

KLEIN INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2022

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

KLEIN INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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November 1, 2022

Board of Trustees and Citizens of
Klein Independent School District
7200 Spring Cypress Rd.
Klein, TX 77379-3299

Dear Board of Trustees and Citizens:

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 Annual Comprehensive Financial Report (ACFR) of the Klein Independent School District (the District) is published to fulfill that requirement for the year ended June 30, 2022.

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 ACFR 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 year ended June 30, 2022. 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.

*Klein Independent School District
7200 Spring Cypress Rd.
Klein, TX 77379-3299
832-249-4000*

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, 33 elementary schools, and three alternative program campuses and serves an average daily attendance of 49,252 students. The ages of the school buildings range from one to 49 years.

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.

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LOCAL ECONOMY

The Spring/Klein and Woodlands housing market continues to see increased pricing. According to Redfin Corporation, Houston area prices were up over 7% year over year with a median sale price of \$330,000 and averaging 13 days on market. Rising interest rates and inflation pressures led to a decline of 13.4% in home sales from June 2021 to June 2022.

The Houston metro area saw strong employment growth over the past year with unemployment rates dropping from 7.1% (June 2021) to 4.8% (June 2022) according to the Bureau of Labor Statistics. In September of 2021, Amazon opened a new 219,000 square foot facility in Spring, Texas. The warehouse employs more than 200 employees.

The Texas economy has seen an increase of 22% in oil prices from June 2021. Oil production has been stable over the past year but below the pre-pandemic volumes in 2019 as reported by The Texas Railroad Commission. Oil prices have seen a steady rise in prices opening 2022 at approximately \$76/barrel and increased to \$92/barrel by August 2022. This is up significantly from 2019 (\$50-60/barrel), 2020 (\$40-50/barrel) and 2021 (\$60-70/barrel).

Commercial real estate continues to be affected by the pandemic as many corporations are downsizing space and allowing employees to continue working from home. In the first quarter of 2022, the office vacancy rate in the Houston metro was 27.7% according to CoStar and Texas Real Estate Center at Texas A&M University.

In the Woodlands submarket, vacancy rates are slightly improved to 17.2% for Class A & B office space in the second quarter of 2022 according to Colliers. This represents a 2.1% occupancy rate increase over June 2020 rates.

LONG-TERM FINANCIAL PLANNING

The District remains one of the fastest growing school districts in the county; however, the disruption due to Hurricane Harvey and COVID-19 along with limited land availability have led to a slower growth rate. Enrollment was projected to return to pre-pandemic levels of approximately 54,000 students during the 2021-22 school year. The level of student growth is expected to average 0.5% 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 and two alternative program campuses, the District has reached approximately 90% of its permanent classroom facility requirements. The percentage of students at each instructional level is expected to be approximately 45% in grade levels PK through 5, 24% in grade levels 6 through 8, and 31% 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 and is currently closing out a few remaining projects.

*Klein Independent School District
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832-249-4000*

In May 2022, the District passed an \$895.35 million bond election that represents the approval of two propositions. The bond projects that were ratified by the voters represent \$843.8 million for improved safety and security at all schools, build a new intermediate school, address growth and capacity challenges, modernize and restore aging schools (50+ years old), renovate all schools, upgrade academic, arts, and athletic/PE spaces, and purchase additional buses as our student population grows. Funds would also be used for additional safety and security measures at every school. In addition, \$51.5 million will be used for technology devices for classroom instruction, including student, teacher, and staff devices. This proposition would allow for students and teachers on every campus – from elementary to high school – to learn on the technology used for preparation for college and career.

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 2021-22 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 campus and program requests to address learning losses resulting from disruption caused by COVID-19.

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 2021-22 school year, the District continued aligning workstreams and resources to three strategic priorities: Reimagine Learning, Cultivate Talent, and Build Community.

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 2021-22, advanced offerings and pathways were expanded and increased, as more students expressed a desire to participate. Additionally, Klein ISD currently offers 50 industry-level certifications and nearly 200 pathway courses. 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

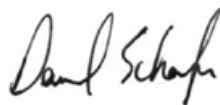
Klein Independent School District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for its ACFR for the fiscal year ended June 30, 2021. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR, whose contents conform to program standards. Such a ACFR 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 ACFR for the fiscal year ended June 30, 2021 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 2021-22 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 2019-20, 2020-21, and 2021-22.

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Klein Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



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

Klein Independent School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'Will Sutter'.

William A. Sutter
President

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

David J. Lewis
Executive Director



Klein ISD Organization Chart



KLEIN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS AND ADVISORS

ELECTED OFFICIALS – BOARD OF TRUSTEES

Ronnie Anderson	President
Rob Ellis	Vice President
Cathy Arellano	Secretary
Dustin Creager	Trustee
Doug James	Trustee
Georgan Reitmeier	Trustee
Chris Todd	Trustee

APPOINTED ADMINISTRATORS

Dr. Jenny McGown	Superintendent
Larry Whitehead	Interim Deputy Superintendent
Dr. Brian Greeney	Chief of Schools
Gwyn Touchet	Interim Associate Superintendent of Human Resource Services
August Wunderlich	Associate Superintendent of Facilities & School Services
Daniel A. Schaefer, CPA	Chief Financial Officer
Dayna Hernandez	Associate Superintendent of Communications & Public Relations
Dr. Anthony Indelicato	Chief Academic Officer

CONSULTANTS AND ADVISORS

Weaver and Tidwell, LLP
Conroe, Texas – Independent Auditors

Rogers, Morris, & Grover, LLP
Houston, Texas – General Counsel

Karczewski | Bradshaw | Spalding
Houston, Texas – General Counsel

Bracewell LLP
Houston, Texas – Bond Counsel

RBC Capital Markets
Houston, Texas – Financial Advisor

CERTIFICATE OF BOARD

KLEIN INDEPENDENT SCHOOL DISTRICT

Name of School

HARRIS

County

101-915

Co.-Dist. Number

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

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

for the year ended June 30, 2022 at a meeting of the Board of Trustees of such school district on the 14th day of November, 2022.



SIGNATURE OF BOARD PRESIDENT



SIGNATURE OF BOARD SECRETARY

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

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FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Klein Independent School District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is 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.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the Introductory Section and Statistical Section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022 on our consideration of the 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 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 District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
October 17, 2022

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KLEIN INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2022

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 year ended June 30, 2022.

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 current fiscal year by \$89,857,125 (*net position*).
- The District's total net position increased by \$60,962,476.
- At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$387,656,745, an increase of \$10,752,228 in comparison with the prior year. The increase was primarily due to increases of \$21,978,642 in the general fund, \$6,240,195 in the debt service fund, and \$6,063,572 in other governmental funds. The capital projects fund decreased by \$23,530,181 due to expending bond issuance funds from prior years.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$117,365,032 or 25% of total general fund expenditures.
- The District's bonded debt, at par, decreased by \$47,805,000 (4%) during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and revenues from other functions intended to recover all or a significant portion of their costs through user fees and charges.

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

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

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022

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 24 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 21 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 C-1, C-1R, C-2 and C-3 in this report.

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

The basic fiduciary fund financial statements are referenced as Exhibits E-1 and E-2 in this report.

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

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the general fund is presented as required supplementary information. The required supplementary information also provides information on the District's cost-sharing multiple-employer pension and OPEB plans of which the District is a participant. The required supplementary information is referenced as Exhibits G-1 through G-5, 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 G-6, H-1, H-2, and H-3 in this report.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022

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 \$89,857,125 at the close of the fiscal year ended June 30, 2022:

KLEIN INDEPENDENT SCHOOL DISTRICT'S NET POSITION

	Governmental Activities	
	2022	2021
Current and Other Assets	\$ 476,986,499	\$ 470,220,296
Capital Assets, net of Accumulated Depreciation	1,176,388,381	1,182,792,127
Total Assets	1,653,374,880	1,653,012,423
Total Deferred Outflows of Resources	103,435,322	110,549,063
Other Liabilities	91,470,753	89,156,006
Long-term Liabilities Outstanding	1,360,162,036	1,490,270,489
Total Liabilities	1,451,632,789	1,579,426,495
Total Deferred Inflows of Resources	215,320,288	155,240,342
Net Position:		
Net Investment in Capital Assets	118,110,685	101,407,358
Restricted	76,075,119	65,086,691
Unrestricted (Deficit)	(104,328,679)	(137,599,400)
Total Net Position	\$ 89,857,125	\$ 28,894,649

Net investment in capital assets of \$118,110,685 reflects the District's investment of \$1.18 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 and unspent bond proceeds. 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 \$76,075,119 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 \$64,008,803 is restricted for debt service, \$12,052,143 is restricted for Grants – Food Services, and \$14,173 is restricted for Grants – Instructional Services.

Unrestricted net position of \$104,328,679 reflects a deficit created by a prior period adjustment in fiscal year 2018 resulting from the implementation of GASB Statement No. 75. Although the District reports a deficit, the deficit is primarily due to reporting the District's proportionate share of the net OPEB liability. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022

Governmental activities. Governmental activities increased the District's net position by \$60,962,476. Key elements of this increase are as follows:

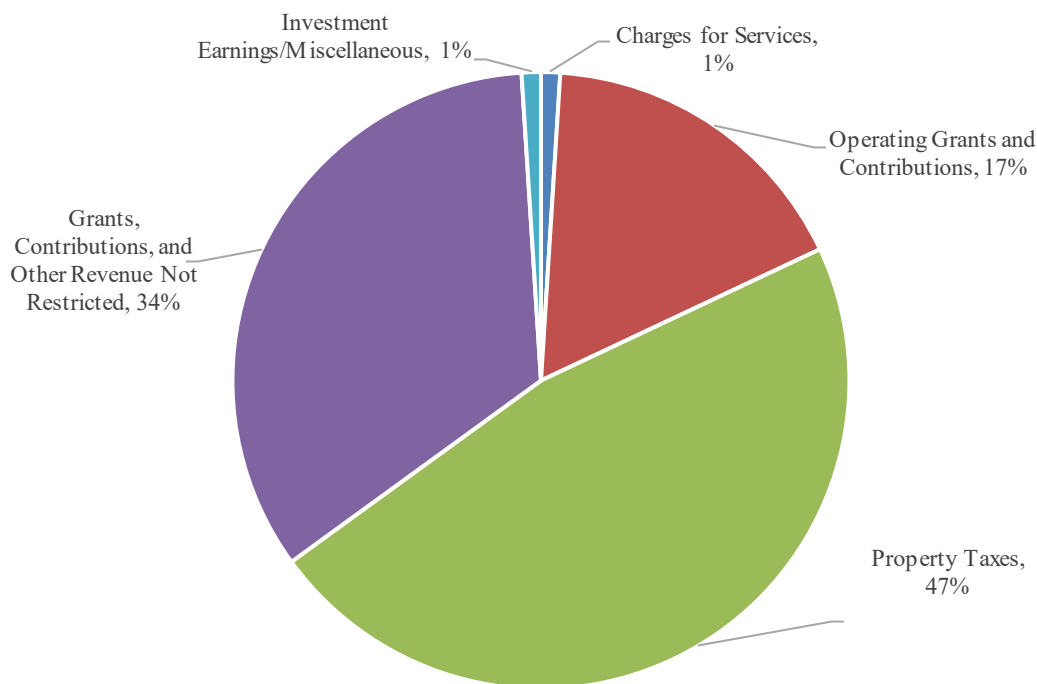
KLEIN INDEPENDENT SCHOOL DISTRICT'S CHANGES IN NET POSITION

	Governmental Activities	
	2022	2021
REVENUE		
Program Revenues:		
Charges for Services	\$ 12,236,892	\$ 8,948,028
Operating Grants and Contributions	111,038,182	91,574,796
General Revenues:		
Taxes:		
Property Taxes - Levied for General Purposes	219,588,966	225,514,753
Property Taxes - Levied for Debt Services	93,598,149	89,378,470
Grants, Contributions, and Other Revenue Not Restricted	228,817,859	227,288,001
Investment Earnings (Loss)	(33,829)	636,392
Miscellaneous	1,891,764	3,597,457
Total Revenues	667,137,983	646,937,897
EXPENSES		
Instruction	332,710,301	349,268,082
Instructional Resources and Media Services	4,847,905	5,610,930
Curriculum and Staff Development	14,258,338	15,146,947
Instructional Leadership	4,852,960	5,193,862
School Leadership	33,719,521	36,345,391
Guidance, Counseling, and Evaluation Services	29,515,130	31,534,638
Social Work Services	523,130	575,980
Health Services	6,474,736	7,008,425
Student (Pupil) Transportation	17,564,671	14,873,716
Food Services	29,843,096	27,065,330
Cocurricular/Extracurricular Activities	13,731,846	11,678,140
General Administration	11,485,821	11,152,529
Facilities Maintenance and Operations	40,821,024	41,780,359
Security and Monitoring Services	7,154,592	7,270,873
Data Processing Services	13,104,239	13,073,738
Community Services	1,300,003	1,417,370
Debt Service - Interest on Long-Term Debt	39,765,214	42,953,948
Debt Service - Bond Issuance Costs and Fees	316,602	476,533
Capital Outlay	1,139,941	1,825,548
Payments Related to Shared Services Arrangements	612,454	631,462
Payments to Juvenile Justice Alt. Ed. Programs	129,878	230,149
Other Intergovernmental Charges	2,304,105	2,274,184
Total Expenses	606,175,507	627,388,134
Change in Net Position	60,962,476	19,549,763
Net Position - Beginning	28,894,649	9,344,886
Net Position - Ending	\$ 89,857,125	\$ 28,894,649

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022

Revenues are generated primarily from two sources (see Figure A-1). Grants and contributions (program and general revenues totaling \$339,856,041) represent 51% of total revenues and property taxes (\$313,187,115) represent 47% of total revenues. The remaining 2% is generated from charges for services, investment earnings (loss), and miscellaneous revenues. The increase in grants and contributions is due primarily to increase student enrollment in comparison to the prior year. Additionally, the decrease in property tax revenues is primarily due to the decrease tax rate levied on residents of the District compared to the prior year.

Figure A-1
Revenues by Source – Governmental Activities
For the Year Ended June 30, 2022



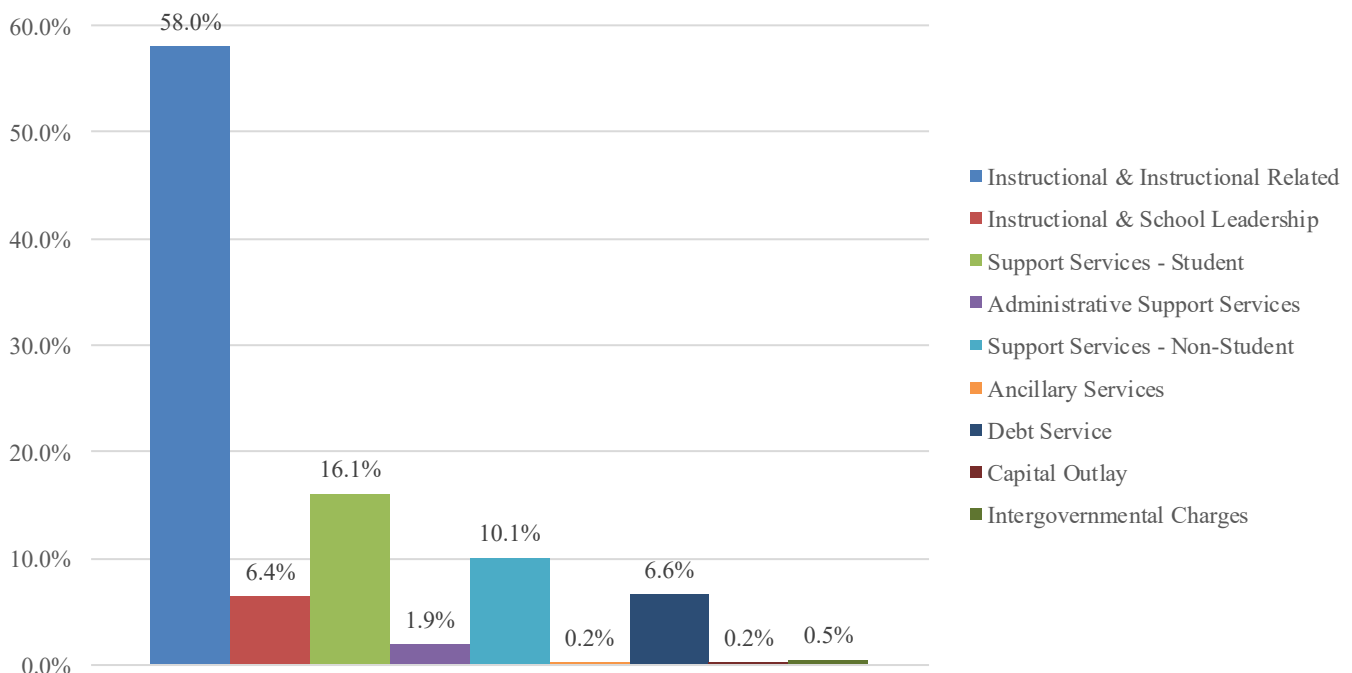
KLEIN INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2022

The primarily functional expenses (see Figure A-2) of the District are instruction and instruction-related (functions 11, 12, and 13 totaling \$351,816,544), which represent 58.0% of total expenses, student support services (functions 31, 32, 33, 34, 35, and 36 totaling \$97,652,609), which represent 16.1% of total expenses, and non-student support services (functions 51, 52, and 53 totaling \$61,079,855), which represents 10.1% of total expenses. The remaining individual functional categories are each less than 7% of total expenses. The decrease in total expenses for the current year was primarily due to decreased debt service costs and staffing shortages as a result of the COVID-19 pandemic.

Figure A-2
Expenses by Major Function Categories – Governmental Activities
For the Year Ended June 30, 2022



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, *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 June 30, 2022, the District's governmental funds reported combined ending fund balances of \$387,656,745, an increase of \$10,752,228 in comparison with the prior year. The increase in governmental fund balances was primarily due to increases in the general fund, debt service fund, and nonmajor other governmental funds. Out of the combined ending fund balances, \$117,365,032 constitutes unassigned fund balances. The remaining \$270,291,713 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, 2022

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 \$117,365,032 while total fund balance reached \$235,381,235. 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 25% of total general fund expenditures, while total fund balance represents 50% of that same amount. The District's general fund balance increased by \$21,978,642 during the current fiscal year primarily due to staffing shortages as a result of the COVID-19 pandemic.

The debt service fund has a total fund balance of \$77,131,570, 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 fiscal year ended June 30, 2022 were \$89,366,903. The net increase in fund balance of \$6,240,195 was due to debt service savings realized by the issuance of Series 2021 refunding bonds.

The capital projects fund has a total fund balance of \$54,405,867, which is restricted for authorized construction and technology projects. The net decrease in fund balance during the current year of \$23,530,181 was due to expenditures for the construction and improvement of facilities using bond proceeds from prior years.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022

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	
\$ (9,592,522)	Net decrease in state aid for hold harmless enrollment numbers
2,336,451	Net increase in state aid for 2018-2019 received after Property Value Study for tax year 2017
3,080	Net increase for expenditures related to the continuing education of persons licensed as law enforcement officers
5,379	Net increase in interest income revenues
2,056,508	Net increase in local revenues due to donations, insurance proceeds, and other miscellaneous local revenues
2,071,593	Net increase in SHARS, eRate, and indirect cost revenues
\$ (3,119,511)	Total Estimated Revenues and Other Financing Sources Decrease
Appropriations and Other Financing Uses	
\$ 2,101,191	Net increase in general supplies due to carryover resources from fiscal year 2021
180,000	Net increase in transportation salaries due to bus driver pay increase
2,315,224	Net increase due to increase in contracted services for vehicle repairs, restitution for damages, increase for fees related to the property value audit, increase in travel professional development for police officers, and miscellaneous supplies from
\$ 4,596,415	Total Appropriations and Other Financing Uses Increase

The review of the final amended budget versus actual for the general fund reflected that revenues were more than budgetary estimates and expenditures were less than budgetary estimates. At year end, estimated revenues and other financing sources were \$5,347,733 more than estimated revenue amounts primarily due to increases in federal program revenues. Operating expenditures and other financing uses were \$25,886,481 less than final budgeted amounts primarily due to carryover of unused funds due to COVID-19 and staffing shortages due to the COVID-19 pandemic.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022

Capital Assets and Long-Term Debt

Capital assets. The District's investment in capital assets for its governmental-type activities as of June 30, 2022 amounts to \$1,176,388,381 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, furniture and equipment, and right-to-use leased equipment. The total decrease in the District's investment in capital assets was approximately 1%.

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

- Athletics improvements
- Mechanical, electrical, and plumbing renovations
- Construction of the Klein Collins High School Multi-Use Facility
- Roofing projects
- Renovations of existing facilities

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

	Governmental Activities	
	2022	2021
Land	\$ 113,665,977	\$ 113,036,693
Construction in Progress	821,346	11,657,409
Buildings and Improvements	1,027,109,500	1,021,460,578
Furniture and Equipment	33,598,463	36,637,447
Right-To-Use Leased Equipment	1,193,095	2,386,190
Totals	\$ 1,176,388,381	\$ 1,185,178,317

Construction commitments. The District has active construction projects as of June 30, 2022. The projects include the construction and equipment of school facilities. At year end, the District's remaining commitments with contractors totaled \$9,946,332 for all ongoing projects.

