



FINANCIAL MANAGEMENT PERFORMANCE REPORT

KLEIN INDEPENDENT SCHOOL DISTRICT

**A Public Hearing of the Klein ISD
Board of Trustees to discuss the
Schools FIRST financial accountability rating system**

GUIDELINES FOR THE PUBLIC HEARING

October 12, 2015 7:00 P.M.

We are very pleased that you have joined us for this Public Hearing to discuss the Schools FIRST financial accountability rating system.

The following rules of procedures will apply to tonight's hearing:

1. The president will announce at the beginning of the meeting that all who desire to speak must register with the Board secretary.
2. The speakers must confine their remarks to the District's rating on the Schools FIRST financial accountability rating system.
3. All speeches are limited to five minutes unless the time is extended by a vote of the Board of Trustees.

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October 12, 2015

James W. Cain
Superintendent of Schools

Dear Dr. Cain:

The Klein Independent School District has received a “PASSED” rating from the Texas Education Agency for the state’s financial accountability rating system known as the School Financial Integrity Rating System of Texas (School FIRST). The system is based upon an analysis of staff, student, budgetary and actual financial data reported for the 2013 – 2014 fiscal year. The PASSED rating is the state’s highest, demonstrating the quality of Klein ISD’s financial management and reporting system.

The School FIRST accountability rating system assigns one of two financial accountability ratings to Texas school districts, with the highest being “PASSED,” followed by “Substandard Achievement.” Districts that receive the “Substandard Achievement” rating under Schools FIRST must file a corrective action plan with the Texas Education Agency.

This is the thirteenth year of School FIRST and there have been some significant changes as authorized by HB 5, Section 49, 83rd Texas Legislature, Regular Session 2013. House Bill 5 amended section 39.082 of the Texas Education Code to require the commissioner of education to include processes in the financial accountability rating system for anticipating the future financial solvency of each school district and open-enrollment charter school. Texas Administrative Code, Title 19, Part 2, Chapter 109, Subchapter AA, Division 1, Rule §109.1001 Financial Accountability Ratings was updated in August 2015. The School FIRST is designed to encourage Texas public schools to better manage their financial resources to provide the maximum allocation possible for direct instructional purposes.

Included in this report are accountability indicator disclosures that began with the 2008 report. These disclosures, beginning on page 9, include a copy of the Superintendent's contract, details of reimbursements to the Superintendent and members of the Board, and additional statements relating to any outside compensation of the Superintendent, any gifts to District officials or Board members, and any business transactions between the District and members of the Board of Trustees. Beginning in 2011, a disclosure of the data submitted under the financial solvency provisions of Texas Education Code must also be included. The accountability indicators are explained on pages 7-8.

The Klein ISD has received the highest rating possible under Texas’ School FIRST financial accountability rating system for 13 consecutive years. This rating shows that Klein’s schools are accountable not only for student learning, but also for achieving these results cost-effectively and efficiently.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Thomas E. Petrek'.

Thomas E. Petrek
Associate Superintendent – Financial Services

A handwritten signature in blue ink that reads 'Tonya Little'.

Tonya Little
Controller



Klein Independent School District 2013-17 District Strategic Plan

Mission:

The Klein Independent School District, proud of its heritage and embracing the future, develops students to become skillful, active, reflective, self-disciplined, and honorable members of their communities through engaging learning experiences in a safe and nurturing environment.

Vision:

Reaching Higher

Objectives:

Klein ISD believes that quality student achievement goes beyond achieving the highest ratings awarded by state and national accountability standards. Our strategic objectives address both the academic success and social well-being of every Klein ISD student

- Each student will achieve academic excellence with comprehensive knowledge, skill, and understanding within his/her individual learning plan.
- Every student will demonstrate the character traits of a productive and honorable citizen in a global community.

Beliefs:

We believe that knowledge empowers people.

We believe that the limits of human potential are unknown and immeasurable.

We believe that a safe and secure environment nurtures.

We believe that all people are inherently free to make choices.

We believe that responsibility is necessary for the benefits of freedom to be realized.

We believe that leadership is a shared role and responsibility.

We believe that integrity and respect build trust.

We believe that meaningful relationships are essential for overall well-being.

We believe that families provide stability for communities.

We believe that diversity and heritage enrich and strengthen.

We believe that faith gives meaning and purpose to human life.

