.3600
Dowdell PUD- Defined Area	0.3800	0.3800	0.3800	0.0000
Dowdell PUD	0.8000	0.8400	0.8400	0.8500
Encanto Real UD	0.9000	0.9100	0.9300	0.9875
Fountainhead MUD	0.5600	0.5600	0.5800	0.6050
Harris County MUD No. 1	0.7450	0.7450	0.7850	0.8000
Harris County MUD No. 24	0.4500	0.4500	0.4600	0.5100
Harris County MUD No. 104	0.4200	0.4200	0.4200	0.4350
Harris County MUD No. 118	0.5100	0.5200	0.5660	0.5700
Harris County MUD No. 119	0.4650	0.4600	0.4610	0.4610
Harris County MUD No. 150	0.6900	0.7000	0.7200	0.7600
Harris County MUD No. 180	0.7980	0.7270	0.7270	0.7550
Harris County MUD No. 202	1.2500	1.2500	1.2500	1.2500
Harris County MUD No. 275	0.7500	0.8000	0.9000	0.9000
Harris County MUD No. 316	0.6000	0.6000	0.5100	0.5100
Harris County MUD No. 366	0.1600	0.1600	0.1600	0.1800
Harris County MUD No. 367	0.5800	0.6100	0.6200	0.6200
Harris County MUD No. 368	0.6800	0.7000	0.7000	0.7200
Harris County MUD No. 383	0.7300	0.7500	0.7700	0.7700
Harris County MUD No. 401	0.9975	1.0100	1.0300	1.0500
Harris County MUD No. 468	0.5500	0.5700	0.5700	0.6650
Harris County MUD No. 530	1.2500	1.2500	1.2500	1.2500
Harris County WC&ID No. 109	0.2500	0.2500	0.2500	0.2500
Harris County WC&ID No. 110	0.3900	0.4000	0.4300	0.4300
Harris County WC&ID No. 114	0.2500	0.2500	0.2500	0.2500
Harris County WC&ID No. 116	0.2490	0.2380	0.2150	0.2150
Harris County WC&ID No. 119	0.4500	0.4800	0.4800	0.4800
Harris County WC&ID No. 132	0.3800	0.3900	0.4400	0.4400
Harris County WC&ID No. 133	0.7590	0.7590	0.7700	0.8000
Heatherloch MUD	0.3900	0.3900	0.3900	0.3900
Klein PUD	0.4450	0.4300	0.4300	0.4300
Kleinwood MUD	0.3950	0.3950	0.3950	0.4050
Lonestar College System (1)	0.1078	0.1078	0.1078	0.1078
Louetta North PUD	0.2600	0.2600	0.2600	0.2600
Louetta Road UD	0.2500	0.3800	0.4300	0.4325
Meadowhill Regional MUD	0.6950	0.7200	0.7500	0.7900
Northampton MUD	0.5600	0.5800	0.5800	0.5800
Northampton MUD - Defined Area	0.6400	0.6400	0.6400	0.6400
Northwest Harris County MUD No. 6	0.3830	0.3830	0.3830	0.3830
Northwest Harris County MUD No. 19	0.7600	0.7800	0.8000	0.8200
Northwest Harris County MUD No. 24	0.5000	0.5800	0.5800	0.6000
Northwest Harris County MUD No. 28	0.6800	0.6800	0.6800	0.6600
Northwest Harris County MUD No. 30	0.6700	0.6800	0.6800	0.6800
Northwest Harris County MUD No. 32	0.6600	0.6600	0.7000	0.7000
Northwest Harris County MUD No. 36	0.7400	0.7800	0.7900	0.7950
Northwest Park MUD	0.4280	0.4280	0.4300	0.4400
Oakmont PUD	0.8600	0.8600	0.8700	0.9000
Shasla PUD	0.9140	0.9200	0.9410	0.9550
Spring Creek Forest PUD	0.4700	0.4700	0.4700	0.4700
Spring West MUD	0.7400	0.7400	0.7900	0.8200
Terranova West MUD	0.6400	0.6400	0.6400	0.6400
Harris County (2)	\$ 0.4071	\$ 0.4186	\$ 0.4180	\$ 0.4166
Houston, City of	0.5679	0.5883	0.5842	0.5864
Total Harris County/City of Houston	\$ <u>0.9750</u>	\$ <u>1.0069</u>	\$ <u>1.0022</u>	\$ <u>1.0030</u>
<u>District Direct Rates (3):</u>				
Maintenance & Operations	\$ 0.9700	\$ 1.0600	\$ 1.0400	\$ 1.0400
Debt Service	0.3900	0.3700	0.3900	0.3900
Total District Direct Rates	\$ <u>1.3600</u>	\$ <u>1.4300</u>	\$ <u>1.4300</u>	\$ <u>1.4300</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.

(3) The District is not subject to a legal debt margin.