Additional information on the District's capital assets can be found in Note 3, C. of the notes to the financial statements.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022

Long-term debt. At June 30, 2022, the District has total long-term liabilities outstanding of \$1,360,162,036. Of this amount, \$1,023,220,000 (par value) is backed by the full faith and credit of the District.

KLEIN INDEPENDENT SCHOOL DISTRICT'S OUTSTANDING DEBT

	Governmental Activities	
	2022	2021
Bonds Payable	\$ 1,122,244,603	\$ 1,176,197,069
Compensated Absences	2,820,116	4,692,584
Workers' Compensation	1,097,407	914,733
Leases	1,220,528	-
Net Pension Liability	77,661,481	157,094,062
Net OPEB Liability	155,117,901	151,372,041
Totals	\$ 1,360,162,036	\$ 1,490,270,489

The District's bonded debt at par decreased by \$47,805,000 (4%) during the current fiscal year.

On May 7, 2022, the authorized voters of the District approved the issuance of \$895,350,000 in general obligation bonds. As of June 30, 2022, the District had not issued bonds from the May 7, 2022 authorization.

The District's net pension liability decreased by \$79,432,581 primarily as a result of the decrease in the District's proportionate share of the collective net pension liability. The Plan's net pension liability decreased primarily as a result of a 24.98% annual rate of return on Plan investments.

The District's net OPEB liability increased by \$3,745,860 primarily as a result of the increase in the District's proportionate share of the collective net OPEB liability.

Additional information can be found in Note 3, E. and Note 4, C. and D. of the notes to the financial statements.

KLEIN INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2022

Economic Factors and Next Year's Budgets and Tax Rates

- Average daily attendance (ADA) totaled 48,087 students, which is a 3.8% decrease from the prior year.
- District staff totals 7,191 employees, which primarily consists of 3,635 teachers and 1,205 teachers' aides and secretaries.
- The District maintains 48 campuses for instruction and three sites for alternative programs.
- The unemployment rate for the State is 6.2%, which continues month-to-month decreases since first being impacted by COVID-19 in March 2020.
- Property values within the District have increased 12.3% over the past year.
- The property tax rate will decrease by 7.01 cents to \$1.23 per \$100 of assessed value for 2022-23, which is a 5.39% decrease in the tax rate.

All these factors were considered in preparing the District's budget for the 2022-23 school year.

Requests for Information

The 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, TX 77379.

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Basic Financial Statements

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT A-1
PAGE 1 OF 2

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	<i>Cash and Cash Equivalents</i>	\$ 328,263,421
1120	<i>Current Investments</i>	34,025,993
1225	<i>Property Taxes Receivable (Net)</i>	15,205,601
1240	<i>Due from Other Governments</i>	65,707,468
1267	<i>Due from Fiduciary Funds</i>	171,185
1290	<i>Other Receivables (Net)</i>	1,078,024
1300	<i>Inventories, at Cost</i>	2,260,368
1410	<i>Prepaid Items</i>	4,997,964
1910	<i>Long-Term Investments</i>	25,276,475
	Capital Assets, Not Being Depreciated/Amortized:	
1510	<i>Land</i>	113,665,977
1580	<i>Construction In Progress</i>	821,346
	Capital Assets, Net of Accumulated Depreciation/Amortization:	
1520	<i>Buildings and Improvements</i>	1,027,109,500
1530	<i>Furniture and Equipment</i>	33,598,463
1550	<i>Right to Use Leased Assets</i>	1,193,095
1000	Total Assets	<u>1,653,374,880</u>
DEFERRED OUTFLOWS OF RESOURCES		
1704	<i>Deferred Outflows - Bond Refunding</i>	15,363,576
1705	<i>Deferred Outflows - Pension</i>	49,131,793
1706	<i>Deferred Outflows - OPEB</i>	38,939,953
1700	Total Deferred Outflows of Resources	<u>103,435,322</u>

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

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT A-1
PAGE 2 OF 2

Data Control Codes		Primary Government Governmental Activities
LIABILITIES		
2110	<i>Accounts Payable</i>	7,558,663
2140	<i>Interest Payable</i>	17,346,600
2150	<i>Payroll Deductions and Withholdings</i>	6,219,498
2160	<i>Accrued Wages Payable</i>	58,812,093
2180	<i>Due to Other Governments</i>	308,990
2190	<i>Due to Student Groups</i>	18,637
2300	<i>Unearned Revenue</i>	1,206,272
	Noncurrent Liabilities:	
2501	<i>Due Within One Year: Bonds, Leases, Claims, and Compensated Absences</i>	48,663,296
	<i>Due in More Than One Year:</i>	
2502	<i>Bonds, Claims, and Compensated Absences</i>	1,078,719,358
2540	<i>Net Pension Liability (NPL) (District's Share)</i>	77,661,481
2545	<i>Net Other Post-Employment Benefits Liability (OPEB) (District's Share)</i>	155,117,901
2000	Total Liabilities	1,451,632,789
DEFERRED INFLOWS OF RESOURCES		
2605	<i>Deferred Inflows - Pension</i>	95,288,187
2606	<i>Deferred Inflows - OPEB</i>	115,450,093
2610	<i>Deferred Inflows - Bond Refunding</i>	4,582,008
2600	Total Deferred Inflows of Resources	215,320,288
NET POSITION		
3200	<i>Net Investment in Capital Assets</i>	118,110,685
	Restricted for:	
3820	<i>Grants - Food Services</i>	12,052,143
3820	<i>Grants - Instructional Services</i>	14,173
3850	<i>Debt Service</i>	64,008,803
3900	<i>Unrestricted (Deficit)</i>	(104,328,679)
3000	Total Net Position	\$ 89,857,125

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

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT B-1
PAGE 1 OF 2

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
	Primary Government:			
	Governmental Activities:			
0011	Instruction	\$ 332,710,301	\$ 824,374	\$ 47,626,448
0012	Instructional Resources and Media Services	4,847,905	-	171,364
0013	Curriculum and Staff Development	14,258,338	-	3,721,228
0021	Instructional Leadership	4,852,960	-	503,984
0023	School Leadership	33,719,521	-	2,100,904
0031	Guidance, Counseling, and Evaluation Services	29,515,130	460	3,935,353
0032	Social Work Services	523,130	-	7,838
0033	Health Services	6,474,736	3,000	755,093
0034	Student (Pupil) Transportation	17,564,671	-	737,690
0035	Food Services	29,843,096	3,181,960	30,930,551
0036	Cocurricular/Extracurricular Activities	13,731,846	7,331,413	690,852
0041	General Administration	11,485,821	-	8,975,902
0051	Facilities Maintenance and Operations	40,821,024	895,685	6,897,148
0052	Security and Monitoring Services	7,154,592	-	169,544
0053	Data Processing Services	13,104,239	-	1,048,703
0061	Community Services	1,300,003	-	997,347
0072	Debt Service - Interest on Long-Term Debt	39,765,214	-	1,659,617
0073	Debt Service - Bond Issuance Costs and Fees	316,602	-	-
0081	Capital Outlay	1,139,941	-	108,616
0093	Payments Related to Shared Services Arrangements	612,454	-	-
0095	Payments to Juvenile Justice Alt. Ed. Programs	129,878	-	-
0099	Other Intergovernmental Charges	2,304,105	-	-
TG	Total Governmental Activities	606,175,507	12,236,892	111,038,182
TP	Total Primary Government	\$ 606,175,507	\$ 12,236,892	\$ 111,038,182
	General Revenues:			
MT	Property Taxes - Levied for General Purposes			
DT	Property Taxes - Levied for Debt Services			
GC	Grants, Contributions, and Other Revenue Not Restricted			
IE	Investment Earnings (Loss)			
MI	Miscellaneous			
TR	Total General Revenues			
CN	Change in Net Position			
NB	Net Position - Beginning			
NE	Net Position - Ending			

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

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT B-1
PAGE 2 OF 2

**Net (Expense)
Revenue and
Changes in
Net Position**

**Governmental
Activities**

\$ (284,259,479)
(4,676,541)
(10,537,110)
(4,348,976)
(31,618,617)
(25,579,317)
(515,292)
(5,716,643)
(16,826,981)
4,269,415
(5,709,581)
(2,509,919)
(33,028,191)
(6,985,048)
(12,055,536)
(302,656)
(38,105,597)
(316,602)
(1,031,325)
(612,454)
(129,878)
(2,304,105)
<u>(482,900,433)</u>
<u>\$ (482,900,433)</u>

219,588,966
93,598,149
228,817,859
(33,829)
1,891,764
<u>543,862,909</u>

60,962,476
28,894,649
<u><u>\$ 89,857,125</u></u>

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

KLEIN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
	ASSETS			
1110	<i>Cash and Cash Equivalents</i>	\$ 173,486,401	\$ 66,050,222	\$ 57,266,495
1120	<i>Current Investments</i>	27,602,162	6,423,831	-
1225	<i>Property Taxes Receivable (Net)</i>	10,981,768	4,223,833	-
1240	<i>Due from Other Governments</i>	49,852,210	55,385	-
1260	<i>Due from Other Funds</i>	18,814,201	24,579	-
1267	<i>Due from Fiduciary Fund</i>	170,615	-	-
1290	<i>Other Receivables</i>	372,761	-	-
1300	<i>Inventories, at Cost</i>	1,781,538	-	-
1410	<i>Prepaid Items</i>	4,766,889	-	-
1910	<i>Long-Term Investments</i>	20,680,640	4,595,835	-
1000	Total Assets	\$ 308,509,185	\$ 81,373,685	\$ 57,266,495
	LIABILITIES			
2110	<i>Accounts Payable</i>	2,947,580	-	2,823,462
2150	<i>Payroll Deductions and Withholdings</i>	6,219,498	-	-
2160	<i>Accrued Wages Payable</i>	52,676,082	-	-
2170	<i>Due to Other Funds</i>	-	-	37,166
2180	<i>Due to Other Governments</i>	290,708	18,282	-
2190	<i>Due to Student Groups</i>	-	-	-
2300	<i>Unearned Revenues</i>	12,314	-	-
2000	Total Liabilities	62,146,182	18,282	2,860,628
	DEFERRED INFLOWS OF RESOURCES			
2601	<i>Unavailable Revenue - Property Taxes</i>	10,981,768	4,223,833	-
2600	Total Deferred Inflows of Resources	10,981,768	4,223,833	-
	FUND BALANCES			
	Nonspendable:			
3410	<i>Inventories</i>	1,781,538	-	-
3430	<i>Prepaid Items</i>	4,766,889	-	-
	Restricted For:			
3450	<i>Grants - Food Services</i>	-	-	-
3450	<i>Grants - Instructional Services</i>	-	-	-
3470	<i>Capital Acquisitions and Contractual Obligations</i>	-	-	54,405,867
3480	<i>Retirement of Long-Term Debt</i>	-	77,131,570	-
	Committed To:			
3545	<i>Other</i>	-	-	-
	Assigned To:			
3550	<i>Construction</i>	47,108,000	-	-
3580	<i>Self-Insurance</i>	3,000,000	-	-
3590	<i>Other</i>	61,359,776	-	-
3600	<i>Unassigned</i>	117,365,032	-	-
3000	Total Fund Balances	235,381,235	77,131,570	54,405,867
4000	Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 308,509,185	\$ 81,373,685	\$ 57,266,495

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

EXHIBIT C-1

Nonmajor Other Governmental Funds	Total Governmental Funds
\$ 31,460,303	\$ 328,263,421
-	34,025,993
-	15,205,601
15,799,873	65,707,468
4,182	18,842,962
570	171,185
705,263	1,078,024
478,830	2,260,368
231,075	4,997,964
-	25,276,475
\$ 48,680,096	\$ 495,829,461
1,787,620	7,558,662
-	6,219,498
6,136,011	58,812,093
18,805,796	18,842,962
-	308,990
18,637	18,637
1,193,959	1,206,273
27,942,023	92,967,115
-	15,205,601
-	15,205,601
-	1,781,538
-	4,766,889
12,052,143	12,052,143
14,173	14,173
-	54,405,867
-	77,131,570
8,671,757	8,671,757
-	47,108,000
-	3,000,000
-	61,359,776
-	117,365,032
20,738,073	387,656,745
\$ 48,680,096	\$ 495,829,461

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KLEIN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT C-1R

Total Fund Balances - Governmental Funds (Exhibit C-1) **\$ 387,656,745**

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	\$ 1,571,957,162	
Accumulated Depreciation/Amortization of Governmental Capital Assets	<u>(395,568,781)</u>	1,176,388,381

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.	15,205,601
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Long-term liabilities, including bonds payable, compensated absences, workers' compensation, leases, 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	\$ (1,023,220,000)	
Premiums on Bonds Payable	(99,024,603)	
Deferred Charge on Refunding Adjustment	10,781,568	
Accrued Interest on Bonds	(17,346,600)	
Workers' Compensation	(1,097,407)	
Compensated Absences	(2,820,116)	
Leases	(1,220,528)	
Net Pension Liability	(77,661,481)	
Net OPEB Liability	<u>(155,117,901)</u>	(1,366,727,068)

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.	49,131,793
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Deferred inflows for pension represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.	(95,288,187)
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Deferred outflows for OPEB represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.	38,939,953
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Deferred inflows for OPEB represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.	<u>(115,450,093)</u>
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Total Net Position - Governmental Activities (Exhibit A-1)	<u>\$ 89,857,125</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund
REVENUES				
5700	<i>Local and Intermediate Sources</i>	\$ 231,272,956	\$ 93,667,053	\$ 114,246
5800	<i>State Program Revenues</i>	244,632,018	1,647,115	-
5900	<i>Federal Program Revenues</i>	19,123,089	-	-
5020	Total Revenues	<u>495,028,063</u>	<u>95,314,168</u>	<u>114,246</u>
EXPENDITURES				
Current:				
0011	<i>Instruction</i>	293,605,533	-	2,422,756
0012	<i>Instructional Resources and Media Services</i>	4,445,352	-	-
0013	<i>Curriculum and Staff Development</i>	11,513,562	-	-
0021	<i>Instructional Leadership</i>	4,768,121	-	-
0023	<i>School Leadership</i>	32,563,917	-	-
0031	<i>Guidance, Counseling, and Evaluation Services</i>	26,619,586	-	-
0032	<i>Social Work Services</i>	562,573	-	-
0033	<i>Health Services</i>	5,964,139	-	-
0034	<i>Student (Pupil) Transportation</i>	16,794,189	-	88,925
0035	<i>Food Services</i>	-	-	-
0036	<i>Cocurricular/Extracurricular Activities</i>	9,657,364	-	-
0041	<i>General Administration</i>	11,884,675	-	20,457
0051	<i>Facilities Maintenance and Operations</i>	33,904,251	-	205,010
0052	<i>Security and Monitoring Services</i>	6,687,535	-	177,885
0053	<i>Data Processing Services</i>	9,582,846	-	1,387,971
0061	<i>Community Services</i>	409,926	-	-
Debt Service:				
0071	<i>Principal on Long-Term Debt</i>	1,134,193	44,500,000	-
0072	<i>Interest on Long-Term Debt</i>	55,579	44,550,301	-
0073	<i>Bond and Issuance Costs and Fees</i>	-	316,602	-
Capital Outlay:				
0081	<i>Facilities Acquisition and Construction</i>	5,925	-	19,373,423
Intergovernmental:				
0093	<i>Payments Related to Shared Services Arrangements</i>	612,454	-	-
0095	<i>Payments to Juvenile Justice Alt. Ed. Programs</i>	129,878	-	-
0099	<i>Other Intergovernmental Charges</i>	2,304,105	-	-
6030	Total Expenditures	<u>473,205,703</u>	<u>89,366,903</u>	<u>23,676,427</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>21,822,360</u>	<u>5,947,265</u>	<u>(23,562,181)</u>
OTHER FINANCING SOURCES (USES)				
7901	<i>Refunding Bonds Issued</i>	-	41,145,000	-
7912	<i>Sale of Real or Personal Property</i>	128,198	-	32,000
7915	<i>Operating Transfers In</i>	28,333	-	-
7916	<i>Premium on Issuance of Bonds</i>	-	3,508,274	-
8911	<i>Operating Transfers Out</i>	(249)	-	-
8949	<i>Payment to Escrow Agent</i>	-	(44,360,344)	-
7080	Total Other Financing Sources (Uses)	<u>156,282</u>	<u>292,930</u>	<u>32,000</u>
1200	Net Change in Fund Balances	21,978,642	6,240,195	(23,530,181)
0100	Fund Balances - Beginning	213,402,593	70,891,375	77,936,048
3000	Fund Balances - Ending	<u>\$ 235,381,235</u>	<u>\$ 77,131,570</u>	<u>\$ 54,405,867</u>

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

EXHIBIT C-2

Nonmajor Other Governmental Funds	Total Governmental Funds
\$ 13,486,841	\$ 338,541,096
2,969,402	249,248,535
100,339,903	119,462,992
116,796,146	707,252,623
52,859,487	348,887,776
503,105	4,948,457
3,936,673	15,450,235
569,463	5,337,584
2,689,850	35,253,767
4,723,078	31,342,664
12,518	575,091
825,731	6,789,870
840,072	17,723,186
29,442,838	29,442,838
4,329,913	13,987,277
296,274	12,201,406
7,127,578	41,236,839
208,028	7,073,448
1,105,596	12,076,413
1,024,060	1,433,986
32,635	45,666,828
351	44,606,231
-	316,602
182,546	19,561,894
-	612,454
-	129,878
-	2,304,105
110,709,796	696,958,829
6,086,350	10,293,794
-	41,145,000
5,306	165,504
249	28,582
-	3,508,274
(28,333)	(28,582)
-	(44,360,344)
(22,778)	458,434
6,063,572	10,752,228
14,674,501	376,904,517
\$ 20,738,073	\$ 387,656,745

KLEIN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (Exhibit C-2) **\$ 10,752,228**

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 20,694,475	
Depreciation Expense	<u>(29,446,736)</u>	(8,752,261)

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position. (37,675)

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. (7,492,243)

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	\$ (41,145,000)	
(Premium) Discount	<u>(3,508,274)</u>	(44,653,274)

Repayment of right to use lease liability is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,165,662

Payment to the escrow agent to refund bonds from refunding proceeds reduces long-term liabilities. 44,360,344

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 44,500,000

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

Accrued Interest on Current Interest Bonds Payable	\$ 1,191,471	
Amortization of Bond Premium	4,984,418	
Amortization of Deferred Charge on Refunding	<u>(1,333,706)</u>	4,842,183

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

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. 1,872,468

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. (182,674)

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)	\$ (12,848,335)	
Deferred Inflows (increased) decreased	(59,587,042)	
Net Pension Liability (increased) decreased	<u>79,432,581</u>	6,997,204

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)	\$ 7,247,270	
Deferred Inflows (increased) decreased	4,089,104	
Net OPEB Liability (increased) decreased	<u>(3,745,860)</u>	<u>7,590,514</u>

Change in Net Position for Governmental Activities (Exhibit B-1)		<u><u>\$ 60,962,476</u></u>
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KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2022

EXHIBIT E-1

Data Control Codes		<u>Custodial Fund</u>
	ASSETS	
1110	<i>Cash and Cash Equivalents</i>	\$ 1,739,845
1290	<i>Other Receivables</i>	69,842
1000	Total Assets	<u>1,809,687</u>
	LIABILITIES	
2110	<i>Accounts Payable</i>	<u>201,996</u>
2000	Total Liabilities	<u>201,996</u>
	NET POSITION	
3800	<i>Restricted for Student Activities</i>	<u>1,607,691</u>
3800	Total Net Position	<u><u>\$ 1,607,691</u></u>

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

KLEIN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT E-2

Data		
Control		
Codes		<u>Custodial Fund</u>
	ADDITIONS	
5739	<i>Student Club Fees</i>	\$ 256,542
5744	<i>Contributions/Gifts</i>	190,719
5757	<i>Fundraising Activity</i>	<u>9,353,423</u>
5000	Total Additions	<u>9,800,684</u>
	DEDUCTIONS	
0061	<i>Scholarships</i>	10,715
0061	<i>Student Activities</i>	<u>9,468,503</u>
6000	Total Deductions	<u>9,479,218</u>
CN	Net Increase in Fiduciary Net Position	321,466
NB	Net Position - Beginning	<u>1,286,225</u>
NE	Net Position - Ending	<u><u>\$ 1,607,691</u></u>

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

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KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

The fiduciary fund financial statements reflect the District's custodial fund, which is accounted for on a flow of economic resources measurement focus and utilizes the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

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

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 90 days of the end of the current fiscal year. Property taxes are considered available if they are collected within 60 days of year end except in highly unusual, nonrecurring situations. 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.

Grants and similar revenues, revenues received from the State of Texas, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. 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 *custodial fund* is used to account for resources held in a custodial capacity by the District on behalf of student groups, and consist of funds that are the property of student groups and cannot be used by the District in operations.

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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

D. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances

1. Deposits and Investments

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

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

2. Receivables and Payables

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

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

Property values are determined by the Harris County Appraisal District as of January 1 of each year. Prior to July 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 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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

D. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances (continued)

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 asset lives are not capitalized.

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

Buildings and improvements, furniture and equipment, and right-to-use leased equipment of the District are depreciated/amortized using the straight line method over the following estimated useful lives:

Assets	In Years
Buildings and improvements	15 – 60
Furniture and equipment	7 – 25
Right-to-use leased equipment	5 – 10

Land and construction in progress are not depreciated.