Board of Trustee Goals:

Improved Student Achievement

Positive and Safe School Environment

Financial Accountability

Quality Personnel

Sound Policy Development and Oversight

Strategic Parameters:

We will put students first.

We will not compromise our commitment to excellence.

We will treat all people with dignity and respect.

We will practice open and honest communication within our organization and the community.

We will not compromise safety and security.

We will be good stewards of our resources.

August 7, 2015

**Important
Accreditation
Information**

To the Administrator Addressed:

Subject: Official Notification of Preliminary 2014-2015 School FIRST Rating

Your school district's preliminary 2014-2015 School Financial Integrity Rating System of Texas (FIRST) rating is now available in the online School FIRST system. To access the School FIRST system go to the TEA [School FIRST](#) webpage.

Basis for School FIRST Rating

Your district's rating is based on an analysis of the district's financial data for fiscal year 2014 (the fiscal period ended June 30, 2014, or August 31, 2014, depending on the ending date of your district's fiscal year). We determined your district's rating using the financial indicators specified in 19 Texas Administrative Code (TAC) [§109.1001\(e\)](#).

Please carefully review your district's preliminary School FIRST rating and the data associated with each of the seven indicators.

Opportunity for Appeal

If your district wants to appeal an adverse issue it identifies in the preliminary rating, your district may submit a written appeal with supporting evidence to the Financial Accountability Section. For the appeal to be considered, we must receive it by **September 8, 2015**. Send any appeal to the following address:

Texas Education Agency
Financial Accountability Section
1701 North Congress Avenue
Austin, TX 78701

The financial accountability rating system is required to apply the rules uniformly. Therefore, an error by a district in recording data or submitting data through the TEA data collection and reporting system is not a valid basis for appealing a preliminary rating and unlikely to negate concerns raised by the indicator.

Please see 19 TAC [§109.1001\(i\)](#) for the rules regarding the filing of an appeal. As stated in that section, we will consider only an appeal that would result in a change to your district's rating.

Final School FIRST Rating and Required Reporting

We will issue final ratings to school districts after we have reviewed any submitted appeals. Final 2014-2015 School FIRST ratings are anticipated to be released in October 2015.

Within two months of the release of its final School FIRST rating, your district must announce and hold a public meeting to distribute a financial management report that explains the district's rating and its performance under each indicator for the current and previous year's ratings. The report also must provide the financial information described in 19 TAC [§109.1001\(o\)\(3\)](#). We encourage your district to include in the report additional information that will be beneficial to stakeholders, especially information explaining any special circumstances that may have affected the district's performance under one or more of the indicators.

The first of two required newspaper notices to inform taxpayers of the meeting must be published no more than 30 days and no fewer than 14 days before the public meeting. Your district may combine the meeting with a scheduled regular meeting of the board of trustees.

For full requirements related to the report and meeting, see 19 TAC [§109.1001\(o\)](#). For a template that your district can use in developing its financial management report, see the TEA [School FIRST](#) web page.

Accreditation Status

Please note that the TEA considers a district's School FIRST rating when assigning an accreditation status, as required by the accreditation status rules in 19 TAC [§97.1055](#).

Contact for Further Information

If you have questions about your district's School FIRST rating, please contact me by telephone at (512) 463-0947 or by email at Yolanda.Walker@tea.texas.gov.

Sincerely,

Yolanda Walker
Manager of Financial Accountability
Division of Financial Compliance

YW/ra



Financial Integrity Rating System of Texas

2014-2015 RATINGS BASED ON SCHOOL YEAR 2013-2014 DATA - DISTRICT STATUS DETAIL

Name: KLEIN ISD(101915)		Publication Level 1: 8/7/2015 11:59:38 AM	
Status: Passed		Publication Level 2: 8/7/2015 11:59:38 AM	
Rating: Pass		Last Updated: 8/7/2015 11:59:38 AM	
District Score: 30		Passing Score: 16	
#	Indicator Description	Updated	Score
1	<u>Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?</u>	4/6/2015 2:50:33 PM	Yes
2	<u>Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)</u>	4/6/2015 2:50:33 PM	Yes
3	<u>Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)</u>	4/6/2015 2:50:34 PM	Yes
4	<u>Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)</u>	4/6/2015 2:50:34 PM	Yes
			1 Multiplier Sum
5	<u>Was the school district's administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)</u>	7/31/2015 1:08:16 PM	10
6	<u>Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district's AFR result in a total variance of less than 3 percent of all expenditures by function?</u>	4/6/2015 2:50:36 PM	10
7			10

Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)	4/6/2015 2:50:36 PM	
		30 Weighted Sum
		1 Multiplier Sum
		30 Score

DETERMINATION OF RATING

A.	Did The District Answer 'No' To Indicators 1, 2, 3, Or 4? If So, The District's Rating Is Substandard Achievement .				
B.	Determine Rating By Applicable Range For Summation of the Indicator Scores (Indicators 5-7)				
	<table> <tr> <td>Pass</td><td>16-30</td></tr> <tr> <td>Substandard Achievement</td><td><16</td></tr> </table>	Pass	16-30	Substandard Achievement	<16
Pass	16-30				
Substandard Achievement	<16				

Home Page: [Financial Accountability](#) | Send comments or suggestions to FinancialAccountability@tea.state.tx.us

THE **TEXAS EDUCATION AGENCY**
1701 NORTH CONGRESS AVENUE • AUSTIN, TEXAS, 78701 • (512) 463-9734

2014-15 FIRST Rating
Based on School Year 2013-14 Data
Explanation of Indicators and Indicator Results

1. **Was the complete annual financial report (AFR) and data submitted to the TEA within 30 days of the November 27 or January 28 deadline depending on the school district's fiscal year end date of June 30 or August 31, respectively?**

Explanation of Indicator: This indicator seeks to make certain the KISD has filed the Annual Financial Report by the required deadline.

Indicator Results/Points: PASSED; The Klein ISD AFR was received by the TEA on January 27, 2015.

2. **Was there an unmodified opinion in the AFR on the financial statements as a whole? (The American Institute of Certified Public Accountants (AICPA) defines unmodified opinion. The external independent auditor determines if there was an unmodified opinion.)**

Explanation of Indicator: A "modified" opinion on a financial report means that the district needs to correct some of our reporting or financial controls. A district's goal, therefore, is to receive an "unmodified opinion" on its AFR.

Indicator Results/Points: PASSED; The Klein ISD AFR received an unmodified opinion.

3. **Was the school district in compliance with the payment terms of all debt agreements at fiscal year end? (If the school district was in default in a prior fiscal year, an exemption applies in following years if the school district is current on its forbearance or payment plan with the lender and the payments are made on schedule for the fiscal year being rated. Also exempted are technical defaults that are not related to monetary defaults. A technical default is a failure to uphold the terms of a debt covenant, contract, or master promissory note even though payments to the lender, trust, or sinking fund are current. A debt agreement is a legal agreement between a debtor (person, company, etc. that owes money) and their creditors, which includes a plan for paying back the debt.)**

Explanation of Indicator: This indicator seeks to make certain that the Klein ISD has paid our bills/obligations on financing arrangements to pay for school construction, school buses, photocopiers, etc.

Indicator Results/Points: PASSED; The Klein ISD AFR did not have any disclosures concerning default on bonded indebtedness obligations and were able to make all bond payments

4. **Was the total unrestricted net asset balance (Net of the accretion of interest for capital appreciation bonds) in the governmental activities column in the Statement of Net Assets greater than zero? (If the school district's change of students in membership over 5 years was 10 percent or more, then the school district passes this indicator.)**

Explanation of Indicator: This indicator simply asks, “Did the district’s total assets exceed the total amount of liabilities (according to the very first financial statement in the annual audit report)?” Fortunately, this indicator recognizes that high-growth districts incur large amounts of debt to fund construction, and total debt may exceed the total amount of assets under certain scenarios.

Indicator Results/Points: PASSED; Although the district’s change in student membership was less than 10% (from 2010 to 2014 the change in the district’s membership was 7.4%), the district passed this indicator because the sum of Total Unrestricted Net Asset Balance in the governmental activities column in the Statement of Net Assets and Accretion of Interest for Capital Appreciation Bonds equaled \$131,054,771.

5. Was the school district’s administrative cost ratio equal to or less than the threshold ratio? (See ranges below.)

Explanation of Indicator: TEA sets a cap on the percentage of their budget that Texas school districts can spend on administration. Did the District exceed the cap for districts of our size?

Indicator Results/Points: 10; The Klein ISD’s administrative cost ratio was 0.048. The threshold ratio to receive the full 10 points for this indicator had to be less than or equal to 0.0855. We received the highest points possible for this indicator.