Source: Harris County Appraisal District

Table 6

2016		2015		2014		2013		2012		2011	
\$	0.5600	\$	0.5700	\$	0.5900	\$	0.5900	\$	0.5900	\$	0.5600
	0.6000		0.7100		0.7500		0.7500		0.7500		0.7500
	0.4400		0.5400		0.5900		0.6400		0.6400		0.6400
	0.2930		0.3219		0.3240		0.3240		0.3240		0.3100
	0.1700		0.2000		0.2200		0.2400		0.2500		0.2450
	0.3500		0.3600		0.3700		0.3700		0.3000		0.2500
	0.0000		0.0000		0.0000		0.0000		0.0000		0.0000
	0.9000		0.9200		0.9200		0.9200		0.8800		0.8500
	0.9875		0.9875		0.9875		0.9875		0.9400		0.9400
	0.6300		0.6500		0.6700		0.6700		0.6700		0.5500
	0.9200		0.9700		1.0200		1.0300		1.0400		1.0400
	0.5400		0.5700		0.5900		0.6000		0.6000		0.6000
	0.4800		0.5000		0.5500		0.5500		0.5500		0.5500
	0.6400		0.7200		0.7200		0.7200		0.6500		0.6000
	0.4850		0.4850		0.5150		0.4700		0.4600		0.4600
	0.8400		0.9400		0.9800		0.9800		0.9500		0.9300
	0.7950		0.8300		0.9800		0.9800		0.9000		0.9000
	1.2500		1.2500		1.2500		1.2500		1.2500		1.2500
	0.9000		0.9000		1.0000		1.0000		1.1000		1.3500
	0.5300		0.6000		0.6700		0.7200		0.7200		0.7500
	0.2000		0.2000		0.2500		0.2500		0.2500		0.2500
	0.6700		0.6850		0.7000		0.7000		0.7100		0.7400
	0.7900		0.8700		0.9950		0.9950		0.9450		0.9300
	0.8400		0.8900		0.9400		0.9400		0.9400		0.9400
	1.1300		1.1850		1.2500		1.2500		1.2500		1.2500
	0.7400		0.7900		0.8400		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
	0.4400		0.4600		0.5300		0.5400		0.5500		0.5500
	0.2500		0.3000		0.3000		0.3000		0.3000		0.3000
	0.1000		0.1000		0.1000		0.1000		0.1000		0.1000
	0.5200		0.5400		0.5900		0.5900		0.5500		0.5500
	0.4700		0.4800		0.4500		0.4400		0.3900		0.3500
	0.9400		0.9700		0.9900		0.9900		0.9900		0.9900
	0.3900		0.3950		0.3950		0.3950		0.3750		0.3750
	0.4300		0.4300		0.4300		0.4300		0.4300		0.4280
	0.4300		0.4700		0.5300		0.5600		0.6000		0.6300
	0.1079		0.1081		0.1160		0.1198		0.1210		0.1176
	0.2700		0.2800		0.3100		0.3600		0.4200		0.4200
	0.4400		0.4750		0.5000		0.5000		0.4900		0.4900
	0.7900		0.7900		0.8750		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
	0.8800		0.9900		1.1200		1.1200		1.1200		1.0900
	0.7000		0.8000		0.8300		0.8300		0.8300		0.8800
	0.6800		0.6800		0.6800		0.6800		0.6800		0.6800
	0.7200		0.7500		0.8000		0.8000		0.8000		0.8000
	0.7200		0.7900		0.8950		0.9100		0.9100		0.9100
	0.8100		0.8500		0.8660		0.8660		0.8300		0.8300
	0.4500		0.4800		0.5200		0.5500		0.5200		0.5000
	1.0000		1.1000		1.2400		1.2500		1.2500		1.2500
	1.0100		1.0900		1.1900		1.0950		0.9680		0.9680
	0.4650		0.4750		0.4900		0.4950		0.4950		0.4950
	0.8200		0.9000		0.9800		1.0200		1.0500		1.0600
	0.6500		0.6800		0.6900		0.6900		0.6900		0.6900
\$	0.4192	\$	0.4173	\$	0.6363	\$	0.6366	\$	0.6366	\$	0.6366
	0.6011		0.6311		0.6388		0.6388		0.6388		0.6388
\$	<u>1.0203</u>	\$	<u>1.0484</u>	\$	<u>1.2751</u>	\$	<u>1.2754</u>	\$	<u>1.2754</u>	\$	<u>1.2754</u>
\$	1.0400	\$	1.0400	\$	1.0400	\$	1.0400	\$	1.0400	\$	1.0400
	0.3700		0.3500		0.3900		0.4000		0.3900		0.3700
\$	<u>1.4100</u>	\$	<u>1.3900</u>	\$	<u>1.4300</u>	\$	<u>1.4400</u>	\$	<u>1.4300</u>	\$	<u>1.4100</u>