5. Leases

The District is a lessee for noncancellable leases of equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

D. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances (continued)

5. Leases (continued)

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

6. 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, 2022.

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, 2022. 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, 2022.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

D. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances (continued)

7. 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.

8. Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a five-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.

9. 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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

D. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances (continued)

10. 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.

11. 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 campus activity fund balances in the special revenue fund.
- Assigned fund balance – amounts the District intends to use for a specified purpose. Intent can be expressed by the Board or by an official or body to which the Board delegates the authority pursuant to Board Policy CE (Local).
- Unassigned fund balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

D. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances (continued)

12. 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.

13. 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.

14. 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.

15. 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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 1 – Summary of Significant Accounting Policies (continued)

D. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balances (continued)

16. Implementation of New Accounting Standard – GASB Statement No. 87, *Leases*

GASB Statement No. 87, *Leases* (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged.

Note 2 – 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.

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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 2 – Stewardship, Compliance, and Accountability (continued)

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, 2022, the District had sufficient resources to liquidate encumbrances and such encumbrances are included in the governmental fund balances as follows:

	Encumbrances Included In:		
	Restricted	Committed	Assigned
	Fund Balance	Fund Balance	Fund Balance
General Fund	\$ -	\$ -	\$ 635,721
National School Breakfast and Lunch Program	244,327	-	-
Campus Activity Funds	-	182,624	-
Capital Projects Fund	19,793,535	-	-
Total Encumbrances	\$ 20,037,862	\$ 182,624	\$ 635,721

Note 3 – Detailed Notes on All Funds

A. Deposits and Investments

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

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

For the fiscal year ended June 30, 2022, 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 the Texas CLASS Investment Pool. The District had investments in one custodial account at U.S. Bank whereby RBC Global Asset Management was hired as an Investment Advisor.

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

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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)	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk*
	June 30, 2022					
Investments Measured at Amortized Cost:						
Lone Star Gov. Overnight	\$ 64,740,556	\$ -	\$ -	23.1%	12	AAA
Texpool	96,073,756	-	-	34.3%	23	AAAm
Investments Measured at Net Asset Value (NAV):						
Texas CLASS	59,611,267	-	-	21.2%	70	AAAm
Texas CLASS Government	748,016	-	-	0.3%	99	AAAm
Investments Subject to Fair Value:						
Municipal Securities	16,507,689	-	16,507,689	5.9%	172	Varies
Federal Agency Securities	18,337,826	-	18,337,826	6.5%	272	Varies
U.S. Treasury Notes	24,456,953	24,456,953	-	8.7%	448	Varies
Total Investments	\$ 280,476,063	\$ 24,456,953	\$ 34,845,515	100.0%		
Cash and Checking						
Accounts	108,829,671					
Total District Cash & Cash Equivalents and Current & Long-Term Investments including Fiduciary Fund	\$ 389,305,734					

Investment Portfolio Weighted Average Maturity

93

* Ratings by Standard and Poors range from A to AAA.

Investment Pools are measured at amortized cost or net asset 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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Certain investments are reported by the District at fair value. The amount of decrease in the fair value of these investments during the year ended June 30, 2022 is included in investment earnings as follows:

Investment Earnings	\$ 679,618
Net Decrease in Fair Value of Investments	(713,447)
Total Investment Earnings (Loss)	\$ (33,829)

B. Receivables

Receivables at June 30, 2022 for the District's individual major funds and nonmajor other governmental funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Other Governmental Funds	Total
Receivables:				
Property Taxes, including				
Penalties and Interest	\$ 13,087,765	\$ 4,947,064	\$ -	\$ 18,034,829
Due From Other Governments:				
State	49,695,941	-	15,693,198	65,389,139
Federal	4,860	-	85,285	90,145
Local	151,409	55,385	21,390	228,184
Miscellaneous	372,761	-	705,263	1,078,024
Gross Receivables	63,312,736	5,002,449	16,505,136	84,820,321
Less: Allowance for Uncollectibles	(2,105,997)	(723,231)	-	(2,829,228)
Net Total Receivables	\$ 61,206,739	\$ 4,279,218	\$ 16,505,136	\$ 81,991,093

35% of property taxes receivable are not scheduled to be collected in the subsequent year.

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

	Unearned
Facility Rentals (General Fund)	\$ 12,314
Grant Funds Received Prior to Meeting all Eligibility Requirements (Special Revenue Funds)	1,193,959
Total Unearned Revenue For Governmental Funds	\$ 1,206,273

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Transfers, Adjustments, and Dispositions	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 113,036,693	\$ 629,284	\$ -	\$ 113,665,977
Construction in Progress	11,657,409	7,475,317	(18,311,380)	821,346
Total Capital Assets, not being Depreciated	<u>124,694,102</u>	<u>8,104,601</u>	<u>(18,311,380)</u>	<u>114,487,323</u>
Capital Assets, being Depreciated:				
Buildings and Improvements	1,345,383,431	9,586,748	18,281,284	1,373,251,463
Furniture and Equipment	79,805,364	3,003,126	(976,304)	81,832,186
Right-To-Use Leased Equipment*	2,386,190	-	-	2,386,190
Total Capital Assets, being Depreciated	<u>1,427,574,985</u>	<u>12,589,874</u>	<u>17,304,980</u>	<u>1,457,469,839</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(323,922,853)	(22,219,110)	-	(346,141,963)
Furniture and Equipment	(43,167,917)	(6,034,531)	968,725	(48,233,723)
Right-To-Use Leased Equipment	-	(1,193,095)	-	(1,193,095)
Total Accumulated Depreciation	<u>(367,090,770)</u>	<u>(29,446,736)</u>	<u>968,725</u>	<u>(395,568,781)</u>
Total Capital Assets, Being Depreciated, net	<u>1,060,484,215</u>	<u>(16,856,862)</u>	<u>18,273,705</u>	<u>1,061,901,058</u>
Total Governmental Activities Capital Assets	<u>\$ 1,185,178,317</u>	<u>\$ (8,752,261)</u>	<u>\$ (37,675)</u>	<u>\$ 1,176,388,381</u>

* Right-To-Use Leased Equipment has been adjusted to reflect a beginning balance upon adoption of GASB 87, Leases.

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

Governmental Activities:	
11 Instruction	\$ 16,845,151
12 Instructional Resources and Media Services	317,035
13 Curriculum and Instructional Staff Development	258,403
21 Instructional Leadership	58,185
23 School Leadership	1,871,068
31 Guidance, Counseling, and Evaluation Services	995,867
33 Health Services	322,021
34 Student Transportation	1,827,658
35 Food Services	2,055,661
36 Extracurricular Activities	503,015
41 General Administration	90,738
51 Plant Maintenance and Operations	1,691,470
52 Security and Monitoring Services	591,752
53 Data Processing Services	1,985,692
61 Community Services	33,020
Total Depreciation/Amortization Expense	<u>\$ 29,446,736</u>

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

Construction Commitments

The District has active construction projects as of June 30, 2022. The projects include the construction and equipment of school facilities. At year end, the District's commitments with contractors are as follows:

Project	Remaining Commitment
Athletics improvements	\$ 6,014,557
Mechanical, electrical, and plumbing renovations	2,169,058
Klein Collins High School Multi-Use Facility	1,109,653
Roofing projects	277,416
Long-range planning surveys	255,153
Therapeutic Education Program/Central Office construction and renovations	71,005
Klein Oak High School/Hildebrand Intermediate waterline replacement	48,980
Tract platting	510
Total	\$ 9,946,332

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, 2022 is as follows:

	Interfund Receivables	Interfund Payables
Governmental Funds:		
General Fund	\$ 18,814,201	\$ -
Debt Service Fund	24,579	-
Capital Projects Fund	-	37,166
Other Governmental Funds - Nonmajor	4,182	18,805,796
Totals	\$ 18,842,962	\$ 18,842,962

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

D. Interfund Receivables, Payables, and Transfers (continued)

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” The following is a summary of the District’s transfers for the year ended June 30, 2022:

Transfers Out	Transfers In	Amount
Other Governmental Funds - Nonmajor	General Fund	\$ 28,333
General Fund	Other Governmental Funds - Nonmajor	249
Total		\$ 28,582

The transfers from nonmajor governmental funds to the General Fund were to reimburse the General Fund for expenditures paid out of the General Fund in the prior year. The transfer from the General Fund to the nonmajor other funds to reimburse an expenditure made from the nonmajor other fund in the prior year.

E. Long-Term Liabilities

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

Changes in Long-Term Liabilities

Changes in the District’s long-term liabilities for the year ended June 30, 2022 are as follows:

	Beginning Balance	Additions (Provision Adjustments)	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 1,071,025,000	\$ 41,145,000	\$ (88,950,000)	\$ 1,023,220,000	\$ 46,010,000
Premiums	105,172,069	3,508,274	(9,655,740)	99,024,603	-
Total Bonds Payable	1,176,197,069	44,653,274	(98,605,740)	1,122,244,603	46,010,000
Compensated Absences	4,692,584	(972,284)	(900,184)	2,820,116	335,361
Workers' Compensation	914,733	867,377	(684,703)	1,097,407	1,097,407
Leases*	2,386,190	-	(1,165,662)	1,220,528	1,220,528
Net Pension Liability	157,094,062	6,100,998	(85,533,579)	77,661,481	-
Net OPEB Liability	151,372,041	21,323,288	(17,577,428)	155,117,901	-
Total Long-Term Liabilities	\$ 1,492,656,679	\$ 71,972,653	\$ (204,467,296)	\$ 1,360,162,036	\$ 48,663,296

* Leases has been adjusted to reflect a beginning balance upon adoption of GASB 87, Leases.

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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

E. Long-Term Liabilities (continued)

General Obligation Bonds (continued)

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

The following is a summary of changes in general obligation bonds for the year ended June 30, 2022:

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2012A	2.00-5.00%	\$ 51,115,000	2/1/2042	\$ 43,550,000	\$ -	\$ (43,550,000)	\$ -
2012B	2.00-4.00%	18,390,000	8/1/2023	4,180,000	-	(4,180,000)	-
2013A	1.50-5.00%	79,305,000	2/1/2043	54,630,000	-	(4,815,000)	49,815,000
2013B	4.00-5.00%	27,480,000	8/1/2027	19,105,000	-	(2,390,000)	16,715,000
2014	3.00-4.00%	44,000,000	2/1/2044	35,355,000	-	(880,000)	34,475,000
2015	2.70-4.00%	80,000,000	2/1/2045	70,490,000	-	(1,585,000)	68,905,000
2015A	3.00-5.00%	224,600,000	8/1/2045	192,520,000	-	(9,700,000)	182,820,000
2016A	2.00-5.00%	137,500,000	8/1/2038	130,830,000	-	(1,100,000)	129,730,000
2016B	3.00-5.00%	15,370,000	8/1/2031	13,245,000	-	-	13,245,000
2017	2.50-5.00%	145,890,000	8/1/2046	139,870,000	-	(2,185,000)	137,685,000
2018	3.00-5.00%	88,985,000	2/1/2048	83,845,000	-	(2,770,000)	81,075,000
2018A	4.00-6.00%	12,310,000	8/1/2038	12,310,000	-	-	12,310,000
2019	3.25-5.00%	77,965,000	2/1/2049	73,920,000	-	(3,820,000)	70,100,000
2020	3.00-5.00%	139,510,000	8/1/2049	135,885,000	-	(10,165,000)	125,720,000
2020 Ref.	3.00-5.00%	61,290,000	2/1/2041	61,290,000	-	(1,810,000)	59,480,000
2021	2.00-5.00%	41,145,000	2/1/2042	-	41,145,000	-	41,145,000
Totals				\$1,071,025,000	\$ 41,145,000	\$ (88,950,000)	\$1,023,220,000

On May 7, 2022, the authorized voters of the District approved the issuance of \$895,350,000 in general obligation bonds. As of June 30, 2022, the District had not issued bonds from the May 7, 2022 authorization.

In November 2021, the District issued \$41,145,000 of unlimited tax refunding bonds. The proceeds of the refunding bonds were used to legally defease \$44,450,000 of previously issued District bonds in order to lower its overall debt service requirements. The net carrying value of the old debt exceeded the reacquisition price by \$4,709,295. The amount is amortized over the life of the refunded debt. The refunding resulted in debt service savings of \$17,086,484 and an economic gain of \$13,589,029.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

E. Long-Term Liabilities (continued)

General Obligation Bonds (continued)

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

Year Ending June 30	Principal Value	Interest	Total Requirements
2023	\$ 46,010,000	\$ 41,291,823	\$ 87,301,823
2024	37,830,000	39,083,723	76,913,723
2025	38,010,000	37,198,048	75,208,048
2026	37,825,000	35,379,604	73,204,604
2027	42,570,000	33,563,541	76,133,541
2028	41,830,000	31,698,583	73,528,583
2029	43,510,000	29,879,589	73,389,589
2030	45,300,000	27,979,169	73,279,169
2031	47,515,000	25,954,363	73,469,363
2032	49,735,000	23,907,456	73,642,456
2033	44,510,000	21,967,013	66,477,013
2034	43,305,000	20,284,494	63,589,494
2035	44,480,000	18,673,456	63,153,456
2036	44,490,000	17,014,581	61,504,581
2037	46,230,000	15,330,656	61,560,656
2038	48,040,000	13,569,788	61,609,788
2039	49,945,000	11,737,181	61,682,181
2040	40,585,000	10,011,993	50,596,993
2041	42,160,000	8,498,971	50,658,971
2042	33,325,000	6,982,595	40,307,595
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	\$ 1,023,220,000	\$ 486,775,122	\$ 1,509,995,122

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

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

E. Long-Term Liabilities (continued)

Lease Payable – Copier Machines and Multiuse Devices

During the current fiscal year, the District began accounting for the remaining balance of its existing lease agreement as lessee for the use of copier machines and other multiuse devices. An initial lease liability was recorded in the amount of \$2,386,190 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$1,220,528. The District is invoiced for monthly principal and interest payments dependent on the number and types of machines currently in use by the District. The lease has an interest rate of 3.5%. The net value of the right-to-use asset as of the end of the current fiscal year was \$1,193,095 and had an accumulated amortization of \$1,193,095.

The future principal and interest lease payments as of June 30, 2022 were as follows:

Fiscal Year			
Ending			
June 30	Principal	Interest	Total
2023	\$ 1,220,528	\$ 13,000	\$ 1,233,528

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	\$ 8,671,757
<i>Total Other Committed Fund Balance</i>	<u>\$ 8,671,757</u>

Other assigned fund balance includes the following assignments of funds:

General Fund:

Property Insurance Deductible	\$ 17,750,000
Outstanding Encumbrances	635,721
Compensated Absences	793,415
Operating Costs of Future School Openings	7,500,000
Land Purchases for Future School Sites	14,000,000
Other Long-Term Capital Investments	20,680,640
<i>Total Other Assigned Fund Balance</i>	<u>\$ 61,359,776</u>

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 3 – Detailed Notes on All Funds (continued)

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

During the year ended June 30, 2022, revenues from local, intermediate, and out-of-state sources consisted of the following:

	General	Debt Service	Capital Projects	Other Governmental Funds	Totals
Property Taxes	\$ 225,247,328	\$ 92,968,583	\$ -	\$ -	\$ 318,215,911
Penalties, Interest & Other					
Tax Related Income	1,833,881	629,566	-	-	2,463,447
Charges for Services	2,788,310	-	-	9,448,582	12,236,892
Investment Earnings	(163,852)	68,904	43,520	17,600	(33,828)
Other	1,567,289	-	70,726	4,020,659	5,658,674
Total	\$ 231,272,956	\$ 93,667,053	\$ 114,246	\$ 13,486,841	\$ 338,541,096

Note 4 – 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.

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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

A. Risk Management (continued)

Workers' Compensation (continued)

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 (IBNR). 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 years are as follows:

	Year Ended 6/30/2022	Year Ended 6/30/2021
Unpaid Claims, Beginning of Fiscal Period	\$ 914,733	\$ 528,971
Incurred Claims (including IBNR), including provision adjustments	867,377	979,058
Claim Payments	(684,703)	(593,296)
Unpaid Claims, End of Fiscal Period	<u>\$ 1,097,407</u>	<u>\$ 914,733</u>

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, 2022, 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 BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

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). It is a defined benefit pension plan 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 workload 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

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.trs.texas.gov/Pages/about_publications.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, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments ("COLAs"). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in the Plan Description above.

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. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

Contribution Rates	
	<u>2022</u>
Member	8.00%
Non-Employer Contributing Entity (State)	7.75%
Employers	7.75%
District Contributions	\$14,322,839
Member Contributions	\$30,874,276
NECE On-Behalf Contributions (State)	\$21,079,842

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any 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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Contributions (continued)

In addition to the employer contributions listed above, there are additional employer surcharges.

- All public schools, charter schools, and regional educational service centers must contribute 1.6% of the members salary beginning in fiscal year 2021, gradually increasing to 2% in fiscal year 2025.
- 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.

Actuarial Assumptions

The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	1.95% - 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"
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05% including inflation
Benefit Changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

Discount Rate

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 plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Discount Rate (continued)

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.25%. 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 geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

Asset Class *	Target Allocation % **	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.6%	0.94%
Non-US Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	(0.2%)	0.01%
Absolute Return	0.0%	1.1%	0.00%
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Estate	15.0%	4.5%	1.00%
Energy, Natural Resources, and Infrastructure	6.0%	4.7%	0.35%
Commodities	0.0%	1.7%	0.00%
Risk Parity	8.0%	2.8%	0.28%
Asset Allocation Leverage			
Cash	2.0%	(0.7%)	(0.01%)
Asset Allocation Leverage	(6.0%)	(0.5%)	0.03%
Inflation Expectation			2.20%
Volatility Drag ****			(0.95%)
Expected Return	100.0%		6.90%

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY 2021 policy model.

*** Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).

**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25%, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate.

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
District's proportionate share of the net pension liability:	\$169,702,663	\$77,661,481	\$2,988,145

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

At June 30, 2022, the District reported a liability for its proportionate share of the TRS 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 were as follows:

District's proportionate share of the collective net pension liability	\$ 77,661,481
State's proportionate share that is associated the District	119,109,778
Total	<u>\$ 196,771,259</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2021, the District's proportion of the collective net pension liability was 0.3049559%, which was an increase of 0.0116399% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended June 30, 2022, the District recognized pension expense of \$7,801,721 and revenue of \$476,186 for support provided by the State.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

C. Defined Benefit Pension Plan (continued)

Changes Since the Prior Actuarial Valuation (continued)

At June 30, 2022, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Actuarial Experience	\$ 129,964	\$ 5,467,430
Changes in Actuarial Assumptions	27,451,817	11,966,638
Difference between Projected and Actual Investment Earnings		65,118,144
Changes in Proportion and Difference between Employer Contributions and Proportionate Share of Contributions	9,301,766	12,735,975
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability	12,248,246	
Total	\$ 49,131,793	\$ 95,288,187

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Pension Expense Amount
2023	\$ (9,462,579)
2024	(10,486,881)
2025	(16,729,908)
2026	(21,427,657)
2027	(414,116)
Thereafter	116,501
Total	\$ (58,404,640)

D. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

D. Defined Other Post-Employment Benefit Plan (continued)

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.trs.texas.gov/Pages/about_publications.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 and 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. There are no automatic post-employment benefit changes; including automatic COLAs.

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

TRS-Care Monthly Premium Rates		
	Medicare	Non-Medicare
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.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

D. Defined Other Post-Employment Benefit Plan (continued)

Contributions (continued)

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 or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates	
	<u>2022</u>
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers (District)	0.75%
Federal/Private Funding	1.25%
District Contributions	\$3,333,427
Member Contributions	\$2,523,998
NECE On-Behalf Contributions (State)	\$4,513,872

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether 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.

The State of Texas also contributed \$1,233,622, \$1,827,722, and \$1,565,456 in 2022, 2021, and 2020, respectively, for on-behalf payments for Medicare Part D.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021.

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 demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

Rates of Mortality	Rates of Disability
Rates of Retirement	General Inflation
Rates of Termination	Wage Inflation

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

D. Defined Other Post-Employment Benefit Plan (continued)

Actuarial Assumptions (continued)

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. 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 mortality projection scale MP-2018.

Additional Actuarial Methods and Assumptions

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	Initial medical trend rates were 8.50% for Medicare retirees and 7.10% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% of a period of 12 years.
Election Rates	Normal retirement - 65% participation rate prior to age 65 and 40% participation rate after age 65; Pre-65 retirees - 25% are assumed to discontinue coverage at age 65
Ad hoc post-employment benefit changes	None

Discount Rate

A single discount rate of 1.95% was used to measure the Total OPEB Liability. There was a decrease of 0.38% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

D. Defined Other Post-Employment Benefit Plan (continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (1.95%) in measuring the Net OPEB Liability.

	<u>1% Decrease (0.95%)</u>	<u>Discount Rate (1.95%)</u>	<u>1% Increase (2.95%)</u>
District's proportionate share of the net OPEB liability:	\$187,107,932	\$155,117,901	\$129,940,706

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

At June 30, 2022, the District reported a liability of \$155,117,901 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 collective net OPEB liability	\$ 155,117,901
State's proportionate share that is associated the District	207,823,419
Total	<u><u>\$ 362,941,320</u></u>

The Net OPEB Liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At August 31, 2022 the employer's proportion of the collective Net OPEB Liability was 0.4021258279%, compared to 0.3981953659% as of August 31, 2021.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Current Single Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
District's proportionate share of the net OPEB liability:	\$125,640,360	\$155,117,901	\$194,669,440

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

D. Defined Other Post-Employment Benefit Plan (continued)

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of (\$11,927,358) and revenue of (\$7,670,271) for support provided by the State.