6. Did the comparison of Public Education Information Management System (PEIMS) data to like information in the school district’s AFR result in a total variance of less than 3 percent of all expenditures by function?

Explanation of Indicator: This indicator measures the quality of data reported to PEIMS and in our AFR to make certain that the data reported in each case “matches up.” If the difference in numbers reported in any fund type is 3 percent or more, your district “fails” this measure.

Indicator Results/Points: 10; The variance of the AFR to the PEIMS data submitted was 0.00015% which was less than the allowable 3% of all expenditures by function. We received the highest points possible for this indicator.

7. Did the external independent auditor report that the AFR was free of any instance(s) of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds? (The AICPA defines material weakness.)

Explanation of Indicator: A clean audit of your AFR would state that your district has no material weaknesses in internal controls. Any internal weaknesses create a risk of your District not being able to properly account for its use of public funds, and should be immediately addressed.

Indicator Results/Points: 10; There was not any report by the external independent auditor of material weaknesses in our internal controls. We received the highest points possible for this indicator.

KLEIN INDEPENDENT SCHOOL DISTRICT

SUPERINTENDENT'S CONTRACT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

It is hereby agreed by and between the Board of Trustees of the Klein Independent School District (hereinafter the "Board") and Dr. Jim Cain (hereinafter the "Superintendent" or "Dr. Cain") that the Board, in accordance with Texas Education Code, §11.201, and as recorded in the official minutes of the meeting of the Board held on the 12 day of April, 2004, has and does hereby employ Dr. Jim Cain as Superintendent of Schools of the Klein Independent School District (hereinafter the "District"), under the following terms:

1. This Contract will replace the "Multiple – Year Term Employment Contract" entered into between the Board and Dr. Cain, dated August 29, 2003, which governs Dr. Cain's employment through June 30, 2004. This Contract shall take effect on July 1, 2004, at which time Dr. Cain shall become the Superintendent of Schools.

2. The Superintendent shall be employed for twelve months per year during the term of this Contract, which shall be for a three (3) year term, commencing on July 1, 2004, and ending on June 30, 2007. The Board may, at its sole discretion, extend the term of this Contract annually, for an additional year, with the consent of the Superintendent.

3. The Superintendent shall faithfully perform the duties of Superintendent of Schools for the District, as prescribed by Board policy and as may be assigned by the Board, and shall comply with all Board policies and directives, state and federal law, and District

rules and regulations as they exist or may hereafter be amended. It shall be the duty of the Superintendent to direct, assign, reassign, and evaluate all of the employees of the District consistent with Board policies and federal and state law. Subject to the provisions of paragraph 7, it shall be the further duty of the Superintendent to organize, reorganize, and arrange the staff of the District, and to develop and establish administrative regulations, rules, and procedures which the Superintendent deems necessary for the efficient and effective operation of the District consistent with the Board's lawful directives, the Board's policies, and state and federal law. The Superintendent cannot be reassigned from the position of Superintendent to another position without the Superintendent's written consent.

4. The Superintendent shall be paid a salary of \$181,000.00 per year, payable in equal installments in accordance with Board policy governing payment to other professional staff members in the District. The Board shall have the right to further adjust the annual salary of the Superintendent at any time during the term of this Contract, provided that no such adjustment shall reduce the annual salary herein set forth. Any such further adjustment in the Superintendent's salary made during the term of this Contract shall be in the form of an amendment and shall become part of the Contract. The annual salary shall be predicated on 235 work days each year.

5. The District shall pay directly or reimburse the Superintendent for all reasonable and necessary expenses incurred by the Superintendent in his conduct of business on behalf of the District (except for in-district travel) and the Superintendent shall comply with applicable Board policies and procedures in documenting and reporting such expenses. The District shall provide the Superintendent with such portable communication

devices as are provided to other District administrators. The District shall also pay for medical and other District-sponsored insurance coverage for the Superintendent under the same program or policy as provided to other administrative employees of the District, except that the District shall also pay for family coverage for the Superintendent under the District's medical plan, and shall further pay or reimburse the Superintendent for the monthly premiums on the Cancer Policy that is currently in force for him, individually, under the District's optional cafeteria plan. The Superintendent shall observe the same legal holidays and receive the same leave benefits as authorized by Board policies for administrative employees on twelve-month contracts. The Superintendent shall be entitled to receive any other employee benefits that are afforded other District administrators.