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

Table 7

Taxpayer	2020			2011		
	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (2)	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (3)
Centerpoint Energy	\$ 142,827,305	1	0.70%	\$ 112,888,820	2	1.01%
National Oilwell Varco	119,701,487	2	0.59%	-	-	-
Hewlett Packard Company	118,070,303	3	0.58%	92,650,225	3	0.83%
Vintage Dunhill LLC	83,449,000	4	0.41%	280,408,589	1	2.51%
Eastgroup Properties LP	82,524,983	5	0.40%	-	-	-
GP Market Place 1750 LLC	82,350,489	6	0.40%	-	-	-
DXC Technology Services LLC	82,129,842	7	0.40%	-	-	-
HEB Grocery Co LP	80,948,592	8	0.40%	-	-	-
Liberty Property	71,574,151	9	0.35%	43,596,816	5	-
Walmart	63,227,091	10	0.31%	-	-	-
St. Lukes Hospital	-	-	-	46,690,625	4	0.42%
Vintage Park LLC	-	-	-	36,420,071	6	0.33%
IMF Investments 105 LLP	-	-	-	42,302,217	7	0.38%
Kroger Co.	-	-	-	39,027,670	8	0.35%
Southwestern Bell Telephone Co.	-	-	-	31,765,018	9	0.28%
WRI HR Venture Properties	-	-	-	34,998,950	10	0.31%
TOTALS	\$ 926,803,243		4.54%	\$ 760,749,001		6.81%

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

(2) Actual taxable value equals: \$ 20,424,235,515

(3) Actual taxable value equals: \$ 11,174,259,635

Source: Harris County (Texas) Appraisal District

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

Table 8

Fiscal Year Ended 6/30:	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
2020*	\$ 304,370,195	\$ 295,367,956	97.04%	\$ -	\$ 295,367,956	97.04%
2019	294,427,606	292,427,528	99.32%	628,721	293,056,249	99.53%
2018	285,870,216	282,980,358	98.99%	1,914,208	284,894,566	99.66%
2017	268,482,374	265,706,045	98.97%	2,094,652	267,800,697	99.75%
2016	241,612,351	239,204,277	99.00%	1,908,948	241,113,225	99.79%
2015	214,984,300	213,117,245	99.13%	1,459,427	214,576,672	99.81%
2014	196,067,050	194,305,721	99.10%	1,401,516	195,707,237	99.82%
2013	184,152,702	182,305,315	99.00%	1,513,261	183,818,576	99.82%
2012	180,736,191	178,874,525	98.97%	1,566,008	180,440,533	99.84%
2011	175,851,878	173,154,058	98.47%	1,995,388	175,149,446	99.60%

* Changed from August 31 to June 30 year end in 2019-2020.

(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 6/30:	Governmental Activities General Obligation Bonds (1)	Total Primary Government	Ratio of Debt to Actual Taxable Value (2)	Debt Per Student (3)
2020*	\$ 1,225,799,203	\$ 1,225,799,203	6.00%	\$ 24,122
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

* Changed from August 31 to June 30 year end in 2019-2020.

- (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, including 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 6/30:	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)
2020*	\$ 1,225,799,203	\$ 71,585,172	\$ 1,154,214,031	5.65%	\$ 22,713
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

* Changed from August 31 to June 30 year end in 2019-2020.

- (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, including premiums, discounts, and adjustments.
- (2) See Table 5 for actual taxable value data.
- (3) See Table 12 for student enrollment data.
- (4) This is the amount restricted for debt service payments on general obligation bonds in the governmental fund financial statements.

(This page intentionally left blank)

KLEIN INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)
AS OF JUNE 30, 2020