At June 30, 2022, 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
Difference between Expected and Actual Actuarial Experience	\$ 6,678,560	\$ 75,087,916
Changes in Actuarial Assumptions	17,181,129	32,804,565
Difference between Projected and Actual Investment Earnings	168,408	
Changes in Proportion and Difference between Employer Contributions and Proportionate Share of Contributions	12,095,061	7,557,612
Contributions paid to TRS subsequent to the measurement date of the Net OPEB Liability	2,816,795	
Total	\$ 38,939,953	\$ 115,450,093

Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	OPEB Expense Amount
2023	\$ (15,262,580)
2024	(15,266,378)
2025	(15,265,338)
2026	(11,182,217)
2027	(5,654,395)
Thereafter	(16,696,027)
Total	\$ (79,326,935)

Changes of Actuarial 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 (TOL) since the prior measurement period:

- The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the Total OPEB Liability.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Note 4 – Other Information (continued)

D. Defined Other Post-Employment Benefit Plan (continued)

Changes 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 20% of the students served by the shared services arrangement are attributable to the District. The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. Cypress-Fairbanks Independent School District is the fiscal agent manager and is responsible for all financial activities of the shared services arrangement.

Presented below are the revenues and expenditures as of June 30, 2022 attributable to the District's participation in the shared services arrangement:

Revenues

State Revenue Distributed by TEA	\$ 302,700
Local Revenue Paid by District	591,664
Total Revenues	<u>\$ 894,364</u>

Expenditures

Payroll Costs	\$ 841,643
Contracted Services	50,595
Miscellaneous Expenses	2,125
Total Expenditures	<u>\$ 894,363</u>

F. Subsequent Event – Series 2022 Unlimited Tax Schoolhouse Bonds

On August 2, 2022, the District issued \$142,675,000 (par value) Series 2022 Unlimited Tax Schoolhouse bonds for construction and renovation of school facilities and equipment. \$152,690,000, consisting of \$142,675,000 par value and \$10,015,000 associated premium, was deposited to the District's capital projects fund. After issuance, the District has \$742,660,000 of general obligation bonds authorized but unissued from its May 7, 2022 authorization.

Required Supplementary Information

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**KLEIN INDEPENDENT SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE—BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

EXHIBIT G-1

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and Intermediate Sources	\$ 232,427,701	\$ 234,489,588	\$ 231,272,956	\$ (3,216,632)
5800	State Program Revenues	250,186,471	242,933,480	244,632,018	1,698,538
5900	Federal Program Revenues	10,226,200	12,297,793	19,123,089	6,825,296
5020	Total Revenues	492,840,372	489,720,861	495,028,063	5,307,202
EXPENDITURES					
Current:					
0011	Instruction	303,280,445	301,728,787	293,605,533	8,123,254
0012	Instructional Resources and Media Services	4,905,217	5,002,654	4,445,352	557,302
0013	Curriculum and Staff Development	12,321,987	12,535,497	11,513,562	1,021,935
0021	Instructional Leadership	4,975,968	4,961,391	4,768,121	193,270
0023	School Leadership	32,834,832	33,118,644	32,563,917	554,727
0031	Guidance, Counseling, and Evaluation Services	29,048,297	28,440,078	26,619,586	1,820,492
0032	Social Work Services	596,446	633,507	562,573	70,934
0033	Health Services	6,457,162	6,612,579	5,964,139	648,440
0034	Student (Pupil) Transportation	16,624,795	18,315,258	16,794,189	1,521,069
0036	Cocurricular/Extracurricular Activities	9,887,804	10,299,274	9,657,364	641,910
0041	General Administration	11,503,761	12,386,758	11,884,675	502,083
0051	Facilities Maintenance and Operations	40,365,370	41,004,233	33,904,251	7,099,982
0052	Security and Monitoring Services	7,196,885	7,130,161	6,687,535	442,626
0053	Data Processing Services	10,581,374	10,365,269	9,582,846	782,423
0061	Community Services	465,675	996,365	409,926	586,439
Debt Service:					
0071	Principal on Long-Term Debt	-	1,165,592	1,134,193	31,399
0072	Interest on Long-Term Debt	-	55,579	55,579	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	857,729	5,925	851,804
Intergovernmental:					
0093	Pymnts. Related to Shared Service Arrangements	800,000	833,078	612,454	220,624
0095	Payments to Juvenile Justice Alt. Ed. Programs	300,000	300,000	129,878	170,122
0099	Other Intergovernmental Charges	2,350,000	2,350,000	2,304,105	45,895
6030	Total Expenditures	494,496,018	499,092,433	473,205,703	25,886,730
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,655,646)	(9,371,572)	21,822,360	31,193,932
OTHER FINANCING SOURCES (USES)					
7912	Sale of Real or Personal Property	116,000	116,000	128,198	12,198
7915	Operating Transfers In	-	-	28,333	28,333
8911	Operating Transfers Out	-	-	(249)	(249)
7080	Total Other Financing Sources and (Uses)	116,000	116,000	156,282	40,282
1200	Net Change in Fund Balance	(1,539,646)	(9,255,572)	21,978,642	31,234,214
0100	Fund Balance - Beginning	213,402,593	213,402,593	213,402,593	-
3000	Fund Balance - Ending	\$ 211,862,947	\$ 204,147,021	\$ 235,381,235	\$ 31,234,214

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 EIGHT YEARS ENDED*

	2022	2021	2020
District's Proportion of the Net Pension Liability	0.30495590%	0.29331599%	0.32998429%
District's Proportionate Share of the Net Pension Liability	\$ 77,661,481	\$ 157,094,062	\$ 171,536,152
State's Proportionate Share of the Net Pension Liability Associated with the District	119,109,778	253,764,053	230,879,106
Total	\$ 196,771,259	\$ 410,858,115	\$ 402,415,258
District's Covered Payroll	\$ 373,984,184	\$ 304,212,226	\$ 348,034,890
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	20.77%	51.64%	49.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.79%	75.54%	75.24%

* 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.

EXHIBIT G-2

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.33914680%	0.31507020%	0.30598730%	0.30579369%	0.19296490%
\$ 186,674,619	\$ 100,742,471	\$ 115,628,048	\$ 108,093,967	\$ 51,543,594
258,121,285	152,738,834	184,046,365	171,194,816	144,671,755
<u><u>\$ 444,795,904</u></u>	<u><u>\$ 253,481,305</u></u>	<u><u>\$ 299,674,413</u></u>	<u><u>\$ 279,288,783</u></u>	<u><u>\$ 196,215,349</u></u>
\$ 346,854,772	\$ 326,904,468	\$ 313,654,090	\$ 292,880,706	\$ 270,485,891
53.82%	30.82%	36.86%	36.91%	19.06%
73.74%	82.17%	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 EIGHT YEARS ENDED*

	2022	2021	2020**
Contractually Required Contributions	\$ 14,322,839	\$ 12,880,372	\$ 10,162,997
Contributions in Relation to the Contractually Required Contributions	(14,322,839)	(12,880,372)	(10,162,997)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 388,292,859	\$ 373,984,184	\$ 304,212,226
Contributions as a Percentage of Covered Payroll	3.69%	3.44%	3.34%

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

** Beginning September 1, 2019, the District changed its fiscal year from August 31 to June 30.

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

EXHIBIT G-3

2019	2018	2017	2016	2015
\$ 11,476,458	\$ 11,498,697	\$ 10,324,043	\$ 9,721,927	\$ 9,056,605
(11,476,458)	(11,498,697)	(10,324,043)	(9,721,927)	(9,056,605)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 348,034,890	\$ 346,854,772	\$ 326,904,468	\$ 313,654,090	\$ 292,880,706
3.30%	3.32%	3.16%	3.10%	3.09%

KLEIN INDEPENDENT SCHOOL DISTRICT
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 FIVE YEARS ENDED*

	2022	2021	2020**
District's Proportion of the Net OPEB Liability	0.40212583%	0.39819537%	0.40748718%
District's Proportionate Share of the Net OPEB Liability	\$ 155,117,901	\$ 151,372,041	\$ 192,705,677
State's Proportionate Share of the Net OPEB Liability Associated with the District	207,823,419	203,407,737	256,062,742
Total	\$ 362,941,320	\$ 354,779,778	\$ 448,768,419
District's Covered Payroll	\$ 373,984,184	\$ 304,212,226	\$ 348,034,890
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.48%	49.76%	55.37%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.18%	4.99%	2.66%

* The amounts presented for the fiscal years 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.

<u>2019</u>	<u>2018</u>
0.41470550%	0.38577530%
\$ 207,066,238	\$ 167,759,198
299,987,098	259,984,330
<u>\$ 507,053,336</u>	<u>\$ 427,743,528</u>
\$ 346,854,772	\$ 326,904,468
59.70%	51.32%
1.57%	0.91%

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

	2022	2021	2020**
Contractually Required Contributions	\$ 3,333,427	\$ 3,120,337	\$ 2,530,222
Contributions in Relation to the Contractually Required Contributions	(3,333,427)	(3,120,337)	(2,530,222)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 388,292,859	\$ 373,984,184	\$ 304,212,226
Contributions as a Percentage of Covered Payroll	0.86%	0.83%	0.83%

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

** Beginning September 1, 2019, the District changed its fiscal year from August 31 to June 30.

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

EXHIBIT G-5

2019	2018
<u>\$ 2,875,627</u>	<u>\$ 2,878,027</u>
<u>(2,875,627)</u>	<u>(2,878,027)</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 \$ 348,034,890	 \$ 346,854,772
 0.83%	 0.83%

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KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

1. 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 July 1. The Texas Education Code requires the budget to be prepared not later than June 20 and adopted by June 30 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 year.

- Amendments approved shortly after the beginning of the new fiscal year 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 \$3,119,511 in estimated revenues, including other financing sources, was primarily due to decreased state aid from lower average daily attendance.

The net increase of \$4,596,415 to appropriations, including other financing uses, was primarily due to an increase of general supplies carryover from 2020-21 due to COVID-19 and increased contracted services.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

2. 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
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
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 Date August 31, 2021—Net Pension Liability

- The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

For Measurement Date August 31, 2022—Net OPEB Liability

- The OPEB discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

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.

Changes in benefit terms

For Measurement Date August 31, 2018—Net OPEB Liability

- Changes of benefit terms were made effective September 1, 2017 by the 85th Texas Legislature.

Other changes

For Measurement Date August 31, 2019—Net Pension Liability

- With the enactment of SB3 by the 2019 Texas Legislature, as assumption was 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 based on the actuarial assumptions.

For Measurement Date August 31, 2019—Net 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.
- The trend rates were reset to better reflect the plan's anticipated experience.

KLEIN INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

- 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%.

For Measurement Date August 31, 2018—Net OPEB Liability

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The healthcare trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

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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 YEAR ENDED JUNE 30, 2022

EXHIBIT G-6

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	REVENUES				
5700	Local and Intermediate Sources	\$ 95,363,167	\$ 95,363,167	\$ 93,667,053	\$ (1,696,114)
5800	State Program Revenues	935,132	1,665,397	1,647,115	(18,282)
5020	Total Revenues	96,298,299	97,028,564	95,314,168	(1,714,396)
	EXPENDITURES				
	Debt Service:				
0071	Principal on Long-Term Debt	51,940,333	51,439,273	44,500,000	6,939,273
0072	Interest on Long-Term Debt	44,207,966	44,550,301	44,550,301	-
0073	Bond and Issuance Costs and Fees	150,000	316,602	316,602	-
6030	Total Expenditures	96,298,299	96,306,176	89,366,903	6,939,273
	Excess (Deficiency) of Revenues Over				
1100	(Under) Expenditures	-	722,388	5,947,265	5,224,877
	OTHER FINANCING SOURCES (USES)				
7901	Refunding Bonds Issued	-	41,145,000	41,145,000	-
7916	Premium on Issuance of Bonds	-	3,508,274	3,508,274	-
8949	Other Uses	-	(44,360,344)	(44,360,344)	-
7080	Total Other Financing Sources (Uses)	-	292,930	292,930	-
1200	Net Change in Fund Balance	-	1,015,318	6,240,195	5,224,877
0100	Fund Balance - Beginning	70,891,375	70,891,375	70,891,375	-
3000	Fund Balance - Ending	\$ 70,891,375	\$ 71,906,693	\$ 77,131,570	\$ 5,224,877

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 YEAR ENDED JUNE 30, 2022

ESEA Title I, Part A—Improving Basic Programs (211)

To account for funds received from the U.S. Department of Education, passed through the State Department of Education, to provide opportunities for children to acquire the knowledge and skills to meet the State's student performance standards.

IDEA—Part B, Formula (224)

To account for funds received from the U.S. Department of Education, passed through the State Department of Education, to operate educational programs for children with disabilities.

IDEA—Part B, Preschool (225)

To account for funds received from the U.S. Department of Education, passed through the State Department of Education, for preschool children with disabilities.

IDEA—Part B, Discretionary (226)

To account for funds received from the U.S. Department of Education, passed through the State Department of Education, to increase evaluation capacity for children with disabilities.

National School Breakfast and Lunch Program (240)

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 Education—Basic Grant (244)

To account for funds received from the U.S. Department of Education, passed through the State Department of Education, to provide career and technical education (CTE) and to develop new and/or improve existing CTE programs for paid and unpaid employment.

ESEA, Title II, Part A—Teacher and Principal Training and Recruiting (255)

To account for funds received from the U.S. Department of Education, passed through the State Department of Education, to increase student academic achievement by improving teacher and principal quality, increasing the number of highly qualified teachers, principals, and assistant principals in schools, and to hold districts accountable for improving student academic achievement.

Title III, Part A—English Language Acquisition and Language Enhancement (263)

To account for funds received from the U.S. Department of Education, passed through the State Department of Education, to improve the education of children with limited English proficiency by helping the children learn English and meet challenging academic achievement standards.

Medicaid Administrative Claiming—MAC (272)

To account for funds allocated to districts to reimburse eligible administrative costs for activities that implement the Medicaid State Plan.

American Rescue Plan (ARP) Act—Homeless II—Education for Homeless Children and Youth Program (280)

To account for federal stimulus funds granted through the ARP Act to identify and provide homeless children and youth with services in light of the challenges of COVID-19, and to enable homeless children and youth to attend school and participate fully in school activities.

KLEIN INDEPENDENT SCHOOL DISTRICT

FUND DESCRIPTIONS

NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2022

Elementary and Secondary School Emergency Relief Fund II (ESSER II) of the Coronavirus Reponse and Relief Supplemental Appropriations (CRRSA) Act (281)

To account for federal stimulus ESSER II funds grants through the CRRSA Act to support District's ability to operate, instruct its students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.

Elementary and Secondary School Emergency Relief Fund (ESSER III) of the American Rescue Plan Act of 2021 (282)

To account for federal stimulus ESSER III funds granted through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

Federally Funded Special Revenue Funds (289)

To account for federally funded special revenue funds not specified in another TEA-designated federal special revenue fund.

State Supplemental Visually Impaired (SSVI) (385)

To account 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 (392)

To account for funds received from the State Department of Education, passed through Region IV Educational 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 those services.

Advanced Placement Initiatives (397)

To account for funds awarded by the State Department of Education under the Texas Advanced Placement Award Incentive Program.

State Instructional Materials Fund (410)

To account for funds received from the State Department of Education to aide in the purchase of adopted instructional materials, technological equipment, and technology services.

State-Funded Special Revenue Funds (429)

To account for state funded special revenue funds not specified in another TEA-designated state special revenue fund.

Campus Activity Funds (461)

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

Klein ISD Education Foundation Grants (498)

To account for funds received from the Klein ISD Education Foundation for educator grants providing equipment, materials, and support to enrich, maintain, and expand programs need to meet the District's stated mission of excellence in education.

KLEIN INDEPENDENT SCHOOL DISTRICT

FUND DESCRIPTIONS

***NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022***

Locally Funded Special Revenue Funds (499)

To account for locally funded special revenue funds not specified in another TEA-designated local special revenue fund.

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
JUNE 30, 2022

		211	224	225
Data Control Codes		ESEA Title I Part A- Improving Basic Programs	IDEA-Part B, Formula	IDEA-Part B, Preschool
ASSETS				
1110	Cash and Cash Equivalents	\$ 302,133	\$ 352,674	\$ 13,727
1240	Due from Other Governments	1,519,478	1,144,543	55,768
1260	Due from Other Funds	-	-	-
1267	Due from Fiduciary Fund	-	-	-
1290	Other Receivables	-	-	-
1300	Inventories, at Cost	-	-	-
1410	Prepaid Items	-	-	-
1000	Total Assets	1,821,611	1,497,217	69,495
LIABILITIES				
2110	Accounts Payable	70,873	2,399	-
2160	Accrued Wages Payable	993,311	1,085,387	7,017
2170	Due to Other Funds	757,427	409,431	62,478
2190	Due to Student Groups	-	-	-
2300	Unearned Revenues	-	-	-
2000	Total Liabilities	1,821,611	1,497,217	69,495
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	\$ 1,821,611	\$ 1,497,217	\$ 69,495

226	240	244	255	263
IDEA-Part B, Discretionary	National School Breakfast and Lunch Program	Career and Technical Education - Basic Grant	ESEA Title II, Part A: Teacher And Principal Training And Recruitment	Title III, Part A, English Language Acquisition And Language Enhancement
\$ 47,064	\$ 16,685,641	\$ 200,430	\$ 102,566	\$ 68,125
-	162,581	133,296	263,228	317,758
-	4,182	-	-	-
-	570	-	-	-
-	45,174	-	-	1,793
-	478,830	-	-	-
-	-	-	-	-
47,064	17,376,978	333,726	365,794	387,676
-	746,506	11,388	12,393	16,897
-	1,248,544	7,700	82,080	145,003
47,064	2,183,616	314,638	271,321	225,776
-	-	-	-	-
-	1,146,169	-	-	-
47,064	5,324,835	333,726	365,794	387,676
-	12,052,143	-	-	-
-	-	-	-	-
-	-	-	-	-
-	12,052,143	-	-	-
\$ 47,064	\$ 17,376,978	\$ 333,726	\$ 365,794	\$ 387,676

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
JUNE 30, 2022

Data Control Codes	272 Medicaid Administrative Claiming Program (MAC)	280 ARP - Homeless II - Education for Homeless Children and Youth	281 ESSER II CRRSA
ASSETS			
1110 <i>Cash and Cash Equivalents</i>	\$ 2,018,586	\$ -	\$ 738,016
1240 <i>Due from Other Governments</i>	74,805	79,049	7,446,429
1260 <i>Due from Other Funds</i>	-	-	-
1267 <i>Due from Fiduciary Fund</i>	-	-	-
1290 <i>Other Receivables</i>	-	-	-
1300 <i>Inventories, at Cost</i>	-	-	-
1410 <i>Prepaid Items</i>	-	-	-
1000 Total Assets	2,093,391	79,049	8,184,445
LIABILITIES			
2110 <i>Accounts Payable</i>	-	-	462,100
2160 <i>Accrued Wages Payable</i>	-	-	4,182
2170 <i>Due to Other Funds</i>	2,093,391	79,049	7,718,163
2190 <i>Due to Student Groups</i>	-	-	-
2300 <i>Unearned Revenues</i>	-	-	-
2000 Total Liabilities	2,093,391	79,049	8,184,445
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	\$ 2,093,391	\$ 79,049	\$ 8,184,445

282	289	385	392	397
ESSER III ARP	Federally Funded Special Revenue Funds	State Supplemental Visually Impaired (SSVI)	Non- Educational Community- Based Support	Advanced Placement Incentives
\$ 1,733,764	\$ 21,050	\$ -	\$ 3,433	\$ 14,173
3,562,458	184,517	-	18,905	-
-	-	-	-	-
-	-	-	-	-
-	-	-	24,248	-
-	-	-	-	-
-	-	-	-	-
<u>5,296,222</u>	<u>205,567</u>	<u>-</u>	<u>46,586</u>	<u>14,173</u>
33,644	1,325	-	7,740	-
2,512,265	(1,849)	-	3,924	-
2,750,313	206,091	-	34,922	-
-	-	-	-	-
-	-	-	-	-
<u>5,296,222</u>	<u>205,567</u>	<u>-</u>	<u>46,586</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	14,173
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,173</u>
<u>\$ 5,296,222</u>	<u>\$ 205,567</u>	<u>\$ -</u>	<u>\$ 46,586</u>	<u>\$ 14,173</u>

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
JUNE 30, 2022

		410	429	461
Data				
Control				
Codes				
	ASSETS			
1110	Cash and Cash Equivalents	\$ 4,109	\$ 4	\$ 6,425,482
1240	Due from Other Governments	816,758	20,300	-
1260	Due from Other Funds	-	-	-
1267	Due from Fiduciary Fund	-	-	-
1290	Other Receivables	2,999	-	624,274
1300	Inventories, at Cost	-	-	-
1410	Prepaid Items	231,075	-	-
1000	Total Assets	1,054,941	20,304	7,049,756
	LIABILITIES			
2110	Accounts Payable	283,345	5,000	109,152
2160	Accrued Wages Payable	-	-	3,362
2170	Due to Other Funds	723,806	15,304	912,496
2190	Due to Student Groups	-	-	18,637
2300	Unearned Revenues	47,790	-	-
2000	Total Liabilities	1,054,941	20,304	1,043,647
	FUND BALANCES			
	Restricted For:			
3450	Grants - Food Services	-	-	-
3450	Grants - Instructional Services	-	-	-
	Committed To:			
3545	Other	-	-	6,006,109
3000	Total Fund Balances	-	-	6,006,109
4000	Total Liabilities and Fund Balances	\$ 1,054,941	\$ 20,304	\$ 7,049,756