6. The Superintendent shall furnish throughout the term of this Contract a valid and appropriate certificate as defined in the Texas Education Code to act as a superintendent in this state. The Superintendent hereby agrees to devote his time, skill, labor and attention exclusively to said employment during the term of this Contract. The Superintendent may, with prior notice to the Board, undertake consulting work, speaking engagements, writing, lecturing, or other professional duties and obligations that do not conflict or interfere with the Superintendent's professional services to the District or result in any financial cost to the District. Such outside endeavors are distinguishable from participation in professional meetings and/or seminars as referenced in paragraph 9, below.

7. The Board and the Superintendent shall maintain a working relationship which is in the best interests of the District. To that end, the employment, organization and arrangement of the professional staff for effective administration, supervision and teaching

shall be based upon recommendations of the Superintendent, subject to approval by the Board; all criticisms, complaints or suggestions received by the Board, or any individual Board member(s) shall, prior to any action being taken as to same, be referred to the Superintendent for appropriate resolution, study or recommendation; and the Superintendent shall be permitted to attend all meetings of the Board, both open and closed, and participate in all deliberations of the Board, except such executive sessions or deliberations involving consideration of the Superintendent's contract or his appraisal, or as due process may require.

8. The Board shall provide the Superintendent with periodic opportunities to discuss the Superintendent-Board relationship. In addition to any goals set by the Board, the Superintendent may submit to the Board each year, for the Board's consideration and adoption, any additional goals for the District. All goals approved by the Board shall be reduced to writing and shall be among the criteria on which the Superintendent's performance is reviewed and evaluated. The Board agrees to work with and support the Superintendent in implementing these goals.

The Board shall evaluate and assess in writing the performance of the Superintendent at least once each year during the term of this Contract. The evaluation and assessment shall be reasonably related to the duties of the Superintendent as outlined in Board Policy.

The evaluation of the Superintendent shall at all times be conducted in executive session and shall be considered confidential to the extent permitted by law. The evaluation format and procedure shall be in accordance with the Board's policies, and state and federal law. In the event the Board deems that the evaluation instrument format and/or procedure

needs to be modified, such modification shall be adopted a reasonable period of time prior to implementation.

9. The Superintendent may attend and participate in appropriate professional meetings and/or seminars at the local, state and national level, with the consent of the Board. The District shall pay the Superintendent's annual dues for membership in professional or civic organizations as are reasonably necessary to maintain and improve his professional skills, civic involvement, or to advance the mission of the District.

10. The Superintendent shall have a comprehensive medical examination performed each year by a licensed physician, at District expense, and shall annually obtain and file with the Board a statement from such physician certifying that he is physically able to perform his duties.

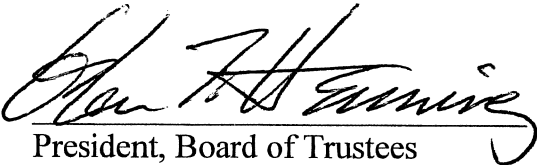
11. This Contract can be terminated at anytime with mutual consent of the Board and the Superintendent, or for good cause under applicable law and Board policy. Incompetence or inefficiency in the performance of duties shall not be considered good cause for the termination unless the Board has first provided the Superintendent with a reasonable opportunity for remediation. Renewal or non-renewal of this Contract shall be in accordance with Board policy and applicable state law.

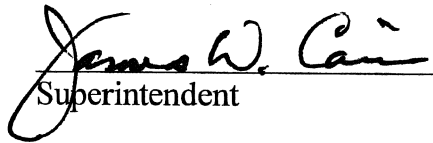
12. The Board agrees that the District shall defend, hold harmless, and indemnify Superintendent from any and all demands, claims, suits, actions, judgments, expenses, and attorney's fees incurred in any legal proceedings brought against Superintendent in his individual capacity or in his official capacity provided the incident(s) which is (are) the basis of any claim or lawsuit arose while Superintendent was acting within the course and

scope of his employment with the District. The District may provide insurance coverage to protect the Superintendent under this paragraph.

13. This Contract combines all prior agreements and resolutions concerning employment of the Superintendent into one document. This contract may only be amended by written instrument, executed by both parties.

EXECUTED this the 4th day of May, 2004.