Table 11

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>	<u>Percent Overlapping (1)</u>	<u>Applicable to School District</u>
<u>Overlapping:</u>			
Bilma PUD	\$ 17,835,000	100.00%	\$ 17,835,000
Bridgestone MUD	82,820,000	100.00%	82,820,000
Charterwood MUD	10,250,000	100.00%	10,250,000
Cypress Forest PUD	955,000	88.68%	846,894
Cypresswood UD	6,785,000	100.00%	6,785,000
Dowdell PUD (Defined Area)	4,550,000	100.00%	4,550,000
Dowdell PUD	66,100,000	100.00%	66,100,000
Encanto Real UD	39,605,000	100.00%	39,605,000
Fountainhead MUD	6,285,000	72.72%	4,570,452
Harris County	1,885,182,125	4.40%	82,948,014
Harris County Dept. of Education	6,320,000	4.40%	278,080
Harris County Flood Control District	83,075,000	4.40%	3,655,300
Harris County Hospital District	86,050,000	4.40%	3,786,200
Harris County Improvement Dist. No. 18 (Defined Area No. 1)	33,805,000	100.00%	33,805,000
Harris County Improvement District No. 18	134,750,000	0.11%	148,225
Harris County MUD No. 1	46,415,000	100.00%	46,415,000
Harris County MUD No. 24	11,940,000	100.00%	11,940,000
Harris County MUD No. 104	8,850,000	100.00%	8,850,000
Harris County MUD No. 118	7,030,000	66.66%	4,686,198
Harris County MUD No. 119	4,660,000	63.20%	2,945,120
Harris County MUD No. 150	15,165,000	33.05%	5,012,033
Harris County MUD No. 180	17,235,000	100.00%	17,235,000
Harris County MUD No. 316	1,190,000	100.00%	1,190,000
Harris County MUD No. 367	15,405,000	100.00%	15,405,000
Harris County MUD No. 368	58,140,000	100.00%	58,140,000
Harris County MUD No. 383	39,125,000	100.00%	39,125,000
Harris County MUD No. 401	37,955,000	100.00%	37,955,000
Harris County MUD No. 468	37,875,000	100.00%	37,875,000
Harris County MUD No. 530	25,860,000	100.00%	25,860,000
Harris County WC&ID No. 109	8,050,000	90.38%	7,275,590
Harris County WC&ID No. 110	15,835,000	35.77%	5,664,180
Harris County WC&ID No. 116	4,980,000	31.05%	1,546,290
Harris County WC&ID No. 119	30,260,000	100.00%	30,260,000
Harris County WC&ID No. 132	3,320,000	100.00%	3,320,000
Harris County WC&ID No. 133	8,010,000	100.00%	8,010,000
Heatherloch MUD	4,315,000	100.00%	4,315,000
Houston, City of	3,423,995,000	0.24%	8,217,588
Kleinwood MUD	6,144,992	100.00%	6,144,992
Lone Star College (2)	569,815,000	11.41%	65,015,892
Louetta North PUD	4,040,000	100.00%	4,040,000
Louetta Road UD	-	0.00%	-
Meadowhill Regional MUD	30,310,000	100.00%	30,310,000
Northampton MUD	31,375,000	100.00%	31,375,000
Northampton MUD - Defined Area	13,415,000	100.00%	13,415,000
Northwest Harris County MUD No. 6	11,550,000	67.97%	7,850,535
Northwest Harris County MUD No. 19	66,065,000	100.00%	66,065,000
Northwest Harris County MUD No. 24	-	0.00%	-
Northwest Harris County MUD No. 28	3,540,000	100.00%	3,540,000
Northwest Harris County MUD No. 30	13,480,000	100.00%	13,480,000
Northwest Harris County MUD No. 32	24,305,000	100.00%	24,305,000
Northwest Harris County MUD No. 36	14,155,000	100.00%	14,155,000
Northwest Park MUD	25,310,000	31.67%	8,015,677
Oakmont PUD	25,715,000	100.00%	25,715,000
Port of Houston Authority	572,569,397	4.40%	25,193,053
Shasla PUD	3,960,000	100.00%	3,960,000
Spring Creek Forest PUD	4,285,000	100.00%	4,285,000
Spring West MUD	24,975,000	41.57%	10,382,108
Terranova West MUD	635,000	100.00%	635,000
Total Overlapping Debt			1,097,107,419
<u>Direct:</u>			
Klein Independent School District (3)	1,125,655,000	100.00%	1,125,655,000
TOTAL OVERLAPPING AND DIRECT DEBT			\$ 2,222,762,419
Ratio of Total Overlapping Debt and Direct Debt to Actual Taxable Value for Fiscal Year Ended June 30, 2020 (4)			10.88%

- (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: \$ 20,424,235,515

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

Table 12

Fiscal Year Ended 6/30:	Residential Units (1)		Total Assessed Value of Residential Units (1)		Average Assessed Value per Residential Unit	Average Daily Attendance (2)	Unemployment Rate (3)
2020*	79,054	\$	15,419,220,562	\$	195,047	50,816	6.6%
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%

* Changed from August 31 to June 30 year end in 2019-2020.

(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	2020			2011		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Wal-Mart Stores	37,000	1	1.79%	28,500	2	1.51%
Houston ISD	26,966	2	1.31%	29,280	1	1.56%
Memorial Hermann Healthcare System	24,108	3	1.17%	20,551	3	1.10%
H-E-B	23,732	4	1.15%	16,500	5	0.88%
The University of Texas MD Anderson Cancer Center	21,086	5	1.02%	18,012	4	0.96%
McDonald's Corp.	20,918	6	1.01%	-		
Kroger	16,000	7	0.78%	14,015	8	0.75%
United Airlines	14,941	8	0.72%	16,290	6	0.87%
Schlumberger	12,069	9	0.59%	-		
Shell Oil Company	11,507	10	0.56%	10,700	10	0.57%
Exxon Mobil Corp.	-		-	14,600	7	0.78%
The Methodist Hospital System	-		-	13,322	9	0.71%
	<u>208,327</u>		<u>10.10%</u>	<u>181,770</u>		<u>9.69%</u>

(1) Total Employment for 2020: 2,062,227

(2) Total Employment for 2011: 1,876,513

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:	2020	2019	2018	2017
Administrator	66.0	65.0	70.0	69.5
Associate/Assistant Principal	140.0	146.0	135.0	131.5
Bus Driver/Attendant	328.0	328.0	331.0	310.0
Cafeteria Workers	586.5	587.0	538.0	537.0
Custodial	348.0	346.0	359.0	336.0
Library Info. Spec./Library Asst./Historian	72.0	72.0	71.0	77.0
Manual Trades/Warehouse/Vending	187.0	185.0	193.0	187.0
Nurse/Clinic Assistant	106.0	106.0	103.5	99.0
Other Professional (2)	579.8	546.7	503.5	443.4
Police Officer	51.0	51.0	45.0	43.0
Principal	48.0	48.0	48.0	47.0
Registrar	10.0	10.0	10.0	9.0
School Counselor	142.0	142.0	132.5	127.7
Secretary/Clerical	473.5	472.5	473.6	443.0
Security Support Personnel	50.0	101.0	103.0	99.0
Teacher	2,787.8	2,812.4	2,856.4	2,745.4
Teacher - Bilingual/ESL	232.5	243.3	252.5	257.7
Teacher - Special Education	515.9	465.4	421.6	392.6
Teacher Assistant	766.0	706.0	586.0	599.7
Technical	92.0	93.0	92.0	83.0
	<u>7,582.0</u>	<u>7,526.3</u>	<u>7,324.6</u>	<u>7,037.5</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

2016 (1)	2015	2014	2013 (3)	2012	2011
63.0	62.0	62.0	61.0	60.0	61.0
126.0	120.0	111.0	110.3	97.0	108.3
283.0	282.0	273.0	269.0	254.0	256.0
539.0	532.0	446.0	447.0	435.0	428.0
330.0	325.0	325.0	314.0	303.0	299.0
75.5	74.0	73.5	72.5	69.6	87.1
192.0	187.0	182.0	173.6	165.6	175.6
95.0	92.5	92.0	89.5	87.5	85.0
375.1	352.0	296.0	244.3	205.6	208.7
43.0	43.0	43.0	35.0	34.0	34.0
44.9	43.7	43.0	42.7	42.4	40.7
9.0	9.0	8.0	8.0	8.0	6.0
121.5	117.5	109.5	105.5	103.5	109.0
424.8	417.7	410.0	383.7	367.9	396.5
93.5	46.0	42.0	29.0	26.0	26.0
2,746.6	2,661.3	2,585.8	2,810.4	2,786.2	2,814.6
237.7	222.8	210.8	211.4	204.6	210.6
376.4	358.5	332.2	-	-	-
565.9	524.5	499.5	459.0	454.5	495.0
82.0	79.0	72.0	87.0	88.0	89.0
6,823.9	6,549.5	6,216.3	5,952.9	5,792.4	5,930.1

KLEIN INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended 6/30:	Average Daily Attendance	Operating Expenditures (1)	Cost Per Student	Percentage Change
2020*	50,755	\$ 455,695,929	\$ 8,978	-11.12%
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%

* Changed from August 31 to June 30 year end in 2019-2020.

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

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

Table 15

<u>Government Wide Expenses</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Student to Teacher Ratio</u>	<u>Percentage of Students in Free/Reduced Lunch Program</u>
\$ 572,606,002	\$ 11,282	-8.67%	3,536	14.35	45.59%
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%

(This page intentionally left blank)

KLEIN INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Table 16

Fiscal Year Ended 6/30:	District		County Average Salary (2)	Statewide Average Salary (2)
	Minimum Salary (1)	Maximum Salary (1)		
2020*	\$ 55,550	\$ 68,022	\$ 60,160	\$ 57,091
2019	52,600	67,567	57,423	54,122
2018	52,600	67,000	56,943	53,334
2017	51,600	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	47,600	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

* Changed from August 31 to June 30 year end in 2019-2020.

(1) Source: District records

(2) Source: Texas Education Agency website

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2020	2019	2018	2017
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	3,220	3,417	3,672	4,049
Klein Cain (2017)				
Square Footage	679,289	679,289	679,289	679,289
Capacity	3,500	3,500	3,500	3,500
Enrollment	3,383	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	3,353	3,489	3,644	3,707
Klein Forest (1979)				
Square Footage	644,310	644,310	644,310	644,310
Capacity	4,000	4,000	4,000	4,000
Enrollment	3,542	3,583	3,686	3,734
Klein Oak (1982)				
Square Footage	603,924	603,924	603,924	603,924
Capacity	3,500	3,500	3,500	3,500
Enrollment	3,550	3,700	3,947	4,260
INTERMEDIATE SCHOOLS				
Doerre (1984)				
Square Footage	171,250	171,250	171,250	171,250
Capacity	1,219	1,219	1,219	1,219
Enrollment	1,355	1,369	1,316	1,288
Hildebrandt (1973)				
Square Footage	207,360	207,360	207,360	207,360
Capacity	1,349	1,349	1,349	1,349
Enrollment	1,075	952	1,361	1,294
Hofius (2018)				
Square Footage	205,000	205,000	205,000	-
Capacity	1,250	1,250	1,250	-
Enrollment	1,139	986	-	-
Kleb (1993)				
Square Footage	172,000	172,000	172,000	172,000
Capacity	1,257	1,257	1,257	1,257
Enrollment	1,436	1,413	1,365	1,401
Klein (1984)				
Square Footage	192,972	192,972	192,972	192,972
Capacity	1,213	1,213	1,213	1,213
Enrollment	1,095	1,095	1,112	1,130
Krimmel (2007)				
Square Footage	186,700	186,700	186,700	186,700
Capacity	1,180	1,180	1,180	1,180
Enrollment	1,351	1,389	1,389	1,342
Schindewolf (2002)				
Square Footage	187,308	187,308	187,308	187,308
Capacity	1,170	1,170	1,170	1,170
Enrollment	1,167	1,240	1,495	1,423
Strack (1977)				
Square Footage	215,125	215,125	215,125	215,125
Capacity	1,295	1,295	1,295	1,295
Enrollment	1,238	1,237	1,381	1,319
Ulrich (2010)				
Square Footage	195,825	195,825	195,825	195,825
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,363	1,336	1,286	1,231
Wunderlich (1975)				
Square Footage	239,998	239,998	239,998	239,998
Capacity	1,600	1,600	1,600	1,600
Enrollment	1,526	1,529	1,621	1,574

(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

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
674,633	674,633	674,633	519,437	519,437	519,437
3,600	3,600	3,600	3,462	3,462	3,381
3,922	3,860	3,762	3,561	3,112	3,019
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
582,488	582,488	582,488	582,488	582,488	582,315
3,500	3,500	3,500	3,500	3,500	3,500
3,582	3,633	3,484	3,437	3,368	3,265
644,310	644,310	644,310	644,310	644,310	644,310
4,000	4,000	4,000	4,000	4,000	4,000
3,661	3,582	3,451	3,507	3,511	3,472
603,924	603,924	603,924	603,924	603,924	608,924
3,500	3,500	3,500	3,500	3,500	3,500
3,996	3,883	3,828	3,730	4,139	3,933
171,250	171,250	171,250	171,250	171,250	172,000
1,219	1,219	1,219	1,219	1,219	1,168
1,141	1,154	1,203	1,225	1,188	1,220
207,360	207,360	207,360	207,360	207,360	207,360
1,349	1,349	1,349	1,349	1,349	1,365
1,247	1,139	1,102	1,014	934	944
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
172,000	172,000	172,000	172,000	172,000	172,000
1,257	1,257	1,257	1,257	1,257	1,204
1,403	1,396	1,344	1,346	1,313	1,264
192,972	192,972	192,972	192,972	192,972	192,972
1,213	1,213	1,213	1,213	1,213	1,199
1,113	1,239	1,236	1,212	1,209	1,167
186,700	186,700	186,700	186,700	186,700	186,700
1,180	1,180	1,180	1,180	1,180	1,250
1,280	1,319	1,142	1,064	1,026	1,027
187,308	183,000	183,000	183,000	183,000	183,000
1,170	1,170	1,170	1,170	1,170	1,176
1,375	1,326	1,357	1,339	1,301	1,323
215,125	215,125	215,125	215,125	215,125	215,125
1,295	1,295	1,295	1,295	1,295	1,361
1,217	1,198	1,167	1,173	1,100	1,133
195,825	195,825	195,825	195,825	195,825	195,825
1,250	1,250	1,250	1,250	1,250	1,250
1,152	1,130	1,079	1,079	972	867
211,415	211,415	211,415	211,415	211,415	211,615
1,458	1,458	1,458	1,458	1,458	1,458
1,569	1,552	1,550	1,571	1,513	1,471

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2020	2019	2018	2017
ELEMENTARY SCHOOLS				
Benfer (1977)				
Square Footage	86,963	86,963	86,963	86,963
Capacity	818	818	818	818
Enrollment	818	818	847	775
Benignus (2006)				
Square Footage	108,750	108,750	108,750	108,750
Capacity	868	868	868	868
Enrollment	719	719	796	832
Bernshausen (2013)				
Square Footage	117,282	117,282	117,282	117,282
Capacity	850	850	850	850
Enrollment	878	878	926	914
Blackshear (2011)				
Square Footage	116,727	116,727	116,727	116,727
Capacity	940	940	940	940
Enrollment	1,068	1,068	1,044	996
Brill (1978)				
Square Footage	95,238	95,238	95,238	95,238
Capacity	846	846	846	846
Enrollment	758	758	760	764
Ehrhardt (1979)				
Square Footage	88,481	88,481	88,481	88,481
Capacity	810	810	810	810
Enrollment	749	749	748	767
Eiland (1993)				
Square Footage	87,366	87,366	87,366	87,366
Capacity	684	684	684	684
Enrollment	535	535	547	535
Epps Island (1973)				
Square Footage	93,639	93,639	93,639	93,639
Capacity	887	887	887	887
Enrollment	639	639	658	709
Frank (2007)				
Square Footage	108,750	108,750	108,750	108,750
Capacity	844	844	844	844
Enrollment	660	660	697	685
French (2015)				
Square Footage	125,752	125,752	125,752	125,752
Capacity	940	940	940	940
Enrollment	788	788	683	654
Fox (2020)				
Square Footage	119,000	-	-	-
Capacity	850	-	-	-
Enrollment	-	-	-	-
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	476	485	477
Greenwood Forest (1971)				
Square Footage	75,711	75,711	75,711	75,711
Capacity	667	667	667	667
Enrollment	739	739	737	725
Hassler (1999)				
Square Footage	115,145	115,145	115,145	115,145
Capacity	794	794	794	794
Enrollment	858	858	791	735
Haude (1971)				
Square Footage	75,712	75,712	75,712	75,712
Capacity	747	747	747	747
Enrollment	725	725	729	720
Kaiser (1978)				
Square Footage	109,790	109,790	109,790	109,790
Capacity	892	892	892	892
Enrollment	718	718	745	767
Klenk (1992)				
Square Footage	91,494	91,494	91,494	91,494
Capacity	894	894	894	894
Enrollment	814	814	824	842

Table 17
Page 2 of 3

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
86,963	86,963	86,963	86,963	86,963	87,263
818	818	818	818	818	851
792	800	707	707	666	667
108,750	108,750	108,750	108,750	108,750	108,750
868	868	868	868	868	850
910	947	950	939	895	892
117,282	117,282	117,282	117,282	-	-
850	850	850	850	-	-
806	784	686	675	-	-
116,727	116,727	116,727	116,727	116,727	116,727
940	940	940	940	940	940
960	973	914	906	810	-
95,238	95,238	95,238	95,238	95,238	95,272
846	846	846	846	846	823
766	772	747	743	749	896
88,481	88,481	88,481	88,481	88,481	88,515
810	810	810	810	810	829
729	699	686	681	687	703
87,366	87,366	87,366	87,366	87,366	87,400
684	684	684	684	684	744
579	616	564	568	712	712
93,639	93,639	93,639	93,639	93,639	93,876
887	887	887	887	887	891
723	763	806	782	879	936
108,750	108,750	108,750	108,750	108,750	108,750
844	844	844	844	844	850
645	618	614	875	849	1,048
125,752	125,752	-	-	-	-
940	940	-	-	-	-
565	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
65,500	65,500	65,500	65,500	65,500	-
1,000	1,000	1,000	1,000	1,000	-
510	472	532	503	-	-
75,711	75,711	75,711	75,711	75,711	75,711
667	667	667	667	667	721
756	734	720	688	726	725
115,145	115,145	115,145	115,145	115,145	115,179
794	794	794	794	794	828
639	656	708	698	731	781
75,712	75,712	75,712	75,712	75,712	75,683
747	747	747	747	747	701
736	705	706	701	690	713
109,790	109,790	109,790	109,790	109,790	109,790
892	892	892	892	892	961
798	794	631	789	893	948
91,494	91,494	91,494	91,494	91,494	91,528
894	894	894	894	894	824
830	857	791	787	876	879

Continued

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

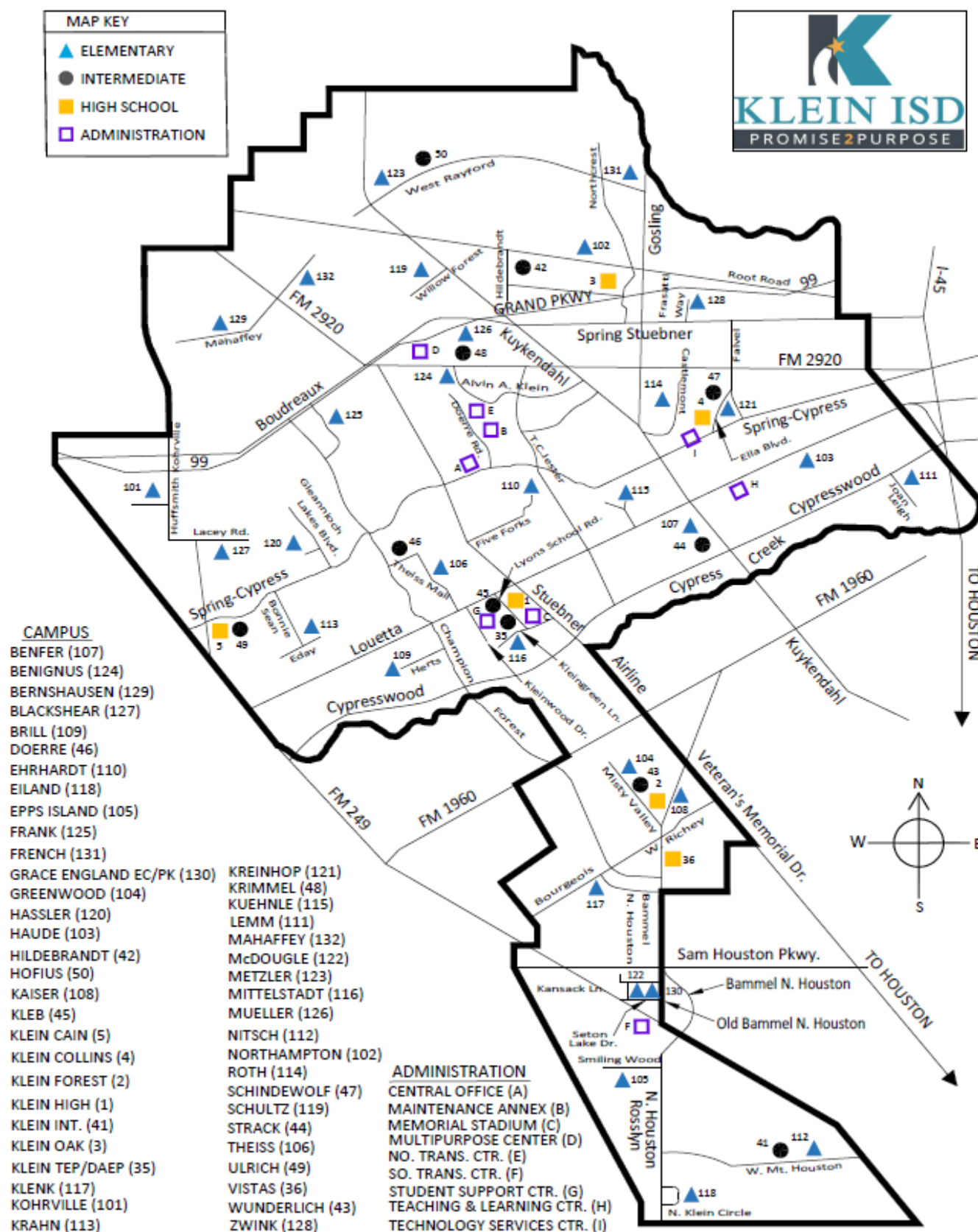
Building:	2020	2019	2018	2017
ELEMENTARY SCHOOLS				
Kohrville (2002)				
Square Footage	107,898	107,898	107,898	107,898
Capacity	928	928	928	928
Enrollment	638	638	671	696
Krahn (1983)				
Square Footage	109,116	109,116	109,116	109,116
Capacity	1,085	1,085	1,085	1,085
Enrollment	774	774	748	707
Kreinhop (2004)				
Square Footage	108,293	108,293	108,293	108,293
Capacity	984	984	984	984
Enrollment	990	990	982	893
Kuehnle (1989)				
Square Footage	87,216	87,216	87,216	87,216
Capacity	831	831	831	831
Enrollment	871	871	882	839
Lemm (1980)				
Square Footage	103,056	103,056	103,056	103,056
Capacity	705	705	705	705
Enrollment	712	712	690	694
Mahaffey (2016)				
Square Footage	126,000	126,000	126,000	126,000
Capacity	950	950	950	950
Enrollment	854	854	748	643
McDougle (2004)				
Square Footage	108,293	108,293	108,293	108,293
Capacity	796	796	796	796
Enrollment	561	561	575	635
Metzler (2005)				
Square Footage	108,293	108,293	108,293	108,293
Capacity	914	914	914	914
Enrollment	874	874	871	867
Mittelstadt (1991)				
Square Footage	91,494	91,494	91,494	91,494
Capacity	891	891	891	891
Enrollment	914	914	871	836
Mueller (2009)				
Square Footage	115,689	115,689	115,689	115,689
Capacity	935	935	935	935
Enrollment	854	854	897	876
Nitsch (1980)				
Square Footage	93,810	93,810	93,810	93,810
Capacity	802	802	802	802
Enrollment	765	765	778	828
Northampton (1971)				
Square Footage	75,711	75,711	75,711	75,711
Capacity	863	863	863	863
Enrollment	548	548	569	565
Roth (1984)				
Square Footage	98,891	98,891	98,891	98,891
Capacity	852	852	852	852
Enrollment	726	726	719	712
Schultz (1994)				
Square Footage	93,816	93,816	93,816	93,816
Capacity	906	906	906	906
Enrollment	677	677	658	658
Theiss (1974)				
Square Footage	71,277	71,277	71,277	71,277
Capacity	754	754	754	754
Enrollment	681	681	666	674
Zwink (2012)				
Square Footage	125,073	125,073	125,073	125,073
Capacity	940	940	940	940
Enrollment	1,121	1,121	1,101	1,060

Table 17
Page 3 of 3

2016	2015	2014	2013	2012	2011
107,898	107,898	107,898	107,898	107,898	107,898
928	928	928	928	928	945
725	738	770	978	975	1,055
109,116	109,116	109,116	109,116	109,116	109,150
1,085	1,085	1,085	1,085	1,085	1,011
730	745	758	775	779	1,039
108,293	108,293	108,293	108,293	108,293	108,293
984	984	984	984	984	959
871	891	855	829	942	937
87,216	87,216	87,216	87,216	87,216	87,250
831	831	831	831	831	793
851	765	697	651	866	803
103,056	103,056	103,056	103,056	103,056	103,090
705	705	705	705	705	843
677	605	591	578	721	709
126,000	-	-	-	-	-
950	-	-	-	-	-
-	-	-	-	-	-
108,293	108,293	108,293	108,293	108,293	108,293
796	796	796	796	796	959
666	698	667	629	774	825
108,293	108,293	108,293	108,293	108,293	108,293
914	914	914	914	914	929
851	872	860	969	899	878
91,494	91,494	91,494	91,494	91,494	91,528
891	891	891	891	891	824
877	854	887	839	749	680
115,689	115,689	115,689	115,689	115,689	115,689
935	935	935	935	935	900
1,022	931	827	720	744	686
93,810	93,810	93,810	93,166	93,166	93,200
802	802	802	802	802	833
804	790	791	737	840	843
75,711	75,711	75,711	75,711	75,711	75,711
863	863	863	863	863	731
502	865	815	778	895	895
98,891	98,891	98,891	98,891	98,891	98,891
852	852	852	852	852	852
694	712	694	699	759	768
93,816	93,816	93,816	93,816	93,816	93,850
906	906	906	906	906	836
980	921	877	821	767	772
71,277	71,277	71,277	71,277	71,277	71,311
754	754	754	754	754	703
641	637	631	661	643	678
125,073	125,073	125,073	125,073	125,073	-
940	940	940	940	940	-
1,010	934	883	830	-	-

KLEIN INDEPENDENT SCHOOL DISTRICT
DISTRICT MAP
JUNE 30, 2020

Table 18





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

WWW.KLEINISD.NET