498

499

Klein ISD Education Foundation Grants	Locally Funded Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 68,101	\$ 2,661,225	\$ 31,460,303
-	-	15,799,873
-	-	4,182
-	-	570
-	6,775	705,263
-	-	478,830
-	-	231,075
68,101	2,668,000	48,680,096
4,658	20,200	1,787,620
-	45,085	6,136,011
-	510	18,805,796
-	-	18,637
-	-	1,193,959
4,658	65,795	27,942,023
-	-	12,052,143
-	-	14,173
63,443	2,602,205	8,671,757
63,443	2,602,205	20,738,073
\$ 68,101	\$ 2,668,000	\$ 48,680,096

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes		211	224	225
		ESEA Title I Part A- Improving Basic Programs	IDEA-Part B, Formula	IDEA-Part B, Preschool
	REVENUES			
5700	<i>Local and Intermediate Sources</i>	\$ -	\$ -	\$ -
5800	<i>State Program Revenues</i>	-	-	-
5900	<i>Federal Program Revenues</i>	9,130,689	8,007,889	131,772
5020	Total Revenues	9,130,689	8,007,889	131,772
	EXPENDITURES			
	Current:			
0011	<i>Instruction</i>	6,088,617	5,913,223	129,828
0012	<i>Instructional Resources and Media Services</i>	29,710	-	-
0013	<i>Curriculum and Staff Development</i>	865,469	314,962	-
0021	<i>Instructional Leadership</i>	65,611	60,071	-
0023	<i>School Leadership</i>	1,095,609	-	-
0031	<i>Guidance, Counseling, and Evaluation Services</i>	305,455	1,641,677	1,944
0032	<i>Social Work Services</i>	-	-	-
0033	<i>Health Services</i>	2,974	77,956	-
0034	<i>Student (Pupil) Transportation</i>	-	-	-
0035	<i>Food Services</i>	-	-	-
0036	<i>Cocurricular/Extracurricular Activities</i>	963	-	-
0041	<i>General Administration</i>	-	-	-
0051	<i>Facilities Maintenance and Operations</i>	-	-	-
0052	<i>Security and Monitoring Services</i>	-	-	-
0053	<i>Data Processing Services</i>	-	-	-
0061	<i>Community Services</i>	676,281	-	-
0071	<i>Principal on Long-Term Debt</i>	-	-	-
0072	<i>Interest on Long-Term Debt</i>	-	-	-
0081	<i>Facilities Acquisition and Construction</i>	-	-	-
6030	Total Expenditures	9,130,689	8,007,889	131,772
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
	OTHER FINANCING SOURCES			
7912	<i>Sale of Real or Personal Property</i>	-	-	-
7915	<i>Operating Transfers In</i>	-	-	-
8911	<i>Operating Transfers Out</i>	-	-	-
7080	Total Other Financing Sources	-	-	-
1200	Net Change in Fund Balances	-	-	-
0100	Fund Balances - Beginning	-	-	-
3000	Fund Balances - Ending	\$ -	\$ -	\$ -

226	240	244	255	263
IDEA-Part B, Discretionary	National School Breakfast and Lunch Program	Career and Technical Education - Basic Grant	ESEA Title II, Part A: Teacher And Principal Training And Recruitment	Title III, Part A, English Language Acquisition And Language Enhancement
\$ -	\$ 3,199,560	\$ -	\$ -	\$ -
-	690,559	-	-	-
85,074	30,277,377	516,018	1,406,668	994,921
85,074	34,167,496	516,018	1,406,668	994,921
18,976	-	371,812	-	469,853
-	-	-	-	-
-	-	99,135	1,079,071	458,711
-	-	45,071	138,015	6,433
-	-	-	69,520	6,212
66,098	-	-	78,031	44,026
-	-	-	-	-
-	-	-	-	39
-	-	-	-	-
-	28,483,287	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	42,280	9,647
-	6,832	-	-	-
-	336	-	-	-
-	47,672	-	-	-
85,074	28,538,127	516,018	1,406,917	994,921
-	5,629,369	-	(249)	-
-	4,416	-	-	-
-	-	-	249	-
-	-	-	-	-
-	4,416	-	249	-
-	5,633,785	-	-	-
-	6,418,358	-	-	-
\$ -	\$ 12,052,143	\$ -	\$ -	\$ -

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes		272	280	281
		Medicaid Administrative Claiming Program (MAC)	ARP - Homeless II - Education for Homeless Children and Youth	ESSER II CRRSA
	REVENUES			
5700	<i>Local and Intermediate Sources</i>	\$ -	\$ -	\$ -
5800	<i>State Program Revenues</i>	-	-	-
5900	<i>Federal Program Revenues</i>	282,883	206,078	18,066,935
5020	Total Revenues	<u>282,883</u>	<u>206,078</u>	<u>18,066,935</u>
	EXPENDITURES			
	Current:			
0011	<i>Instruction</i>	-	-	8,916,864
0012	<i>Instructional Resources and Media Services</i>	-	-	63,018
0013	<i>Curriculum and Staff Development</i>	-	-	157,874
0021	<i>Instructional Leadership</i>	-	-	51,320
0023	<i>School Leadership</i>	-	-	584,980
0031	<i>Guidance, Counseling, and Evaluation Services</i>	-	-	324,854
0032	<i>Social Work Services</i>	-	-	5,951
0033	<i>Health Services</i>	282,883	-	211,872
0034	<i>Student (Pupil) Transportation</i>	-	206,078	376,878
0035	<i>Food Services</i>	-	-	491,133
0036	<i>Cocurricular/Extracurricular Activities</i>	-	-	20,804
0041	<i>General Administration</i>	-	-	107,293
0051	<i>Facilities Maintenance and Operations</i>	-	-	6,489,958
0052	<i>Security and Monitoring Services</i>	-	-	85,876
0053	<i>Data Processing Services</i>	-	-	94,222
0061	<i>Community Services</i>	-	-	84,038
0071	<i>Principal on Long-Term Debt</i>	-	-	-
0072	<i>Interest on Long-Term Debt</i>	-	-	-
0081	<i>Facilities Acquisition and Construction</i>	-	-	-
6030	Total Expenditures	<u>282,883</u>	<u>206,078</u>	<u>18,066,935</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
	OTHER FINANCING SOURCES			
7912	<i>Sale of Real or Personal Property</i>	-	-	-
7915	<i>Operating Transfers In</i>	-	-	-
8911	<i>Operating 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>

282	289	385	392	397
ESSER III ARP	Federally Funded Special Revenue Funds	State Supplemental Visually Impaired (SSVI)	Non- Educational Community- Based Support	Advanced Placement Incentives
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	20,000	57,317	20,088
30,508,972	724,627	-	-	-
30,508,972	724,627	20,000	57,317	20,088
26,087,371	6,166	-	-	-
69,597	-	-	-	-
814,823	876	-	-	13,725
106,902	5,391	-	-	-
680,842	3,909	-	-	-
907,982	447,437	20,000	-	-
6,533	-	-	-	-
166,874	72,544	-	-	-
257,116	-	-	-	-
438,264	-	-	-	-
24,533	19,580	-	-	-
78,189	-	-	-	-
520,250	1,006	-	-	-
95,989	1,214	-	-	-
238,706	-	-	-	-
12,265	141,436	-	57,317	-
-	-	-	-	-
-	-	-	-	-
2,736	-	-	-	-
30,508,972	699,559	20,000	57,317	13,725
-	25,068	-	-	6,363
-	-	-	-	-
-	-	-	-	-
-	(25,068)	-	-	-
-	(25,068)	-	-	-
-	-	-	-	6,363
-	-	-	-	7,810
\$ -	\$ -	\$ -	\$ -	\$ 14,173

KLEIN INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS—SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

		410	429	461
Data				
Control				
Codes				
	REVENUES			
5700	<i>Local and Intermediate Sources</i>	\$ -	\$ 1,200	\$ 7,715,544
5800	<i>State Program Revenues</i>	2,160,057	21,381	-
5900	<i>Federal Program Revenues</i>	-	-	-
5020	Total Revenues	<u>2,160,057</u>	<u>22,581</u>	<u>7,715,544</u>
	EXPENDITURES			
	Current:			
0011	<i>Instruction</i>	2,112,705	-	1,709,388
0012	<i>Instructional Resources and Media Services</i>	-	31	340,749
0013	<i>Curriculum and Staff Development</i>	-	22,550	45,607
0021	<i>Instructional Leadership</i>	48,459	-	-
0023	<i>School Leadership</i>	-	-	244,719
0031	<i>Guidance, Counseling, and Evaluation Services</i>	-	-	586,375
0032	<i>Social Work Services</i>	-	-	-
0033	<i>Health Services</i>	-	-	1,839
0034	<i>Student (Pupil) Transportation</i>	-	-	-
0035	<i>Food Services</i>	-	-	-
0036	<i>Cocurricular/Extracurricular Activities</i>	-	-	4,219,635
0041	<i>General Administration</i>	-	-	-
0051	<i>Facilities Maintenance and Operations</i>	-	-	115,869
0052	<i>Security and Monitoring Services</i>	-	-	4,308
0053	<i>Data Processing Services</i>	-	-	-
0061	<i>Community Services</i>	-	-	796
0071	<i>Principal on Long-Term Debt</i>	-	-	24,890
0072	<i>Interest on Long-Term Debt</i>	-	-	-
0081	<i>Facilities Acquisition and Construction</i>	-	-	92,087
6030	Total Expenditures	<u>2,161,164</u>	<u>22,581</u>	<u>7,386,262</u>
	Excess (Deficiency) of Revenues Over			
1100	(Under) Expenditures	<u>(1,107)</u>	<u>-</u>	<u>329,282</u>
	OTHER FINANCING SOURCES			
7912	<i>Sale of Real or Personal Property</i>	890	-	-
7915	<i>Operating Transfers In</i>	-	-	-
8911	<i>Operating Transfers Out</i>	(265)	-	-
7080	Total Other Financing Sources	<u>625</u>	<u>-</u>	<u>-</u>
1200	Net Change in Fund Balances	(482)	-	329,282
0100	Fund Balances - Beginning	482	-	5,676,827
3000	Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,006,109</u>

498

499

Klein ISD Education Foundation Grants	Locally Funded Special Revenue Funds	Total Nonmajor Governmental Funds
\$ 210,943	\$ 2,359,594	\$ 13,486,841
-	-	2,969,402
-	-	100,339,903
<u>210,943</u>	<u>2,359,594</u>	<u>116,796,146</u>
147,500	887,184	52,859,487
-	-	503,105
-	63,870	3,936,673
-	42,190	569,463
-	4,059	2,689,850
-	299,199	4,723,078
-	34	12,518
-	8,750	825,731
-	-	840,072
-	30,154	29,442,838
-	44,398	4,329,913
-	110,792	296,274
-	495	7,127,578
-	20,641	208,028
-	772,668	1,105,596
-	-	1,024,060
-	913	32,635
-	15	351
-	40,051	182,546
<u>147,500</u>	<u>2,325,413</u>	<u>110,709,796</u>
<u>63,443</u>	<u>34,181</u>	<u>6,086,350</u>
-	-	5,306
-	-	249
-	(3,000)	(28,333)
<u>-</u>	<u>(3,000)</u>	<u>(22,778)</u>
63,443	31,181	6,063,572
-	2,571,024	14,674,501
<u>\$ 63,443</u>	<u>\$ 2,602,205</u>	<u>\$ 20,738,073</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 YEAR ENDED JUNE 30, 2022

EXHIBIT H-3

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	REVENUES				
5700	Local and Intermediate Sources	\$ 3,920,072	\$ 3,997,844	\$ 3,199,560	\$ (798,284)
5800	State Program Revenues	687,854	687,854	690,559	2,705
5900	Federal Program Revenues	30,338,762	33,142,932	30,277,377	(2,865,555)
5020	Total Revenues	34,946,688	37,828,630	34,167,496	(3,661,134)
	EXPENDITURES				
	Current:				
0035	Food Services	31,923,659	34,757,432	28,483,287	6,274,145
0052	Security and Monitoring Services	125	125	-	125
0071	Principal on Long-Term Debt	-	6,833	6,832	1
0072	Interest on Long-Term Debt	-	336	336	-
0081	Facilities Acquisition and Construction	-	45,000	47,672	(2,672)
6030	Total Expenditures	31,923,784	34,809,726	28,538,127	6,271,599
	Excess (Deficiency) of Revenues Over (Under) Expenditures	3,022,904	3,018,904	5,629,369	2,610,465
	OTHER FINANCING SOURCES (USES)				
7912	Sale of Real or Personal Property	-	4,000	4,416	416
7080	Total Other Financing Sources (Uses)	-	4,000	4,416	416
1200	Net Change in Fund Balance	3,022,904	3,022,904	5,633,785	2,610,881
0100	Fund Balance - Beginning	6,418,358	6,418,358	6,418,358	-
3000	Fund Balance - Ending	\$ 9,441,262	\$ 9,441,262	\$ 12,052,143	\$ 2,610,881

COMPLIANCE SCHEDULES

These Compliance Schedules are audited schedules required by the Texas Education Agency. The District is required to submit this annual information to the Texas Education Agency.

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2022

Fiscal Year	Tax Rates			Actual Taxable Value For School Tax Purposes	Beginning Balance 7/1/2021
	Maintenance	Debt Service	Total		
2013 and prior	Various	Various	Various	Various	\$ 1,154,325
2014	\$ 1.0400	\$ 0.3900	\$ 1.4300	\$ 12,011,835,149	333,876
2015	1.0400	0.3500	1.3900	13,977,844,058	359,726
2016	1.0400	0.3700	1.4100	15,567,321,931	420,607
2017	1.0400	0.3900	1.4300	17,570,905,964	573,052
2018	1.0400	0.3900	1.4300	19,094,598,428	735,074
2019	1.0600	0.3700	1.4300	19,760,962,804	872,894
2020*	0.9700	0.3900	1.3600	20,424,235,515	5,183,889
2021	0.9573	0.3800	1.3373	21,650,001,645	9,056,752
2022	0.9201	0.3800	1.3001	22,993,279,594	-
TOTALS					\$ 18,690,195

* Beginning September 1, 2019, the District changed its fiscal year end from August 31 to June 30.

EXHIBIT J-1

Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 6/30/2022
\$ -	\$ 60,427	\$ 16,120	\$ (137,505)	\$ 940,273
-	13,321	4,995	(5,806)	309,754
-	18,029	6,067	(8,327)	327,303
-	63,228	22,494	19,224	354,109
-	72,008	27,003	14,359	488,400
-	105,100	39,412	24,885	615,447
-	135,452	47,281	(21,405)	668,756
-	629,375	253,047	(3,222,088)	1,079,379
-	1,347,835	535,024	(5,415,318)	1,758,575
298,935,628	222,802,553	92,017,140	21,914,571	6,030,506
<u>\$ 298,935,628</u>	<u>\$ 225,247,328</u>	<u>\$ 92,968,583</u>	<u>\$ 13,162,590</u>	<u>\$ 12,572,503</u>

Reconciliation of Ending Balance to Exhibit C-1:

Ending Balance at 6/30/22	12,572,503
Add: Penalties & Interest Accrued on Receivable Balance	5,462,326
Less: Allowance for Uncollectibles	(2,829,228)
Adjusted Ending Balance	<u>15,205,601</u>
Property Taxes Receivable (Net) per Exhibit C-1	<u><u>\$ 15,205,601</u></u>

KLEIN INDEPENDENT SCHOOL DISTRICT
COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION
PROGRAM EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT J-4

Data Codes	<u>Section A: Compensatory Education Programs</u>	Column 1 Responses
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 40,035,490
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year (PICs 24, 26, 28, 29, 30, 34)	\$ 24,827,048
	<u>Section B: Bilingual Education Programs</u>	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 5,727,987
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	\$ 4,019,220

STATISTICAL SECTION

The statistical section of the Klein Independent School District's Annual Comprehensive 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 Annual Comprehensive Financial Reports for the relevant year.

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

	2022	2021	2020*	2019
Governmental Activities:				
Net Investment in Capital Assets	\$ 118,110,685	\$ 101,407,358	\$ 60,434,448	\$ 76,345,695
Restricted	76,075,119	65,086,691	61,865,510	28,482,722
Unrestricted (Deficit)	(104,328,679)	(137,599,400)	(112,955,072)	(144,928,563)
Total Primary Government				
Net Position (Deficit)	\$ 89,857,125	\$ 28,894,649	\$ 9,344,886	\$ (40,100,146)

(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 its fiscal year end from August 31 to June 30.

TABLE 1

2018	2017	2016	2015	2014	2013
\$ 74,915,595	\$ 79,527,264	\$ 79,488,178	\$ 83,664,009	\$ 86,495,792	\$ 91,841,007
27,925,315	27,472,410	30,206,175	27,859,732	26,179,487	21,083,922
(161,546,021)	71,495,159	86,653,877	87,141,699	129,960,846	124,057,805
\$ (58,705,111)	\$ 178,494,833	\$ 196,348,230	\$ 198,665,440	\$ 242,636,125	\$ 236,982,734
(2)			(1)		

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

	2022	2021	2020*	2019
Expenses				
Governmental Activities:				
Instruction	\$ 332,710,301	\$ 349,268,082	\$ 324,041,608	\$ 336,498,692
Instructional Resources and Media Services	4,847,905	5,610,930	5,608,328	5,758,912
Curriculum and Staff Development	14,258,338	15,146,947	14,860,640	16,774,036
Instructional Leadership	4,852,960	5,193,862	4,298,595	4,393,010
School Leadership	33,719,521	36,345,391	32,854,807	35,265,987
Guidance, Counseling, and Evaluation Services	29,515,130	31,534,638	30,362,123	31,178,493
Social Work Services	523,130	575,980	551,360	619,209
Health Services	6,474,736	7,008,425	6,670,311	6,521,194
Student (Pupil) Transportation	17,564,671	14,873,716	14,097,327	16,498,887
Food Services	29,843,096	27,065,330	24,056,727	27,399,035
Cocurricular/Extracurricular Activities	13,731,846	11,678,140	12,561,156	17,393,410
General Administration	11,485,821	11,152,529	9,287,149	11,259,864
Facilities Maintenance and Operations	40,821,024	41,780,359	31,345,357	36,637,208
Security and Monitoring Services	7,154,592	7,270,873	6,019,695	6,816,190
Data Processing Services	13,104,239	13,073,738	11,522,745	11,937,060
Community Services	1,300,003	1,417,370	1,092,987	1,564,297
Debt Service - Interest on Long-Term Debt	39,765,214	42,953,948	37,771,062	45,342,509
Debt Service - Bond Issuance Costs and Fees	316,602	476,533	1,357,839	847,885
Capital Outlay	1,139,941	1,825,548	2,015,139	3,436,397
Payments Related to Shared Services Arrangements	612,454	631,462	472,681	601,690
Payments to Juvenile Justice Alt. Ed. Programs	129,878	230,149	99,000	334,361
Other Intergovernmental Charges	2,304,105	2,274,184	1,659,366	2,191,066
Total Primary Government Expenses	606,175,507	627,388,134	572,606,002	619,269,392
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	824,374	458,546	92,685	567,257
Food Services	3,181,960	1,942,410	6,067,670	8,440,734
Extracurricular Activities	7,331,413	4,789,174	4,710,638	7,345,793
Other Activities	899,145	1,757,898	318,306	1,755,103
Operating Grants and Contributions	111,038,182	91,574,796	92,174,620	85,314,159
Total Primary Government Program Revenues	123,275,074	100,522,824	103,363,919	103,423,046
Net (Expense)/Revenue				
Total Primary Government Net Expense	\$ (482,900,433)	\$ (526,865,310)	\$ (469,242,083)	\$ (515,846,346)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes - Levied for General Purposes	219,588,966	225,514,753	217,909,440	219,961,386
Property Taxes - Levied for Debt Services	93,598,149	89,378,470	87,582,707	76,710,403
Grants, Contributions, and Other Revenue Not Restricted	228,817,859	227,288,001	207,342,177	227,081,601
Investment Earnings	(33,829)	636,392	4,622,954	8,296,940
Miscellaneous	1,891,764	3,597,457	1,229,837	2,400,981
Extraordinary Items	-	-	-	-
Total Primary Government General Revenues and Extraordinary Items	543,862,909	546,415,073	518,687,115	534,451,311
Change in Net Position - Total Primary Government	\$ 60,962,476	\$ 19,549,763	\$ 49,445,032	\$ 18,604,965

* Beginning September 1, 2019, the District changed its fiscal year end from August 31 to June 30.