President, Board of Trustees


Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT


The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004, is hereby amended pursuant to Board action taken on January 11, 2005, effective July 1, 2005, as follows:

A. Paragraph 2 of said Contract is changed so as to extend the term of the contract from June 30, 2007 to June 30, 2008.

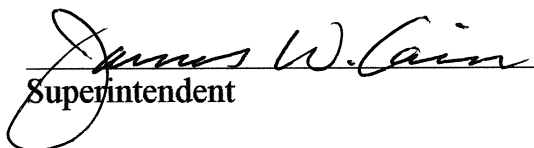
B. Paragraph 4 of said Contract is changed so as to provide for a salary of \$188,000.00 per year, instead of \$181,000.00 per year.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this the 12th day of January, 2005.



President, Board of Trustees



Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

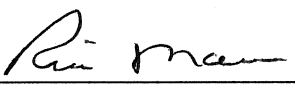
The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004, and amended on January 11, 2005, is hereby amended pursuant to Board action taken on January 10, 2006, effective July 1, 2006, as follows:

A. Paragraph 2 of said Contract is changed so as to extend the term of the contract from June 30, 2008 to June 30, 2011.

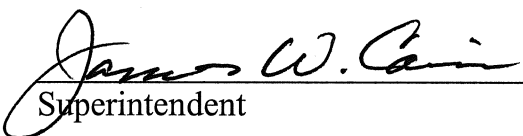
B. Paragraph 4 of said Contract is changed so as to provide for a salary of \$200,000.00 per year, instead of \$188,000.00 per year.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 10 day of January, 2006.



President, Board of Trustees



Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004, is hereby amended pursuant to Board action taken on January 10, 2007, effective July 1, 2007, as follows:

A. Paragraph 2 of said Contract is changed so as to extend the term of the contract from June 30, 2011 to June 30, 2012.

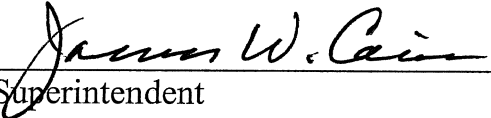
B. Paragraph 4 of said Contract is changed so as to provide for a salary of \$218,000.00 per year, instead of \$200,000.00 per year.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this the 22nd day of January, 2007.



President, Board of Trustees



Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004 is hereby amended pursuant to Board action taken on February 12, 2008, effective July 1, 2008, as follows:

A. Paragraph 2 of said Contract is changed so as to extend the term of the contract from June 30, 2012 to June 30, 2013.

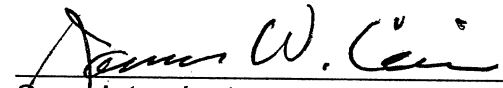
B. Paragraph 4 of said Contract is changed so as to provide for a salary of \$238,000 per year, instead of \$218,000 per year.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 12th day of February, 2008



President, Board of Trustees



Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004 is hereby amended pursuant to Board action taken on January 13, 2009, effective July 1, 2009, as follows:

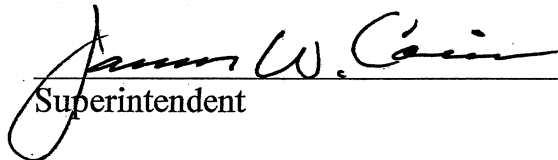
A. Paragraph 2 of said Contract is changed so as to extend the term of the contract from June 30, 2013 to June 30, 2014.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 18th day of February, 2009



President, Board of Trustees



Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004 is hereby amended pursuant to Board action taken on September 8, 2009, effective July 1, 2009, as follows:

A. Paragraph 4 of said Contract is changed so as to provide for a salary of \$255,000 per year, instead of the \$238,000 per year.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 8TH day of Sept., 2009

Georgan Leitmeier
President, Board of Trustees

James W. Cain
Superintendent

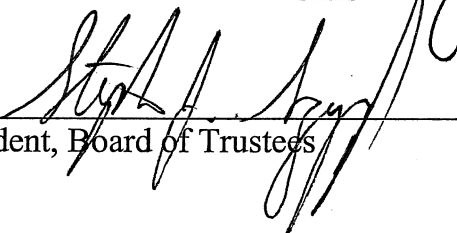
AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004, and thereafter amended, is hereby amended further pursuant to Board action taken on January 12, 2010, effective July 1, 2010, as follows:

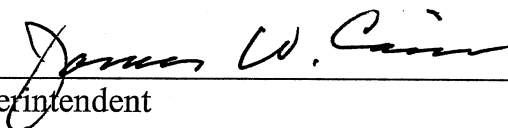
A. Paragraph 2 of said Contract is changed so as to extend the term of the contract from June 30, 2014 to June 30, 2015.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 13th day of January, 2010



President, Board of Trustees



Superintendent

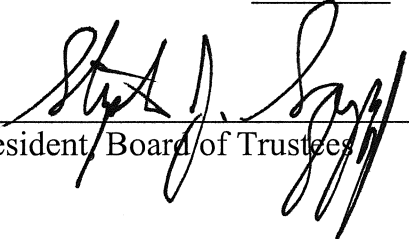
AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004 is hereby amended pursuant to Board action taken on September 13, 2010, effective July 1, 2010, as follows:

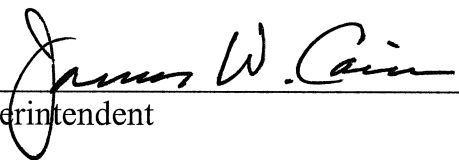
A. Paragraph 4 of said Contract is changed so as to provide for a salary of \$261,375 per year, instead of the \$255,000 per year.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 13th day of Sept., 2010



President, Board of Trustees



Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004, and thereafter amended, is hereby amended further pursuant to Board action taken on January 10, 2011, effective July 1, 2011, as follows:

A. Paragraph 2 of said Contract is changed so as to extend the term of the contract from June 30, 2015 to June 30, 2016.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 26th day of January, 2011

Georgian Leitmeier
President, Board of Trustees

James W. Cain
Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004 is hereby amended pursuant to Board action taken on June 11, 2012, effective July 1, 2012, as follows:

- A. Paragraph 4 of said Contract is changed so as to provide for a salary of \$300,000 per year, instead of the \$261,375 per year.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 11 day of June, 2012

J. H. Am. R.
President, Board of Trustees

James W. Cain
Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004 is hereby amended as follows:

- A. Pursuant to Board action taken on August 12, 2013, effective July 1, 2013, Paragraph 4 of said Contract is changed so as to provide for a salary of \$330,000 per year, instead of the \$300,000 per year.
- B. Pursuant to Board action taken on April 8, 2013, Paragraph 2 of said Contract previously amended by Board action on January 9, 2012 to extend the term to June 30, 2017 is changed to extend the term to June 30, 2018.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 12th day of August, 2013

Ronnie K. Anderson
President, Board of Trustees

James W. Cain
Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004, and thereafter amended, is hereby amended further pursuant to Board action taken on February 10, 2014, effective July 1, 2014, as follows:

- A. Paragraph 2 of said Contract previously amended by Board action on April 8, 2013 to extend the term to June 30, 2018 is changed to extend the term to June 30, 2019.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 10th day of February, 2014

Bonnie K. Anderson
President, Board of Trustees

James W. Cain
Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004 is hereby amended as follows:


Pursuant to Board action taken on August 11, 2014, effective July 1, 2014, Paragraph 4 of said Contract is changed so as to provide for a salary of \$360,000 per year, instead of the \$330,000 per year.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 11th day of August, 2014



President, Board of Trustees



Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004, and thereafter amended, is hereby amended further pursuant to Board action taken on January 12, 2015, effective July 1, 2015, as follows:

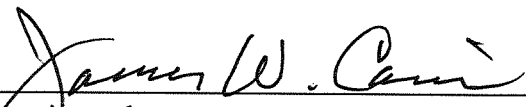
- A. Paragraph 2 of said Contract previously amended by the Board action on February 10, 2014 is changed so as to extend the term of the contract from June 30, 2019 to June 30, 2020.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 12th day of January, 2015.



President, Board of Trustees



Superintendent

AMENDMENT TO SUPERINTENDENT'S CONTRACT

The Superintendent's Contract entered into by and between the Board of Trustees of Klein Independent School District ("Board") and Dr. Jim Cain ("Superintendent") on May 4, 2004 is hereby amended as follows:


Pursuant to Board action taken on July 27, 2015, effective July 1, 2015, Paragraph 4 of said Contract is changed so as to provide for a salary of \$378,000 per year, instead of the \$360,000 per year.

All other terms and conditions of said Contract shall remain in full force and effect.

Executed this 27TH day of July, 2015



President, Board of Trustees



Superintendent

SUPERINTENDENT AND BOARD OF TRUSTEES DISCLOSURE REQUIREMENTS

September 1, 2013 - August 31, 2014

SUPERINTENDENT		-----BOARD OF TRUSTEES-----							
	Dr. Cain	Anderson	Lanham	Mann	Pilkington	Reitmeier	S. Smith	Szymczak	Total
Reimbursements:									
Meals	99.39	37.46	-	134.19	35.00	-	25.40	87.52	418.96
Lodging	1,466.18	206.27	261.19	1,665.63	729.33	694.41	2,060.42	924.03	8,007.46
Transportation	1,934.68	291.51	-	1,030.22	674.63	276.56	1,045.43	1,014.97	6,268.00
Motor Fuel	-	-	-	-	-	-	-	-	-
Registration Fees	1,415.00	1,020.00	-	1,360.00	800.00	1,075.00	1,360.00	1,145.00	8,175.00
Dues	1,978.00	813.71	813.71	813.71	813.71	813.72	813.72	813.72	7,674.00
Cell Phone	540.00	-	-	-	-	-	-	-	540.00
Other	290.00	-	-	-	-	-	-	-	290.00
									-
Gifts of \$250 or more:	None	None	None	None	None	None	None	None	-
									-
Business Transactions:	None	None	None	None	None	None	None	None	-
									-
									-
Total	7,723.25	2,368.95	1,074.90	5,003.75	3,052.67	2,859.69	5,304.97	3,985.24	31,373.42

NOTES:

1. The Superintendent did not receive any outside compensation in exchange for professional consulting and other personal services.
2. Gifts from outside entities receiving payments from the district or from competing vendors not awarded contracts must be disclosed if the value of the gifts exceed \$250 in the aggregate. No gifts from outside entities or competing vendors were received by the Superintendent, Board of Trustee members, or members of their immediate families.

**SUMMARY SCHEDULE OF DATA SUBMITTED UNDER THE FINANCIAL SOLVENCY PROVISION
OF TEXAS EDUCATION CODE §39.0822
FISCAL YEAR 2013-2014**

General Fund - First-Quarter Expenditures By Object Code

Report **2013-2014 first-quarter (first three months)** of fiscal year 2013-2014) GENERAL FUND expenditures by object code using whole numbers.

Payroll	Expenditures for payroll costs	object codes 6110-6149	<u>\$77,140,143</u>
Contract Costs	Expenditures for services rendered by firms, individuals, and other organizations	object code series 6200	<u>\$5,209,199</u>
Supplies and Materials	Expenditures for supplies and materials necessary to maintain and/or operate furniture, computers, equipment, vehicles, grounds, and facilities	object code series 6300	<u>\$2,449,739</u>
Other Operating	Expenditures for items other than payroll, professional and contracted services, supplies and materials, debt service, and capital outlay	object code series 6400	<u>\$1,926,830</u>
Debt Service	Expenditures for debt service	object code series 6500	<u>\$17,030</u>
Capital Outlay	Expenditures for land, buildings, and equipment	object code series 6600	<u>\$312,758</u>

Additional Financial Solvency Questions

1) Districts with a September 1- August 31 fiscal year:

Within the last two years, did the school district	Yes	No
1) draw funds from a short-term financing note (term less than 12 months) between the months of September and December,	<u> </u>	<u> X </u>
2) for the prior fiscal year, have a total General Fund balance of less than 2 percent of total expenditures for General Fund function	<u> </u>	<u> X </u>

2) Does the district have major construction projects underway or planned? X

3) Has the district defaulted on any debts within the past two years? X

4) How many superintendents has your district had in the last 5 years? 1

5) How many business managers has your district had in the last 5 years? 1

6) Provide comments or explanations for student-to-staff ratios significantly (more than 15%) below the norm, rapid depletion of General Fund balances, or any significant discrepancies between actual budget figures and projected revenues and expenditures, or any other information that may be helpful in evaluating the school district's financial solvency.

<u>Mean Enroll-to-Teacher Ratio</u>	<u>85% of Mean Enroll-to-Teacher Ratio</u>	<u>School District Size</u>
8.68	7.38	Under 100
9.95	8.45	100 to 249
11.12	9.45	250 to 499
12.09	10.27	500 to 999
13.29	11.30	1,000 to 1,599
14.32	12.17	1,600 to 2,999
14.98	12.74	3,000 to 4,999
15.81	13.44	5,000 to 9,999
15.89	13.51	10,000 to 24,999
15.88	13.50	25,000 to 49,999
16.08	13.67	50,000 and Over

N/A