TABLE 2

2018	2017	2016	2015	2014	2013
\$ 219,985,174	\$ 302,562,778	\$ 304,113,383	\$ 266,100,967	\$ 261,995,657	\$ 237,402,727
4,012,887	5,872,131	5,366,476	5,053,079	5,141,715	4,735,979
9,912,203	13,918,101	13,238,508	12,142,990	10,638,923	8,791,759
2,960,023	4,708,140	3,863,525	3,488,463	3,220,638	2,793,028
22,411,053	30,958,352	30,545,804	27,312,594	25,250,622	22,703,876
18,153,980	25,963,997	24,868,239	22,147,773	20,005,177	17,245,827
319,702	392,916	437,881	344,491	342,695	341,274
4,222,768	5,765,440	5,484,771	4,831,391	4,674,883	3,973,678
13,451,366	14,669,296	13,563,441	12,804,878	12,620,591	11,421,613
19,098,672	25,390,491	24,183,474	24,108,723	23,533,970	21,063,851
14,585,567	16,450,685	15,584,454	15,215,849	8,093,036	7,264,382
8,729,159	10,581,827	10,759,626	9,119,865	8,574,785	7,553,949
32,872,126	35,126,854	34,208,250	31,768,702	32,035,346	30,318,968
5,613,791	6,128,003	6,230,356	5,953,900	5,103,168	4,422,906
9,465,491	10,646,336	11,331,790	9,273,936	9,412,906	7,348,984
696,243	1,413,527	1,025,017	892,063	842,374	820,411
44,781,279	42,018,764	38,708,632	36,248,469	33,162,655	32,297,830
1,128,181	1,098,266	1,343,134	2,001,163	504,392	1,028,515
7,271,334	14,507,936	3,063,663	5,484,843	2,388,678	6,098,178
614,273	554,092	531,338	446,994	428,169	417,838
344,556	204,017	241,501	273,555	195,232	116,444
2,122,804	1,990,384	1,830,644	1,730,065	1,498,385	1,447,764
442,752,632	570,922,333	550,523,907	496,744,753	469,663,997	429,609,781
561,685	503,180	544,373	576,518	6,249,630	6,773,107
7,784,855	9,201,747	9,681,304	9,675,609	9,462,827	9,420,047
8,378,294	7,586,968	7,748,386	7,954,832	972,415	924,248
4,628,430	876,229	877,044	2,076,814	801,287	275,758
(24,538,225)	63,735,482	72,598,700	65,067,570	63,705,418	56,014,013
(3,184,961)	81,903,606	91,449,807	85,351,343	81,191,577	73,407,173
\$ (445,937,593)	\$ (489,018,727)	\$ (459,074,100)	\$ (411,393,410)	\$ (388,472,420)	\$ (356,202,608)
209,896,563	196,607,111	179,128,104	162,012,918	143,367,503	132,808,947
78,631,659	74,706,981	63,292,880	54,807,873	54,028,207	51,399,561
202,377,983	194,835,547	210,649,814	206,980,778	194,177,589	171,074,720
5,204,773	2,687,183	1,293,324	951,706	340,241	656,765
6,079,242	3,720,690	2,392,768	1,068,558	2,212,271	708,269
712,170	(1,392,182)	-	-	-	-
502,902,390	471,165,330	456,756,890	425,821,833	394,125,811	356,648,262
\$ 56,964,797	\$ (17,853,397)	\$ (2,317,210)	\$ 14,428,423	\$ 5,653,391	\$ 445,654

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

	2022	2021	2020*	2019
General Fund (2)				
Nonspendable	\$ 6,548,427	\$ 4,712,901	\$ 4,312,369	\$ 2,697,764
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	111,467,776	93,507,596	65,282,462	90,035,019
Unassigned	117,365,032	115,182,096	161,275,648	85,024,544
Total General Fund	\$ 235,381,235	\$ 213,402,593	\$ 230,870,479	\$ 177,757,327

Other Governmental Funds (1)				
Nonspendable	\$ -	\$ -	\$ -	\$ 48,486
Restricted (2)	143,603,753	155,254,073	170,843,475	120,144,673
Committed	8,671,757	8,247,851	9,473,693	6,561,775
Total Other Governmental Funds	\$ 152,275,510	\$ 163,501,924	\$ 180,317,168	\$ 126,754,934

(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 its fiscal year end from August 31 to June 30.

TABLE 3

2018	2017	2016	2015	2014	2013
\$ 2,508,812	\$ 2,102,815	\$ 1,783,786	\$ 2,031,540	\$ 2,077,777	\$ 2,398,595
-	1,758,031	3,075,533	3,007,210	3,212,274	3,347,006
22,694,356	-	14,045,900	14,691,800	-	1,415,000
44,723,594	61,782,500	80,899,438	58,727,022	79,111,760	74,336,973
69,795,426	72,038,231	46,078,491	60,624,373	43,880,808	35,843,498
\$ 139,722,188	\$ 137,681,577	\$ 145,883,148	\$ 139,081,945	\$ 128,282,619	\$ 117,341,072

\$ 29,145	\$ 33,444	\$ 756,393	\$ 692,248	\$ 835,914	\$ 626,940
117,605,300	119,403,922	102,530,553	245,078,831	69,288,389	70,449,813
7,663,735	5,523,593	5,378,336	4,923,894	4,634,190	7,945,659
\$ 125,298,180	\$ 124,960,959	\$ 108,665,282	\$ 250,694,973	\$ 74,758,493	\$ 79,022,412

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

	2022	2021	2020 *
REVENUES			
Local and Intermediate Sources	\$ 338,541,096	\$ 322,054,571	\$ 317,465,889
State Program Revenues	249,248,535	251,485,397	227,719,808
Federal Program Revenues	119,462,992	60,852,027	47,547,377
Total Revenues	<u>707,252,623</u>	<u>634,391,995</u>	<u>592,733,074</u>
EXPENDITURES			
Instruction	348,887,776	321,792,612	273,090,778
Instructional Resources and Media Services	4,948,457	5,216,438	4,989,327
Curriculum and Instructional Staff Development	15,450,235	14,285,524	12,872,089
Instructional Leadership	5,337,584	4,982,028	3,673,978
School Leadership	35,253,767	33,667,984	28,302,597
Guidance, Counseling, and Evaluation Services	31,342,664	29,423,930	25,906,562
Social Work Services	575,091	573,714	509,766
Health Services	6,789,870	6,510,634	5,805,389
Student (Pupil) Transportation	17,723,186	14,633,521	13,982,144
Food Services	29,442,838	23,562,390	20,329,279
Cocurricular/Extracurricular Activities	13,987,277	10,825,676	11,233,844
General Administration	12,201,406	10,883,737	8,565,587
Facilities Maintenance and Operations	41,236,839	39,803,066	29,567,406
Security and Monitoring Services	7,073,448	8,073,417	5,555,730
Data Processing Services	12,076,413	11,560,491	9,856,833
Community Services	1,433,986	1,242,017	819,175
Principal on Long-term Debt	45,666,828	44,705,000	16,295,000
Interest on Long-term Debt	44,606,231	46,241,916	25,833,616
Bond Issuance Costs and Fees	316,602	476,533	1,357,839
Facilities Acquisition and Construction (2)	19,561,894	40,371,621	30,693,457
Payments to Shared Services Arrangements	612,454	631,462	472,681
Payments to Juvenile Justice Alt. Ed. Programs	129,878	230,142	99,000
Other Intergovernmental Charges	2,304,105	2,274,184	1,659,366
Total Expenditures	<u>696,958,829</u>	<u>671,968,037</u>	<u>531,471,443</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,293,794</u>	<u>(37,576,042)</u>	<u>61,261,631</u>
OTHER FINANCING SOURCES (USES)			
Issuance of Capital-Related Bonds	-	-	40,085,000
Issuance of Refunding Bonds	41,145,000	61,290,000	99,425,000
Premium/Discount from Issuance of Bonds	3,508,274	10,420,088	19,576,699
Sale of Real and Personal Property	165,504	2,931,893	108,528
Insurance Proceeds	-	-	-
Transfers In	28,582	28,984,287	4,920,387
Transfers Out	(28,582)	(28,984,287)	(4,920,387)
Payment to Refunded Bond Escrow Agent	(44,360,344)	(71,248,651)	(113,881,890)
Extraordinary Items	-	-	-
Total Other Financing Sources (Uses)	<u>458,434</u>	<u>3,393,330</u>	<u>45,313,337</u>
Net Change in Fund Balances	<u>\$ 10,752,228</u>	<u>\$ (34,182,712)</u>	<u>\$ 106,574,968</u>
Debt Service as a Percentage of Noncapital Expenditures (1)	13.35%	14.50%	8.44%

(1) 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 from August 31 to June 30.

TABLE 4

2019	2018	2017	2016	2015	2014	2013
\$ 327,462,911	\$ 321,609,273	\$ 294,654,365	\$ 266,519,005	\$ 239,358,880	\$ 217,841,699	\$ 204,262,883
248,300,735	224,228,095	216,482,265	236,563,481	238,088,445	223,969,748	193,988,410
46,557,159	48,916,751	37,833,273	36,472,254	33,996,147	32,230,586	32,303,258
622,320,805	594,754,119	548,969,903	539,554,740	511,443,472	474,042,033	430,554,551
293,827,321	300,003,279	280,378,113	278,892,090	254,931,476	244,961,463	228,421,970
5,176,204	4,996,803	5,521,936	5,150,327	4,829,600	4,812,891	4,528,306
15,102,392	13,768,359	13,084,592	13,118,808	12,018,105	10,272,298	8,630,149
3,990,607	4,648,663	4,414,194	3,761,756	3,449,797	3,194,789	2,740,767
31,390,711	30,783,223	28,828,086	27,862,437	26,266,362	23,646,088	21,601,616
27,399,588	26,772,972	24,438,551	23,528,336	21,595,133	19,118,162	16,652,008
571,155	515,924	389,809	435,507	350,430	342,660	340,865
5,821,830	5,652,413	5,379,602	5,032,069	4,626,359	4,331,424	3,749,147
16,463,650	16,075,452	13,066,425	14,299,437	12,132,350	11,733,461	10,513,598
24,276,881	23,485,904	23,673,901	23,023,338	22,901,090	22,398,855	20,090,723
16,100,891	16,313,944	15,681,648	14,393,470	14,733,324	7,340,347	6,822,027
10,696,770	11,591,603	10,371,524	9,511,006	9,222,576	8,541,307	7,575,212
34,852,941	35,843,692	33,455,017	32,768,680	30,474,136	30,801,398	29,397,947
6,121,451	6,756,825	6,021,987	5,953,443	5,658,847	5,079,679	4,340,696
12,892,663	11,623,353	10,411,220	10,365,775	7,776,823	7,129,217	5,835,742
1,280,029	1,353,750	1,435,557	1,040,869	926,002	836,262	832,559
35,855,000	37,075,000	35,790,000	31,955,000	30,775,000	33,375,232	29,154,981
49,572,697	45,252,061	43,856,249	40,610,877	37,739,074	34,609,848	34,138,584
847,885	1,128,181	1,098,266	1,343,134	2,001,163	29,160	1,023,534
66,406,277	90,198,390	140,575,834	130,389,392	76,413,336	40,883,290	60,499,465
601,690	614,273	554,092	531,338	446,994	428,169	417,838
334,361	344,556	204,017	241,501	273,555	195,232	116,444
2,191,066	2,122,804	1,990,384	1,830,644	1,730,065	1,498,385	1,447,764
661,774,060	686,921,424	700,621,004	676,039,234	581,271,597	515,559,617	498,871,942
(39,453,255)	(92,167,305)	(151,651,101)	(136,484,494)	(69,828,125)	(41,517,584)	(68,317,391)
69,865,000	88,985,000	145,890,000	-	242,015,000	44,000,000	36,840,000
8,100,000	12,310,000	-	152,870,000	62,585,000	-	69,945,000
10,488,977	6,827,826	15,204,877	19,984,986	24,217,299	899,845	13,331,052
166,569	63,849	42,512	153,079	324,532	1,710,665	490,855
-	-	-	-	-	-	-
1,632,731	71,250	70,000	68,750	67,500	3,052,202	65,000
(1,632,731)	(71,250)	(70,000)	(68,750)	(67,500)	(1,467,500)	(65,000)
(9,675,398)	(14,353,708)	-	(171,482,842)	(72,577,900)	-	(81,393,293)
-	712,170	(1,392,182)	(269,217)	-	-	-
78,945,148	94,545,137	159,745,207	1,256,006	256,563,931	48,195,212	39,213,614
\$ 39,491,893	\$ 2,377,832	\$ 8,094,106	\$ (135,228,488)	\$ 186,735,806	\$ 6,677,628	\$ (29,103,777)
14.42%	13.73%	13.92%	13.35%	13.48%	14.35%	14.36%

(2) Fluctuations due to changes in annual construction contracts.

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		
2022	\$25,364,592,590	\$ 1,589,568,880	\$3,960,881,876	\$22,993,279,594	\$ 1.3001
2021	23,469,843,833	1,648,270,350	3,468,112,538	21,650,001,645	1.3373
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

* Beginning September 1, 2019, the District changed its fiscal year end from August 31 to June 30.

- (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.

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

Taxing Authority	2022	2021	2020	2019
<u>Overlapping Rates:</u>				
Bilma PUD	\$ 0.5200	\$ 0.5200	\$ 0.5200	\$ 0.5200
Bridgestone MUD	0.5200	0.5200	0.5200	0.5200
Charterwood MUD	0.3975	0.4050	0.4050	0.4200
Cypress Forest PUD	0.2700	0.2800	0.2900	0.2900
Cypress Klein UD	0.1110	0.1140	0.1150	0.1150
Cypresswood UD	0.3380	0.3430	0.3500	0.3600
Dowdell PUD- Defined Area	0.3800	0.3800	0.3800	0.3800
Dowdell PUD	0.8000	0.8000	0.8000	0.8400
Encanto Real UD	0.8800	0.8900	0.9000	0.9100
Fountainhead MUD	0.4950	0.5200	0.5600	0.5600
Harris County MUD No. 1	0.7100	0.7350	0.7450	0.7450
Harris County MUD No. 24	0.4320	0.4480	0.4500	0.4500
Harris County MUD No. 104	0.4100	0.4100	0.4200	0.4200
Harris County MUD No. 118	0.4600	0.4800	0.5100	0.5200
Harris County MUD No. 119	0.4170	0.4380	0.4650	0.4600
Harris County MUD No. 150	0.6100	0.6500	0.6900	0.7000
Harris County MUD No. 180	0.7840	0.7980	0.7980	0.7270
Harris County MUD No. 202	1.2500	1.2500	1.2500	1.2500
Harris County MUD No. 275	0.7500	0.7500	0.7500	0.8000
Harris County MUD No. 316	0.5400	0.6000	0.6000	0.6000
Harris County MUD No. 366	0.1400	0.1600	0.1600	0.1600
Harris County MUD No. 367	0.5350	0.5600	0.5800	0.6100
Harris County MUD No. 368	0.6300	0.6500	0.6800	0.7000
Harris County MUD No. 383	0.6550	0.7000	0.7300	0.7500
Harris County MUD No. 401	0.9800	0.9975	0.9975	1.0100
Harris County MUD No. 468	0.5300	0.5300	0.5500	0.5700
Harris County MUD No. 530	1.1800	1.2300	1.2500	1.2500
Harris County WC&ID No. 109	0.2450	0.2500	0.2500	0.2500
Harris County WC&ID No. 110	0.3600	0.3700	0.3900	0.4000
Harris County WC&ID No. 114	0.2448	0.2500	0.2500	0.2500
Harris County WC&ID No. 116	0.2650	0.2650	0.2490	0.2380
Harris County WC&ID No. 119	0.4200	0.4500	0.4500	0.4800
Harris County WC&ID No. 132	0.3300	0.3600	0.3800	0.3900
Harris County WC&ID No. 133	0.6670	0.7130	0.7590	0.7590
Heatherloch MUD	0.3900	0.3900	0.3900	0.3900
Klein PUD	0.4450	0.4450	0.4450	0.4300
Kleinwood MUD	0.4100	0.4190	0.3950	0.3950
Lonestar College System	0.1078	0.1078	0.1078	0.1078
Louetta North PUD	0.2500	0.2600	0.2600	0.2600
Louetta Road UD	0.2500	0.2500	0.2500	0.3800
Meadowhill Regional MUD	0.6800	0.6800	0.6950	0.7200
Northampton MUD	0.5400	0.5600	0.5600	0.5800
Northampton MUD - Defined Area	0.6400	0.6400	0.6400	0.6400
Northwest Harris County MUD No. 6	0.3742	0.3830	0.3830	0.3830
Northwest Harris County MUD No. 19	0.6900	0.7400	0.7600	0.7800
Northwest Harris County MUD No. 24	0.4430	0.4519	0.5000	0.5800
Northwest Harris County MUD No. 28	0.6800	0.7200	0.6800	0.6800
Northwest Harris County MUD No. 30	0.6000	0.6500	0.6700	0.6800
Northwest Harris County MUD No. 32	0.6300	0.6600	0.6600	0.6600
Northwest Harris County MUD No. 36	0.6450	0.7100	0.7400	0.7800
Northwest Park MUD	0.4080	0.4280	0.4280	0.4280
Oakmont PUD	0.7900	0.8450	0.8600	0.8600
Shasla PUD	0.9000	0.9100	0.9140	0.9200
Spring Creek Forest PUD	0.4550	0.4600	0.4700	0.4700
Spring West MUD	0.7300	0.7300	0.7400	0.7400
Terranova West MUD	0.6300	0.6400	0.6400	0.6400
Harris County (1)	0.3769	0.3911	0.4071	0.4186
Houston, City of	0.5508	0.5618	0.5679	0.5883
Total Harris County/City of Houston	<u>\$ 0.9277</u>	<u>\$ 0.9529</u>	<u>\$ 0.9750</u>	<u>\$ 1.0069</u>
<u>District Direct Rates (2):</u>				
Maintenance & Operations	\$ 0.9201	\$ 0.9573	\$ 0.9700	\$ 1.0600
Debt Service	0.3800	0.3800	0.3900	0.3700
Total District Direct Rates	<u>\$ 1.3001</u>	<u>\$ 1.3373</u>	<u>\$ 1.3600</u>	<u>\$ 1.4300</u>

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

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

Source: Harris County Appraisal District

TABLE 6

2018	2017	2016	2015	2014	2013
\$ 0.5300	\$ 0.5300	\$ 0.5600	\$ 0.5700	\$ 0.5900	\$ 0.5900
0.5200	0.5500	0.6000	0.7100	0.7500	0.7500
0.4200	0.4200	0.4400	0.5400	0.5900	0.6400
0.2900	0.2800	0.2930	0.3219	0.3240	0.3240
0.1120	0.1500	0.1700	0.2000	0.2200	0.2400
0.3600	0.3600	0.3500	0.3600	0.3700	0.3700
0.3800	-	-	-	-	-
0.8400	0.8500	0.9000	0.9200	0.9200	0.9200
0.9300	0.9875	0.9875	0.9875	0.9875	0.9875
0.5800	0.6050	0.6300	0.6500	0.6700	0.6700
0.7850	0.8000	0.9200	0.9700	1.0200	1.0300
0.4600	0.5100	0.5400	0.5700	0.5900	0.6000
0.4200	0.4350	0.4800	0.5000	0.5500	0.5500
0.5660	0.5700	0.6400	0.7200	0.7200	0.7200
0.4610	0.4610	0.4850	0.4850	0.5150	0.4700
0.7200	0.7600	0.8400	0.9400	0.9800	0.9800
0.7270	0.7550	0.7950	0.8300	0.9800	0.9800
1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
0.9000	0.9000	0.9000	0.9000	1.0000	1.0000
0.5100	0.5100	0.5300	0.6000	0.6700	0.7200
0.1600	0.1800	0.2000	0.2000	0.2500	0.2500
0.6200	0.6200	0.6700	0.6850	0.7000	0.7000
0.7000	0.7200	0.7900	0.8700	0.9950	0.9950
0.7700	0.7700	0.8400	0.8900	0.9400	0.9400
1.0300	1.0500	1.1300	1.1850	1.2500	1.2500
0.5700	0.6650	0.7400	0.7900	0.8400	0.8500
1.2500	1.2500	-	-	-	-
0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
0.4300	0.4300	0.4400	0.4600	0.5300	0.5400
0.2500	0.2500	0.2500	0.3000	0.3000	0.3000
0.2150	0.2150	0.1000	0.1000	0.1000	0.1000
0.4800	0.4800	0.5200	0.5400	0.5900	0.5900
0.4400	0.4400	0.4700	0.4800	0.4500	0.4400
0.7700	0.8000	0.9400	0.9700	0.9900	0.9900
0.3900	0.3900	0.3900	0.3950	0.3950	0.3950
0.4300	0.4300	0.4300	0.4300	0.4300	0.4300
0.3950	0.4050	0.4300	0.4700	0.5300	0.5600
0.1078	0.1078	0.1079	0.1081	0.1160	0.1198
0.2600	0.2600	0.2700	0.2800	0.3100	0.3600
0.4300	0.4325	0.4400	0.4750	0.5000	0.5000
0.7500	0.7900	0.7900	0.7900	0.8750	0.9400
0.5800	0.5800	0.6100	0.6100	0.6100	0.6100
0.6400	0.6400	-	-	-	-
0.3830	0.3830	0.3900	0.3900	0.3900	0.3900
0.8000	0.8200	0.8800	0.9900	1.1200	1.1200
0.5800	0.6000	0.7000	0.8000	0.8300	0.8300
0.6800	0.6600	0.6800	0.6800	0.6800	0.6800
0.6800	0.6800	0.7200	0.7500	0.8000	0.8000
0.7000	0.7000	0.7200	0.7900	0.8950	0.9100
0.7900	0.7950	0.8100	0.8500	0.8660	0.8660
0.4300	0.4400	0.4500	0.4800	0.5200	0.5500
0.8700	0.9000	1.0000	1.1000	1.2400	1.2500
0.9410	0.9550	1.0100	1.0900	1.1900	1.0950
0.4700	0.4700	0.4650	0.4750	0.4900	0.4950
0.7900	0.8200	0.8200	0.9000	0.9800	1.0200
0.6400	0.6400	0.6500	0.6800	0.6900	0.6900
0.4180	0.4166	0.4192	0.4173	0.6363	0.6366
0.5842	0.5864	0.6011	0.6311	0.6388	0.6388
<u>\$ 1.0022</u>	<u>\$ 1.0030</u>	<u>\$ 1.0203</u>	<u>\$ 1.0484</u>	<u>\$ 1.2751</u>	<u>\$ 1.2754</u>
\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400	\$ 1.0400
0.3900	0.3900	0.3700	0.3500	0.3900	0.4000
<u>\$ 1.4300</u>	<u>\$ 1.4300</u>	<u>\$ 1.4100</u>	<u>\$ 1.3900</u>	<u>\$ 1.4300</u>	<u>\$ 1.4400</u>

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

TABLE 7

Taxpayer	2022			2013		
	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (2)	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (3)
Centerpoint Energy	\$ 164,556,549	1	0.72%	\$ 112,434,072	2	0.96%
DXC Technology Services LLC	157,472,178	2	0.68%	255,714,578	1	2.18%
Eastgroup Properties LP	89,437,003	3	0.39%	48,993,282	6	0.42%
HEB Grocery Group	87,201,278	4	0.38%	-	-	-
GP Market Place 1750 LLC	86,866,812	5	0.38%	-	-	-
Vintage Dunhill LLC	80,278,176	6	0.35%	47,000,000	8	0.40%
Liberty Property	80,093,706	7	0.35%	-	-	-
Walmart	62,243,520	8	0.27%	-	-	-
W F & B Cutter Road Owner VIII LP	59,901,188	9	0.26%	-	-	-
St. Luke's Hospital at the Vintage LLC	55,546,998	10	0.24%	52,771,101	4	0.45%
NOV MD TOTCO	-	-	-	61,331,407	3	0.52%
National Oilwell, Inc.	-	-	-	52,732,033	5	0.45%
ABB Vetco Gray, Inc.	-	-	-	47,946,256	7	0.41%
Beltway Lakes	-	-	-	43,457,570	9	0.37%
Continental Alloys & Services	-	-	-	42,987,508	10	0.37%
TOTALS	\$ 923,597,408		4.02%	\$ 765,367,807		6.53%

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

(2) Actual taxable value equals: \$ 22,993,279,594

(3) Actual taxable value equals: \$ 11,734,906,867

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
2022	\$320,850,199	\$314,819,693	98.12%	\$ -	\$314,819,693	98.12%
2021	313,610,519	304,553,767	97.11%	1,882,859	306,436,626	97.71%
2020*	302,714,795	295,367,956	97.57%	3,045,372	298,413,328	98.58%
2019	294,290,020	292,427,528	99.37%	1,172,331	293,599,859	99.77%
2018	285,915,089	282,980,358	98.97%	2,344,169	285,324,527	99.79%
2017	268,523,314	265,706,045	98.95%	2,343,228	268,049,273	99.82%
2016	241,654,217	239,204,277	98.99%	2,115,055	241,319,332	99.86%
2015	215,029,999	213,117,245	99.11%	1,577,124	214,694,369	99.84%
2014	196,071,921	194,305,721	99.10%	1,450,640	195,756,361	99.84%
2013	184,157,674	182,305,315	98.99%	1,548,504	183,853,819	99.84%

* Beginning September 1, 2019, the District changed the fiscal year end from August 31 to June 30.

(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		Ratio of Debt to Actual Tasable Value (2)	Debt Per Student (3)	District Population (4)	Per Capita Income (5)	Ratio of Debt to Per Capita Income
	General Obligation Bonds (1)	Total Primary Government					
2022	\$ 1,122,244,603	\$ 1,122,244,603	4.88%	\$ 22,786	278,798	\$ 60,183	6.69%
2021	1,176,197,069	1,176,197,069	5.43%	24,232	278,798	60,183	7.01%
2020*	1,225,799,203	1,225,799,203	6.00%	24,122	278,798	60,183	7.31%
2019	1,199,656,248	1,199,656,248	6.07%	23,931	270,166	59,207	7.50%
2018	1,160,896,683	1,160,896,683	6.08%	23,276	264,748	58,685	7.47%
2017	1,108,440,803	1,108,440,803	6.31%	22,711	253,684	54,841	7.97%
2016	987,090,365	987,090,365	6.34%	20,697	245,277	51,204	7.86%
2015	1,009,206,671	1,009,206,671	7.22%	21,711	242,102	54,536	7.64%
2014	782,882,194	782,882,194	6.52%	17,275	232,190	55,255	6.10%
2013	773,206,303	773,206,303	6.59%	17,495	225,448	52,388	6.55%

* Beginning September 1, 2019, the District changed the fiscal year end from August 31 to June 30.

- (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) Source: U.S. Census Bureau via DataCommons.org (years 2021 and 2022 not available at time of report).
- (5) See Table 12 for per capita income 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)	Restricted to Repayment of Principal (4)	Net Bonded Debt	Ratio of Net Bonded Debt to Actual Taxable Value (2)	Net Bonded Debt Per Student (3)
2022	\$ 1,122,244,603	\$ 64,008,803	\$ 1,058,235,800	4.15%	\$ 21,486
2021	1,176,197,069	58,660,041	1,117,537,028	5.16%	22,367
2020*	1,225,799,203	58,271,228	1,167,527,975	5.72%	23,003
2019	1,199,656,248	23,136,752	1,176,519,496	5.95%	23,469
2018	1,160,896,683	22,781,128	1,138,115,555	5.96%	22,819
2017	1,108,440,803	22,425,710	1,086,015,093	6.18%	22,251
2016	987,090,365	22,359,636	964,730,729	6.20%	20,228
2015	1,009,206,671	21,980,050	987,226,621	7.06%	21,238
2014	782,882,194	19,687,695	763,194,499	6.35%	16,841
2013	773,206,303	17,687,204	755,519,099	6.44%	17,095

* Beginning September 1, 2019, the District changed the fiscal year end from August 31 to June 30.

- (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 government-wide financial statements.

KLEIN INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (1)
AS OF JUNE 30, 2022

TABLE 11

Taxing Authority	Gross Debt Outstanding	Percent Overlapping (1)	Applicable to School District
<u>Overlapping:</u>			
Bilma PUD	\$ 15,550,000	100.00%	\$ 15,550,000
Bridgestone MUD	101,090,000	100.00%	101,090,000
Charterwood MUD	13,945,000	100.00%	13,945,000
Cypress Forest PUD	605,000	87.39%	528,710
Cypresswood UD	6,580,000	100.00%	6,580,000
Dowdell PUD (Defined Area)	4,350,000	100.00%	4,350,000
Dowdell PUD	71,665,000	100.00%	71,665,000
Encanto Real UD	41,025,000	100.00%	41,025,000
Fountainhead MUD	5,175,000	72.31%	3,742,043
Harris County	1,682,992,125	4.62%	77,754,236
Harris County Dept. of Education	20,185,000	4.62%	932,547
Harris County Flood Control District	584,900,000	4.62%	27,022,380
Harris County Hospital District	76,385,000	4.62%	3,528,987
Harris County Improvement Dist. No. 18 (Defined Area No. 1)	31,815,000	0.05%	15,908
Harris County Improvement District No. 18	126,210,000	0.03%	37,863
Harris County MUD No. 1	56,395,000	79.69%	44,941,176
Harris County MUD No. 24	10,690,000	100.00%	10,690,000
Harris County MUD No. 104	7,170,000	100.00%	7,170,000
Harris County MUD No. 118	5,420,000	66.01%	3,577,742
Harris County MUD No. 119	4,204,999	62.94%	2,646,626
Harris County MUD No. 150	19,815,000	33.48%	6,634,062
Harris County MUD No. 180	21,509,995	100.00%	21,509,995
Harris County MUD No. 316	400,000	100.00%	400,000
Harris County MUD No. 367	10,885,000	100.00%	10,885,000
Harris County MUD No. 368	65,945,000	100.00%	65,945,000
Harris County MUD No. 383	34,910,000	100.00%	34,910,000
Harris County MUD No. 401	38,530,000	100.00%	38,530,000
Harris County MUD No. 468	39,870,000	100.00%	39,870,000
Harris County MUD No. 530	31,885,000	100.00%	31,885,000
Harris County MUD No. 551	10,535,000	100.00%	10,535,000
Harris County WC&ID No. 109	7,330,000	92.02%	6,745,066
Harris County WC&ID No. 110	18,295,000	40.95%	7,491,803
Harris County WC&ID No. 116	7,640,000	30.32%	2,316,448
Harris County WC&ID No. 119	27,580,000	100.00%	27,580,000
Harris County WC&ID No. 132	3,000,000	100.00%	3,000,000
Harris County WC&ID No. 133	7,545,000	100.00%	7,545,000
Heatherloch MUD	7,950,000	100.00%	7,950,000
Houston, City of	3,163,795,000	0.24%	7,593,108
Kleinwood MUD	10,714,992	100.00%	10,714,992
Lone Star College	643,940,000	11.50%	74,053,100
Louetta North PUD	2,985,000	100.00%	2,985,000
Meadowhill Regional MUD	27,450,000	75.84%	20,818,080
Northampton MUD	35,180,000	100.00%	35,180,000
Northampton MUD - Defined Area	15,100,000	100.00%	15,100,000
Northwest Harris County MUD No. 6	10,515,000	68.62%	7,215,393
Northwest Harris County MUD No. 19	63,765,000	100.00%	63,765,000
Northwest Harris County MUD No. 28	2,680,000	100.00%	2,680,000
Northwest Harris County MUD No. 30	19,560,000	98.31%	19,229,436
Northwest Harris County MUD No. 32	21,285,000	100.00%	21,285,000
Northwest Harris County MUD No. 36	12,235,000	100.00%	12,235,000
Northwest Park MUD	27,565,000	30.18%	8,319,117
Oakmont PUD	24,170,000	100.00%	24,170,000
Port of Houston Authority	469,434,397	4.62%	21,687,869
Shasla PUD	3,290,000	100.00%	3,290,000
Spring Creek Forest PUD	3,515,000	100.00%	3,515,000
Spring West MUD	23,545,000	40.70%	9,582,815
Tomball, City of	28,790,000	0.58%	166,982
Total Overlapping Debt			1,124,111,484
<u>Direct:</u>			
Klein Independent School District (2)	1,122,244,603	100.00%	1,122,244,603
TOTAL OVERLAPPING AND DIRECT DEBT			\$ 2,246,356,087
Ratio of Total Overlapping Debt and Direct Debt to Actual Taxable Value for Fiscal Year Ended June 30, 2022 (3)			9.77%

(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) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(3) Actual taxable value equals: \$ 22,993,279,594

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)	Per Capital Income (3)	Unemployment Rate (4)
2022	80,598	\$ 17,408,469,944	\$ 215,991	49,252	\$ 60,183	5.2%
2021	79,914	16,137,626,671	201,937	49,964	60,183	8.3%
2020*	79,054	15,419,220,562	195,047	50,755	60,183	6.6%
2019	77,903	14,401,068,733	184,859	50,130	59,207	3.9%
2018	76,964	14,133,877,828	183,643	49,876	58,685	4.5%
2017	75,677	13,403,983,427	177,121	48,807	54,841	5.4%
2016	74,036	12,147,539,543	164,076	47,692	51,204	5.0%
2015	72,266	11,000,231,720	152,219	46,484	54,536	4.4%
2014	70,589	9,542,096,201	135,178	45,318	55,255	5.4%
2013	69,017	9,050,841,712	131,139	44,196	52,388	6.3%

* Beginning September 1, 2019, the District changed the fiscal year end from August 31 to June 30.

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

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

(3) Source: U.S. Bureau of Economic Statistics for Harris County, Texas (years 2021 and 2022 not available at time of report)

(4) Source: TRACER of Texas Workforce Commission; Average unemployment rate is for Harris County.

KLEIN INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO

TABLE 13

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Wal-Mart Stores	37,000	1	1.70%	-	-	-
Memorial Hermann Healthcare System	24,108	2	1.10%	21,000	2	1.05%
H-E-B	23,732	3	1.10%	18,887	4	0.94%
The University of Texas MD Anderson Cancer Center	21,086	4	0.90%	19,486	3	0.97%
McDonald's Corp.	20,918	5	0.90%	16,300	6	0.81%
Houston Methodist	20,000	6	0.90%	-	-	-
Kroger	16,000	7	0.70%	14,866	7	0.74%
United Airlines	14,941	8	0.70%	16,315	5	0.81%
Schlumberger	12,069	9	0.50%	-	-	-
Shell Oil Co.	11,507	10	0.50%	-	-	-
Houston ISD	-	-	-	26,868	1	1.34%
The Methodist Hospital System	-	-	-	14,826	8	0.74%
Exxon Mobile Corp.	-	-	-	13,700	9	0.68%
National Oilwell Varco	-	-	-	12,036	10	0.60%
	<u>201,361</u>		<u>9.00%</u>	<u>174,284</u>		<u>8.68%</u>

(1) Total Employment for 2022: 2,233,356
(2) Total Employment for 2013: 2,002,966

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

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

POSITION:	2022	2021	2020	2019	2018
Administrator	76.0	74.0	66.0	65.0	70.0
Associate/Assistant Principal	153.0	151.0	140.0	146.0	135.0
Bus Driver/Attendant	368.0	369.0	328.0	328.0	331.0
Cafeteria Workers	592.5	592.5	586.5	587.0	538.0
Custodial	361.0	360.0	348.0	346.0	359.0
Library Info. Spec./Library Asst./Historian	72.5	72.5	72.0	72.0	71.0
Manual Trades/Warehouse/Vending	188.0	188.0	187.0	185.0	193.0
Nurse/Clinic Assistant	112.0	110.0	106.0	106.0	103.5
Other Professional (2)	651.5	597.5	579.8	546.7	503.5
Police Officer	51.0	55.0	51.0	51.0	45.0
Principal	49.0	49.0	48.0	48.0	48.0
Registrar	10.0	10.0	10.0	10.0	10.0
School Counselor	147.0	138.0	142.0	142.0	132.5
Secretary/Clerical	477.0	477.5	473.5	472.5	473.6
Security Support Personnel	52.0	52.0	50.0	101.0	103.0
Teacher	2,920.0	2,840.1	2,787.8	2,812.4	2,856.4
Teacher - Bilingual/ESL	268.4	253.6	232.5	243.3	252.5
Teacher - Special Education	523.2	528.4	515.9	465.4	421.6
Teacher Assistant	843.3	855.5	766.0	706.0	586.0
Technical	93.0	95.0	92.0	93.0	92.0
	8,008.4	7,868.6	7,582.0	7,526.3	7,324.6

- (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

2017	2016 (1)	2015	2014	2013 (3)
69.5	63.0	62.0	62.0	61.0
131.5	126.0	120.0	111.0	110.3
310.0	283.0	282.0	273.0	269.0
537.0	539.0	532.0	446.0	447.0
336.0	330.0	325.0	325.0	314.0
77.0	75.5	74.0	73.5	72.5
187.0	192.0	187.0	182.0	173.6
99.0	95.0	92.5	92.0	89.5
443.4	375.1	352.0	296.0	244.3
43.0	43.0	43.0	43.0	35.0
47.0	44.9	43.7	43.0	42.7
9.0	9.0	9.0	8.0	8.0
127.7	121.5	117.5	109.5	105.5
443.0	424.8	417.7	410.0	383.7
99.0	93.5	46.0	42.0	29.0
2,745.4	2,746.6	2,661.3	2,585.8	2,810.4
257.7	237.7	222.8	210.8	211.4
392.6	376.4	358.5	332.2	-
599.7	565.9	524.5	499.5	459.0
83.0	82.0	79.0	72.0	87.0
7,037.5	6,823.9	6,549.5	6,216.3	5,952.9

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
2022	49,252	\$ 585,674,693	\$ 11,891	10.80%
2021	49,964	536,239,050	10,733	19.54%
2020*	50,755	455,695,929	8,978	-11.11%
2019	50,130	506,346,428	10,101	-2.38%
2018	49,876	516,036,873	10,346	2.75%
2017	48,807	491,479,515	10,070	2.29%
2016	47,692	469,505,379	9,845	4.55%
2015	46,484	437,702,566	9,416	5.14%
2014	45,318	405,842,742	8,955	5.10%
2013	44,196	376,594,325	8,521	-2.27%

* Beginning September 1, 2019, the District changed the fiscal year end from August 31 to June 30.

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

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

TABLE 15

Government Wide Expenses	Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
\$ 606,175,507	\$ 12,308	-1.98%	3,712	13.27	50.94%
627,381,074	12,557	11.30%	3,617	13.81	49.49%
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	-24.11%	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	6.62%	3,129	14.48	40.80%
429,609,781	9,721	-1.46%	3,022	14.62	41.20%

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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)		
2022	\$ 60,000	\$ 72,922	\$ 62,356	\$ 62,590
2021	57,800	70,872	60,675	57,641
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

* Beginning September 1, 2019, the District changed the fiscal year end from August 31 to June 30.

(1) Source: District records

(2) Source: Texas Education Agency website

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2022	2021	2020	2019
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	3,217	3,183	3,220	3,417
Klein Cain (2017)				
Square Footage	679,289	679,289	679,289	679,289
Capacity	3,500	3,500	3,500	3,500
Enrollment	3,850	3,772	3,383	2,336
Klein Collins (2001)				
Square Footage	582,488	582,488	582,488	582,488
Capacity	3,500	3,500	3,500	3,500
Enrollment	3,362	3,331	3,353	3,489
Klein Forest (1979)				
Square Footage	644,310	644,310	644,310	644,310
Capacity	4,000	4,000	4,000	4,000
Enrollment	3,425	3,497	3,542	3,583
Klein Oak (1982)				
Square Footage	603,924	603,924	603,924	603,924
Capacity	3,500	3,500	3,500	3,500
Enrollment	3,602	3,532	3,550	3,700
INTERMEDIATE SCHOOLS				
Doerre (1984)				
Square Footage	171,250	171,250	171,250	171,250
Capacity	1,219	1,219	1,219	1,219
Enrollment	1,356	1,380	1,355	1,369
Hildebrandt (1973)				
Square Footage	207,360	207,360	207,360	207,360
Capacity	1,349	1,349	1,349	1,349
Enrollment	1,069	1,140	1,075	952
Hofius (2018)				
Square Footage	205,000	205,000	205,000	205,000
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,220	1,193	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	1,439	1,445	1,436	1,413
Klein (1984)				
Square Footage	192,972	192,972	192,972	192,972
Capacity	1,213	1,213	1,213	1,213
Enrollment	1,064	1,100	1,095	1,095
Krimmel (2007)				
Square Footage	186,700	186,700	186,700	186,700
Capacity	1,180	1,180	1,180	1,180
Enrollment	1,335	1,368	1,351	1,389
Schindewolf (2002)				
Square Footage	187,308	187,308	187,308	187,308
Capacity	1,170	1,170	1,170	1,170
Enrollment	1,150	1,132	1,167	1,240
Strack (1977)				
Square Footage	215,125	215,125	215,125	215,125
Capacity	1,295	1,295	1,295	1,295
Enrollment	1,229	1,253	1,238	1,237
Ulrich (2010)				
Square Footage	195,825	195,825	195,825	195,825
Capacity	1,250	1,250	1,250	1,250
Enrollment	1,331	1,372	1,363	1,336
Wunderlich (1975)				
Square Footage	239,998	239,998	239,998	239,998
Capacity	1,600	1,600	1,600	1,600
Enrollment	1,373	1,451	1,526	1,529

(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

2018	2017	2016	2015	2014	2013
674,633	674,633	674,633	674,633	674,633	519,437
3,600	3,600	3,600	3,600	3,600	3,462
3,672	4,049	3,922	3,860	3,762	3,561
679,289	679,289	-	-	-	-
3,500	3,500	-	-	-	-
1,408	-	-	-	-	-
582,488	582,488	582,488	582,488	582,488	582,488
3,500	3,500	3,500	3,500	3,500	3,500
3,644	3,707	3,582	3,633	3,484	3,437
644,310	644,310	644,310	644,310	644,310	644,310
4,000	4,000	4,000	4,000	4,000	4,000
3,686	3,734	3,661	3,582	3,451	3,507
603,924	603,924	603,924	603,924	603,924	603,924
3,500	3,500	3,500	3,500	3,500	3,500
3,947	4,260	3,996	3,883	3,828	3,730
171,250	171,250	171,250	171,250	171,250	171,250
1,219	1,219	1,219	1,219	1,219	1,219
1,316	1,288	1,141	1,154	1,203	1,225
207,360	207,360	207,360	207,360	207,360	207,360
1,349	1,349	1,349	1,349	1,349	1,349
1,361	1,294	1,247	1,139	1,102	1,014
205,000	-	-	-	-	-
1,250	-	-	-	-	-
-	-	-	-	-	-
172,000	172,000	172,000	172,000	172,000	172,000
1,257	1,257	1,257	1,257	1,257	1,257
1,365	1,401	1,403	1,396	1,344	1,346
192,972	192,972	192,972	192,972	192,972	192,972
1,213	1,213	1,213	1,213	1,213	1,213
1,112	1,130	1,113	1,239	1,236	1,212
186,700	186,700	186,700	186,700	186,700	186,700
1,180	1,180	1,180	1,180	1,180	1,180
1,389	1,342	1,280	1,319	1,142	1,064
187,308	187,308	187,308	183,000	183,000	183,000
1,170	1,170	1,170	1,170	1,170	1,170
1,495	1,423	1,375	1,326	1,357	1,339
215,125	215,125	215,125	215,125	215,125	215,125
1,295	1,295	1,295	1,295	1,295	1,295
1,381	1,319	1,217	1,198	1,167	1,173
195,825	195,825	195,825	195,825	195,825	195,825
1,250	1,250	1,250	1,250	1,250	1,250
1,286	1,231	1,152	1,130	1,079	1,079
239,998	239,998	211,415	211,415	211,415	211,415
1,600	1,600	1,458	1,458	1,458	1,458
1,621	1,574	1,569	1,552	1,550	1,571

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2022	2021	2020	2019
ELEMENTARY SCHOOLS				
Benfer (1977)				
Square Footage	86,963	86,963	86,963	86,963
Capacity	818	818	818	818
Enrollment	794	734	818	818
Benignus (2006)				
Square Footage	108,750	108,750	108,750	108,750
Capacity	868	868	868	868
Enrollment	614	619	719	719
Bernshausen (2013)				
Square Footage	117,282	117,282	117,282	117,282
Capacity	850	850	850	850
Enrollment	833	843	878	878
Blackshear (2011)				
Square Footage	116,727	116,727	116,727	116,727
Capacity	940	940	940	940
Enrollment	804	801	1,068	1,068
Brill (1978)				
Square Footage	95,238	95,238	95,238	95,238
Capacity	846	846	846	846
Enrollment	842	814	758	758
Ehrhardt (1979)				
Square Footage	88,481	88,481	88,481	88,481
Capacity	810	810	810	810
Enrollment	751	721	749	749
Eiland (1993)				
Square Footage	87,366	87,366	87,366	87,366
Capacity	684	684	684	684
Enrollment	554	531	535	535
Epps Island (1973)				
Square Footage	93,639	93,639	93,639	93,639
Capacity	887	887	887	887
Enrollment	559	605	639	639
Frank (2007)				
Square Footage	108,750	108,750	108,750	108,750
Capacity	844	844	844	844
Enrollment	615	590	660	660
French (2015)				
Square Footage	125,752	125,752	125,752	125,752
Capacity	940	940	940	940
Enrollment	865	804	788	788
Fox (2020)				
Square Footage	119,000	119,000	119,000	-
Capacity	850	850	850	-
Enrollment	754	643	-	-
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	360	154	476	476
Greenwood Forest (1971)				
Square Footage	75,711	75,711	75,711	75,711
Capacity	667	667	667	667
Enrollment	686	663	739	739
Hassler (1999)				
Square Footage	115,145	115,145	115,145	115,145
Capacity	794	794	794	794
Enrollment	693	687	858	858
Haude (1971)				
Square Footage	75,712	75,712	75,712	75,712
Capacity	747	747	747	747
Enrollment	655	643	725	725
Kaiser (1978)				
Square Footage	109,790	109,790	109,790	109,790
Capacity	892	892	892	892
Enrollment	692	677	718	718
Klenk (1992)				
Square Footage	91,494	91,494	91,494	91,494
Capacity	894	894	894	894
Enrollment	726	728	814	814

TABLE 17
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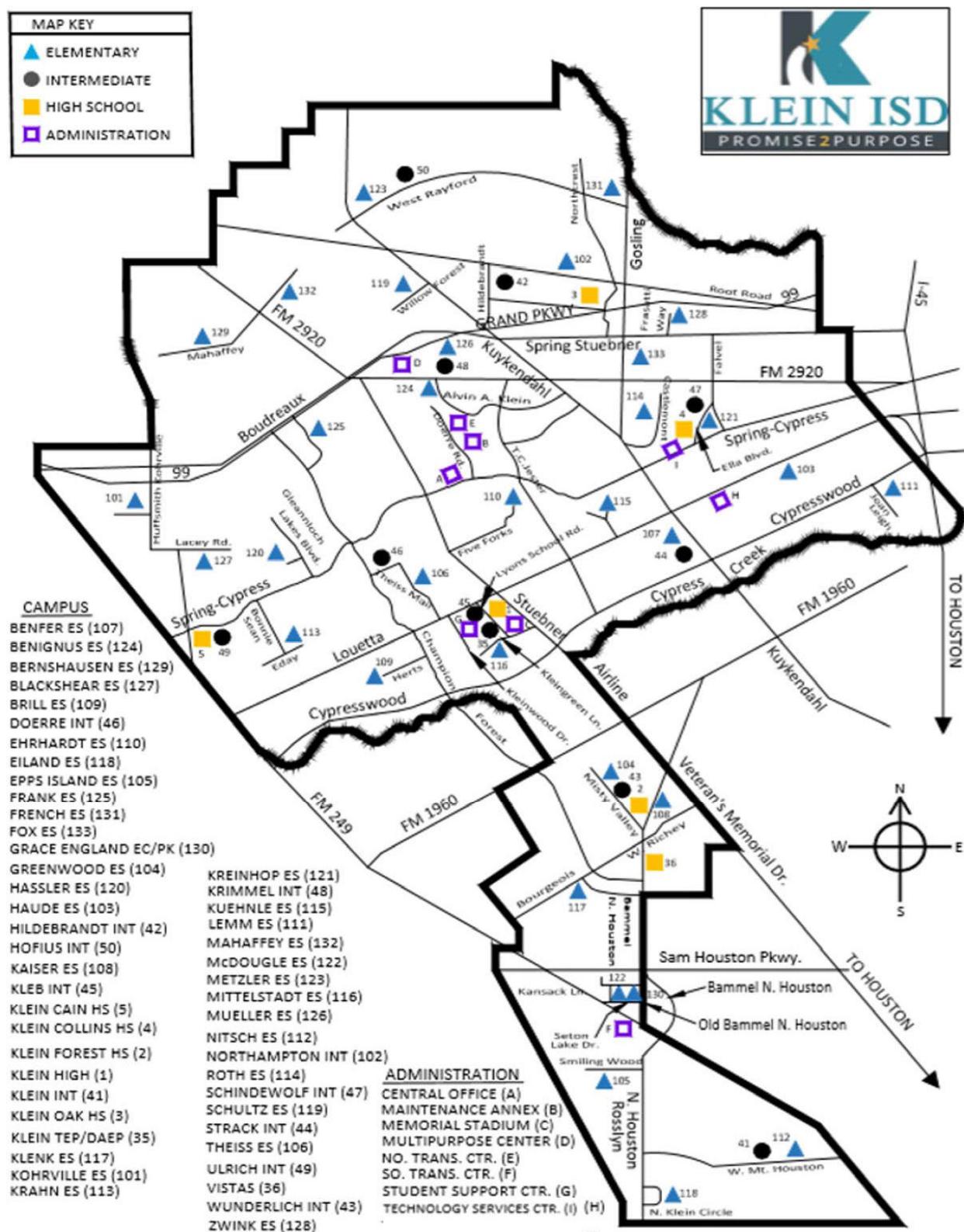
<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
86,963	86,963	86,963	86,963	86,963	86,963
818	818	818	818	818	818
847	775	792	800	707	707
108,750	108,750	108,750	108,750	108,750	108,750
868	868	868	868	868	868
796	832	910	947	950	939
117,282	117,282	117,282	117,282	117,282	117,282
850	850	850	850	850	850
926	914	806	784	686	675
116,727	116,727	116,727	116,727	116,727	116,727
940	940	940	940	940	940
1,044	996	960	973	914	906
95,238	95,238	95,238	95,238	95,238	95,238
846	846	846	846	846	846
760	764	766	772	747	743
88,481	88,481	88,481	88,481	88,481	88,481
810	810	810	810	810	810
748	767	729	699	686	681
87,366	87,366	87,366	87,366	87,366	87,366
684	684	684	684	684	684
547	535	579	616	564	568
93,639	93,639	93,639	93,639	93,639	93,639
887	887	887	887	887	887
658	709	723	763	806	782
108,750	108,750	108,750	108,750	108,750	108,750
844	844	844	844	844	844
697	685	645	618	614	875
125,752	125,752	125,752	125,752	-	-
940	940	940	940	-	-
683	654	565	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
65,500	65,500	65,500	65,500	65,500	65,500
1,000	1,000	1,000	1,000	1,000	1,000
485	477	510	472	532	503
75,711	75,711	75,711	75,711	75,711	75,711
667	667	667	667	667	667
737	725	756	734	720	688
115,145	115,145	115,145	115,145	115,145	115,145
794	794	794	794	794	794
791	735	639	656	708	698
75,712	75,712	75,712	75,712	75,712	75,712
747	747	747	747	747	747
729	720	736	705	706	701
109,790	109,790	109,790	109,790	109,790	109,790
892	892	892	892	892	892
745	767	798	794	631	789
91,494	91,494	91,494	91,494	91,494	91,494
894	894	894	894	894	894
824	842	830	857	791	787

KLEIN INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2022	2021	2020	2019
ELEMENTARY SCHOOLS				
Kohrville (2002)				
Square Footage	107,898	107,898	107,898	107,898
Capacity	928	928	928	928
Enrollment	738	722	638	638
Krahn (1983)				
Square Footage	109,116	109,116	109,116	109,116
Capacity	1,085	1,085	1,085	1,085
Enrollment	814	802	774	774
Kreinhop (2004)				
Square Footage	108,293	108,293	108,293	108,293
Capacity	984	984	984	984
Enrollment	732	670	990	990
Kuehnle (1989)				
Square Footage	87,216	87,216	87,216	87,216
Capacity	831	831	831	831
Enrollment	758	740	871	871
Lemm (1980)				
Square Footage	103,056	103,056	103,056	103,056
Capacity	705	705	705	705
Enrollment	647	642	712	712
Mahaffey (2016)				
Square Footage	126,000	126,000	126,000	126,000
Capacity	950	950	950	950
Enrollment	893	846	854	854
McDougle (2004)				
Square Footage	108,293	108,293	108,293	108,293
Capacity	796	796	796	796
Enrollment	530	525	561	561
Metzler (2005)				
Square Footage	108,293	108,293	108,293	108,293
Capacity	914	914	914	914
Enrollment	890	816	874	874
Mittelstadt (1991)				
Square Footage	91,494	91,494	91,494	91,494
Capacity	891	891	891	891
Enrollment	778	758	914	914
Mueller (2009)				
Square Footage	115,689	115,689	115,689	115,689
Capacity	935	935	935	935
Enrollment	627	567	854	854
Nitsch (1980)				
Square Footage	93,810	93,810	93,810	93,810
Capacity	802	802	802	802
Enrollment	635	677	765	765
Northampton (1971)				
Square Footage	75,711	75,711	75,711	75,711
Capacity	863	863	863	863
Enrollment	678	618	548	548
Roth (1984)				
Square Footage	98,891	98,891	98,891	98,891
Capacity	852	852	852	852
Enrollment	770	745	726	726
Schultz (1994)				
Square Footage	93,816	93,816	93,816	93,816
Capacity	906	906	906	906
Enrollment	552	548	677	677
Theiss (1974)				
Square Footage	71,277	71,277	71,277	71,277
Capacity	754	754	754	754
Enrollment	770	676	681	681
Zwink (2012)				
Square Footage	125,073	125,073	125,073	125,073
Capacity	940	940	940	940
Enrollment	891	830	1,121	1,121

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<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
107,898	107,898	107,898	107,898	107,898	107,898
928	928	928	928	928	928
671	696	725	738	770	978
109,116	109,116	109,116	109,116	109,116	109,116
1,085	1,085	1,085	1,085	1,085	1,085
748	707	730	745	758	775
108,293	108,293	108,293	108,293	108,293	108,293
984	984	984	984	984	984
982	893	871	891	855	829
87,216	87,216	87,216	87,216	87,216	87,216
831	831	831	831	831	831
882	839	851	765	697	651
103,056	103,056	103,056	103,056	103,056	103,056
705	705	705	705	705	705
690	694	677	605	591	578
126,000	126,000	126,000	-	-	-
950	950	950	-	-	-
748	643	-	-	-	-
108,293	108,293	108,293	108,293	108,293	108,293
796	796	796	796	796	796
575	635	666	698	667	629
108,293	108,293	108,293	108,293	108,293	108,293
914	914	914	914	914	914
871	867	851	872	860	969
91,494	91,494	91,494	91,494	91,494	91,494
891	891	891	891	891	891
871	836	877	854	887	839
115,689	115,689	115,689	115,689	115,689	115,689
935	935	935	935	935	935
897	876	1,022	931	827	720
93,810	93,810	93,810	93,810	93,810	93,166
802	802	802	802	802	802
778	828	804	790	791	737
75,711	75,711	75,711	75,711	75,711	75,711
863	863	863	863	863	863
569	565	502	865	815	778
98,891	98,891	98,891	98,891	98,891	98,891
852	852	852	852	852	852
719	712	694	712	694	699
93,816	93,816	93,816	93,816	93,816	93,816
906	906	906	906	906	906
658	658	980	921	877	821
71,277	71,277	71,277	71,277	71,277	71,277
754	754	754	754	754	754
666	674	641	637	631	661
125,073	125,073	125,073	125,073	125,073	125,073
940	940	940	940	940	940
1,101	1,060	1,010	934	883	830



Klein Independent School District

Federal Single Audit Report

For the Fiscal Year Ended June 30, 2022

Klein Independent School District
Federal Single Audit Report
For the Fiscal Year Ended June 30, 2022
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**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

The Board of Trustees of
Klein Independent School District

We have audited, 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, the 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 fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 17, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Trustees of
Klein Independent School District

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
October 17, 2022

Independent Auditor's Report on Compliance for Each Major Federal Program, Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Board of Trustees of
Klein Independent School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Klein Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The Board of Trustees of
Klein Independent School District

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 17, 2022 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such 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. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
October 17, 2022

Klein Independent School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 1. Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| 5. Type of auditor's report issued on compliance with major programs | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? | No |
| 7. Identification of Major Programs | 84.425D COVID-19 – CRRSA ESSER II
84.425U COVID-19 – ARP ESSER III
84.425W COVID-19 – ARP Homeless II |
| 8. Dollar threshold used to distinguish between Type A and Type B federal programs | \$3,000,000 |
| 9. Auditee qualified as a low-risk auditee? | Yes |

Section 2. Financial Statement Findings

None reported

Section 3. Federal Award Findings and Questioned Costs

None reported

Klein Independent School District
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2022

Prior Year Findings

None Reported

Klein Independent School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2022

Exhibit K-1

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>			
Passed Through State Department of Education:			
ESSA Title I, Part A - Improving Basic Programs	84.010A	22610101101915	\$ 9,329,397
ESSA Title I, Part A - Improving Basic Programs	84.010A	21610101101915	171,995
Total Assistance Listing Number 84.010A			<u>9,501,392</u>
Special Education Cluster (IDEA):			
Passed Through State Department of Education:			
IDEA, Part B - Formula	84.027A	226600011019156600	8,073,847
IDEA, Part B - Formula	84.027A	206600011019156600	254,259
Passed Through Education Service Center, Region 20:			
Evaluation Capacity Grant	84.027A	226-543-19-04-015	85,074
Passed Through State Department of Education:			
IDEA, Part B - Preschool	84.173A	226610011019156610	138,292
Total Special Education Cluster (IDEA)			<u>8,551,472</u>
Passed Through State Department of Education:			
Perkins V: Strengthening CTE for 21st Century	84.048A	22420006101915	447,134
Career and Technical - Basic Grant	84.048A	21420006101915	83,038
Total Assistance Listing Number 84.048A			<u>530,172</u>
ESSA Title III, Part A - English Language Acquisition	84.365A	22671001101915	981,908
ESSA Title III, Part A - English Language Acquisition	84.365A	21671001101915	19,622
ESSA Title III, Part A - English Language Acquisition	84.365A	20671001101915	15,201
ESSA Title III, Part A - Immigrant	84.365A	21671003101915	15,736
Total Assistance Listing Number 84.365A			<u>1,032,467</u>
ESSA Title II, Part A - Supporting Effective Instruction	84.367A	22694501101915	1,341,007
ESSA Title II, Part A - Supporting Effective Instruction	84.367A	21694501101915	22,785
ESSA Title II, Part A - Supporting Effective Instruction	84.367A	20694501101915	95,547
Total Assistance Listing Number 84.367A			<u>1,459,339</u>
LEP Summer School	84.369A	69552002	25,068
ESSA Title IV, Part A - SSAEP	84.424A	22680101101915	614,390
ESSA Title IV, Part A - SSAEP	84.424A	21680101101915	6,588
ESSA Title IV, Part A - SSAEP	84.424A	20680101101915	16,045
Total Assistance Listing Number 84.424A			<u>637,023</u>
COVID-19 – CRRSA ESSER II	84.425D	21521001101915	18,646,712
COVID-19 – ARP ESSER III	84.425U	21528001101915	36,319,082
COVID-19 – ARP Homeless II	84.425W	21533002101915	207,118
Total Assistance Listing Number 84.425			<u>55,172,912</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>76,909,845</u>

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Klein Independent School District
Schedule of Expenditures of Federal Awards - Continued
For the Fiscal Year Ended June 30, 2022

Exhibit K-1

(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Total Federal Expenditures
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through State Department of Education:			
COVID-19 School Health Support Grant	93.323	39352201101915	74,760
Passed Through Texas Health and Human Services Commission:			
Medicaid Cluster:			
Medicaid Administrative Claiming (MAC)	93.778	529-07-0157-00123	282,883
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			357,643
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Child Nutrition Cluster:			
Passed Through State Department of Education:			
COVID-19 – National School Breakfast Program	10.553	806780706	5,006,302
Passed Through Texas Department of Agriculture - Noncash Assistance:			
National School Lunch Program	10.555	806780706	3,668,287
Passed Through State Department of Education:			
COVID-19 – National School Lunch Program	10.555	806780706	22,985,261
Total National School Lunch Program			26,653,548
Total Child Nutrition Cluster			31,659,850
Passed Through Texas Department of Agriculture:			
COVID-19 – Child and Adult Care Food Program	10.558	806780706	168,742
COVID-19 – P-BET Local Level Administrative Cost Grant	10.649	806780706	5,814
TOTAL U.S. DEPARTMENT OF AGRICULTURE			31,834,406
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 109,101,894

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Klein Independent School District

Notes to the Schedule of Expenditures of Federal Awards

Note 1. Summary of Significant Accounting Policies

The District accounts for all awards under federal programs in the General Fund, Debt Service Fund, Capital Projects Fund, and certain Special Revenue Funds in accordance with the Texas Education Agency’s *Financial Accountability System Resource Guide*. These programs are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

National School Lunch Program non-cash commodities are recorded at their estimated market value at the time of donation.

Note 2. De Minimis Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Note 3. COVID-19 – ARP ESSER III

As of June 30, 2022, \$4,184,798 of eligible expenditures were incurred in the prior year and are included in the schedule of expenditures of federal awards.

Note 4. Reconciliation to Basic Financial Statements

The following is a reconciliation of expenditures of federal awards per Exhibit K-1 and federal revenues reported on Exhibit C-2 of the District’s Annual Comprehensive Financial Report:

Total Expenditures of Federal Awards per Exhibit K-1	\$ 109,101,894
Additional federal revenues reported in governmental funds	
School Health and Related Services (SHARS)	10,046,163
Reserve Officers' Training Corps	<u>314,935</u>
Total Federal Revenues Reported on Exhibit C-2	<u>\$ 119,462,992</u>

October 17, 2022

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

We have audited the financial statements of Klein Independent School District (the District) as of and for the year ended June 30, 2022, and have issued our report thereon dated October 17, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 25, 2022, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

The Board of Trustees of
Klein Independent School District

With respect to any nonaudit/nonattest services we perform as previously communicated to you in the engagement letter, the District acknowledges and understands that the District has the responsibility for (a) making all management decisions and performing all management functions; (b) assigning an individual with suitable skills, knowledge, and experience to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. Such nonaudit/nonattest services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Audit Standards*.

Significant Risks Identified

Our audit process uses a risk-based approach in which we identified potential areas of risk that could lead to a material misstatement of the financial statement. We tailored our audit procedures to specifically address the following areas of risk:

- Management override of internal controls
- Improper revenue recognition – non-exchange transactions (Foundation School Fund)
- Misappropriation of cash through improper or unauthorized expenditures
- Misappropriation of cash through unauthorized employees or improper pay rates

Qualitative Aspects of the Entity's Significant Accounting Practices²

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the District changed its method of accounting for leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB 87). Accordingly, the effect of the accounting change has been reported as an adjustment to right-to-use assets and lease liabilities in the government-wide financial statements.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

1. Allowance for uncollectible taxes.
2. Foundation School Program state aid revenue.

Management's estimates of the items noted above are based on historical experience or information provided by third parties or the Texas Education Agency. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 17, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, with respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. In respect to other information accompanying the financial statements, such other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and we do not provide any assurance on them.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Modification of the Auditor's Report

We have made the following modification to our auditor's report.

Our auditor's report includes an emphasis of matter paragraph regarding the District's implementation of GASB 87. Our opinion is not modified with respect to this matter.

This report is intended solely for the information and use of the board of trustees and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas