

# 2014-2015 BUDGET

Keller Independent School District

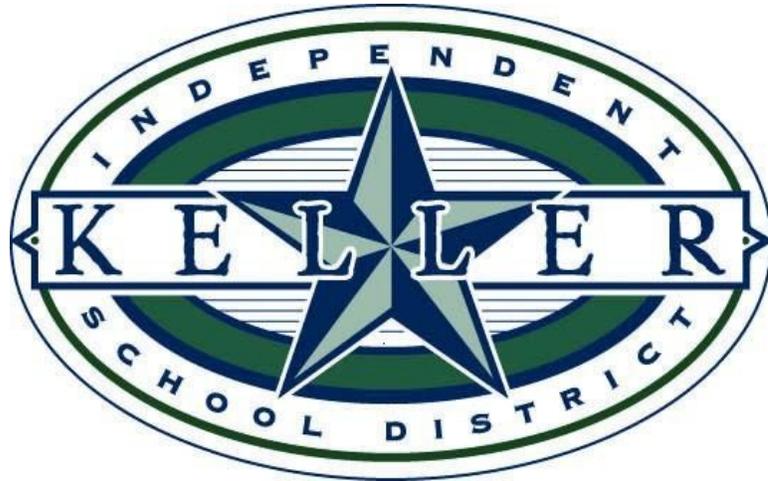
350 Keller Parkway

Keller, Tarrant County, Texas 76248

[www.kellerisd.net](http://www.kellerisd.net)

Adopted August 28, 2014





KELLER ISD  
Intentionally  Exceptional

# Keller Independent School District

The Education Center  
350 Keller Parkway  
Keller, Texas 76248  
Tarrant County

## 2014-15 Adopted Budget

Adopted August 28, 2014

Dr. Randy Reid  
Superintendent

R. Mark Youngs  
Chief Financial Officer

Effective  
September 1, 2014 – August 31, 2015

Issued by:

### Finance Department

*Kristin Williams CPA*  
*Director of Finance*

*Margie Rideout*  
*Financial Data Analyst*

*Karen Fiscus*  
*Budget Analyst*

*Debbie Adams*  
*Senior Accountant*

*DeArcy Robinson*  
*Treasury Accountant*

[www.kellerisd.net](http://www.kellerisd.net)

Presented to:

### Board of Trustees

*Jim Stitt*  
*President*

*Craig Allen*  
*Vice President*

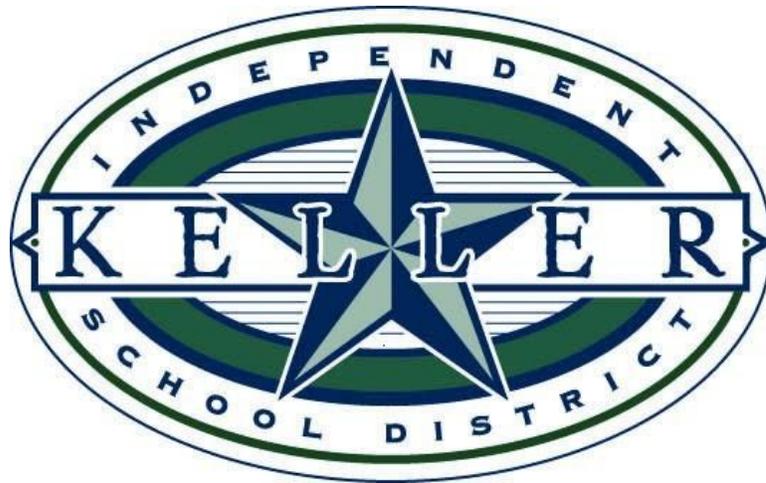
*Ruthie Keyes*  
*Secretary*

*Cindy Lotton*

*Brad Schofield*

*Karina Davis*

*Jo Lynn Haussmann*



KELLER ISD  
Intentionally  Exceptional

**TABLE OF CONTENTS**  
**2014-2015 BUDGET**

<b>Introductory Section</b> .....	1
Principal Officials/Administrative Officials.....	2
Mission Statement and District Strategic Priorities and Goals.....	3
<b>Executive Summary</b> .....	5
Budget Message.....	5
Budget Overview and Highlights .....	6
Major Initiatives and Accomplishments.....	8
General Fund .....	21
Debt Service Fund .....	27
Child Nutrition Fund.....	30
Tax Rate.....	31
Budget Process and Significant Changes .....	32
Key Factors and Summary.....	33
Keller ISD Enrollment (Graph) .....	33
The Results.....	34
Long Range Financial Forecast .....	36
<b>Organization Section</b> .....	37
Organization Chart.....	38
Financial Structure and Basis of Accounting .....	39
Non Major Governmental Funds.....	42
Classification of Revenues and Expenditures.....	46
Significant Financial Policies and Procedures.....	47
General Fund Historical Revenue, Expenditure and Fund Balance Level Changes .....	50
Child Nutrition Fund Historical Revenue, Expenditure and Fund Balance Level Changes...	52
Debt Service Fund Historical Revenue, Expenditure and Fund Balance Level Changes.....	54
Budget Policies and Development Procedures .....	58
Budget Calendar .....	61
Budget Administration and Management Process.....	64
<b>Financial Plan</b> .....	67
Combined Budget Summary - Revenues.....	68
Combined Budget Summary - Expenditures .....	69
Combined Summary of Revenue and Expenditures – General Fund, Debt Service Fund & Child Nutrition Fund.....	70
Total Tax Ranking Comparable Districts, Regional and State.....	71
Comparison of Tax Rates - Last 25 Fiscal Years .....	72

<i>General Fund</i> .....	73
General Fund Overview.....	75
Projection Components.....	75
Enrollment.....	77
Expenditure Summary.....	78
Impact on Fund Balance .....	79
Summary by Major Object and Function .....	80
Expenditure Summary by Object .....	81
Expenditure Summary by Major Object.....	83
Expenditure Summary by Major Object within Function .....	84
Major Object Summary by Campus .....	87
Five Year Summary of Revenues and Expenditures.....	88
Keller ISD Organizations .....	91
Organizational Listing.....	93
General Fund Budget distribution by Organization.....	94
<i>Debt Service Fund</i> .....	97
Debt Service Fund Overview.....	99
Debt Service Expenditures .....	99
Debt Service Revenue Source (Graph).....	100
Debt Service Fund Balance (Graph).....	101
Five Year Summary of Revenues and Expenditures .....	103
Debt Service Fund Bond Schedule.....	104
Debt Service Payment To General Fund Expenditures (Graph).....	106
<i>Child Nutrition Fund</i> .....	107
Child Nutrition Special Revenue Fund Overview .....	109
Child Nutrition Five Year Summary of Revenue Sources and Expenditures .....	110
Child Nutrition Revenue and Expenditure Summary by Major Object .....	111
Labor Costs Comparisons.....	112
Meal Program Students by Campus.....	113

<b>Informational Section</b> .....	115
2013-14 Locator Map .....	116
Directory of Schools and Facilities.....	117
2013-14 Instructional Calendar.....	118
Dates at a Glance.....	119
<b>Long Range Financial Forecasts</b> .....	121
Revenue, Expenditure and Fund Balance Forecast - General and Debt Service Funds .....	122
General and Debt Service Fund Projected Revenues .....	123
General and Debt Service Funds-Projected Expenditures Graph.....	124
Debt Service Fund Debt Retirement Schedule .....	125
<b>Property Tax Information</b> .....	127
Assessed and Estimated Value of Taxable Property.....	128
Comparison of Tax Rates.....	129
Property Tax on Average Residences.....	130
Top Ten Taxpayers.....	131
<b>Personnel</b> .....	133
Salary Increase.....	134
New Positions.....	134
Employee Benefits.....	135
Schedule of Payroll Expenditures by Object - General Fund .....	135
Schedule of General Fund Payroll Expenditures by Function - General Fund .....	136
Teacher Salary Schedule.....	137
Demographic Data - Last Ten Fiscal Years.....	138
Summary of Staffing - All Funds.....	139
Number of Students per Teacher.....	140
Teachers by Highest Degree Held.....	141
Teachers by Years of Experience.....	142
Average Teacher Salary by Years of Experience.....	143
<b>Economic/Demographic Conditions</b> .....	145
Employment Status.....	146
Unemployment Rates.....	146
Principal Employers.....	146
Demographics.....	147

<i>Other Information</i> .....	149
Enrollment Projections and Average Daily Attendance (Graphs).....	150
General Fund Expenditures, Average Daily Attendance and Per pupil Costs.....	151
Weighted Average Daily Attendance.....	152
Student Population by Grade Level.....	153
Student Ethnic Distribution.....	153
Special Population by Category.....	154
 <i>Performance Indicators</i> .....	 155
Attendance Rates.....	156
Dropout Rates.....	157
SAT/ACT Results.....	157
 Administrative Cost Ratio.....	 158
Schools FIRST Rating .....	159
 <i>Appendix</i> .....	 161
Classification of Revenues and Expenditures.....	162
Basic System Expenditure Code Composition.....	162
Function Titles.....	163
 <i>Glossary</i> .....	 167
Glossary .....	168

# *Introductory Section*



**KELLER INDEPENDENT SCHOOL DISTRICT**

**Principal Officials**

<b>Board of Trustees</b>	<b>Position</b>	<b>Year Elected</b>	<b>Term Expires</b>
Jim Stitt	President	2010	2016
Craig Allen	Vice President	2008	2017
Ruthie Keyes	Secretary	2012	2015
Cindy Lotton	Member	2004	2016
Brad Schofield	Member	2012	2015
Karina Davis	Member	2013	2016
Jo Lynn Haussmann	Member	2014	2017

**Administrative Officials**

<b>Official</b>	<b>Position</b>	<b>Years of Service</b>	
		<b>KISD</b>	<b>Education</b>
Dr. Randy Reid	Superintendent	2	35
Amanda Bigbee	General Counsel	6	6
R. Mark Youngs	Chief Financial Officer	7	13
Cecil McDaniel	Chief Administrative Officer	1	17
Charles Carroll	Chief Academic Officer	6	23
Penny Benz	Assistant Superintendent, Human Resources	9	16
Joe Griffin	Chief Technology Officer	17	29
Amanda Barrios-Harris	Director, Assessment and Accountability	14	27
Bob DeJonge	Director, Athletics	23	34
Shellie Johnson	Director, Communications	7	7
Lindsay Anderson	Director, Curriculum	11	16
Karin Mehlenkamp	Director, Early Childhood Program	16	16
Kristin Williams, C.P.A.	Director, Finance	12	12
Kimberly Blann	Director, Fine Arts	7	7
Cindy Parsons	Director, Health Services	22	25
Sheri Rich	Director, HR Benefits	9	25
Gary Mantz	Director, Human Resources	7	7
Johjania Najera	Director, Human Resources	5	21
Victoria Miles	Director, General Education Support	6	31
Mary Martin	Director, Language Acquisition	8	19
Hudson Huff	Executive Director, Facility Services	12	17
Dustin Blank	Executive Director, Leadership	9	17
Kevin Hood	Executive Director, Leadership	8	18
Cory Wilson	Executive Director, Leadership	12	16
Frank DiNella	Director, Facility Systems and Services	9	9
Michelle Howard-Schwind	Director, Organizational Improvement	3	21
Lori Tudor	Director, Purchasing	8	8
Kevin Kinley	Director, Safety and Security	3	3
Janette Hahn	Director, Special Education	2	28
Casey Stone	Director, Career and Technology	1	14
David Smith	General Manager, Child Nutrition (Sodexo)	0	12
Jason Lowery	General Manager, Transportation (Durham)	0	8

**OUR VISION**

**KISD—an exceptional district in which to learn, work and live.**

**MISSION STATEMENT**

**The community of Keller ISD will educate our students to achieve their highest standards of performance by engaging them in exceptional opportunities.**

**VALUES**

**We hold ourselves accountable for providing exceptional educational opportunities.**

**We inspire educational excellence through collaborative relationships.**

**We cultivate life-long learning for all.**

**We provide approachable, responsive customer service.**

**We embrace diversity.**

**We embrace change and innovation.**

**We make data-driven decisions.**

**We have a positive attitude toward the future.**

**District Strategic Priorities/Goals**

**GOAL 1: INCREASE STUDENT ACHIEVEMENT**

**Goal 1.1:**

Prepare students to pursue their choices in post-graduation opportunities.

**Goal 1.2:**

Enable students to develop skills to collaborate, think critically and creatively, and effectively communicate thoughts and ideas.

**GOAL 2: EXCELLENCE IN STUDENT, PARENT AND COMMUNITY RELATIONS**

**Goal 2.1:**

Assure timely, effective, and consistent two-way communication.

**Goal 2.2:**

Establish and nurture collaborative partnerships with students, families, and community members that unify our learning community.

**GOAL 3: EXCELLENCE IN PROCESSES AND SYSTEMS**

**Goal 3.1:**

Ensure organizational efficiency and alignment.

**Goal 3.2:**

Use continuous improvement framework to drive sustained organizational success.

**GOAL 4: EMPLOYEE EXCELLENCE AND ORGANIZATIONAL IMPROVEMENT**

**Goal 4.1:**

Employ, train and retain a diverse, well-qualified, innovative staff.

**Goal 4.2:**

Foster a positive, engaging work environment that supports collaboration, community and personal wellness.

**GOAL 5: EXCELLENCE IN FINANCIAL STEWARDSHIP**

**Goal 5.1:**

Provide equitable distribution of financial resources throughout the district.

**Goal 5.2:**

Ensure sound fiscal practice and financial transparency.

**EXECUTIVE SUMMARY  
KELLER INDEPENDENT SCHOOL DISTRICT  
FISCAL YEAR 2014-2015**

**BUDGET MESSAGE**

The following document represents the financial plan for the Keller Independent School District for the 2014-15 fiscal year. The development and review of the 2014-15 budget included intensive consideration of each program, revenue source, and expenditure. The Board of Trustees, Superintendent, Finance department staff and campus and administrative staff all contributed to the development of this budget. The KISD 2011-12 budget included major budget cuts due to reduction of funding by the State of Texas. The 2012-13 and 2013-14 budgets were dedicated to the prudent re-instatement of programs previously cut, if the program was still considered relevant, worthwhile to the district's instructional goals and in line with the district's educational vision.

The budget development process for 2014-15 focused on providing the resources to comply with House Bill 5, which includes changes to the Texas Education Code in a number of areas such as curriculum, accountability, assessment and accreditation. A significant number of additional staff was added to address these requirements. Other major areas addressed in the 2014-15 budget was the high school schedule change to an eight period day, pay increases for staff, and health insurance costs.

This budget document and the year-end Comprehensive Annual Financial Report (CAFR) are the primary vehicles used to present the financial plan and the results of operations of the District. The purpose of the budget document is to provide timely information concerning the past, current, and projected financial status of the District in order to facilitate financial decisions that support the educational goals of the District. However, the District's main concern in the presentation of the budget document is to improve transparency regarding KISD's financial plan for educational programs and services for the 2014-15 year.

**BUDGET OVERVIEW AND HIGHLIGHTS**

Federal, state, and local guidelines drive the budget development process. The annually adopted budget includes the General, Debt Service, and Child Nutrition funds. Total 2014-15 budgeted revenues are \$311,441,635 and total 2014-15 budgeted expenditures for these funds are \$316,848,123.

**TOTAL REVENUES BY FUND COMPARISON**

	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
199 GENERAL OPERATING	\$ 212,689,962	\$ 231,925,773	\$ 235,221,504	\$ 3,295,731	1.42%
240 CHILD NUTRITION	12,589,998	12,675,553	12,979,740	304,187	2.40%
511 DEBT SERVICE	56,966,812	59,555,111	63,240,391	3,685,280	6.19%
<b>TOTAL</b>	<b>\$ 282,246,772</b>	<b>\$ 304,156,437</b>	<b>\$ 311,441,635</b>	<b>\$ 7,285,198</b>	<b>2.40%</b>

**TOTAL EXPENDITURES BY FUND COMPARISON**

	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
199 GENERAL OPERATING	\$ 217,349,489	\$ 234,242,695	\$ 249,520,228	\$ 15,277,533	6.52%
240 CHILD NUTRITION	12,663,935	13,759,074	12,129,740	(1,629,334)	-11.84%
511 DEBT SERVICE	58,408,156	59,297,514	55,198,155	(4,099,359)	-6.91%
<b>TOTAL</b>	<b>\$ 288,421,580</b>	<b>\$ 307,299,283</b>	<b>\$ 316,848,123</b>	<b>\$ 9,548,840</b>	<b>3.11%</b>

Budget information related to Special Revenue Funds (except the Child Nutrition Fund) are presented in summary form in this document. These are budgeted funds that are not required to be approved by the Board of Trustees. Financial information on these funds are more fully presented in the Comprehensive Annual Financial Report (CAFR).

The following priorities guided the budget development process.

- Provide the resources necessary to accomplish the District’s objectives within the limitations of the state’s funding formula. (District Goals 5.1 and 5.2)
- Provide the resources to fund the District’s quest for continuous improvement in both instructional and administrative areas. (District Goals - All)
- Maintain adequate and appropriate fund balance levels in all budgeted funds. (District Goal 5.2)
- Fund a compensation package that will help attract and retain qualified personnel. (District Goal 4.1)
- Provide the resources to ensure student success in meeting the ever-changing standards of the state’s accountability system, most recently those of House Bill 5. (District Goals 5.1)
- Provide resources to address the differing goals and needs of all students. (District Goal 5.1)

Keller ISD faced significant challenges in preparing a budget that would provide for these priorities. Foremost among these challenges was the state funding formula. Changes made to the funding formula in 2006-07 have virtually eliminated any increase in school funding for Texas school districts since 2005-06.

The basic allotment is the basis of funding for most of the allotments making up the district's Tier 1 state funding entitlement. The amount of the basic allotment varies depending on the district's compressed tax rate and is based on the Maintenance and Operation tax rate that was in effect in 2005-06.

In 2005-06, the Keller ISD tax rate was 1.4336. This tax rate multiplied by the state's compression percentage of 66.67 required by the 79th Legislature Third Called Special session, equates to a compressed tax rate of 95.57% for Keller ISD.

For 2014-15, the state has allocated a basic allotment amount of \$5,040 times the district's compressed tax rate. For Keller, 95.57% of \$5,040 equals a basic allotment amount of \$4,816.

In the funding formula, a district's basic allotment is then adjusted by the state assigned Cost of Education Index. The cost of education Index (CEI) was determined and assigned to each school district in 1991. The CEI was based mainly on the size of the district, the teacher salaries of neighboring districts, and the percentage of low income students in the district in 1989-90. Although the demographics of Keller ISD has changed dramatically since the 1989-90 school year, this index has not been updated since that time. The CEI assigned to the Keller ISD is 1.13 and is applied to 71% of the district's basic allotment.

When the CEI is applied to the 71% of Keller ISD's basic allotment of \$4,816, the district realizes an adjusted basic allotment of \$5,261. The actual formula for this calculation is 1.13 minus 1 times .71 plus 1 equals 1.0923. The basic allotment amount of \$4,816 times 1.0923 equals an adjusted basic allotment of \$5,261 for the Keller ISD during the 2014-15 budget year.

This adjusted basic allotment is multiplied by the number of students in average daily attendance who are not receiving special education services and are not participating in career and technical education, 30,463 students for 2014-15, to calculate the district's regular program allotment of \$160,266,843. This amount combined with \$38,174,949 allocated for students participating in special programs make up the Total Cost of Tier I which for 2014-15 is \$198,441,792. Subtracted from this total cost of Tier I is the state certified property value from the previous year compressed by 95.57% leaving \$86,129,988 as the State Share of Tier I.

Despite financial challenges, KISD students and staff continue to achieve great things.

## MAJOR INITIATIVES AND ACCOMPLISHMENTS

### R.O.C.K. Recognition

Keller ISD officially launched its anti-bullying program, 'Reaching Out with Character and Kindness' (R.O.C.K.) Students and staff joined hands in front of Keller ISD campuses and reached out toward the nearest campus in a show of unity to eliminate bullying and harassment. Alesha Watts, 5th grade teacher at Bear Creek Intermediate School, is being recognized for her submission of the 'Reaching Out with Character and Kindness' (R.O.C.K.) slogan. Her idea was selected as one of the Top Five from over 250 submissions by students, parents, staff, local business owners, and community members. KISD then had the opportunity to vote for their favorite, with Alesha's submission receiving over 3,200 of the 5,400 votes submitted. Carrington Elliott, a senior at Central High School, is being recognized for the creation of the 'Reaching Out with Character and Kindness' (R.O.C.K.) logo. CTE students from across the district submitted logo proposals. Although the district received a number of great ideas, Carrington's logo truly met the vision of KISD working together as a united community to end bullying. Carrington is under the direction of CTE teacher Ashley Long.

### Innovative Teachers Inspiring Students (IT'S) Award

Keller ISD is very excited to announce the establishment of a brand new Board Award honoring this district's exceptional teachers!

***Innovative Teachers Inspiring Students***, also known as the ***IT'S Award***, will recognize one teacher each month who actively engages students through creative learning techniques in the classroom, including:

- Out of the box thinking
- Unique, creative classroom instruction
- Active student learning
- Use of technology and other effective resources

Keller ISD's first-ever ***IT'S Award*** is being presented to Rodney Hess. Mr. Hess – or "Colonel Hess" as he is affectionately called – is an 8th History teacher at Fossil Hill Middle School. He dresses up "in character" every single day of the school year, including teacher workdays. In addition, Mr. Hess sponsors the Red River Rangers, an extra-curricular program where students spend time learning all kinds of interesting facts about Texas history.

Mr. Hess was nominated by colleague Mickie Jobe who said, "*Colonel Hess is an amazing teacher. 'Out of the box' doesn't even begin to describe him. He really gets through to kids...*"

**Special Guest Speaker:** *Brian Ketchum, 8th grade History teacher at Hillwood Middle school. Brian is a former student (1997-98) of Mr. Hess, as well as student taught for him in 2005-06.*

## **August & September ROCKstar of the Month Award**

Each month, the Keller ISD Counseling Department works closely with counselors from each of the district's 39 campuses to select a student that exemplifies strong character. For 2014-15, Keller ISD changed the name from the Community of Character Award to the ROCKstar of the Month Award. This award highlights outstanding character traits demonstrated by students, in addition to helping further implement the Reaching Out with Character and Kindness initiative.

Once chosen, the student will be named as the Keller ISD ROCKstar of the Month and recognized at a Board Meeting. Character traits include: Respect, Integrity, Caring, Trustworthiness, Perseverance, Responsibility, Good Citizenship, Positive Attitude, Gratitude, and Courage.

- September's ROCKstar is Hannah Hilario, a 7<sup>th</sup> grader at Keller Middle School. The character trait for September was Good Citizenship.
- August's ROCKstar of the Month is Nesta Manzi, a 4<sup>th</sup> grader at Freedom Elementary School. The character trait for August was Responsibility.

## **GFOA / ASBO Finance Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) recently awarded Keller ISD with The Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for fiscal year ending August 2013. This award is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment – one in which Keller ISD has received for the past SIX years.

The purpose of the GFOA is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices that illustrate the spirit of transparency and full disclosure.

In addition, Keller ISD also received the Certificate of Excellence in Financial Reporting Award from the Association of School Business Officials (ASBO) for its Comprehensive Annual Financial Report (CAFR) for fiscal year ending August 2013. This prestigious award, which KISD has also received for six consecutive years, represents a noteworthy achievement and reflects KISD's commitment to the highest standards of school system financial reporting.

ASBO is a professional association that provides programs and services to promote the highest standards of school business management practices, professional growth, and the effective use of educational resources.

Congratulations to the Keller ISD Finance Department.

## **Gold Leadership Circle Award**

For the 3<sup>rd</sup> year in a row Keller ISD has earned a GOLD Leadership Circle Award from the Texas Comptroller's office by scoring 20 of 20 possible points. This award will be added to the Texas Transparency website.

The Comptroller of Public Accounts launched the Texas Comptroller Leadership Circle program in December 2009 to recognize local governments across Texas that are striving to meet a high standard for financial transparency online. They spotlight those local governments that are opening their books to the public; providing clear, consistent pictures of spending; and, sharing information in a user-friendly format that lets taxpayers easily drill down for more information.

## TASBO Certification

KISD Purchasing Specialist Shelley Williams successfully completed the requirements to earn the Certified Texas School Business Specialist (CTSBS) designation by the Texas Association of School Business Officials (TASBO).

TASBO certification is earned through a combination of specified coursework, school business experience, and training in the area of specialization. Certified individuals must earn 60 hours of continuing education every three years to maintain their certification.

TASBO is dedicated to serving as the recognized source of accurate, objective school business and operations information, educating its diverse membership and constituency in professional best practices, and promoting high standards of conduct and professional ethics in the industry.

## Principal Recognition for Innovative Parent Communication

Trinity Springs Middle School Principal Kim Buckhalton was honored for her innovative approach to parent communication. On September 30, she hosted a Principal's Roundtable for TSMS parents, using Safari Montage LIVE, an interactive videoconferencing system. A link was made available on the TSMS web page for the parents to utilize who could not attend the Roundtable in person. The Roundtable was designed to engage parents through open and honest dialogue that included Q & A and updates on various campus-related matters.

The Principal's Roundtable is a semi-monthly roundtable discussion with Ms. Buckhalton and is open to TSMS parents and the community. The topic for the first roundtable was 21st Century Communication. The panel consisted of Ms. Buckhalton, two teachers, and the online moderator was an assistant principal. The Roundtable discussed the various ways teachers communicate with students and parents, tips about the best ways to communicate with teachers to stay on top of your child's academic life, and the different ways students communicate with each other. Parents also learned how to monitor their child's online communication, and the best ways to keep their child's communication safe and appropriate. TSMS invited all parents to join, whether in person or via Safari Montage LIVE.

## Innovative Teachers Inspiring Students (IT'S) Award

Keller ISD is very excited to announce the establishment of a brand new Board Award honoring this district's exceptional teachers!

***Innovative Teachers Inspiring Students***, also known as the ***IT'S Award***, will recognize one teacher each month who actively engages students through creative learning techniques in the classroom, including:

- Out of the box thinking
- Unique, creative classroom instruction
- Active student learning
- Use of technology and other effective resources

Keller ISD's October ***IT'S Award*** was presented to 7th grade English Teacher Brenda Riebkes from Indian Springs Middle School.

Ms. Riebkes designed and implemented a program called "Techie Tutorials," which encourages ISMS students to help other students and teachers master various technologies, programs and applications, such as MacBooks, Power Point, iMovie, WIKI pages, and ePortfolio, just to name a few. This innovative after-school program empowers kids to be both the student and the teacher, depending on their area of expertise and/or need. For students, "Techie Tutorials" aids in expanding their knowledge of the variety of tools they can use for classroom projects; while for teachers, it gives them the skills they need to implement various devices or programs into their classroom instruction.

Keller ISD's November **IT'S Award** is being presented to Mari Navarro, 2nd grade teacher at Caprock Elementary School.

Ms. Navarro created *Caprock Clover Kids*, a program designed specifically for K-2 Caprock students. *Caprock Clover Kids* currently has 30 students, and revolves around the idea of providing additional science, photography, and learning activities to help students develop experiences that they would not normally have access to. Being that Caprock is a Title I Campus, these opportunities have brought a great deal of excitement back into the classroom.

Specifically, photography has been one of the best experiences for *Caprock Clover Kids*. It has allowed students to take photos of ordinary things, in addition to learning about lighting and shadows to create stories or characters through their photos. In order to help accomplish this, *Caprock Clover Kids* collaborated with Prairie View A&M University, who provided the digital cameras for the program's use.

*Caprock Clover Kids* has been such a success that "alumni" of the group (Caprock's 3rd graders) have expressed great enthusiasm in wanting a club of their own, so Ms. Navarro, with a continued partnership through Prairie View A&M, will offer a new Robotics Club for Caprock's upperclassmen beginning January 2014.

When talking to Mari about *Caprock Clover Kids*, she said, "...this couldn't have happened without Shannon Johnson at Prairie View A&M University who helped shape a vision for me to advance learning and impact lives through innovative clubs that provide experiences that many of these kids wouldn't have had an opportunity to enjoy if it weren't for our school programs! Also, a special thanks to my principal, Angie Nayfa, who allows teachers to grow, create, and empower our students to think outside the box."

Keller ISD's January **IT'S Award** is being presented to Deborah Lawson, a 4th Grade teacher at Freedom Elementary School.

According to Freedom Principal Heather Varon, "*Deborah is pioneering technology on our campus and creating a spark. She jumped right in at the beginning of school and decided to take a laptop cart into her classroom to see just what she could do with her students. Within the first few weeks of school, Deborah had her students using Edmodo, and now all of them are also using Google Drive.*"

Deborah uses Edmodo as her digital classroom. It is a portal for her students to access all of their digital resources and links, making it easy for them to navigate where they need to go. In addition, they use Edmodo:

- as a communication tool,
- to take quizzes,
- as a motivation tool where students can earn badges for accomplished tasks, and
- as a way for Deborah to track student progress and/or needs.

Deborah's class also uses Google Drive for student writing. This tool gives students the opportunity to:

- write from home or school,
- share their writing,
- receive teacher feedback regarding content and editing,
- collaborate with classmates on projects and presentations, and
- track independent reading as part of this year's 20-book challenge.

Deborah said both these tools have helped her students to become "*highly motivated*" while "*producing a higher quality of work than before.*"

In addition to her classroom, Deborah is a leader on campus, starting such clubs as Techno Tuesdays and Web Wonder Wednesdays.

Keller ISD's February **IT'S Award** was presented to Kristina Duffy, a 4<sup>th</sup> grade teacher at Ridgeview Elementary School.

Ms. Duffy was nominated by her principal, Becky Wilder, who said, "*Ms. Duffy is an exceptional teacher. Her classroom is well-managed and her students are highly engaged learners. She is definitely an "out of the box" thinker who goes above and beyond for her kids!*"

Kristina has been trained in Whole Brain Teaching, which emphasizes active learning where the learner makes connections that tap into both hemispheres of the brain. This method creates highly active and engaging learning environments, enhances classroom management, and increases student learning outcomes. By teaching in small segments and allowing students the opportunity to "teach" their neighbor what they are learning, students retain new knowledge and are better equipped to transfer their learning.

Keller ISD's March **IT'S Award** was presented to Logan Malone, a Kindergarten teacher at Park Glen Elementary School.

Park Glen Principal Leslee Shepherd said that Logan "*is dedicated to relevant learning experiences that are engaging and challenging for her students. She is an amazing addition to the PGE staff, and she is an amazing influence and role model for our children. I am so proud and privileged to work with her.*" Here are just a few things taking place in Ms. Malone's classroom:

- The classroom is known as "The Bee Hive," where the bees are busy learning.
- Students had the opportunity to build an entire community out of recycled boxes.
- For Valentine's Day, Ms. Malone's kindergartners, dozens of parent volunteers, grandparents, and the PGES 4th grade Jr. Mints worked together to make handmade Valentines and tie 34 no-sew fleece blankets for Cook Children's Hospital.
- Every week a child is featured as "person of the week."
- The student and his/her family prepares a poster to teach the Bee Hive all about the child, and is also invited to help give a short presentation using visual aids such as special toys, trophies, artwork, or a collage of favorite things.
- The 21st century style of QR codes has become what Ms. Malone would call "a school fashion statement."
- The Bee Hive has done numerous activities with QR codes, giving students many learning opportunities and the chance to work on iPads.
- The most recent use of QR codes was used to learn about American Symbols. Students scanned a QR code which took them to a video where they listened to fun facts about the Statue of Liberty, the Bald Eagle, Mount Rushmore, the American flag, and much more.
- Students regularly participate in mini lessons, which range anywhere from interactive power points, anchor charts, philosophical chairs, four corners, or a game.
- The purpose of the mini lessons is to get the kids thinking about ways to write. It gives them confidence and energy by being able to bounce ideas off each other and become inspired by their own peers.
- Once the mini lesson is over, students participate in a writing workshop where Ms. Malone plays acoustic guitar music as they write. She also allows them to draw a picture to match their writing piece, as well as selects 3-4 students to come to the front and read their writing to the class.

Keller ISD's April **IT'S Award** is being presented to Nancy Tijerina, a 3rd grade bilingual teacher at Whitley Road Elementary School.

Ms. Tijerina is a true example of innovation at Whitley Road with the implementation of technology into her daily lessons and homework. Though all of her students are economically disadvantaged and have little access to technology at home, Ms. Tijerina makes sure that they have extensive exposure to technology in areas such as Google Docs, QR codes, Edmodo, KCloud, Symbaloo, and more. As her students move on to intermediate school, there's no doubt they will excel with this foundation, and surely lead their classes in the aid and utilization of technology.

### **Innovative Teachers Inspiring StUdents (IT'S) Award**

Keller ISO's May *IT'S Award* is presented to Gwynn Christmas, an 8th grade Science teacher at Hillwood Middle School.

Gwynn has fully embraced the "techno world" into her science classroom. Below are just a few examples of how Ms. Christmas uses technology on a daily basis with her students:

- Students use Edmodo to take notes and complete assignments.
- Gwynn says her students are "Google Gurus," using Google Drive for everything from Word for essays and open-ended writing assignments to PowerPoint for class presentations.
- In addition, Gwynn has implemented ThingLink for visual vocabulary lessons, PiktoChart for creating short videos to demonstrate terms, as well as BlendSpace to create lessons and allows students who missed class the opportunity to go back and view what was taught that day.
- And *finally*, students participate in computer simulations and virtual labs to explore science concepts.

### **Annual Elementary School Holiday Card Contest Winners**

Raina Lyssy, a 4th grade student at Bluebonnet Elementary School, was chosen as the 2013 Holiday Card Contest Winner. Her design was selected from artwork submitted by campus winners from each of KISD's 22 elementary schools and is featured on the cover of the district holiday card, which will be sent to KISD administrators, local dignitaries, community partners, and long-time friends of the district. Sarah Choi - a 3rd grade student at Eagle Ridge Elementary, along with Olivia Hinthorn - a 3rd grade student at Park Glen Elementary, were selected as this year's talented Finalists. Their artwork is also featured on the district's holiday card.

These students are supported by their art teachers: Delisa Sims - Bluebonnet Elementary School, LeeAnn Zbichorski - Eagle Ridge Elementary School, and Amy Hull - Park Glen Elementary School.

### **2014 Board of Trustees Appreciation Celebration**

January is School Board Recognition Month. This year's theme was: *Hearts and Hands for Kids*. It is a special time to help build awareness of the crucial role the KISD Board of Trustees play in our communities and schools. The Keller Independent School District truly appreciates the hard work and dedication of each of its seven Board Members, who voluntarily tackle the enormous job of governing this school district, and whose actions and decisions affect the present and future lives of our children.

Jim Stitt, *President*

Craig Allen, *Vice President*

Cindy Lotton, *Secretary*

Karina Davis, *Member*

Brad Schofield, *Member*

Ruthie Keyes, *Member*

**Sodexo Experience Winner – Parkwood Hill Intermediate**

The Child Nutrition team at Parkwood Hill Intermediate School was recognized by Sodexo as the September *Sodexo Experience* award winner. The *Sodexo Experience* educates, develops and rewards campus teams around the behaviors that support Sodexo’s student well-being culture. The goals of the *Sodexo Experience* include: connecting employees to the roles they play in student well-being; reinforcing a culture of energy, connection and outstanding customer service; impacting employee retention through engaged and motivated employees who provide outstanding customer service; and finally, recognizing employees for the work they do to support Sodexo’s student well-being mission.

In addition, the *Sodexo Experience* has three key elements:

- Customer Service Principles (Greet with a smile, Focus on the customer, Appreciation, Uniform, Appearance Matters, Get it Right, Speed of Service and Assistance is Available)
- Team Huddles
- Employee Recognition (Exceptional Experience Cards)

The Parkwood Hill Intermediate Child Nutrition team was recognized because of the following instance:

*‘During the first week of school before the students came back, Therese Powell and her team were completed with their opening tasks and took it upon themselves to go out and pick up trash around the outside of the school. The team was not asked to do this by the administration and it shows the commitment that Therese and her team have to the students, staff and administration at Parkwood Hill Intermediate School. Also, cleaning up around the campus helped to beautify the school as parents and students were in and out of the building all week for ‘Meet the Teacher’ nights and various activities. This shows how teams at the campus level truly care about the schools, students and staff where they work. Braving 100 degree temperatures in Texas is never fun, and these ladies rolled up their sleeves and worked to make Parkwood Hill Intermediate a welcome environment for the community.’*

PHIS team members received a \$50 Ultimate Pass from Sodexo, in addition to being recognized by Hossein Akhtarkhavari, Schools DM for North Texas, and KISD Child Nutrition Director Chris Maggard.

Congratulations to the Parkwood Hill’s Child Nutrition Team.

**Fall Community Ambassador Graduates**

The KISD Board of Trustees launched the Community Ambassadors group in the Spring of 2013, and it was so successful that they decided to continue it by offering the program each semester. The idea is to provide stakeholders with a front row seat from which they get an inside out view of the district. Through the course of four meetings, key leaders in the district make informal and very interactive presentations offering the opportunity for individuals to ask questions, as well as provide comments and suggestions.

Tonight, we are recognizing the Community Ambassadors who participated in the Fall 2013 program and graduated in December:

Stephanie Allison  
Len Avecilla  
Irene Avramidis  
Katrina Ball  
Karen Bratcher  
Jessica Bryant  
Brian Crowson  
Allison Davidson  
Jack Davidson

Wendy Dechert  
Terri Delisle  
Beverly Dixon  
Lisa Groene  
Shane Hardin  
Kristi Herrold  
Jodi Hight  
Carl Keating  
Terry King

Monique Lopez-Hinkley  
Matthew Mucker  
Adam Nabors  
Julie Nors Alicia Ortiz  
Audrea Samples  
Art Sheffield  
Helen Skalniak  
Polly Soulsby  
William Zabicki

## **TASBO Award of Merit for Purchasing and Operations**

Keller ISD's Purchasing Department has earned the Award of Merit with Recognized Status from the T Texas Association of School Business Officials (TASBO) for the fifth consecutive year.

TASBO's Purchasing Award of Merit is presented to school districts that are committed to professional standards in the acquisition of goods and services. Independent reviews at TASBO considered various procedures and practices including organization, policies and procedures, contract operations, staff training and certifications, warehousing, use of technology, communication, and management of co-operative programs. The Purchasing Department will be recognized at the TASBO 68th Annual Conference on February 27, in Austin.

Congratulations to the following members of the KISD Purchasing Department:

Lori Tudor, Director of Purchasing  
Cindy Willis, Senior Buyer  
Teresa Hilario, Buyer

Shelley Williams, Purchasing Specialist  
Kristina Hataway, Purchasing Specialist.

## **Keller Shake Finalists Recognition**

The Keller Shake was created as part of the elementary theater program to give students the opportunity to cultivate necessary social and conversational skills that will help build confidence and lead to future success. Students worked on developing voice, diction, poise, conversational skills, as well as a firm hand shake. A select group of students went on to compete in three different levels of competition where they were asked to demonstrate the skills they learned. The first round was held on their respective campuses last fall with students testing their abilities on teachers, counselors, and assistant principals. The top six from each school advanced to the second round, which took place on January 16 at the KISD Education Center, where the students went up against several of KISD's toughest administrators. The final round of competition was held earlier today with seven outstanding finalists facing KISD Superintendent Dr. Randy Reid, M.K. Larson of the Hudson Foundation, and City of Keller Mayor, Pat McGrail.

Congratulations to the Keller Shake finalists:

Madison Corley, Caprock ES  
Victoria Pattison, Caprock ES  
Sara Becht, Eagle Ridge ES  
Ashley Branton, Lone Star ES  
McKenzy Shaffer, Parkview ES  
Landry Kate Fowler, Park Glen ES  
Cooper Gant, Bette Perot Elem

These students are under the direction of their theater teachers: Trisha Baughman (Caprock), Melissa Matherne (Eagle Ridge), Andrea Hinojosa (Lone Star), Theresa Davis (Parkview), Phillip O'Campo (Park Glen), and Steve Vander Ark (Bette Perot).

### **KISD Education Foundation Check Presentation**

The Keller ISD Education Foundation awarded grants totaling \$46,243 to 31 educators across the District. These grants provide funding for projects not covered by the normal operating budget that stimulate students' creativity and expand the existing curriculum.

Teachers, counselors, librarians and nurses were eligible to submit grant proposals that offered innovative and creative approaches to identified classroom needs or special student-based projects. Along with Education Foundation board members, district officials, sponsors and the high schools' drum lines, the KISD Education Foundation traveled from campus to campus, awarding teaching grants last month. Through donations, contributions and the annual Gala in the spring, the Foundation is able to distribute and award these grants.

### **Campus Attendance Competition Winners**

Each 6-week period, schools with the highest attendance percentage are recognized and rewarded in their respective category (one high school, one middle school, one intermediate school, and one elementary school). Attendance data will be collected from PEIMS the day after the last day of each six weeks period and verified by the District's PEIMS Coordinator, Deborah Cartwright.

Winners will receive banners to display on their campuses, be recognized at Board Meetings, and be featured on the Keller ISD website. In addition, students will be rewarded for their efforts with free ice cream during lunch, while the campus staff will be provided lunch for their efforts - all thanks to program sponsor Sodexo.

Congratulations to the 4th six-weeks winners:

Central High School, David Hinson 95.04%

Keller Middle School, Sandra Chapa 96.55%

Bear Creek Intermediate, Tedna Taylor 96.35%

Florence Elementary, Laura Lockhart 96.55%

## High School Wrestling and Swimming/Diving State Achievements

Congratulations to the following athletes who represented Keller ISD well at both the State Wrestling Tournament and the State Swimming & Diving Championship held in February.

### Wrestling

#### Central High School

Ryan Lindberg  
Blaine Martinez  
Kareem Simms  
Dylan Faucett  
Kolby Finchum  
Bryanna Perkins  
Raquel Rodriguez  
Mattie Lluevano

#### Keller High School

Bobby Reynolds  
Phil Young  
Brittany Olvera

#### Timber Creek High School

Brandon Bricker  
Jamie Paterson  
Rachel Bridges

#### Fossil Ridge High School

Keith McGee

### Swimming and Diving

**Keller High School** Laura Norman – *Received two state championships with wins in the Girls 200-Yard Individual Medley and the Girls 100 Backstroke.*

Kendall Hazleton  
Ashley Ward  
Audrey McMurry  
Megan Hanson  
Sophia Frohberg

Ellyn Frohberg  
Andi Ritcher  
Luke Mankus  
Taylor Ohlhauser

Additional KHS All-State Athletes: Sarah Voss (Diving), Josh Hein (Diving), Michael Mabry (Swimming) and Colin Duggan (Swimming)

#### Fossil Ridge High School

Lauren Pitzer

#### Central High School

Georgia Brown  
Morgan Elliot  
Kayla Epting

Bailey Kachtik  
Idalia Nunez  
Carly Straight  
Madison Straight

Lauren Williams

Tegan Brand  
Haley Graves  
Jason Head

Dexter Tan

Additional CHS All-State Athletes: Jack Brown, Justin Held, and John Kenney

### **TMSCA State Achievement**

Four students from Keller Middle School earned a place at the Texas Math and Science Coaches Association (TMSCA) State Competition in San Antonio earlier this month. TMSCA is an organization formed by Texas math and science teachers to promote excellence in math and science through individual and team competition, including *Number Sense*, *Calculator Applications*, *Mathematics*, and *Science* challenges, as well as to prepare students for UIL competition.

Congratulations to Samika Kulkarni, Rashel Bullon, Valerie Tsai and Patrick Gee who all qualified and participated in the meet. In addition, Samika Kulkarni placed 8th in 7th grade science and Valerie Tsai placed 3rd in 8th grade science. The Keller Middle TMSCA team is sponsored by Amber Easterling, and coached by KMS parents Linda Tsai and Kevin Gee.

### **VASE State Achievements**

Several talented Keller ISD high school students advanced to the State VASE Meet (Visual Art Scholastic Event) held earlier this month.

Keller ISD shone at the Regional Meet held in March, where out of the 1600 pieces submitted, 99 from the Region advanced to State, with 51 of those 99 being Keller ISD pieces of artwork.

### **Track and Field State Achievements**

Keller High School's Austen Dalquist won a pair of State Championships at the UIL Class 5A State Track and Field Meet on May 10.

Dalquist started the day with the 3200-meter run and finished first with a time of 8:57.75. He then ended the day with the 1600-meter run and crossed the finish line in 4:07.53 to win his second gold medal of the day.

Dalquist was one of five Keller ISD track and field athletes to compete at the State Championships. Keller High's Derek Gutierrez finished fourth in the 400-meter run, while the Indians' Gabe McAdams finished seventh in the Pole Vault with a leap of 14-6.

Three spots ahead in the Pole Vault was Timber Creek's Jacob Zalesky who cleared 15-6.

Falcons sophomore Chase Dennis also competed in Discus and came in 8th place among a field filled with senior athletes. His final throw was 169-03.

Keller High School Track & Field is coached by Head Coach Billy Overshown and Assistant Coaches Kristopher Price, Colby Meek, and Tommie Keller. Timber Creek High School Track & Field is coached by Head Coach Stephen Ritchie and Assistant Coaches Jake •

Miller, Chuck Fongsamouth, and Lonnie Judd.

### **TMEA State Achievements**

Keller ISD is proud to announce that 24 students were selected as 2013 Texas All-State Musicians by the Texas Music Educators Association (TMEA). High school students selected to perform in the All-State concerts competed through several levels of auditions beginning in the fall of 2013 to arrive at the state level. All-State is the highest honor a Texas music student can receive. Over 1,500 students are selected through a process that began with over 60,000 students from around the state vying for the honor to perform in one of 14 ensembles (bands, orchestras and choirs).

### **One Act Play State Achievement**

Keller High School's One-Act Play, *All the King's Men*, advanced to the Class 5A One Act Play State Contest, which was held at the University of Texas in Austin.

*All the King's Men* is a stage version of Robert Penn Warren's 1946 novel about Southern politics in the early part of the 20th century adapted by Adrian Hall.

The KHS performers shone at the Region 1-5A One-Act Play Contest in Lubbock to advance to the state finals.

Indian Theatre's Gretchen Clark, Hank Freeman, and Lauren Weik were all named to the Regional All-Star Cast.

Drew Duffy also earned Honorable Mention All-Star Cast honors.

### **Special Olympics State Achievements**

Keller ISO has been a proud participant in the Special Olympics since 1991. The Special Olympics program allows student-athletes to participate in sports during the fall, winter and spring seasons, as well as the opportunity to learn the concept of true teamwork. This year, KISD had 37 athletes compete in Bowling, 79 in Track and Field, and 58 in Basketball. We are proud to announce KISD had 50 outstanding athletes - 20 in Basketball and 30 in Track and Field - advance to the State Special Olympics Track Meet and Basketball Tournament hosted by the University of Texas at Arlington May 22-25.

### **Sudler Cup Recognition**

David Puckett, Indian Springs Middle School and South Keller Intermediate School Band Director, was named the 2013 John Philip Sousa Foundation's Sudler Cup recipient.

This national award's purpose is to recognize middle school programs that have demonstrated particularly significant high standards of excellence over a span of several years.

## Indoor Air Quality Poster Design Contest Winners

With almost one in five students suffering from asthma, it has become the most common reason for a school day absence. In a collaborative effort to make a difference in the Keller ISO community, the Health Services Department along with the Indoor Air Quality Department created an asthma coalition entitled AIR - *Asthma Indoor Environmental Responsibility*. The mission of AIR is to help asthma sufferers successfully manage and control their disease through education, information, training, and referrals.

To aid in building awareness of this issue, KISD high school art students were invited to create an asthma and/or indoor air quality educational poster. Submitted entries were then judged by AIR coalition members and three winners were selected. Winning posters will be displayed throughout the district, and each winner's classroom will be awarded \$500. Congratulations to:

Central High School- Art Teacher: Jay Asp

Sophomore Phillips Frost

*"Help Freddy Fight (Karate Frog)*

Sophomore Damian Yeaney

*"Asthma Wars" (Star Wars Frog)*

Timber Creek High - Art Teacher: Chrissy Fitch

Senior Breanna Rebosio

*"What Causes Asthma Attacks" (Frog with Inhaler)*

## National Braille Challenge Finalist Recognition

Heritage Elementary 4th grader Presley Jorgensen was named one of 60 finalists in the 2014 Braille Challenge.

While four out of the 60 finalists are from Texas, Presley was the only one in her age group from the Lone Star State. She will compete against 11 other students in her category, most of who attend a state school for the blind; Presley is only one of four who attend public schools.

The Braille Challenge is the only national reading and writing contest in braille for blind and visually impaired students. Contests include reading comprehension, braille speed and accuracy, proofreading, spelling and reading tactile charts and graphs. This year's finalists were selected *out of* 1065 preliminary round contestants from 41 states and 4 Canadian provinces.

**GENERAL FUND**

The General Fund has a budgeted deficit of (\$9,298,724) for the 2014-15 fiscal year. Projected Budgeted Fund Balance at August 31, 2014 is approximately \$66,704,776.

**REVENUES**

General Fund budgeted revenues are projected to increase by (\$3.3) million, or (1.42%) from 2013-14 projected actual revenue. The following table provides a comparison of revenues by source for 2013-14 projected actual revenue and 2014-15 budgeted revenue.

**GENERAL FUND REVENUE SOURCES COMPARISON**

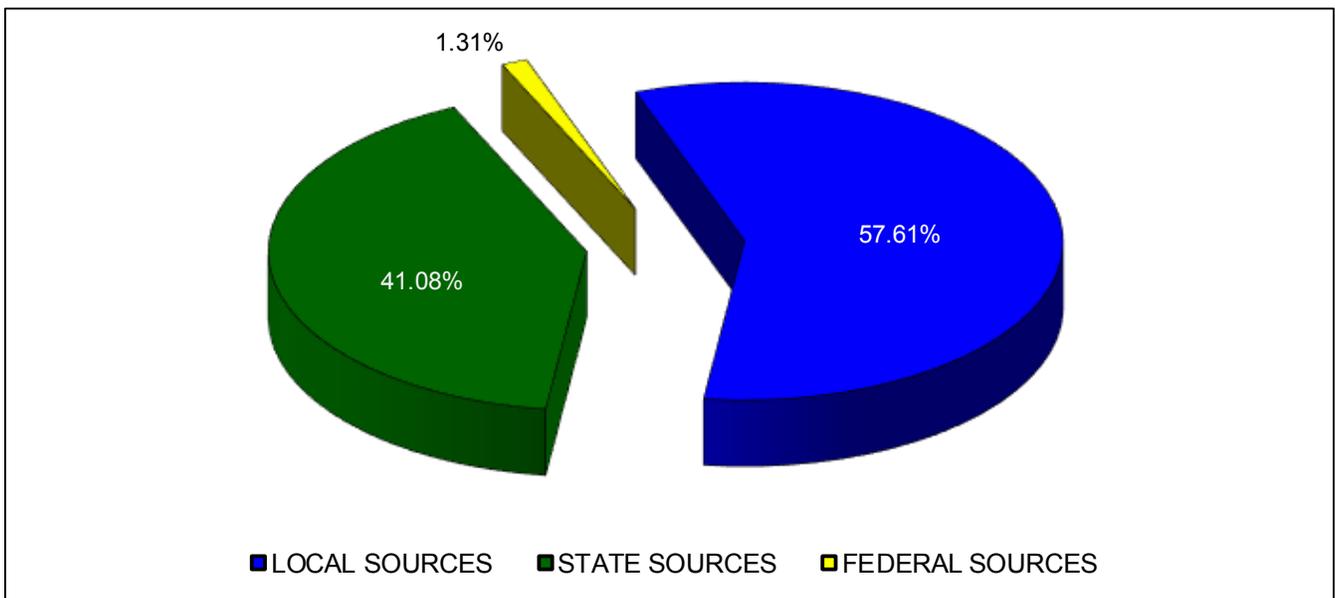
	Actual Audited 2012-2013	Projected Actual 2013-2014	Adopted Budget 2014-2015	Amount Increase (Decrease)	Percent Increase (Decrease)
LOCAL SOURCES	\$ 121,132,398	\$ 126,155,601	\$ 135,514,581	\$ 9,358,980	7.42%
STATE SOURCES	90,958,924	103,789,415	96,631,923	(7,157,492)	-6.90%
FEDERAL SOURCES	598,640	1,980,757	3,075,000	1,094,243	55.24%
	<b>\$ 212,689,962</b>	<b>\$ 231,925,773</b>	<b>\$ 235,221,504</b>	<b>\$ 3,295,731</b>	<b>1.42%</b>

Budgeted local revenue for 2014-15 reflects an increase from the previous year, mostly due to higher property values. Budgeted state revenue in 2014-15 reflects a decrease from the previous year by (\$7) million or (6.9%). This is basically an artificial decrease, as it is caused by TRS on Behalf revenues of \$7.8 million included in 2013-14 but not in 2014-15. Not considering TRS on Behalf, state revenues actually slightly increased by \$645 thousand. Revenue from federal sources is expected to increase in 2014-15 due to the district's expanded participation in the School Health And Related Services (SHARS) program.

For the 2014-15 fiscal year, approximately 41.08% of the General Fund budgeted revenue will be derived from state sources. Local funding sources are estimated at 57.61%. In 2013-14, the percentage of projected state revenue is 44.75%, while the percentage of projected local revenue is 54.40%

The consistent annual increase in KISD's taxable property values translates to an annual decrease in the percentage of state revenues received.

**2014-2015 REVENUE BY SOURCE**

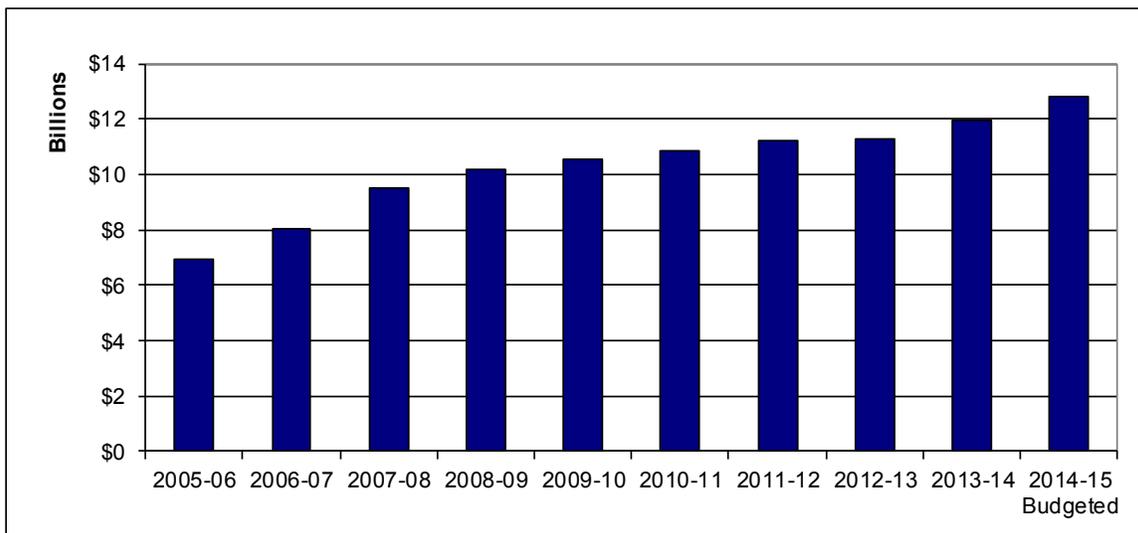


Revenue from property taxes is the district's single largest source of revenue, comprising 55.58% of the total general fund revenue budget. Property values have risen consistently since the 2005-06 fiscal year.

The following graph depicts Keller ISD's increasing taxable property value activity over time.

**TAXABLE PROPERTY VALUES**

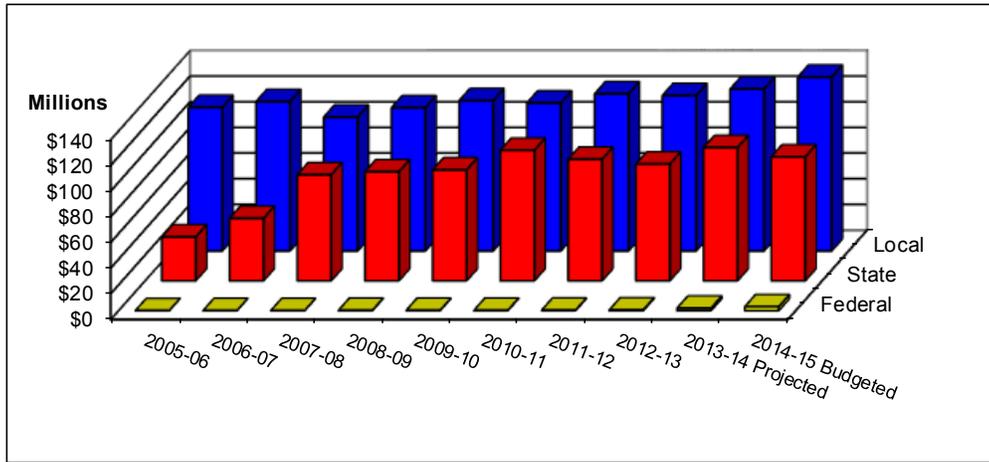
<b>Year</b>	<b>Assessed or Appraised Valuation</b>
2005-06	6,932,158,654
2006-07	8,014,015,193
2007-08	9,482,514,598
2008-09	10,212,543,961
2009-10	10,518,985,594
2010-11	10,838,009,000
2011-12	11,200,638,123
2012-13	11,303,854,760
2013-14	11,979,494,447
2014-15 Budgeted	12,818,447,217



Taxable property values increased by approximately \$839 million in 2014-15. The rate of increase in taxable property values for the 2014-15 year is 7%. Property value growth has been as high as 18.32% in 2007-08 and as low as .92% in 2012-13.

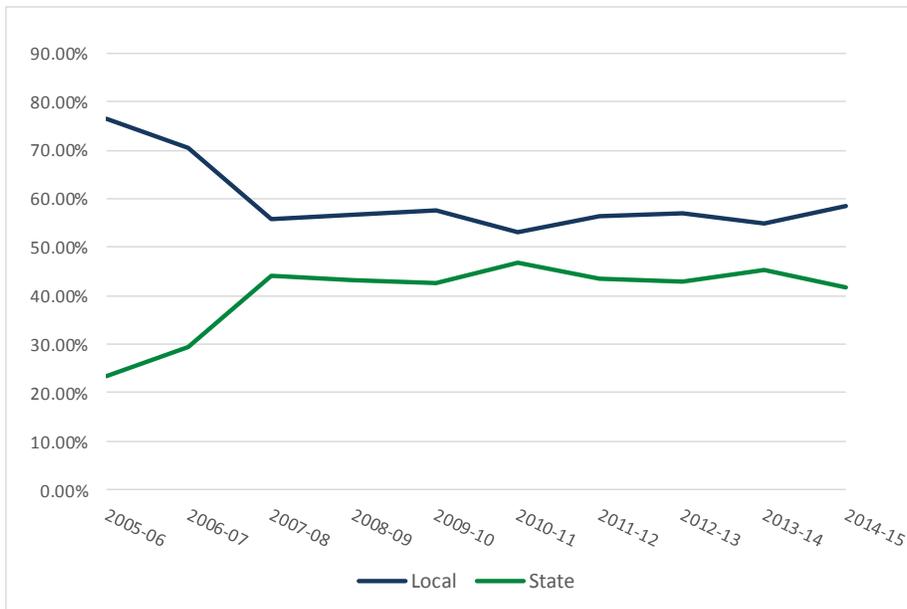
REVENUE SOURCE TRENDS

From fiscal year 2005-06 through the 2006-07, the distribution of revenue had shifted considerably from state sources to local sources. For instance, 23.39% of general fund revenue (not including federal revenue), was from the state and 76.61% was from local sources in 2005-06. Beginning with the 2007-08 fiscal year, the effect of HB1 changed the distribution dramatically. In 2013-14, state revenue climbed to 45.14% and the local share was reduced to 54.86%. For the 2014-15 budget, state revenue dropped to 41.63% of total budgeted state and local revenue while local revenue increased to 58.37%. This was due mostly to a significant increase in property values for 2014-15. The percentage of total revenue by source from 2005-06 to 2014-15 is presented on the following graph.



Year	Local	State
2005-06	111,878,807	34,166,309
2006-07	116,475,309	48,662,261
2007-08	104,365,640	82,621,118
2008-09	111,660,630	84,944,885
2009-10	117,182,293	86,473,461
2010-11	115,342,108	101,741,928
2011-12	122,477,457	94,683,993
2012-13	121,132,398	90,958,924
2013-14 Projected	126,155,601	103,789,415
2014-15 Budgeted	135,514,581	96,631,923

PERCENTAGE OF LOCAL AND STATE REVENUES



Year	Local	State
2005-06	76.61%	23.39%
2006-07	70.53%	29.47%
2007-08	55.81%	44.19%
2008-09	56.79%	43.21%
2009-10	57.54%	42.46%
2010-11	53.13%	46.87%
2011-12	56.40%	43.60%
2012-13	57.11%	42.89%
2013-14	54.86%	45.14%
2014-15	58.37%	41.63%

After determining the necessary level of expenditures to meet the educational goals and facility requirements of the District, and after estimating state aid utilizing the state funding formula, the tax rate necessary to fund remaining expenditures is calculated.

This calculation is based on estimated property values, after giving consideration to exemptions, including the homestead exemption, and the tax burden of our taxpayers. Current law limits a school district's maintenance and operations tax rate to 66.67% of their 2005-06 rate plus four cents, or up to an effective rate of \$1.04 per \$100 of taxable valuation. Additional pennies beyond the \$1.04 per \$100 of taxable valuation up to the maximum tax rate of \$1.17 per \$100 taxable valuation require voter approval.

**EXPENDITURES**

General Fund expenditures are budgeted to increase by \$15.3 million or 6.52% over projected actual 2013-14 expenditures.

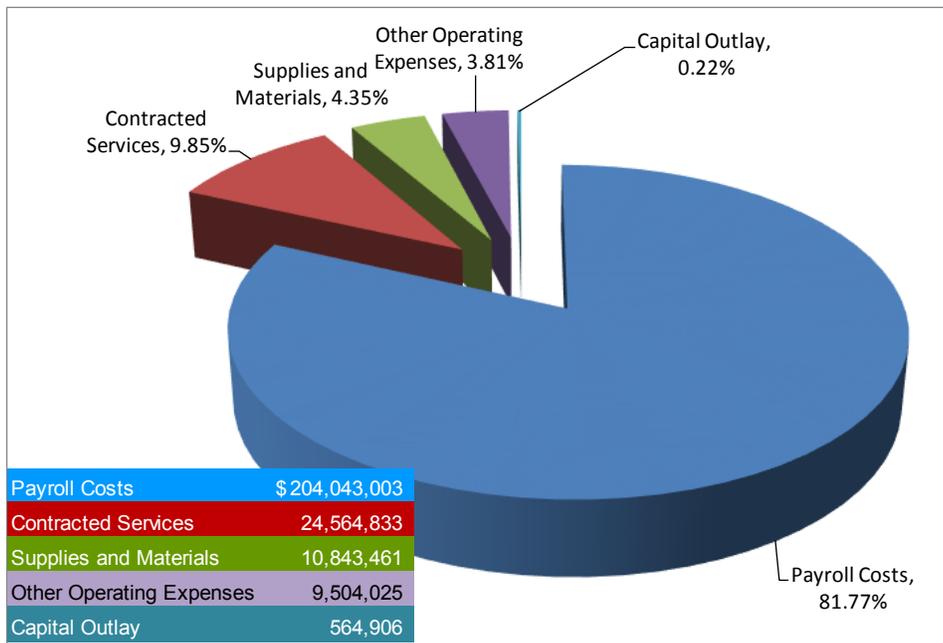
The following table provides a comparison of expenditures by major object for 2013-14 projected actual expenditures and 2014-15 budgeted expenditures.

**GENERAL FUND EXPENDITURES BY MAJOR OBJECT  
COMPARISON TO PRIOR YEAR**

	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>	<b>Percent of Total</b>
61XX Payroll Costs	177,064,915	\$ 189,562,640	\$ 204,043,003	\$ 14,480,363	7.64%	81.77%
62XX Contracted Services	18,529,089	21,698,619	24,564,833	2,866,214	13.21%	9.85%
63XX Supplies and Materials	11,166,361	12,423,590	10,843,461	(1,580,129)	-12.72%	4.35%
64XX Other Operating Expenses	8,408,952	9,003,990	9,504,025	500,035	5.55%	3.81%
65XX Capital Outlay	2,180,172	1,553,856	564,906	(988,950)	-63.64%	0.22%
<b>Total Expenditures</b>	<b>\$ 217,349,489</b>	<b>\$ 234,242,695</b>	<b>\$ 249,520,228</b>	<b>\$ 15,277,533</b>	<b>6.52%</b>	<b>100.00%</b>

The chart below reflects 2014-15 general fund expenditures by major object as a percentage of total expenditures.

**GENERAL FUND EXPENDITURES BY MAJOR OBJECT**



## PAYROLL COSTS

As the education of students is a labor intensive process, payroll expenditures comprise 81.77% of General Fund budgeted expenditures. Payroll expenditures consist of salaries and benefits.

Budgeted expenditures for salaries are determined in accordance with established staffing guidelines that are based on projected student enrollment at each individual campus. Additional staff may be allocated to a school based upon student demographics or special programs.

Prior to the 2012-13 budget, district teachers, counselors, librarians, nurses, speech therapists and diagnosticians had not received a salary increase since the 2010-11 fiscal year. Paraprofessionals had not received a salary increase since the 2009-10 fiscal year and the last salary increase for administrators was in 2008-09. Beginning with the 2012-13 budget, the Board of Trustees authorized a 3% of midpoint raise for all staff, at a cost of approximately \$4.5 million and in an effort to approach market salary levels, continues to authorize annual raises at 3% of midpoint. The salary increase included in the 2014-15 budget amounts to approximately \$5.6 million.

The substitute teacher budget is prepared based on past history. This budget for 2014-15 increased over 2013-14 projected actual by \$139,057 or 5.05%.

Benefits provided to employees include health insurance, workers compensation, Medicare, and retirement benefits from the Teacher Retirement System (TRS). The cost of providing benefits to employees is expected to slightly increase by approximately (\$1,717) million from prior year projected actual expenditures, mostly due to a state mandated increase in TRS rates.

Compared to the 2013-14 projected actual expenditures, the 2014-15 budget includes budgeted increases of \$500,412 for Medicare, \$237,622 for workers' compensation, and \$1,501,097 for TRS, or 22%, 18% and 40% respectively.

TRS on Behalf is not considered in this analysis because the district's expenditure amount is matched by revenue received from the state, creating a net effect of zero. Neither the revenue nor the expenditure for TRS on Behalf is budgeted for 2014-15, as the amount is generally unknown until year end.

The increases in Medicare and Workers' Compensation are comparable to the increases in salaries, which were due mostly to pay raises and additional positions.

Due to market conditions and the Affordable Health Care Act, Group Health Insurance premiums significantly increased for 2014-15. To offset a portion of the additional costs for district employees, the Board of Trustees appropriated \$600,000 in the 2014-15 budget to assist the Health Insurance Fund.

In an effort to offset the rising cost of health insurance claims, the Board of Trustees also authorized \$623,717 from the general fund budget to fund start-up costs for a District Wellness Clinic. This clinic will provide free services to district employees enrolled in the district's health plan. The goal is to reduce claim expense in the Health Insurance fund, resulting in a healthier financial situation for that fund.

**KELLER ISD 2014-2015 BUDGET**

The Contracted Services budget for 2014-15 is approximately \$2.9 million more than the 2013-14 projected actual expenditures. This equates to an increase of 13.21%. The majority of this increase was due to a budget of \$850,000 for a lease to replace old technology devices, \$623,717 for the start up costs of The Wellness Clinic, and \$101,675 for the lease of 250 additional laptops for new teachers.

The 2014-15 Supplies and Materials budget decreased from prior year projected actual expenditures by (12.72%) or (\$1,580,129). The main decrease was in technology equipment purchases, (\$1,164,019). In the prior year, the Board of Trustees authorized one-time additional funds to be used for Google Chrome books for students, as well as licenses for various instructional programs, including AimsWeb, Do the Math and Children’s Progress Academic Assessment.

Other Operating Expenses increased by approximately \$500,035, or 5.55%, for 2014-15 as compared to 2013-14 projected actual expenditures. This increase is attributed primarily to a 31% increase in budgeted travel expenses, due mainly to the number of employees added this year. The balance of the increase is due to the increase in entry fees, and state licensing and certification fees.

The Capital Outlay budget includes a (63.64%) decrease or (\$988,950) for 2014-15. The prior year included \$425,000 for a video scoreboard for the KISD Athletic stadium. The 2013-14 budget also included one time funds to purchase additional trucks for the maintenance and security department.

Each year the State Comptroller’s Office rates the largest 200 school districts in Texas in regard to their combined academic and financial performance to determine the “academic efficiency” of budgeted dollars. For the 2014 year, Keller ISD earned 4.5 stars. Each district is assigned a FAST rating of one to five stars, indicating its success in combining cost-effective spending with the achievement of measurable student academic progress. Five stars reflects the strongest relative progress combined with the lowest relative spending. For the previous 4 years, Keller ISD was one of only 11 districts in the state of Texas to receive five stars four years in a row. The slight decline in the rating for 2014 was attributable to student academic progress related to the district’s changing demographics, rather than to financial efficiency.

The District strives to allocate the majority of its resources to the instructional function. Administrative costs are comparatively minimal. The following depicts the District’s budget emphasis on curriculum and instruction, while continuing to control and monitor administrative expenditures. Administrative costs represent 2.6% of the total budget, whereas instructional related expenditures represented 65.06% of the budget.

<b>GENERAL FUND EXPENDITURES BY MAJOR FUNCTION CATEGORY</b>						
<b>COMPARISON TO PRIOR YEAR</b>						
	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>	<b>Percent of Total</b>
10 Instruction Related	\$ 142,011,434	\$ 151,965,907	\$ 162,333,615	\$10,367,708	6.82%	65.07%
20 Instructional and School Leadership	15,574,247	17,269,725	18,016,932	747,207	4.33%	7.22%
30 Support Service-Pupil	22,913,865	26,454,094	27,167,929	713,835	2.70%	10.89%
40 General Administration	5,332,388	5,012,728	6,489,429	1,476,701	29.46%	2.60%
50 Support Services - Non Pupil	25,075,880	26,291,853	27,930,254	1,638,401	6.23%	11.19%
90 Intergovernmental Charges	4,766,338	6,549,580	7,023,624	474,044	7.24%	2.81%
Other	1,675,337	698,808	558,445	(140,363)	-20.09%	0.22%
	<b>\$ 217,349,489</b>	<b>\$ 234,242,695</b>	<b>\$ 249,520,228</b>	<b>\$15,277,533</b>	<b>6.52%</b>	<b>100.00%</b>

**DEBT SERVICE FUND**

The Debt Service Fund for 2014-15 is a balanced budget. Debt Service budgeted fund balance at August 31, 2015 is projected at \$11,930,786 million.

Debt Service Fund total revenues are budgeted to increase by approximately 3.7 million from projected actual 2013-14 revenues. The following table provides a comparison of revenues by source for the 2013-14 and the 2014-15 year.

**DEBT SERVICE FUND REVENUE SOURCES COMPARISON**

	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
LOCAL SOURCES	\$ 56,582,160	\$ 59,379,618	\$ 63,240,391	\$ 3,860,773	6.50%
STATE SOURCES	384,652	175,493	-	(175,493)	0.00%
	<u>\$ 56,966,812</u>	<u>\$ 59,555,111</u>	<u>\$ 63,240,391</u>	<u>\$ 3,685,280</u>	<u>6.19%</u>

Revenues from local sources are comprised of property tax revenue and investment income. For the first time in many years, property tax revenue, including delinquent revenue and associated fees, comprise 100% of local revenue in the debt service fund. The State Instructional Facility (IFA) as well as the Existing Debt allotment (EDA) have been eliminated. Although the debt service tax rate remained constant at \$0.50 per \$100 valuation, property tax values increased close to 7% for 2014-15.

**DEBT SERVICE FUND EXPENDITURES COMPARISON**

	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
PRINCIPAL	\$ 14,508,842	\$ 23,934,768	15,100,069	\$ (8,834,699)	-36.91%
INTEREST	42,948,531	35,136,159	40,048,086	4,911,927	13.98%
FEES	950,783	226,587	50,000	(176,587)	-77.93%
TOTAL	<u>\$ 58,408,156</u>	<u>\$ 59,297,514</u>	<u>\$ 55,198,155</u>	<u>\$ (4,099,359)</u>	<u>-6.91%</u>

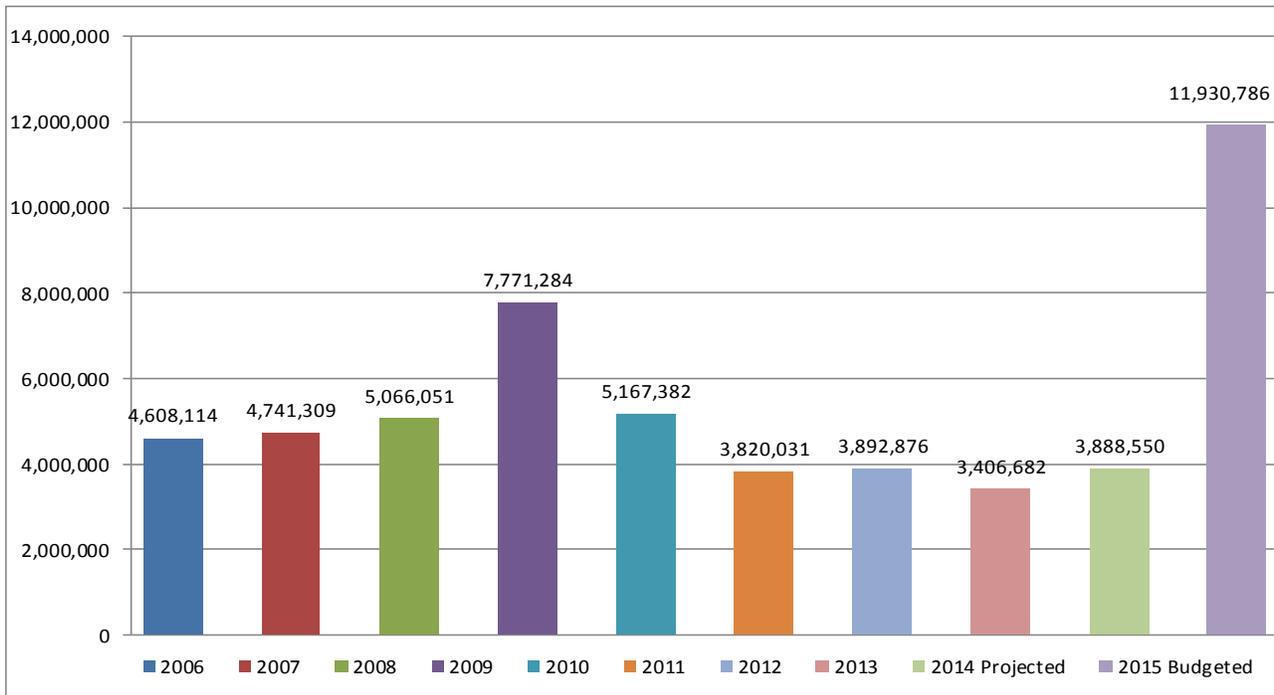
Debt Service Fund expenditures for 2014-15 are budgeted at \$55,198,155, a decrease of (\$ 4,099,359), or (6.64%) less than 2013-14 projected actual expenditures. Interest expense increased and principal costs decreased amounts due to the effects of recent bond refundings, which resulted in an overall decrease of \$3.9 million in these costs. The District's debt service tax rate is at the maximum amount allowed by law.

## KELLER ISD 2014-2015 BUDGET

The following graph shows actual Debt Service Fund Balance from 8/31/0 through 8/31/13 and projected fund balances for fiscal years 2014 and 2015. The District strives to maintain a Debt Service Fund Balance of 10% of Debt Service Fund expenditures.

As of August 31, 2014, the Debt Service Fund Balance was projected to be 7.05% of 2014-15 budgeted expenditures.

### DEBT SERVICE FUND BALANCE AS OF AUGUST 31



The District attempts to structure debt with a principal retirement schedule that allows the issuance of bonds with minimal increases to the Debt Service tax rate.

On March 14, 2014 the District issued \$5,650,000 in unlimited tax refunding bonds, with interest rates between 2.00% and 3.00% to advance refund \$45,845,000 of series 2005 and 2005A Bonds with original maturity of 2030 and interest rates between 4.00% of 5.00%. The refunding was undertaken to reduce the District's total debt service payments over the next 20 years by \$3,934,863 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$3,362,150.



**CHILD NUTRITION FUND**

The following table provides a comparison of revenues by source for the 2013-14 year and the 2014-15 budget year. The Child Nutrition Fund revenue is budgeted to increase \$ 304,187 or approximately 2.40% more than 2013-14 projected actual revenue.

**CHILD NUTRITION FUND REVENUE SOURCES COMPARISON**

	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
LOCAL SOURCES	\$ 7,461,105	\$ 7,342,872	\$ 7,666,059	\$ 323,187	4.40%
STATE SOURCES	334,014	338,926	67,302	(271,624)	-80.14%
FEDERAL SOURCES	4,794,879	4,993,755	5,246,379	252,624	5.06%
<b>TOTAL</b>	<b>\$ 12,589,998</b>	<b>\$ 12,675,553</b>	<b>\$ 12,979,740</b>	<b>\$ 304,187</b>	<b>2.40%</b>

The Child Nutrition Fund encompasses the operations of the district's school cafeterias. The local revenues are derived from charges to users. Local revenue is budgeted to increase as a result of an increase in sales due to student growth and efforts to increase program participation. The federal revenue is received from the U. S. Department of Agriculture under the National School Lunch Program and the School Breakfast Program. Federal revenue is expected to increase due to a mandated increase in meal pricing and increased program participation.

Child Nutrition Fund expenditures for 2014-15 are budgeted at \$12.13 million, a decrease of (\$1,629,334) or (11.84%) less than 2013-14 projected actual expenditures. The decrease is mostly due to kitchen construction costs that occurred during 2013-2014. Payroll costs decreased due to TRS on Behalf expenses which are included in 2013-14 projected actual amounts, but not in 2014-2015 adopted budget amounts. (see page 27). The Contracted Services budget for 2014-2015 minimally increased while the supplies and materials budget decreased by \$204,695 due to the purchase of one-time supplies and small wares in the 2014 fiscal year. There is nothing budgeted in capital outlay for 2014-2015 because the kitchen construction at the Learning Center was completed in 2013-2014.

**CHILD NUTRITION FUND EXPENDITURES BY OBJECT COMPARISON**

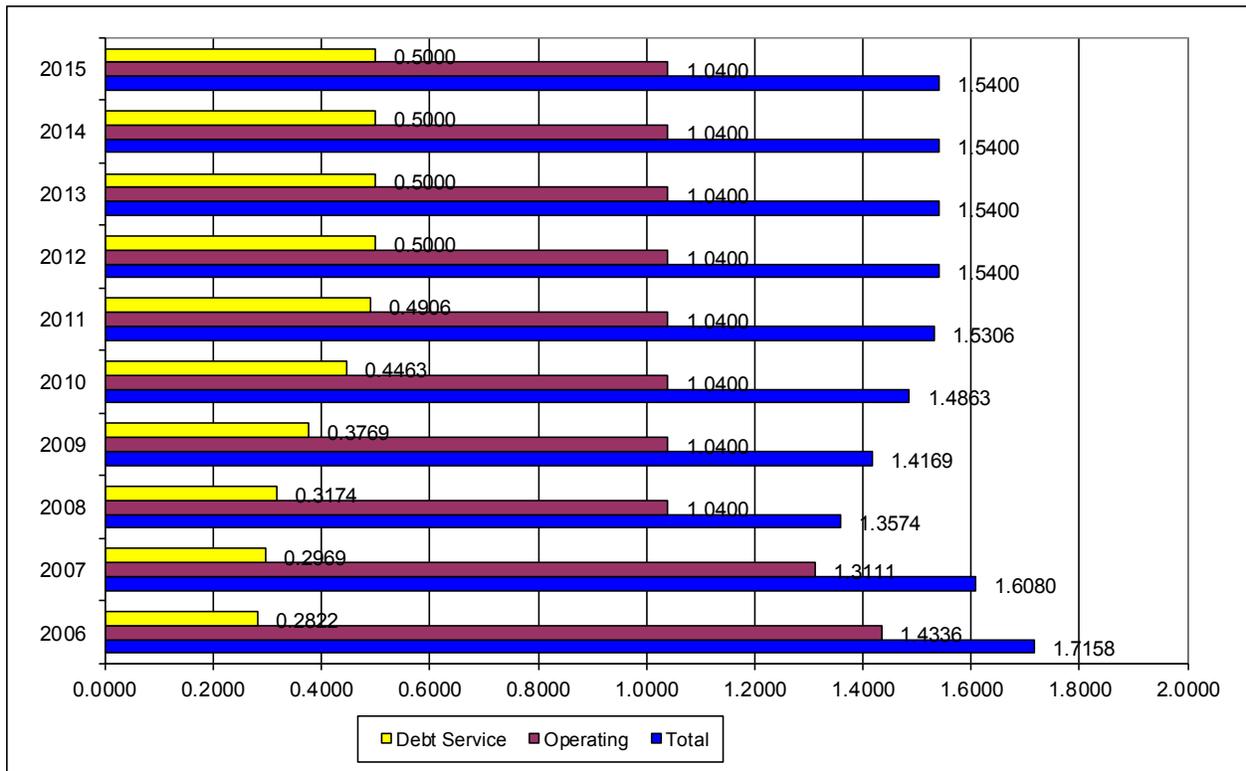
	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>
Payroll Costs	\$ 4,419,804	\$ 4,606,551	\$ 4,365,634	\$ (240,917)	-5.23%
Contracted Services	7,285,420	7,444,628	7,583,488	138,860	1.87%
Supplies and Materials	192,357	375,013	170,318	(204,695)	-54.58%
Other Operating Expenses	7,762	9,065	10,300	1,235	13.62%
Capital Outlay	758,592	1,323,817	-	(1,323,817)	-100.00%
	<b>\$ 12,663,935</b>	<b>\$ 13,759,074</b>	<b>\$ 12,129,740</b>	<b>\$ (1,629,334)</b>	<b>-11.84%</b>

**TAX RATE**

The District's tax rate consists of two separate components, a local maintenance rate and a debt service rate. Development of each of these components has been discussed in previous pages. Taxes are calculated by dividing the assessed property value (less exemptions, if applicable) by 100 and multiplying the result by the tax rate. The Tarrant County Appraisal District determines property values for Keller Independent School District. The Texas Education Code limits a school district's maintenance and operations tax rate to \$1.04 per \$100 taxable valuation. A tax rate in excess of \$1.04 to \$1.17 (state allowed maximum) per \$100 taxable value requires voter approval.

The graph that follows depicts the tax rate distribution from 2006-2015.

**TAX RATE DISTRIBUTION PER \$100 VALUATION**



## BUDGET PROCESS AND SIGNIFICANT CHANGES

The State, the Texas Education Agency (TEA), and the local district formulate legal requirements for school district budgets. These requirements are stipulated in detail within the subsequent sections of this document.

KISD maintains a five-year Long-Range Financial Forecast, which contains contributions from many departments in the district. Estimates of student demographics, taxable values, State Aid, debt repayment needs, facility needs and the need for any additional bond sales are only some of the items that are tracked and projected. This Financial Forecast is actually the first step in the KISD budget process.

Beginning in January, the Finance department begins the budget process by analyzing and updating the Financial Forecast as necessary. Based on the estimated tax levy, tax rates are estimated and tax collection amounts derived. State funding projections are then estimated based on the state funding formula and enrollment projections. Enrollment projections are also used to determine per-pupil allocations to campuses, instructional staffing allocations and other required service levels. Rough estimates of expenditures, including salaries and debt repayment, are determined.

After a preliminary picture of budget resources and needs are determined, a budget workshop is scheduled with the Board of Trustees in early spring to determine the budget direction for the next year. All known financial facts and figures are taken into consideration at that time, and the Board of Trustees determine their priorities and give direction to staff. The budget process then begins in earnest.

The District utilizes site-based budgeting and program based budgeting in which each campus budget is prepared by the campus principal and his/her staff. Each campus receives a basic allotment per student to be used for supplies, materials, equipment, staff development, and other appropriate instructional costs. The initial basic allotment per student for the 2014-15 budget has remained the same as the initial allotment of the prior year.

Budgets for administrative departments are developed by the department administrator based on an allotment determined by the Director of Finance from historical data. All campus and department budgets are then reviewed by the Director of Finance and the finance staff. Requests for additional funds are compiled by the Chief Financial Officer. The Superintendent and his executive team review these requests and make recommendations to the Board for inclusion in the budget.

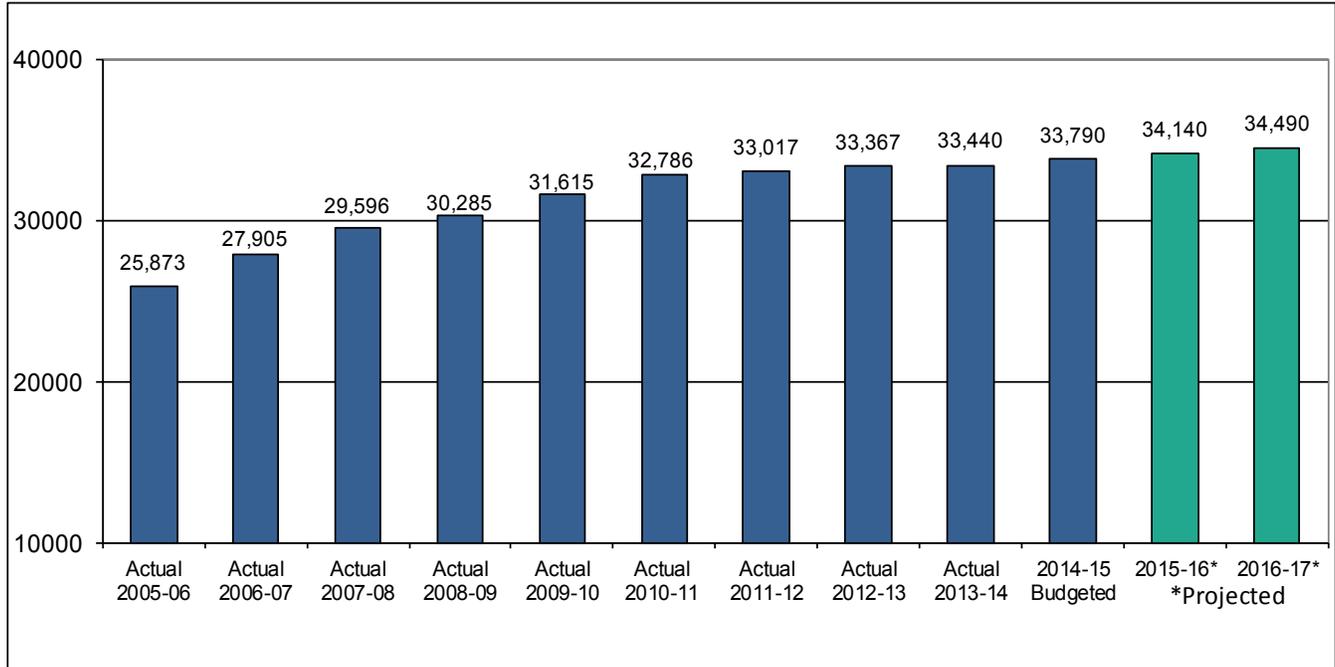
Payroll budgets are developed by applying existing and projected staff to approved payroll schedules. Positions are allocated to each campus based on projected student enrollment which follows state mandated ratios, if applicable. New positions requested are approved by the Board of Trustees prior to the completion of the budget.

While individual budgets are being developed, the Finance department updates revenue projections based on revisions to property values and state funding. Regular budget workshops are scheduled throughout the spring to inform the Board and receive feedback and direction. Efforts intensify in June and July and budget workshops occur more frequently until final adoption occurs at the end of August.

**KEY FACTORS AND SUMMARY**

Keller ISD has grown significantly since 2005. The continual increases in enrollment have presented challenges to budgeting effectively for the District. However, beginning in fiscal year 2011-12, enrollment began to increase at a much slower rate. The projected student enrollment for 2014-15 is 33,790 students. These changes are shown on the graph below.

**KELLER ISD ENROLLMENT**



These enrollment increases require additional campus personnel, support staff, instructional facilities, equipment, and supplies. The District faces future challenging events: growing populations and a state funding formula that effectively caps the revenue per student. Unless the state legislature corrects this issue in their upcoming session, the revenue cap per student will make it difficult to fund salary increases in future years. The virtual cap on state revenue per student coupled with additional requirements for the use of resources adds to the challenges mandated by the State.

The 2014-15 budget was developed according to the District’s mission, goals and directions established by the Board of Trustees and the Superintendent. These goals are evident in all areas of the budget as resources are allocated as necessary to meet established criteria. Broadening and enhancing the overall learning experience for students was a major factor in developing the budget, as well as meeting the requirements of House Bill 5. The District also is in the sixth year of a long-term process of continuous organizational improvement using the Baldrige model of continuous improvement and performance management. The 2014-15 budget is predicated on these principles.

**THE RESULTS**

The academic year of 2011-2012 introduced the new state assessment program State of Texas Assessments of Academic Readiness (STAAR). STAAR replaced the TAKS testing for grades 3 through grade 10 beginning in 2012-2013. Students in grade 11 continued to test under the TAKS methodology. Students in grades 9 and 10 were tested using end of course examinations.

In 2013 the Texas Legislature enacted House Bill 5, which called for End of Course assessment of students in Algebra I, biology, English I, English II, and United States history. The bill removed World Geography, Chemistry, Geometry, World History, Physics and Algebra II from the required testing.

The purpose of the STAAR EOC assessments is to measure students' academic performance in core high school courses and became part of the graduation requirements beginning with the freshman class of 2011–2012.

Students first enrolled in grade 9 or below in the 2011–2012 school year are required to take the STAAR EOC assessments for courses in which they're enrolled as part of their graduation requirements. The STAAR EOC assessments cover content in the TEKS.

The 2013-2014 grade 3 through 8 STAAR test results and the End of Course examination for students in grade 9 through 12 results compared to the state test results are as follows:

		<b>State</b>	<b>KISD</b>
<b>Grade 3</b>	Reading	76%	88%
	Math	70%	80%
<b>Grade 4</b>	Reading	74%	85%
	Math	70%	80%
	Writing	73%	80%
<b>Grade 5</b>	Reading	76%	87%
	Math	79%	86%
	Science	73%	80%
<b>Grade 6</b>	Reading	77%	91%
	Math	79%	92%
<b>Grade 7</b>	Reading	75%	90%
	Math	67%	83%
	Writing	70%	83%
<b>Grade 8</b>	Reading	70%	94%
	Math	79%	88%
	Science	71%	83%
	Social Studies	62%	81%

	<b>Biology</b>	<b>Algebra I</b>	<b>US History</b>	<b>English I</b>	<b>English II</b>
<b>State</b>	<b>91%</b>	<b>81%</b>	<b>92%</b>	<b>62%</b>	<b>66%</b>
<b>Keller ISD</b>	<b>98%</b>	<b>95%</b>	<b>98%</b>	<b>85%</b>	<b>86%</b>

**KELLER ISD 2014-2015 BUDGET**

---

The ACT recently provided Keller ISD with a report that documented that District student ACT scores have surpassed state averages for the past five years.

In 2014, Keller ISD students averaged a composite score of 23.1 on the ACT, that is three-tenths higher than the previous year and 2.2 points higher than the average ACT test-taker in Texas.

The District also increased the overall number of test-takers, and scores in respective testing categories were also all up from the previous year.

The percent of ACT-tested students ready for collect-level coursework is substantially higher than state averages. ACT uses college readiness benchmark scores for designated college courses.

College English Composition Readiness = 18 on ACT English test

College Algebra Readiness = 22 on ACT Mathematics test

College Social Science Readiness = 22 on ACT Reading test

College Biology Readiness = 23 on ACT Science Test

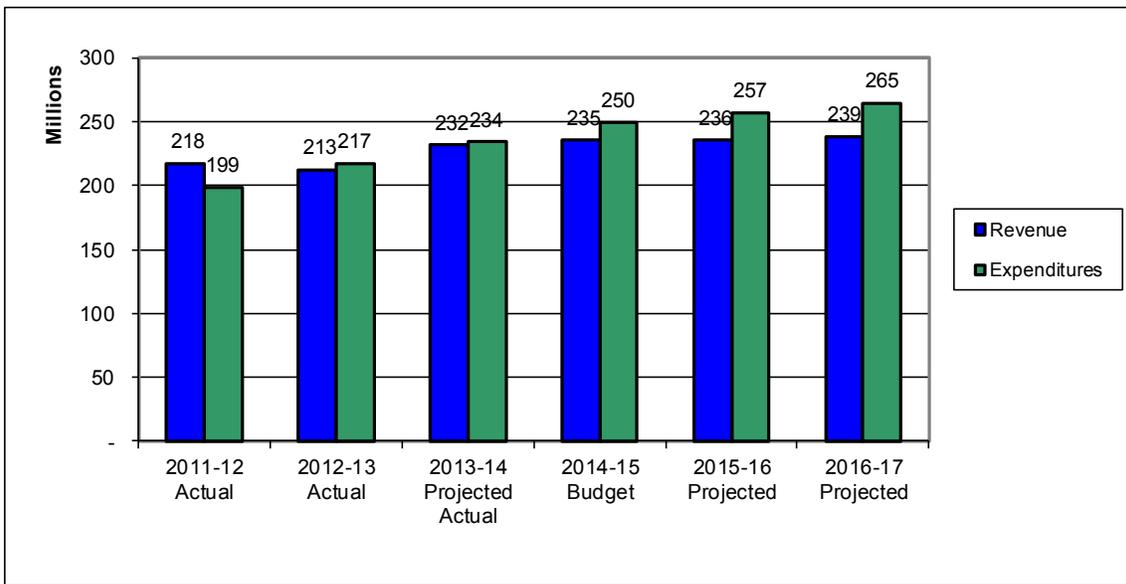
Keller ISD ACT test-takers outpaced state averages in each category, with 40 percent of test-takers in KISD meeting college readiness standards in all four categories compared to 26 percent in the state.

Grad Year	Tested District	English		Mathematics		Reading		Science		Composite	
		District	State	District	State	District	State	District	State	District	State
2010	671	22.0	19.7	23.3	21.4	23.0	20.8	22.7	20.9	22.9	20.8
2011	745	21.9	19.6	23.1	21.5	22.6	20.7	22.5	20.8	22.7	20.8
2012	876	22.1	19.6	23.2	21.4	23.1	20.8	22.6	20.8	22.9	20.8
2013	967	22.1	19.6	23.1	21.5	23.0	21.0	22.6	20.9	22.8	20.9
2014	1,093	22.3	19.8	23.2	21.4	23.3	21.1	23.0	21.0	23.1	20.9

**LONG RANGE FINANCIAL FORECAST**

The Informational Section of this budget document contains many charts, graphs and schedules that display trends important to the development of this budget and future years' budgets. Some of these trends include enrollment trends, staffing trends, revenue and expenditure trends, taxable value and tax rate trends. Revenue and expenditure projections through the 2016-17 fiscal year are detailed and explained. A summary of the General Fund projections is presented in the following graph.

**GENERAL FUND REVENUE AND EXPENDITURE FORECAST**



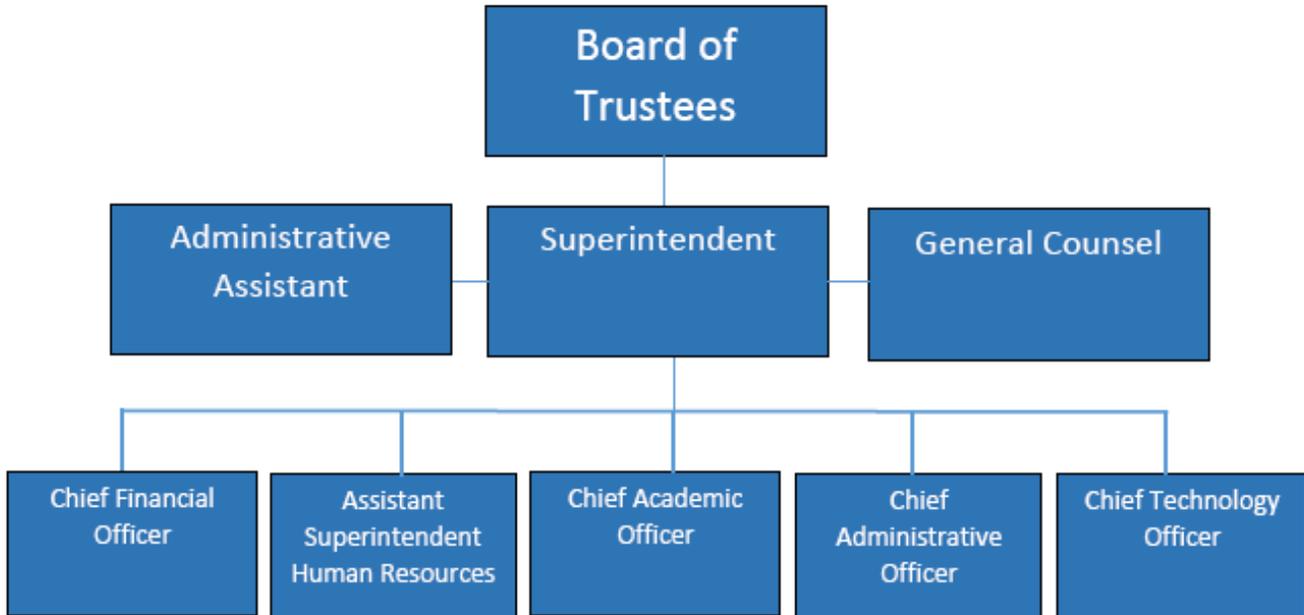
Year	Revenue	Expenditures
2011-12 Actual	217,508,161	198,667,346
2012-13 Actual	212,689,962	217,349,489
2013-14 Projected Actual	231,925,773	234,242,695
2014-15 Budget	235,221,504	249,520,228
2015-16 Projected	235,579,216	257,005,835
2016-17 Projected	238,797,787	264,716,010

Lawsuits originally filed in October 2011 on behalf of more than 500 Texas School Districts were appealed to the Texas Supreme Court in September 2014 after Judge John Dietz of the 250th District Court found the current state funding formula unconstitutional. The outcome of this case will greatly influence the state revenue expectations for future years.



# Keller Independent School District

## 2014-2015 Organizational Chart



**Keller Independent School District  
FINANCIAL STRUCTURE AND BASIS OF ACCOUNTING**

**Organizational Profile**

**Description of Entity**

The Keller Independent School was established in 1911 and provides education to students in Pre-Kindergarten (Pre-K) to 12th grade as well as special education and adult transition services for students up to age 22.

The Keller Independent School District is an independent public educational agency operating under applicable laws and regulations of the State of Texas. A seven member Board of Trustees elected to staggered three-year terms by the District's residents autonomously governs the District. The Keller ISD Board of Trustees ("Board") is the level of government which has oversight responsibility and control over all activities related to public school education within the District. The District receives funding from local, state and federal government sources and must comply with all the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in generally accepted accounting principles.

The Texas Education Agency and Southern Association of Colleges and Schools provide the District's K-12 education accreditation. Enrollment in the 22 elementary, 5 intermediate, 5 middle, one middle/intermediate school, 4 high schools, an early learning facility and an alternative school for the fiscal year is estimated at 33,790, which is an increase of 7,917 (or a 31% increase) in the last ten years. Besides the 39 regular schools, the district utilizes 23 portable buildings, which provide approximately 45 additional classrooms.

The district employs 3,878 teachers, administrators and support personnel to serve the district's 39 campuses. KISD serves as the fourth largest employer behind AMR Corporation (American Airlines), Bell Helicopter and Fidelity Investments. KISD serves portions of nine cities: Colleyville, Fort Worth, Haltom City, Hurst, North Richland Hills, Southlake, Watauga, Westlake and the entire city of Keller. The district's 51 square miles encompass the seventh largest land area, fourth largest student community and third largest property tax base for school districts in Tarrant County.

KISD delivers educational services by following an aligned curriculum. All courses and programs are facilitated through an electronic curriculum that aligns with state standards.

Course offerings for PK-12 include the four basic areas of English (reading and writing), math, science and social studies, along with a full range of offerings in the visual and performing arts, foreign languages, Pre-Advanced Placement (AP) courses, AP courses, and a multitude of other challenging opportunities. High school students can complete course work through the Texas State Virtual School Network and through dual credit courses where student receive both high school and college credit.

Special programs that ensure success for all students include Special Education, Dyslexia, 504, Advanced Academics, Homebound, English as a Second Language, Bilingual programs for Spanish and Vietnamese students, and Career and Technical Education (CTE).

Student services incorporate health-related support programs, guidance and library/media services, bullying prevention programs, credit recovery, drop-out services and early interventions in support of academic and behavioral success. KISD also provides parent education with tailored sessions for dyslexic, ESL and bilingual parents. A parent drug education programs is required for parents of students in University Interscholastic League (UIL) programs, athletics and fine arts. Also provided by KISD are voluntary student drug testing programs, and cyber-safety and digital citizenship lessons for students.

Through its Career and Technology Education program, KISD provides opportunities for students to explore career possibilities and master skills that are in high demand in business and industry, such as arts and communication, health and medicine, science, engineering and technology, and social, personal and public services. Technology education students in middle school can gain skills in aerodynamics, CAD/construction, desktop publishing, electronics and controls, engineering structures, robotics and more. Middle school students have the opportunity to enroll in the Gateway to Technology class. This cutting-edge engineering program addresses the interest and energy of middle school students, while incorporating national standards in mathematics, science and technology.

Students who are enrolled in Health Science Technology Education on the high school campuses start as student interns, rotating through virtually every department at Baylor Regional Medical Center at Grapevine Hospital. As second year students they advance to clinics and doctor offices in our community.

These are just a few of the many classes offered by Keller ISD which afford students a head start in life after high school. The district is currently in the early stages of converting an intermediate school campus into a Career and Technology Education Center. This campus would house programs such as STEM (Science, Technology, Engineering and Math), Health Science, Architecture and Construction, Commercial Photography, Law and Public Safety, Computer Networking and Culinary Arts. Indian Springs Middle School would then be converted to serve grades 5-8.

The Board of Trustees implemented a "Pay for Ride" transportation system for the 2011-12 school year, which continued into the 2012-13 school year. This "Pay for Ride" transportation system was modified for the 2013-14 school year and will continue through the 2014-15 year providing free transportation to all regular education students residing outside a 2 mile radius from their home campus. Students residing in areas deemed "Hazardous" also receive free transportation. Bilingual or Pre-K students attending programs at a campus other than their home campus receive free transportation between these campuses. Free transportation is also provided for Special Education students. Students who are assigned to special education transportation are transported from Admission, Review and Dismissal specified pickup points without regard for minimum distance from school.

### **Governing Body**

The seven member Board of Trustees serve, without compensation, a three year term in office. On a rotating basis, two or three places are filled during annual elections held the second Saturday of May. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the District.

Regular meetings are scheduled the second Thursday of each month and are held at the Keller ISD Education Center. Special meetings and work sessions are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts, and by the will of the people as expressed in school Board elections. Board decisions are based on a majority vote of those present.

In general, the Board adopts policies, sets direction for curriculum, employs the Superintendent, and oversees the operations of the District and its schools. Besides general Board business, Trustees are charged with numerous statutory regulations including calling trustee and other school elections and canvassing the results, organizing the Board and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions and adopting and amending the annual budget.

The Board solicits and evaluates community input and support concerning actual policies.

## **Financial Structure and Basis of Accounting**

### **Fund Accounting**

The funds and accounts of the District have been established under the rules prescribed in the Financial Accounting and Reporting Module of the Texas Education Agency Financial Accountability System Resource Guide. This budget document contains detailed information for all funds for which the Board of Trustees is required to adopt annual budgets. Special Revenue funds (excluding Child Nutrition) are not included in this budget document except in summary form, but are included in the Comprehensive Annual Financial Report (CAFR). These funds are budgeted funds that are not required to be approved by the Board of Trustees. Budgets for all funds are prepared using the same method of accounting as for financial reports (modified accrual), except for the Capital Projects Fund budget, which is budgeted on a project basis. The Capital Projects Fund budget is not legally adopted on an annual basis. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay any liabilities of the current period. There are no other variances between the accounting basis and the budgetary basis

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which is recognized when due. Following is a description of the funds for which annual budgets are adopted.

#### **General Fund**

The General Fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenue include local property taxes, interest on fund investments and other operating expenditures. Expenditures include all costs necessary for the daily operation of the schools.

#### **Special Revenue Funds**

Special Revenue Funds are used to account for funds awarded to the District for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements.

Child Nutrition – used to account for the District’s Child Nutrition Program, including local, state, and federal revenue sources and all costs associated with the operation of the program.

#### **Debt Service Fund**

The Debt Service Fund is used to account for the payment of interest and principal on all bonds of the District. The primary source of revenue for the debt service fund is local property taxes.

**Non Major Governmental Funds**

The District possesses \$5,786,352 of additional financial resources. These resources are accounted for in special revenue funds specifically mandated by the state. Although these funds are budgeted, the budgets are not legally required to be adopted by the Board of Trustees.

However, the majority of the funds listed below are state or federal grants and are subject to a multitude of regulations and reporting requirements. These funds may be used to “supplement, but not supplant” the general fund budget. Therefore they are used in conjunction with general fund budgeted funds to enhance a particular program.

Budgeted funds used in operation but not included in the budget approved by the Board of Trustees are listed below.

	<b>Budget</b>
	<b>2014-2015</b>
	<hr/>
ESEA Title I, Part A Improving Basic Program	1,519,554
IDEA Part B Formula	3,251,918
IDEA Part B Preschool	44,963
Vocational Education Basic Grant	179,564
ESEA Title II, Part A Training and Recruitment	245,331
Title III, Part A English Language Acquisition	209,944
Federally Funded Special Revenue Programs	9,959
State Supplemental Visually Impaired	22,800
Advanced Placement Incentives	34,076
State Funded Special Revenue Funds	3,471
Miscellaneous Local Grants	<hr/> 264,772
Total	\$ 5,786,352

Note: Final award amounts will not be available until May 2014.

## Non Major Governmental Funds

### Descriptions and Purpose

- 211 ESEA Title I, Part A Improving Basic Program  
This fund classification is to be used to account, on a project basis, for funds allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.
- 224 IDEA Part B Formula  
This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities. This fund classification includes capacity building and improvement (sliver) subgrants.
- 225 IDEA Part B Preschool  
This fund classification is to be used to account, on a project basis, for funds granted for preschool children with disabilities.
- 244 Vocational Education Basic Grant  
This fund classification is to be used to account, on a project basis, funds to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment.
- 255 ESEA Title II, Part A Training and Recruitment  
This fund classification is to be used to provide financial assistance to LEAs to (1) increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement.
- 263 Title III, Part A English Language Acquisition  
This fund classification is to be used to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.
- 289 Federally Funded Special Revenue Programs  
This fund classification is to be used to account, on a project basis, for federally funded special revenue funds that have not been specified above.
- 385 State Supplemental Visually Impaired (SSVI)  
This fund classification is to be used to account for State Supplemental Visually Impaired funds. This fund is to be used by single school districts, on a project basis, to account for any of these funds received from the ESC or district fiscal agent of shared services arrangement.
- 393 Texas Successful Schools Program  
This fund classification is to be used to account, on a project basis, for grant monies applied for by school districts after being notified by TEA of their eligibility based on Academic Excellence Indicator System (AEIS) criteria.
- 397 Advanced Placement Incentives  
This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the Texas Advanced Placement Award Incentive Program, Chapter 28, Subchapter C, TEC.
- 404 Student Success Initiative  
This fund classification is to be used to account, on a project basis, for funds granted for teacher training and allocations to schools to implement scientific, research-based programs for students who have been identified as unlikely to achieve the third grade TAKS reading standard by the end of the third grade.
- 410 Instructional Materials Allotment Fund  
This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the state instructional material allotment.
- 429 State Funded Special Revenue Funds  
State funded special revenue funds not listed above are to be accounted for in this fund.
- 461 Campus Activity Funds  
This fund classification is to be used to account for transactions related to a principal's activity fund if the monies generated are not subject to recall by the school district's board of trustees into the General Fund.
- 480 Miscellaneous Local Grants  
This fund classification is used, at the option of the school district to classify locally funded special revenue funds, such as grants by corporations to specific campuses, not defined elsewhere.

## FUNDING MATRIX

Below is a matrix depicting cross funding areas within the district and the uses of the different fund types.

Funding By Program	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Internal Service Fund	Child Nutrition Fund	Pupil Activity Fund
<b>Fiscal Year 2014-15</b>							
<b>Instructional Programs</b>							
Kindergarten Programs	X						
Primary Programs	X	X					
Elementary Programs	X	X					
High School Programs	X	X					
Vocational Programs	X	X					
Special Education Programs	X	X					
Preschool Special Education Programs	X	X					
Early Childhood Programs	X	X					
Gifted & Talented Programs	X						
Advanced Placement	X	X					
Homebound	X						
Primary Summer School	X						
Elementary Summer School	X						
Instructional Beyond Regular School Day	X	X					
Adult Education Programs	X	X					
Parenting Instruction		X					
Instructional Pupil Activity	X						X
<b>Support Services</b>							
Attendance & Social Work	X						
Guidance	X	X					
Health Services	X						
Psychological	X	X					
Improvement of Instruction	X	X					
Media Services	X						
Staff Development	X	X					
Board of Education	X						
Office of Superintendent	X						
School Administration	X						
Fiscal Services	X				X		
Facilities and Construction	X			X			
Maintenance & Operations	X			X			
Transportation	X	X					
Child Nutrition						X	
School Safety							
Staff Services	X						
Technology	X			X			
Supporting Pupil Activity	X						X
Health Insurance/Workers Compensation					X		
<b>Total Community Services</b>		X					
<b>Total Debt Services</b>	X		X				
<b>Total Intergovernmental</b>	X				X		

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT**

**Non Major Governmental Funds**

**Five Year Summary Expenditures**

	<b>Audited 2009-2010</b>	<b>Audited 2010-2011</b>	<b>Audited 2011-2012</b>	<b>Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Projected Budget 2014-2015 *</b>
204 ESEA, Title IV, Part A - Safe and Drug-Free Schools and Communitites Act	\$ 66,104	\$ -	\$ -	\$ -	\$ -	\$ -
211 ESEA, Title I, Part A - Improving Basic Program	1,021,208	948,724	1,001,214	1,595,030	1,648,982	1,519,554
224 IDEA Part B Formula	4,829,681	4,784,129	5,691,262	5,087,861	3,850,142	3,251,918
225 IDEA Part B Preschool	130,823	56,572	16,058	55,033	105,106	44,963
226 IDEA Part B Discretionary - High Cost Funds	-	23,762	-	-	-	-
244 Vocational Education Basic Grant	131,656	144,138	137,491	215,469	157,440	179,564
255 ESEA Title II, Prt A Training and Recruitment	475,491	298,902	245,842	329,452	175,203	245,331
263 Title III, Prt A English Language Acquisition	179,311	199,125	185,784	234,634	217,635	209,944
283 IDEA Part B Formula - AARA	1,843,381	3,658,640	18,190	-	-	-
284 IDEA Part B Preschool - AARA	10,151	102,804	-	-	-	-
285 ESEA, Title I, Part A - Improving Basic Program - AARA	253,531	367,672	2,796	-	-	-
287 Education Jobs Fund	-	426,293	4,783,158	-	-	-
289 Federally Funded Special Revenue Programs	9,744	10,176	10,457	10,038	10,018	9,959
385 State Supplemental Visually Impaired (SSVI)	25,241	24,072	24,013	22,980	22,800	22,800
397 Advanced Placement Incentives	52,660	64,838	42,309	19,218	9,970	34,076
404 Student Success Initiative	41,791	85,569	-	62,100	-	-
411 Technology Allotment	847,083	894,475	190,800	-	-	-
425 Beginning Teacher Induction and Mentor Program	256,034	121,108	-	-	-	-
429 Other Special Revenue Funds	3,273	349	51,125	422	-	3,471
480 Miscellaneous Local Grants	58,438	86,710	151,646	119,245	83,963	264,772
	<b>\$ 10,235,600</b>	<b>\$ 12,298,060</b>	<b>\$ 12,552,144</b>	<b>\$ 7,751,482</b>	<b>\$ 6,281,259</b>	<b>\$ 5,786,352</b>

\* Final award amounts will not be available until May 2015.

Projected expenditures for 2013-14 declined from 2012-13 actual expenditures, by (\$1.47) million or (19%). The major cause of this decrease was the loss of grant monies due to the federal education reductions required under the Budget Control Act of 2011, also known as sequestration.

Projected budgeted expenditures for 2014-15 is (\$494,907) or (7.88%) less than the 2013-14 projected actual; however, these funds may increase when final grant amounts are released.

**Keller Independent School District**

**CLASSIFICATION OF REVENUE AND EXPENDITURES**

Section 44.007 of the Texas Education Code requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (FASRG). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. This section further requires that a report be provided at the time the school district budget is filed, showing financial information sufficient to enable the State Board of Education to monitor the funding process and to determine educational system costs by school district, campus, and program.

A major purpose of the accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by Texas school districts in accordance with GAAP.

**Basic System Expenditure Code Composition**

- Fund Code – A mandatory 3-digit code is to be used for all financial transactions to identify the fund group and specific funds. The first digit refers to the fund group, and the second and third digits specify the fund.
- Function Code – A mandatory 2-digit code that identifies the purpose of the transaction is applied to expenditures. The first digit identifies the major service area and the second digit refers to the specific function within the area.
- Object Code – A mandatory 4-digit code identifying the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications. In addition, KISD has incorporated two additional digits to the object code to define the subject (i.e., math, science, etc.). This allows for easy analysis of amounts expended for each subject.
- Sub-Object – Optional code. Used at KISD to provide special accountability for certain programs or areas.
- Organization Code – A mandatory 3-digit code identifying the organization, i.e., campus, department.
- Fiscal Year Code – A mandatory single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project.
- Program Intent Code – A 2-digit code used to designate services provided to students.
- Optional Code 3, 4, and 5 – Optional code that may be used to further describe the transaction.

District revenues are classified by fund and object or source. There are three major sources: local sources, state sources, and federal sources.

Expenditure budgets are legally adopted at the fund and function level. However, within this document we have included several additional presentations of expenditures. These presentations segregate expenditures by either organization or by major object. Major object codes are used to describe the type of items purchased or services obtained. The major object codes used in this document are: payroll and related costs, contracted services, supplies and materials, other operating expenditures, debt service, and capital outlay. Fund codes are described in the preceding Financial Structure section. Detail description of the function codes used throughout this document are located in the appendix section.

**Keller Independent School District**

**SIGNIFICANT FINANCIAL POLICIES AND PROCEDURES**

The following financial policies and procedures of the District significantly influence the development of the annual budget.

**Cash Management**

The District's cash management goals are safety, liquidity and yield. Specifically:

- Insure proper collateralization of deposits;
- Insure adequate balances to cover cash disbursement needs;
- Maximize interest earnings while, at the same time, maximizing safety and liquidity;
- Minimize bank charges.

These goals are accomplished by keeping bank balances as low as possible through transferring all available dollars into one of three investment pools authorized for use by the District (TexPool, TexStar, and Logic). Minimal balances in the depository bank are maintained in an interest bearing account overnight.

Cash balances are monitored daily by the District through on-line banking. This system allows accounting personnel to minimize bank balances by transferring into the accounts only the funds necessary to cover the dollar amount of checks that are anticipated to be presented to the bank each day. This keeps the low interest bearing bank balances at a minimum, thus maximizing interest earnings through use of investment pools and other investments.

The District also utilizes the "positive pay" system that specifically identifies to the bank checks issued by amount, check number and date. This system deters counterfeit checks being drawn on funds from District accounts.

**Investment Policies**

The Board of Trustees has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act of 1995 (and amended by the legislature in 1997). This policy authorizes the District to invest in obligations of the U. S. Treasury, the State of Texas, or certain U. S. Agencies, certificates of deposit, repurchase agreements, commercial paper, bankers acceptances and public funds investment pools as permitted by Chapter 2256, Texas Government Code.

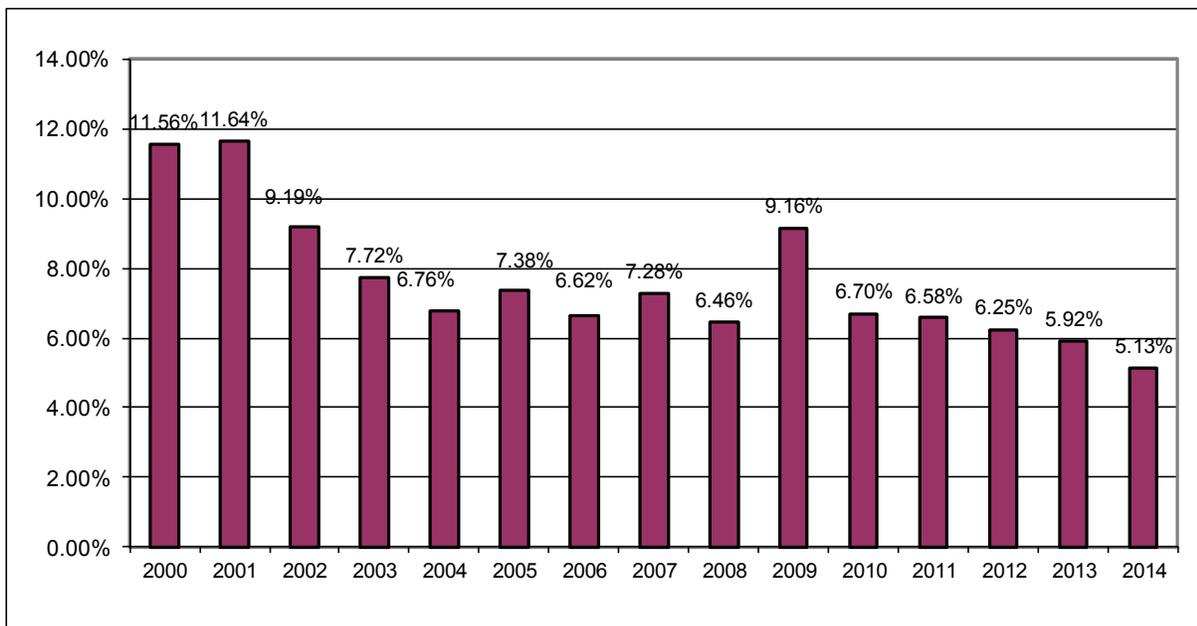
The main goal of the investment program is to ensure its safety, as well as to maximize financial returns within current market conditions in accordance with the District's investment policy. Assets of the District shall be invested in instruments whose maturities do not exceed five years from the time of purchase. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss.

A monthly investment report is prepared in accordance with the Public Funds Investment Act and submitted to the Board. The District's auditors perform a compliance audit of management controls on investments and adherence to the investment policy as well as a review of the monthly reports sent to the board. All individual investments are agreed to by the Investment Committee comprised of the Superintendent, the Chief Financial Officer and the Director of Finance.

**Debt Administration**

Debt Service is a major area of cost due to the District’s building program, which is primarily financed by the sale of general obligation bonds. The graph below depicts that as of August 31, 2014, the ratio of net bonded debt to Assessed Value for the District is anticipated to be 5.13%. Under state law, there is no explicit bonded indebtedness limitation, although a tax rate test effectively imposes a limit on the incurrence of debt. Chapter 45 of the Texas Education Code, as amended, requires a district to demonstrate to the Texas Attorney General that it has the prospective ability to pay debt service on a proposed issue of bonds, together with debt service on other outstanding “new debt” of the district, from a tax levied at a rate of \$0.50 per \$100 of assessed valuation before bonds may be issued. In demonstrating the ability to pay debt service at a rate of \$0.50, a district may take into account State allotments which effectively reduce the district’s local share of debt service. Once the prospective ability to pay such tax has been shown and the bonds are issued, a district may levy an unlimited tax to pay debt service. Prior law limited debt to 10% of assessed value, and the District is below that level. All principal and interest payments are due February 15th and August 15th of each year. On February 1st of each year, outstanding taxes become delinquent, which permits the collection of a large majority of taxes levied before the long term debt payments are due.

**RATIO OF NET BONDED DEBT TO TAXABLE ASSESSED VALUATION**



The District’s bonds presently carry a favorable rating of Aaa with Moody’s Investor Service and AAA with Standard and Poor’s based upon the Permanent School Fund Guarantee or insurance. The district’s current underlying ratings are Aa2 by Moody’s Investor Service and AA by Standard and Poor’s.

## Fund Balance Levels

Fund balance is the excess of assets over liabilities in a governmental fund. The District understands the importance of maintaining an adequate fund balance and strives to develop a balanced budget in each fiscal year.

KISD defines a balanced budget as one in which anticipated revenues equal or exceed anticipated expenditures thus creating no need to utilize the District's "savings account", or fund balance.

The Keller ISD's general fund balance exceeds the optimum fund balance, as defined by the State of Texas, by approximately \$35 million. The Board of Trustees have begun a program of managed "spend-down" of the general fund balance. Due to the extensive requirements of House Bill 5, the Board decided to use a portion of fund balance to fund the 2015 general fund budget. The general fund budget was adopted with a deficit of (\$9,298,724).

In accordance with Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, the district now classifies governmental fund balances as follows:

1. Non-spendable Fund Balance – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and prepaid items.
2. Spendable Fund Balance
  - a. Restricted Fund Balance – includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction.
  - b. Committed Fund Balance—Includes amounts that can be used only for the specific purposes as determined by the governing body by formal action recorded in the minutes of the governing body. Examples include, but are not specifically limited to, Board action regarding construction, claims and judgments, retirement of loans/notes payable, capital expenditures and self-insurance.
  - c. Assigned Fund Balance – includes amounts intended to be used by the district for specific purposes. The governing body may delegate the authority to assign fund balance to a district official or body.
  - d. Unassigned Fund Balance – is the residual classification of the General Fund and includes all amounts not contained in other classification. Only the general fund will have unassigned amounts.

Fund Balance is currently reserved for inventory, student transportation, athletic turf and band and athletic uniform replacement in the general fund.

Board Policy requires 17-20% of total fund balance to be committed each year for budgetary contingencies. For the 2013-14 year, this amounted to \$49,904,046. The committed amount represented 20% of the 2014-15 budgeted expenditures.

An analysis of changes in fund balance for the general fund appears on the next page.

**GENERAL FUND HISTORICAL REVENUE, EXPENDITURE AND  
FUND BALANCE LEVEL CHANGES**

<b>Revenues</b>	<b>Audited 2010-2011</b>	<b>Audited 2011-2012</b>	<b>Change Amount</b>	<b>Percent of Change</b>
Local Revenues	\$ 115,342,108	\$ 122,477,457	\$ 7,135,349	6.19%
State Revenues	101,741,928	94,683,993	(7,057,935)	-6.94%
Federal Revenues	223,961	346,711	122,750	54.81%
<b>Total Revenues</b>	<b>217,307,997</b>	<b>217,508,161</b>	<b>200,164</b>	<b>0.09%</b>
<b>Expenditures</b>				
Instruction	124,961,395	124,322,850	(638,545)	-0.51%
Media Services (Library)	3,103,390	2,042,530	(1,060,860)	-34.18%
Curriculum and Staff Development	2,239,102	1,744,637	(494,465)	-22.08%
Instructional Leadership	2,090,475	1,749,503	(340,972)	-16.31%
School Leadership	13,103,572	12,474,734	(628,838)	-4.80%
Guidance,Counseling and Evaluation	8,014,923	7,365,218	(649,705)	-8.11%
Social Work Services	278,615	155,656	(122,959)	-44.13%
Health Services	2,257,066	2,282,194	25,128	1.11%
Student Transportation	6,722,015	5,327,277	(1,394,738)	-20.75%
Food Services	-	-	-	0.00%
Co/Extracurricular Activities	6,689,486	5,853,416	(836,070)	-12.50%
General Administration	5,382,277	5,019,367	(362,910)	-6.74%
Facility Maintenance and Operations	19,274,555	17,671,549	(1,603,006)	-8.32%
Security and Monitoring Services	1,449,958	1,046,033	(403,925)	-27.86%
Data Processing Services	3,675,083	4,588,417	913,334	24.85%
Community Services	700,459	562,344	(138,115)	-19.72%
Facility Acquisition and Construction	472,775	1,316,799	844,024	178.53%
Shared Services Arrangements	3,329,680	3,410,020	80,340	2.41%
Juvenile Justice Alternative Education	-	2,375	2,375	0.00%
Tax Increment Fund (TIF)	1,750,904	1,732,427	(18,477)	-1.06%
Intergovernmental Charges	-	-	-	0.00%
<b>Total Expenditures</b>	<b>205,495,730</b>	<b>198,667,346</b>	<b>(6,828,384)</b>	<b>-3.32%</b>
<b>Excess (Deficiencies) Revenues over Expenditures</b>	<b>11,812,267</b>	<b>18,840,815</b>	<b>7,028,548</b>	<b>59.50%</b>
Other Resources	-	-	-	0.00%
Other Uses	-	-	-	
<b>Total Other Financial Resources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Excess (Deficiencies) of Revenue and Other Financial Resources Over Expenditures and Other Financial Uses</b>	<b>11,812,267</b>	<b>18,840,815</b>	<b>7,028,548</b>	<b>59.50%</b>
Fund Balance, beginning, 9/1	52,326,867	64,139,134	11,812,267	22.57%
<b>Fund Balance, ending, 8/31</b>	<b>\$ 64,139,134</b>	<b>\$ 82,979,949</b>	<b>\$ 18,840,815</b>	<b>29.37%</b>

## KELLER ISD 2014-2015 BUDGET

Audited 2012-2013	Change Amount	Percent of Change	Projected Actual 2013-2014	Change Amount	Percent of Change	Adopted Budget 2014-2015	Change Amount	Percent of Change
\$ 121,132,398	\$ (1,345,059)	-1.10%	\$ 126,155,601	\$ 5,023,203	4.15%	\$ 135,514,581	\$ 9,358,980	7.42%
90,958,924	(3,725,069)	-3.93%	103,789,415	12,830,491	14.11%	96,631,923	(7,157,492)	-6.90%
598,640	251,929	72.66%	1,980,757	1,382,117	230.88%	3,075,000	1,094,243	55.24%
<b>212,689,962</b>	<b>(4,818,199)</b>	<b>-2.22%</b>	<b>231,925,773</b>	<b>19,235,811</b>	<b>9.04%</b>	<b>235,221,504</b>	<b>3,295,731</b>	<b>1.42%</b>
137,181,022	12,858,172	10.34%	145,977,637	8,796,615	6.41%	154,914,358	8,936,721	6.12%
3,003,067	960,537	47.03%	3,241,224	238,157	7.93%	3,294,101	52,877	1.63%
1,827,345	82,708	4.74%	2,747,046	919,701	50.33%	4,125,156	1,378,110	50.17%
1,970,633	221,130	12.64%	2,290,801	320,168	16.25%	2,988,773	697,972	30.47%
13,603,614	1,128,880	9.05%	14,978,924	1,375,310	10.11%	15,028,159	49,235	0.33%
7,488,510	123,292	1.67%	8,386,755	898,245	11.99%	9,573,026	1,186,271	14.14%
202,973	47,317	30.40%	148,162	(54,811)	-27.00%	210,067	61,905	41.78%
2,659,587	377,393	16.54%	2,711,749	52,162	1.96%	2,960,807	249,058	9.18%
5,685,113	357,836	6.72%	6,807,163	1,122,050	19.74%	7,111,723	304,560	4.47%
-	-	0.00%	3,354	3,354	0.00%	7,000	3,646	108.71%
6,877,682	1,024,266	17.50%	8,396,911	1,519,229	22.09%	7,305,306	(1,091,605)	-13.00%
5,332,388	313,021	6.24%	5,012,728	(319,660)	-5.99%	6,489,429	1,476,701	29.46%
19,154,666	1,483,117	8.39%	19,856,018	701,352	3.66%	21,086,518	1,230,500	6.20%
1,573,179	527,146	50.39%	1,829,104	255,925	16.27%	2,128,344	299,240	16.36%
4,348,035	(240,382)	-5.24%	4,606,731	258,696	5.95%	4,715,392	108,661	2.36%
660,173	97,829	17.40%	596,368	(63,805)	-9.66%	448,624	(147,744)	-24.77%
1,015,164	(301,635)	-22.91%	102,440	(912,724)	-89.91%	109,821	7,381	7.21%
2,793,151	(616,869)	-18.09%	3,425,124	631,973	22.63%	3,495,347	70,223	2.05%
-	(2,375)	100.00%	-	-	100.00%	2,307	2,307	100.00%
1,973,187	240,760	13.90%	2,055,966	82,779	4.20%	2,350,158	294,192	14.31%
-	-	0.00%	1,068,490	1,068,490	0.00%	1,175,812	107,322	10.04%
<b>217,349,489</b>	<b>18,682,143</b>	<b>9.40%</b>	<b>234,242,695</b>	<b>16,893,206</b>	<b>7.77%</b>	<b>249,520,228</b>	<b>15,277,533</b>	<b>6.52%</b>
<b>(4,659,527)</b>	<b>(23,500,342)</b>	<b>-124.73%</b>	<b>(2,316,922)</b>	<b>2,342,605</b>	<b>-50.28%</b>	<b>(14,298,724)</b>	<b>(11,981,802)</b>	<b>517.14%</b>
-	-	0.00%	-	-	0.00%	5,000,000	5,000,000	0.00%
-	-	-	-	-	-	-	-	-
-	-	<b>0.00%</b>	-	-	<b>0.00%</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>0.00%</b>
<b>(4,659,527)</b>	<b>(23,500,342)</b>	<b>-124.73%</b>	<b>(2,316,922)</b>	<b>2,342,605</b>	<b>-50.28%</b>	<b>(9,298,724)</b>	<b>(6,981,802)</b>	<b>301.34%</b>
82,979,949	18,840,815	29.37%	78,320,422	(4,659,527)	-5.62%	76,003,500	(2,316,922)	-2.96%
<b>\$ 78,320,422</b>	<b>\$ (4,659,527)</b>	<b>-5.62%</b>	<b>\$ 76,003,500</b>	<b>\$ (2,316,922)</b>	<b>-2.96%</b>	<b>\$ 66,704,776</b>	<b>\$ (9,298,724)</b>	<b>-12.23%</b>

**CHILD NUTRITION FUND HISTORICAL REVENUE, EXPENDITURE  
AND FUND BALANCE CHANGES**

	<b>Audited 2010-2011</b>	<b>Audited 2011-2012</b>	<b>Change Amount</b>	<b>Percent of change</b>
<b>Revenues</b>				
Local sources	\$ 7,839,256	\$ 7,715,387	\$ (123,869)	-1.58%
State sources	350,514	320,154	\$ (30,360)	-8.66%
Federal sources	4,103,338	4,417,830	\$ 314,492	7.66%
<b>Total Revenues</b>	<b>12,293,108</b>	<b>12,453,371</b>	<b>160,263</b>	<b>1.30%</b>
<b>Expenditures</b>				
Food Services	10,892,691	11,502,531	609,840	5.60%
<b>Total Expenditures</b>	<b>10,892,691</b>	<b>11,502,531</b>	<b>609,840</b>	<b>5.60%</b>
<b>Fund Balance beginning, 9/1</b>	<b>2,412,907</b>	<b>3,813,324</b>	<b>1,400,417</b>	<b>58.04%</b>
<b>Fund Balance ending, 8/31</b>	<b>\$ 3,813,324</b>	<b>\$ 4,764,164</b>	<b>\$ 950,840</b>	<b>24.93%</b>

The fund balance for Child Nutrition should not exceed three months of average Child Nutrition operations expenditures. Average monthly Child Nutrition expenditures are calculated by dividing the subsequent years budgeted expenditures by ten months since the Child Nutrition department only operates for ten months out of the year. The 2013-14 projected budgeted fund balance for the Child Nutrition fund is approximately \$3.6 million. Three months of average Child Nutrition expenditures would be \$3.6 million, based on 2014-15 budgeted expenditures.

**KELLER ISD 2014-2015 BUDGET**

---

<b>Audited 2012-2013</b>	<b>Change Amount</b>	<b>Percent of change</b>	<b>Projected</b>			<b>Adopted</b>		
			<b>Actual 2013-2014</b>	<b>Change Amount</b>	<b>Percent of change</b>	<b>Budget 2014-2015</b>	<b>Change Amount</b>	<b>Percent of change</b>
\$7,461,105	\$ (254,282)	-3.30%	\$7,342,872	\$ (118,233)	-1.58%	\$7,666,059	\$ 323,187	4.40%
334,014	13,860	4.33%	338,926	4,912	1.47%	67,302	(271,624)	-80.14%
4,794,879	377,049	8.53%	4,993,755	198,876	4.15%	5,246,379	252,624	5.06%
<b>12,589,998</b>	<b>136,627</b>	<b>1.10%</b>	<b>12,675,553</b>	<b>85,555</b>	<b>0.68%</b>	<b>12,979,740</b>	<b>304,187</b>	<b>2.40%</b>
12,663,935	1,161,404	10.10%	13,759,074	1,095,139	8.65%	12,129,740	(1,629,334)	-11.84%
<b>12,663,935</b>	<b>1,161,404</b>	<b>10.10%</b>	<b>13,759,074</b>	<b>1,095,139</b>	<b>8.65%</b>	<b>12,129,740</b>	<b>(1,629,334)</b>	<b>-11.84%</b>
4,764,164	950,840	24.93%	4,690,227	(73,937)	-1.55%	3,606,706	(1,083,521)	-23.10%
<b>\$4,690,227</b>	<b>\$ (73,937)</b>	<b>-1.55%</b>	<b>\$3,606,706</b>	<b>\$(1,083,521)</b>	<b>-23.10%</b>	<b>\$4,456,706</b>	<b>\$ 850,000</b>	<b>23.57%</b>

**DEBT SERVICE FUND HISTORICAL REVENUE, EXPENDITURE  
AND FUND BALANCE LEVEL CHANGES**

	<b>Audited 2010-11</b>	<b>Audited 2011-12</b>	<b>Change Amount</b>	<b>Percent of Change</b>
<b>Revenue</b>				
Local Sources	\$ 53,214,975	\$ 55,909,665	\$ 2,694,690	5.06%
State Sources	638,097	1,052,689	414,592	64.97%
<b>Total Revenues</b>	<b>53,853,072</b>	<b>56,962,354</b>	<b>3,109,282</b>	<b>5.77%</b>
<b>Expenditures</b>				
Debt Service	55,371,826	56,974,733	1,602,907	2.89%
<b>Total Expenditures</b>	<b>55,371,826</b>	<b>56,974,733</b>	<b>1,602,907</b>	<b>2.89%</b>
<b>Other Financing Resources (Uses)</b>				
Other Resources	9,975,449	2,910,974	(7,064,475)	-70.82%
Other Uses	(9,804,046)	(2,825,750)	6,978,296	-71.18%
<b>Total Other Financing Resources (Uses)</b>	<b>171,403</b>	<b>85,224</b>	<b>(86,179)</b>	<b>-50.28%</b>
<b>Beginning Fund Balance, 9/1</b>	<b>5,167,382</b>	<b>3,820,031</b>	<b>(1,347,351)</b>	<b>-26.07%</b>
<b>Ending Fund Balance, 8/31</b>	<b>\$ 3,820,031</b>	<b>\$ 3,892,876</b>	<b>\$ 72,845</b>	<b>1.91%</b>

The District is strives to maintain a Debt Service Fund balance of 10% of Debt Service Fund expenditures. Budged Fund Balance at August 31, 2015 is projected to be approximately \$12 million, or 21.62% of 2014-15 Debt Service Fund expenditures.

**KELLER ISD 2014-2015 BUDGET**

---

<b>Audited 2012-13</b>	<b>Change Amount</b>	<b>Percent of Change</b>	<b>Projected Actual 2013-14</b>	<b>Change Amount</b>	<b>Percent of Change</b>	<b>Adopted Budget 2014-15</b>	<b>Change Amount</b>	<b>Percent of Change</b>
\$ 56,582,160	\$ 672,495	1.20%	\$ 59,379,618	\$ 2,797,458	4.94%	\$ 63,240,391	\$ 3,860,773	6.50%
384,652	(668,037)	-63.46%	175,493	(209,159)	-54.38%	-	(175,493)	-100.00%
<b>56,966,812</b>	<b>4,458</b>	<b>0.01%</b>	<b>59,555,111</b>	<b>2,588,299</b>	<b>4.54%</b>	<b>63,240,391</b>	<b>3,685,280</b>	<b>6.19%</b>
58,408,156	1,433,423	2.52%	59,297,514	889,358	1.52%	55,198,155	(4,099,359)	-6.91%
<b>58,408,156</b>	<b>1,433,423</b>	<b>2.52%</b>	<b>59,297,514</b>	<b>889,358</b>	<b>1.52%</b>	<b>55,198,155</b>	<b>(4,099,359)</b>	<b>-6.91%</b>
100,689,802	97,778,828	3358.97%	49,295,068	(51,394,734)	-51.04%	-	(49,295,068)	-100.00%
(99,734,652)	(96,908,902)	3429.49%	(49,070,797)	50,663,855	-50.80%	-	49,070,797	-100.00%
<b>955,150</b>	<b>869,926</b>	<b>1020.75%</b>	<b>224,271</b>	<b>(730,879)</b>	<b>-76.52%</b>	<b>-</b>	<b>(224,271)</b>	<b>-100.00%</b>
3,892,876	72,845	1.91%	3,406,682	(486,194)	-12.49%	3,888,550	481,868	14.14%
<b>\$ 3,406,682</b>	<b>\$ (486,194)</b>	<b>-12.49%</b>	<b>\$ 3,888,550</b>	<b>\$ 481,868</b>	<b>14.14%</b>	<b>\$ 11,930,786</b>	<b>\$ 8,042,236</b>	<b>206.82%</b>

## **Capital Assets**

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of at least one year. However, all land and land improvements are capitalized regardless of the amount. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed. Interest cost related to acquisition of fixed assets is not capitalized.

## **Risk Management**

Keller Independent School District provides insurance related services to district employees and students on over 42 campuses and administrative sites. Areas of responsibility include occupational safety, loss control, risk assessment, insurance management (property/casualty, automotive, workers' compensation and professional liability), and unemployment compensation.

The district's automotive and property insurance coverage protects 104 vehicles and 30 trailers, and 23 district owned portable buildings, as well as all permanent campus structures and facilities. Property is insured up to a maximum loss amount of approximately \$858 million.

## **Employee Benefits**

Keller Independent School District provides employee benefit services to district employees on over 42 campuses and administrative sites. Areas of responsibility include cafeteria plan administration, COBRA/HIPPA compliance, and payroll deduction services for 403(b) and 457(b) plans. Both tax deferred plans are administered by third party administrators to ensure compliance with IRS and state regulations. Employee monthly contributions are approximately \$261,512 for the 403(b) plan and \$13,782 for the 457 (b) plan.

KISD provides core benefits and the right to purchase optional benefits to all employees through the KISD Cafeteria Plan governed by Section 125 of the IRS Code. The district will provide \$275 per month for employees who are contributing members to the Teacher Retirement System of the State of Texas to offset optional health plan costs. Contributions of \$240 per year are available for full-time employees not purchasing a KISD sponsored health plan. Both the district's health insurance and workers' compensation program are self-funded.

## **Bank Depository**

The district is required to execute a depository agreement with a local banking institution for a period of two years. Competitive bidding is mandated and state law sets general terms. The current contract was signed on June 6, 2013 to cover the period from September 2013 through August 2015. The district and depository bank may exercise the option to extend the contract for two two-year periods when the contract expires. The district will be required to go out for bid for the agreement that begins September 1, 2019.

Banking fees for the 2014-15 fiscal year are projected to be slightly higher than the previous year because the September and October 2013 fees were waived as an incentive offering for the current contract.

The district's primary investment pools, LOGIC, TexPool, and TexSTAR, totaled \$74,779,945, and earned averages of 0.0927%, 0.0353%, and 0.0350% respectively in the month of August 2014.

The investment portfolio also includes Agency and Treasury securities totaling \$51,714,930 at August 31, 2014, with average coupon rate of 0.73% for Agencies and 0.38% for Treasuries.

## **INDEPENDENT AUDIT AND FINANCIAL REPORTING**

In accordance with Section 221.256, Texas Education Code, public school districts in Texas shall have their accounts audited annually. The audit shall be made on an organization-wide basis, and shall involve all fund types and account groups of the school district. In addition to meeting the requirements set forth in State statutes, the audit is also designed to meet the requirements of the federal Single Audit Act of 1984 and the related provisions of OMB Circular A-133 "Audits of State, Local Governments, and Non-Profit Organizations." Once the annual audit is complete, the Annual Financial Report is prepared and submitted to the Board of Trustees for approval. The Annual Financial Report is designed to meet the specific monitoring needs of the Texas Education Agency. Thus, a Comprehensive Annual Financial Report, conforming to the standards of both the Association of School Business Officials (ASBO) international and the Government Finance Officers Association (GFOA), is also prepared to better serve the needs of taxpayers and other financial statement users. The district was awarded the Certificate of Achievement for Excellence in Financial Reporting by GFOA and the Certificate of Excellence in Financial Reporting by ASBO for each fiscal year since 2006-2007.

## BUDGET POLICIES AND DEVELOPMENT PROCEDURES

The State, the Texas Education Agency (TEA), and each local district formulate legal requirements for school district budgets.

### Legal Requirements

Sections 44.002 through 44.006 of the *Texas Education Code* establish the legal basis for budget development in Texas school districts. The following items summarize the legal requirement from the code.

- The Superintendent is the budget officer for the District and prepares or causes the budget to be prepared.
- The district budget must be prepared by a date set by the State Board of Education, currently August 31.
- The President of the Board of Trustees must call a public meeting of the Board of Trustees, giving ten days public notice in a newspaper, for the adoption of the district budget. Any taxpayer in the district may be present and participate in the meeting.
- No funds may be expended in any manner other than as provided for in the adopted budget. The Board does have the authority to amend the budget or adopt supplementary emergency budgets to cover unforeseen expenditures.
- The budget must be prepared in accordance with GAAP (Generally Accepted Accounting Principles) and state guidelines. The budget is prepared on a modified accrual basis, which is the same basis of accounting used in the district's audited financial statements.
- The budget must be legally adopted before the adoption of the tax rate, with certain exceptions.

The Texas Education Agency (TEA) requires that budgets for the General Fund, Child Nutrition Fund and the Debt Service Fund be included in the official district budget. These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates. A school district must amend the official budget before exceeding a functional expenditure category in the total district budget.

### Budget Development Process

With the guidance of the Board of Trustees, principals and administrators of the District, under the direction of the Chief Financial Officer and the Superintendent, develop the budget. All expenditure allocations are determined based on projected revenue from state and local sources with the goals of maintaining an appropriate fund balance, considering the tax burden of our taxpayers, while still meeting the District's educational goals.

The Finance department prepares revenue projections for all funds. These projections are based on enrollment projections, estimates of local tax revenue, state funding formulas, and other significant factors. The funding formulas are extremely complex. This complexity is compounded by changes that the legislature regularly makes when they meet every other year to consider revisions to the state funding formula and other issues.

Salaries and benefits comprise 81.77% of the 2014-15 annual General Fund operating budget. Therefore, the Board of Trustees gives careful consideration to staffing allocations for both instructional and non-instructional positions. Additional personnel units are evaluated by the Superintendent and his executive staff each year and, after extensive review and analysis, recommendations are presented to the Board of Trustees.

Personnel units are allocated to each campus based on projected student enrollment following state mandated ratios, as applicable. Additional staff may be allocated to a school based upon student demographics or special programs. The budget amounts are then developed for vacant positions based on the average cost of employees currently filling each position. Supplemental pay (stipends for coaches, department heads, etc.) is approved on a year-to-year basis and does not become part of the base salary of an employee. A salary supplement may be increased, decreased, or eliminated if the Board of Trustees determines this to be in the best interest of the District.

To decentralize the budget process for non-payroll related budget items, the District uses site-based decision making, where each campus principal and his/her staff, determine how to use allocated monies. Each campus receives a basic allotment per student which is to be used for supplies, materials, equipment, staff development, and other appropriate instructional costs. Campuses also receive a separate allotment which is to be used for library books.

Beginning with the 2013-14 budget, the district implemented a modified form of Zero Based Budgeting. At least one administrative function and several campuses start at zero and prepare a budget based on their Campus or Departmental Improvement Plan, the district's long-term and strategic plans, upcoming initiatives, and actual needs. Within a five-year cycle, all campuses and departments would have prepared a Zero Based Budget once. The Technology and the Human Resources function participated in the process for the 2014-15 year. In addition, Basswood Elementary, Caprock Elementary, Eagle Ridge Elementary, Independence Elementary, Keller Harvel Elementary, Lone star Elementary, North Riverside Elementary, Parkview Elementary, Shady Grove Elementary, Whitley Road Elementary and the Early Learning Center prepared Zero Based budgets for the 2014-15 year.

Budgets for non-campus (departmental) units, including Child Nutrition, are developed by the central administrators. Each administrator is given an allocation based on the previous year's allocation plus any special allotments for recurring items which were approved in the previous year. The administrators must ensure that their budgets do not exceed the allocation amount. Any supplemental requests over and above their base allocation must be submitted in writing to the Finance function. The Superintendent and his executive team review these requests and determine if any will be recommended to the Board for approval. If approved by the Board, these supplemental requests will be added to the departmental budget.

The Director of Finance develops the Debt Service Fund budget. This budget is constructed based primarily on tax base assumptions (for local revenue projections) and projected debt retirement requirements.

Following the development process, consolidated budgetary information is presented to the Board of Trustees in workshops and regular meetings. This information is summarized in a variety of different presentations and line item detail is provided, as requested.

The District solicits public input by advertising a public hearing in the newspaper. The proposed budget is available to the public prior to the public hearing. The Board may recommend potential budget adjustments after considering the public's comments and/ or recommendations.

Significant dates and events included in the budget development process are summarized on the budget calendar on the following pages of this document.

## **Capital Project Funds Budget Policies**

Capital Projects Funds are used to account for the proceeds of General Obligation bonds and related interest earnings and the expenditures of these funds for the construction and equipping of school facilities, to purchase school sites, and renovations or repair of existing facilities. The Board of Trustees does not formally adopt the Capital Projects Funds budgets annually.

These budgets are prepared on a project basis, based on the proceeds available from bond issues and planned expenditures outlined in applicable bond ordinances. Each major construction contract is approved based on the existing availability of bond proceeds and/or approved but unissued bonds. However, the impact of the Capital Projects Funds budgets must be considered during the development of the annual budgets for all other funds. Future operating costs (staffing, utilities, etc.) associated with capital improvements and new facilities must be projected and included in the General Fund budget. Repayment of bonds issued for capital projects must be included in Debt Service Fund projections.

Additionally, certain capital outlay expenditures (such as high cost/unit furniture and equipment) may be budgeted both in the General Fund and the Capital Projects Funds.

No new campuses or facilities were constructed in 2013-14 requiring on-going general funds for operation or maintenance in 2014-15 and beyond.

**KELLER ISD  
2014-2015 Budget Calendar**

- March – Revise and update Budget Chart of Accounts
- March 31 – Approved Staffing Projections from HR
- March 31 – Work calendars received from HR
- March 17 – Requests for additional budget considerations (ABCs) to Chief Financial Officer
- April 1 – Initialization of Budget Prep (after this date all new codes must be set up in both Fund Accounting and Budget Prep)
- April 12 – Revised ABC's to Chief Financial Officer
- April 12 – Establish campus and department allotments
- April 15 – Meet with Zero-Based Budget (ZBB) participants
- April 21 – Salary/Min-Mid-Max schedules from HR
- April 21 – Determination of any salary increases and step increases by HR/Finance
- April 21 – Complete initial reconciliation of Finance Position Control to HR Position Control complete. Ongoing.
- April 23 – Complete ZBB tools for selected campuses and departments
- April 23 – List of federally funded positions from HR/Learning Function.
- April 26 – Receive Certified estimated property values from the Tarrant County Appraisal District
- April 28 – Completion date of data entry by Finance of all budgets. Send to campuses and departments for review and revisions.
- April 30– Initialization of Personnel Budgeting and baseline projections
- April 30 – HR Position Control updated for all staffing projections (allocation additions and deletions)

**KELLER ISD  
2014-2015 Budget Calendar (continued)**

- April 30 – Reorganization changes and /or any market adjustments from HR
- April 30 – New tax rates from Payroll and new benefit rates from HR
- April 30 – Any changes in substitute or extra duty rates from HR
- April 30 – All new stipends to be budgeted received from HR
- May 13– Initial calculation of salary and benefits
- May 13 – Campuses and departments (except ZBB) return to Finance all requested changes to their budgets.
- May 13– All manual payroll projections completed by Finance (TRS Stat Min, subs, stipends, longevity, etc)
- May 20 – ZBB budgets returned to Finance.
- May 15 – Citizen Budget Committee Meeting
- May 29 – Budget Workshop – Board of Trustees
- May 30 – All requested changes to budgets completed by Finance
- June 4 - Preliminary total budget projections
- June 15 – Receive second round of preliminary valuations given by Tarrant County Appraisal Districts
- June 21 – Recalculate effects of updated property values
- June 23 – Citizen Budget Committee Meeting
- June 26 – Budget Workshop – Board of Trustees
- June 30 – All Personnel Budgeting must be finalized prior to Payroll new year rollover. Any additional items after this date will need to be manually calculated.
- July 13 – Certification of anticipated collection rate by tax collector
- July 25 – Receive certified appraisal roll from Tarrant County Appraisal District for final calculation of revenue.

**KELLER ISD  
2014-2015 Budget Calendar (continued)**

- July 25 – Refine budget with certified appraisal roll from TAD and compute rollback tax rate.
- July 29 – Citizen Budget Committee Meeting
- July 31 – Budget Workshop – Board of Trustees
- August 14 – “NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE” published in paper
- August 28 – Regular or Special Called Board Meeting to Adopt Budget – public meeting on budget and proposed tax rate. School Board may adopt budget and tax rate after the public meeting. Or, the board may adopt the budget and wait to adopt the tax rate. Budget must be adopted by August 31.

Dates are subject to change.

## **BUDGET ADMINISTRATION AND MANAGEMENT PROCESS**

Adoption of the official budget by the Board of Trustees is only the first step in the budget process. Following adoption, the budget administration and management process begins. The budget administration and management process is the process of regulating expenditures throughout the fiscal year to ensure that they do not exceed authorized amounts and that they are properly and legally used for the intended purposes.

### **Expenditure Control and Approvals**

Expenditure appropriations are allocated between 86 organizations or cost centers (campuses, departments, etc.). The principal or department head (administrator) is accountable for their organization's portion of the General Fund budgets. Each administrator is authorized to approve the expenditure of funds within his/her organization, provided that funds are expended in accordance with District purchasing procedures and legal requirements, and with the adopted budget for that year.

This is accomplished through the use of the standard account code system prescribed by the Texas Education Agency, which includes an organization code. The code system is described in detail within this document. Each budget manager (or designee) is granted online access to the accounting codes for their organization. This access includes purchase and warehouse requisitioning, account inquiry and reporting capabilities.

### **Purchase Orders**

The Board of Trustees approves all bid awards and contracts in excess of \$50,000 per year. Purchase orders (P.O.s) are prepared for all goods and services, except for those items listed below. Once a purchase request is entered and approved at the campus/department level, the requisition is forwarded to the Purchasing department for verification of proper vendor and compliance with legal purchasing procedures. The requisition is then forwarded to the Finance department for verification of proper account code, availability of funds and compliance with various administrative regulations. Additional levels of approval are required for grant funds and technology purchases. The District's financial software automatically forwards the requisition through all levels of approval. If the request is approved at all levels, the funds are encumbered and a purchase order is printed and mailed/faxed to the appropriate vendor. Encumbrances are reservations of appropriations for goods/services that have not been received. The purpose of an encumbrance is to ensure that obligations are recognized as soon as financial commitments are made to prevent the budget from being inadvertently exceeded due to lack of information about future commitments.

After the goods or services are physically received, the recipient forwards confirmation of receipt to the Accounts Payable department. The record of receipt and the vendor invoice are then matched to the purchase order. When all three have been received, payment is made. The encumbrance is liquidated at the time of payment.

### **Check Requisitions**

Check requisitions are used for entry fees, registration fees, advances for student travel, refunds and payment for athletic and/or extracurricular officials, judges, etc. Travel reimbursement forms are used to reimburse travel expenses. Check requisitions and travel reimbursement forms, along with the appropriate supporting documents, are forwarded to the Finance department for review, approval and payment. Funds are not encumbered with check requisitions because payment occurs immediately and are not subject to the receipt of goods.

## **Amending the Budget**

The budget is legally adopted at the fund and function level. All budget amendments between functions must be approved by the Board of Trustees *prior to* expenditure of funds. An example of such would be a transfer from one functional category (e.g. Library) to another functional category (e.g. Instruction). In addition, budget changes that would increase/decrease the overall fund are taken to the Board of Trustees for their approval prior to any expenditure of funds. All other (non-functional) adjustments are approved by the Finance department.

## **Monitoring the Budget**

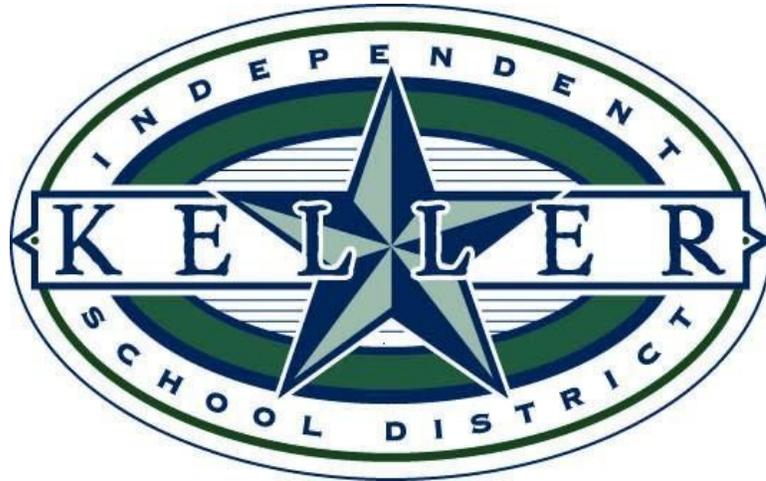
The District's interactive, on-line budgetary accounting and control system provides many useful reports to assist Board members, district staff and the Finance department in administering, monitoring and controlling the budget. This system provides many checks and balances to ensure that funds are not over-expended at the budgetary control account level. If sufficient funds are not available at the budgetary control account level, purchase orders and check requisitions cannot be generated nor checks written.

The Finance staff carefully monitors comparisons between budget and actual expenditures to maintain cost control and to guard against overspending for all budgeted accounts.

Relevant financial reports are posted to the District's website on a monthly basis. These reports include property tax, investments, general fund financial position and check registers. The final step in the budget monitoring process is the evaluation of the results of operations, which are presented annually in the district's Comprehensive Annual Financial Report (CAFR).

## **Reporting to the Texas Education Agency (TEA)**

The District budget must be submitted to the TEA via the Public Education Information Management System (PEIMS) transmission process as of the date established in the annual instructions for the system. The TEA monitors for compliance at the district level only. This monitoring is a legal requirement to ensure mandatory expenditure levels in certain areas. In addition, amended budgets are reflected on the schedule comparing budget and actual results in the Annual Financial and Compliance Report. The requirement for filing the amended budget with the TEA is formally met when the district submits its Annual Financial and Compliance Report.



KELLER ISD  
Intentionally  Exceptional

# *Financial Plan*



**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
COMBINED BUDGET SUMMARY-REVENUES  
2014-2015**

**GENERAL FUND, DEBT SERVICE FUND, AND CHILD NUTRITION FUND**

	<b>Audited</b>	<b>Audited</b>	<b>Projected</b>	<b>Adopted</b>
<b>Revenues</b>	<b>2011-12</b>	<b>2012-13</b>	<b>Actual</b>	<b>Budget</b>
	<b>2013-14</b>	<b>2014-15</b>		
Local Revenues	\$ 186,102,509	\$ 185,175,663	\$ 192,878,091	\$ 206,421,031
State Revenues	96,056,836	91,677,590	104,303,834	96,699,225
Federal Revenues	4,764,541	5,393,519	6,974,512	8,321,379
<b>Total Revenues</b>	<b>286,923,886</b>	<b>282,246,772</b>	<b>304,156,437</b>	<b>311,441,635</b>
<b>Expenditures</b>				
Instruction	124,322,850	137,181,022	145,977,637	154,914,358
Media Services (Library)	2,042,530	3,003,067	3,241,224	3,294,101
Curriculum and Staff Development	1,744,637	1,827,345	2,747,046	4,125,156
Instructional Leadership	1,749,503	1,970,633	2,290,801	2,988,773
School Leadership	12,474,734	13,603,614	14,978,924	15,028,159
Guidance,Counseling and Evaluation	7,365,218	7,488,510	8,386,755	9,573,026
Social Work Services	155,656	202,973	148,162	210,067
Health Services	2,282,194	2,659,587	2,711,749	2,960,807
Student Transportation	5,327,277	5,685,113	6,807,163	7,111,723
Food Services	11,502,531	12,180,513	12,861,353	12,136,740
Co/Extracurricular Activities	5,853,416	6,877,682	8,396,911	7,305,306
General Administration	5,019,367	5,332,388	5,012,728	6,489,429
Facility Maintenance and Operations	17,671,549	19,154,666	19,856,018	21,086,518
Security and Monitoring Services	1,046,033	1,573,179	1,829,104	2,128,344
Data Processing Services	4,588,417	4,348,035	4,606,731	4,715,392
Community Services	562,344	660,173	596,368	448,624
Debt Service	56,974,733	58,408,156	59,297,514	55,198,155
Facility Acquisition and Construction	1,316,799	1,498,586	1,003,515	109,821
Shared Services Arrangements	3,410,020	2,793,151	3,425,124	3,495,347
Juvenile Justice Alternative Education Programs	2,375	-	-	2,307
Tax Increment Fund (TIF)	1,732,427	1,973,187	2,055,966	2,350,158
Intergovernmental Charges	-	-	1,068,490	1,175,812
<b>Total Expenditures</b>	<b>267,144,610</b>	<b>288,421,580</b>	<b>307,299,283</b>	<b>316,848,123</b>
<b>Excess (Deficiencies) Revenue over Expenditures</b>	<b>19,779,276</b>	<b>(6,174,808)</b>	<b>(3,142,846)</b>	<b>(5,406,488)</b>
Other Financial Resources (Uses)				
Other Resources	2,910,974	100,689,802	49,295,068	5,000,000
Other (Uses)	(2,825,750)	(99,734,652)	(49,070,797)	-
<b>Total Other Financing Resources (Uses)</b>	<b>85,224</b>	<b>955,150</b>	<b>224,271</b>	<b>5,000,000</b>
<b>Excess (Deficiencies) of Revenue and Other Financial Resources Over (Under) Expenditures and Other Financial Uses</b>	<b>19,864,500</b>	<b>(5,219,658)</b>	<b>(2,918,575)</b>	<b>(406,488)</b>
<b>Fund Balance, beginning, 9/1</b>	<b>71,772,489</b>	<b>91,636,989</b>	<b>86,417,331</b>	<b>83,498,756</b>
<b>Fund Balance, ending 8/31</b>	<b>\$ 91,636,989</b>	<b>\$ 86,417,331</b>	<b>\$ 83,498,756</b>	<b>\$ 83,092,268</b>

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
COMBINED BUDGET SUMMARY-EXPENDITURES  
2014-2015**

**GENERAL FUND, DEBT SERVICE FUND, AND CHILD NUTRITION FUND**

<b>Expenditures</b>	<b><u>General Fund</u></b>	<b><u>Debt Service</u></b>	<b><u>Child Nutrition</u></b>	<b><u>Memo Total</u></b>
11 Instruction	\$ 154,914,358	\$ -	\$ -	\$ 154,914,358
12 Media Services (Library)	3,294,101	-	-	3,294,101
13 Curriculum and Staff Development	4,125,156	-	-	4,125,156
21 Instructional Leadership	2,988,773	-	-	2,988,773
23 School Leadership	15,028,159	-	-	15,028,159
31 Guidance,Counseling and Evaluation	9,573,026	-	-	9,573,026
32 Social Work Services	210,067	-	-	210,067
33 Health Services	2,960,807	-	-	2,960,807
34 Student Transportation	7,111,723	-	-	7,111,723
35 Food Services	7,000	-	12,129,740	12,136,740
36 Co/Extracurricular Activities	7,305,306	-	-	7,305,306
41 General Administration	6,489,429	-	-	6,489,429
51 Facility Maintenance and Operations	21,086,518	-	-	21,086,518
52 Security and Monitoring Services	2,128,344	-	-	2,128,344
53 Data Processing Services	4,715,392	-	-	4,715,392
61 Community Services	448,624	-	-	448,624
71 Debt Service	-	55,198,155	-	55,198,155
81 Facility Acquisition and Construction	109,821	-	-	109,821
93 Shared Services Arrangements	3,495,347	-	-	3,495,347
95 Juvenile Justice Alternative Education Programs	2,307	-	-	2,307
97 Tax Increment Fund (TIF)	2,350,158	-	-	2,350,158
99 Intergovernmental Charges	1,175,812	-	-	1,175,812
<b>Total Expenditures</b>	<b><u>249,520,228</u></b>	<b><u>55,198,155</u></b>	<b><u>12,129,740</u></b>	<b><u>316,848,123</u></b>
<b>Other Financial Resources (Uses)</b>				
Other Resources	5,000,000	-	-	5,000,000
Other Uses	-	-	-	-
<b>Total Other Financing Resources (Uses)</b>	<b><u>5,000,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,000,000</u></b>
<b>Excess (Deficiency) of Revenues and Financial Resources Over (Under) Expenditures and Other Financial Uses</b>	<b><u>(9,298,724)</u></b>	<b><u>8,042,236</u></b>	<b><u>850,000</u></b>	<b><u>(406,488)</u></b>
Fund Balance (Deficit), 08/31/14 - Projected	76,003,500	3,888,550	3,606,706	83,498,756
<b>Fund Balance (Deficit), 08/31/15 - budgeted</b>	<b><u>\$ 66,704,776</u></b>	<b><u>\$ 11,930,786</u></b>	<b><u>\$ 4,456,706</u></b>	<b><u>\$ 83,092,268</u></b>

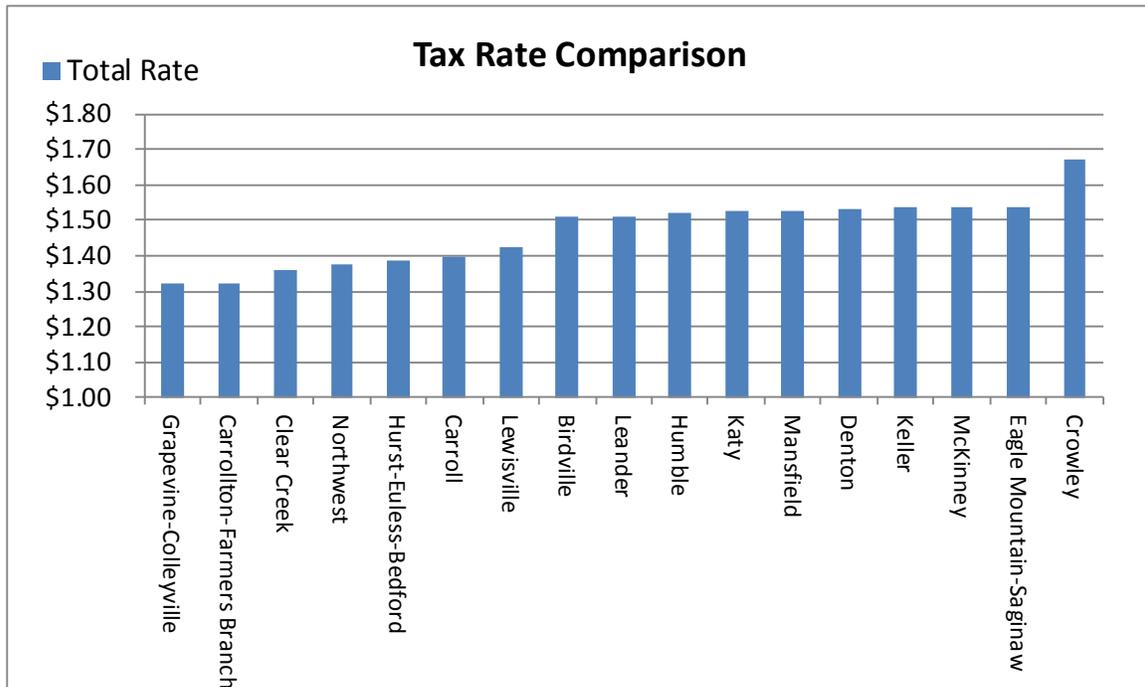
**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
COMBINED BUDGET SUMMARY - REVENUES AND EXPENDITURES  
YEARS ENDED AUGUST 31, 2012-AUGUST 31, 2015 (BUDGETED)  
GENERAL FUND, DEBT SERVICE FUND, AND CHILD NUTRITION FUND**

	<b>Audited</b>	<b>Audited</b>	<b>Projected</b>	<b>Adopted</b>
<b>Revenues</b>	<b>2011-12</b>	<b>2012-13</b>	<b>Actual</b>	<b>Budget</b>
	<b>2013-14</b>	<b>2014-15</b>		
Local Revenues	\$ 186,102,509	\$ 185,175,663	\$ 192,878,091	\$ 206,421,031
State Revenues	96,056,836	91,677,590	104,303,834	96,699,225
Federal Revenues	4,764,541	5,393,519	6,974,512	8,321,379
<b>Total Revenues</b>	<b>286,923,886</b>	<b>282,246,772</b>	<b>304,156,437</b>	<b>311,441,635</b>
<b>Expenditures</b>				
Instruction	124,322,850	137,181,022	145,977,637	154,914,358
Media Services (Library)	2,042,530	3,003,067	3,241,224	3,294,101
Curriculum and Staff Development	1,744,637	1,827,345	2,747,046	4,125,156
Instructional Leadership	1,749,503	1,970,633	2,290,801	2,988,773
School Leadership	12,474,734	13,603,614	14,978,924	15,028,159
Guidance, Counseling and Evaluation	7,365,218	7,488,510	8,386,755	9,573,026
Social Work Services	155,656	202,973	148,162	210,067
Health Services	2,282,194	2,659,587	2,711,749	2,960,807
Student Transportation	5,327,277	5,685,113	6,807,163	7,111,723
Food Services	11,502,531	12,180,513	12,861,353	12,136,740
Co/Extracurricular Activities	5,853,416	6,877,682	8,396,911	7,305,306
General Administration	5,019,367	5,332,388	5,012,728	6,489,429
Facility Maintenance and Operations	17,671,549	19,154,666	19,856,018	21,086,518
Security and Monitoring Services	1,046,033	1,573,179	1,829,104	2,128,344
Data Processing Services	4,588,417	4,348,035	4,606,731	4,715,392
Community Services	562,344	660,173	596,368	448,624
Debt Service	56,974,733	58,408,156	59,297,514	55,198,155
Facility Acquisition and Construction	1,316,799	1,498,586	1,003,515	109,821
Shared Services Arrangements	3,410,020	2,793,151	3,425,124	3,495,347
Juvenile Justice Alternative Education Programs	2,375	-	-	2,307
Tax Increment Fund (TIF)	1,732,427	1,973,187	2,055,966	2,350,158
Intergovernmental Charges	-	-	1,068,490	1,175,812
<b>Total Expenditures</b>	<b>267,144,610</b>	<b>288,421,580</b>	<b>307,299,283</b>	<b>316,848,123</b>
<b>Excess (Deficiencies) Revenue over Expenditures</b>	<b>19,779,276</b>	<b>(6,174,808)</b>	<b>(3,142,846)</b>	<b>(5,406,488)</b>
<b>Other Financial Resources (Uses)</b>				
Other Resources	2,910,974	100,689,802	49,295,068	5,000,000
Other (Uses)	(2,825,750)	(99,734,652)	(49,070,797)	-
<b>Total Other Financing Resources (Uses)</b>	<b>85,224</b>	<b>955,150</b>	<b>224,271</b>	<b>5,000,000</b>
<b>Excess (Deficiencies) of Revenue and Other Financial Resources Over (Under) Expenditures and Other Financial Uses</b>	<b>19,864,500</b>	<b>(5,219,658)</b>	<b>(2,918,575)</b>	<b>(406,488)</b>
<b>Fund Balance, beginning, 9/1</b>	<b>71,772,489</b>	<b>91,636,989</b>	<b>86,417,331</b>	<b>83,498,756</b>
<b>Fund Balance, ending 8/31</b>	<b>\$ 91,636,989</b>	<b>\$ 86,417,331</b>	<b>\$ 83,498,756</b>	<b>\$ 83,092,268</b>

**2014-2015 TOTAL TAX RATE RANKING  
COMPARABLE DISTRICTS– REGIONAL AND STATE**

<u>District</u>	<u>M &amp; O</u>	<u>I &amp; S</u>	<u>Total Rate</u>
Grapevine-Colleyville	\$1.0400	\$0.2801	\$1.3201
Carrollton-Farmers Branch	\$1.0400	\$0.2906	\$1.3306
Clear Creek	\$1.0400	\$0.3600	\$1.4000
Northwest	\$1.0400	\$0.4125	\$1.4525
Carroll	\$1.0400	\$0.3350	\$1.3750
Hurst-Euless-Bedford	\$1.0400	\$0.3675	\$1.4075
Lewisville	\$1.0400	\$0.4370	\$1.4770
Birdville	\$1.0400	\$0.3950	\$1.4350
Mansfield	\$1.0400	\$0.4871	\$1.5271
Leander	\$1.0400	\$0.5000	\$1.5400
Humble	\$1.1700	\$0.3500	\$1.5200
Katy	\$1.1266	\$0.4000	\$1.5266
Denton	\$1.0400	\$0.5000	\$1.5400
Crowley	\$1.1700	\$0.4800	\$1.6500
Eagle Mountain-Saginaw	\$1.1700	\$0.5000	\$1.6700
<b>Keller</b>	<b>\$1.0400</b>	<b>\$0.5000</b>	<b>\$1.5400</b>
McKinney	\$1.1700	\$0.5000	\$1.6700



**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
COMPARISON OF TAX RATES  
LAST 25 FISCAL YEARS**

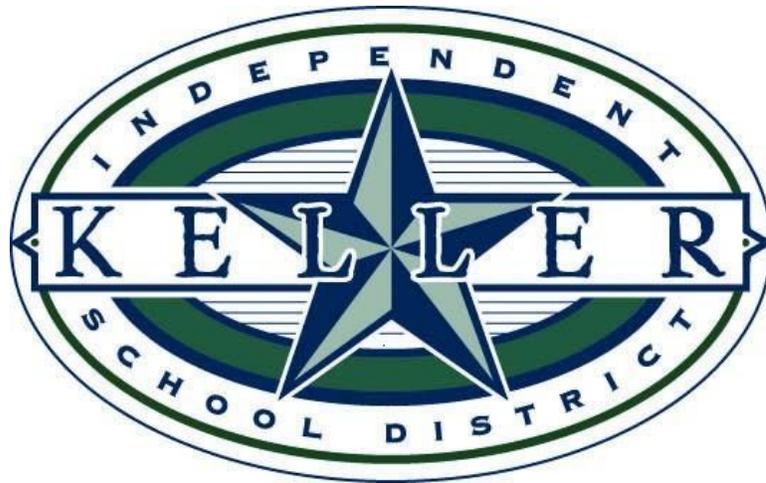
**Comparison of Tax Rates  
Last 25 Fiscal Years**

<u>Tax Year</u>	<u>School Year</u>	<u>Maintenance &amp; Operations</u>	<u>Debt Service</u>	<u>CED*</u>	<u>Total</u>
1990	1990-91	0.8300	0.4200		1.2500
1991	1991-92	0.0850	0.4100	0.8350	1.3300
1992	1992-93	0.0700	0.4150	0.9650	1.4500
1993	1993-94	1.0600	0.4000		1.4600
1994	1994-95	1.0850	0.4150		1.5000
1995	1995-96	1.1050	0.3950		1.5000
1996	1996-97	1.1300	0.3700		1.5000
1997	1997-98	1.1500	0.3500		1.5000
1998	1998-99	1.1750	0.3350		1.5100
1999	1999-00	1.2450	0.2300		1.4750
2000	2000-01	1.2732	0.2495		1.5227
2001	2001-02	1.2730	0.2559		1.5289
2002	2002-03	1.3926	0.2593		1.6519
2003	2003-04	1.4213	0.2549		1.6762
2004	2004-05	1.4336	0.2639		1.6975
2005	2005-06	1.4336	0.2822		1.7158
2006	2006-07	1.3111	0.2969		1.6080
2007	2007-08	1.0400	0.3174		1.3574
2008	2008-09	1.0400	0.3769		1.4169
2009	2009-10	1.0400	0.4463		1.4863
2010	2010-11	1.0400	0.4906		1.5306
2011	2011-12	1.0400	0.5000		1.5400
2012	2012-13	1.0400	0.5000		1.5400
2013	2013-14	1.0400	0.5000		1.5400
2014	2014-15	1.0400	0.5000		1.5400

\* In 1991-92, the state established the County Education District (CED), an additional taxing unit. The CED was discontinued after 1993.

# *General Fund*





KELLER ISD  
Intentionally  Exceptional

## GENERAL FUND OVERVIEW

The General Fund is used to account for all financial transactions not properly included in other funds. The principal sources of revenue include local property taxes and state funding. Expenditures include all costs associated with the daily operations of the schools.

### Revenue Trends and Assumptions

The largest portion of funding in the General Fund consists of local revenue, which accounts for 57.61% of total budgeted revenue and is primarily property taxes. The next largest source of revenue necessary to fund operating expenditures is derived from State funding sources. The percentage of funding provided by the state is 41.08%, which is .67% more than the prior year. The District expects to receive \$3,075,000 in federal revenue for 2014-15, which is 1.31% of total revenues. Federal revenue includes eRate revenue and Student Health and Related Services (SHARS) revenue. Federal revenue is budgeted to increased by 55.24% from the prior year due to the expansion of the SHARS program.

## PROJECTION COMPONENTS

### Projected Current Tax Collections

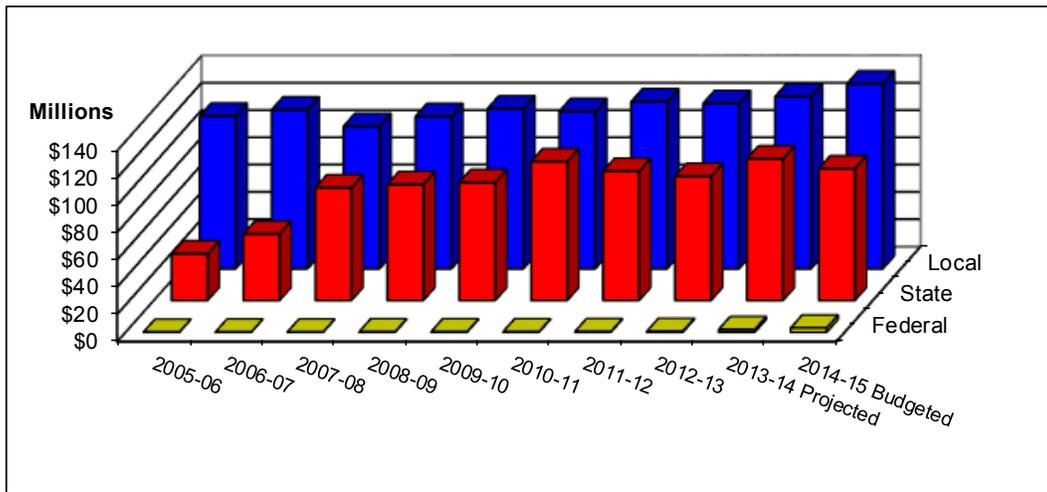
Estimated amounts of tax revenue to be generated from the current levy are predicted using estimated taxable values, collection rates, and tax rates. A collection rate of 98% was used in estimating tax revenue. House Bill 1 of the 79th Legislature Third Called Special Session requires the tax rate to be reduced to 66.67% of the 2005-06 tax rate, which compressed the tax rate to \$.9557 for 2007-08 through 2014-15. An additional four pennies was available without voter approval, which the District has utilized each year since the 2007-08 budget year. A tax ratification election is required to raise the maintenance and operations tax rate about \$1.04. Keller ISD's current tax rate of \$1.04 for maintenance and operations and \$.050 for debt service, for a total of \$1.54, has been in effect since the 2010-11 fiscal year.

### State Revenue Estimate

The calculations of state revenue are based on the current funding formula. Three of the most critical factors in estimating General Fund state aid are Average Daily Attendance (ADA) projections, Full Time Equivalent (FTE's) for special populations of students such as bilingual, gifted and talented, career/technology and special education students, and taxable property values.

This graph depicts changes in KISD revenue source levels, 2005-2014.

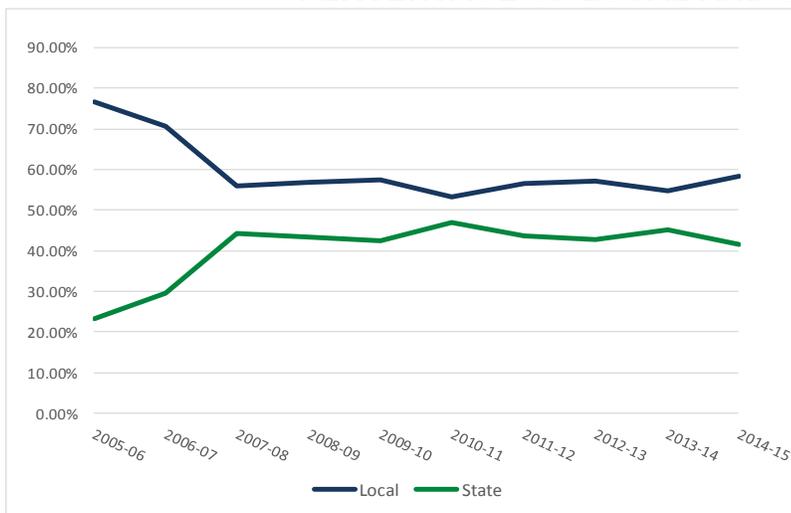
**GENERAL FUND REVENUE SOURCE TRENDS**



Year	Local	State	Federal	Total Revenue
2005-06	111,878,807	34,166,309	1,677	146,046,793
2006-07	116,475,309	48,662,261	9,386	165,146,956
2007-08	104,365,640	82,621,118	33,815	187,020,573
2008-09	111,660,630	84,944,885	244,835	196,850,350
2009-10	117,182,293	86,473,461	238,831	203,894,585
2010-11	115,342,108	101,741,928	223,961	217,307,997
2011-12	122,477,457	94,683,993	346,711	217,508,161
2012-13	121,132,398	90,958,924	598,640	212,689,962
2013-14 Projected	126,155,601	103,789,415	1,980,757	231,925,773
2014-15 Budgeted	135,514,581	96,631,923	3,075,000	235,221,504

The following graph depicts local and state revenue as a percentage of total revenue from 2005-2015. The local share of the total revenue increased by 7.4% in 2014-15 from the previous year, up by \$9,358,980. This is almost entirely due to an increase in property values. After adjustment for TRS-On-Behalf, State aid has very slightly increased from 2013-14, by \$645,048 or less than 1%. Prior to 2011-12, state revenue had risen annually for seven successive years. Due to the 82nd Legislative Session, state revenue decreased by over \$7 million in 2011-12 and hovered around the same amount until adjustments were made by the 83rd State Legislature. These adjustments provided for an increase in 2013-14 of \$5 million, or 5.53%.

**PERCENTAGE OF LOCAL AND STATE REVENUE**



Year	Local	State
2005-06	76.61%	23.39%
2006-07	70.53%	29.47%
2007-08	55.81%	44.19%
2008-09	56.79%	43.21%
2009-10	57.54%	42.46%
2010-11	53.13%	46.87%
2011-12	56.40%	43.60%
2012-13	57.11%	42.89%
2013-14	54.86%	45.14%
2014-15	58.37%	41.63%

Revenues from federal sources has increased by over \$1.5 million in the last 10 years. This is due largely from the district's efforts to identify and implement supplemental funding. The largest federal source of funding is from the Student Health and Related Services (SHARS) which reimburses the district for services provided to Medicaid eligible special education students.

In addition to the General Fund Budget, the District anticipates collecting at least \$5,786,352 in Special Revenue Funds for 2014-2015 (some award amounts are still unavailable at press time).

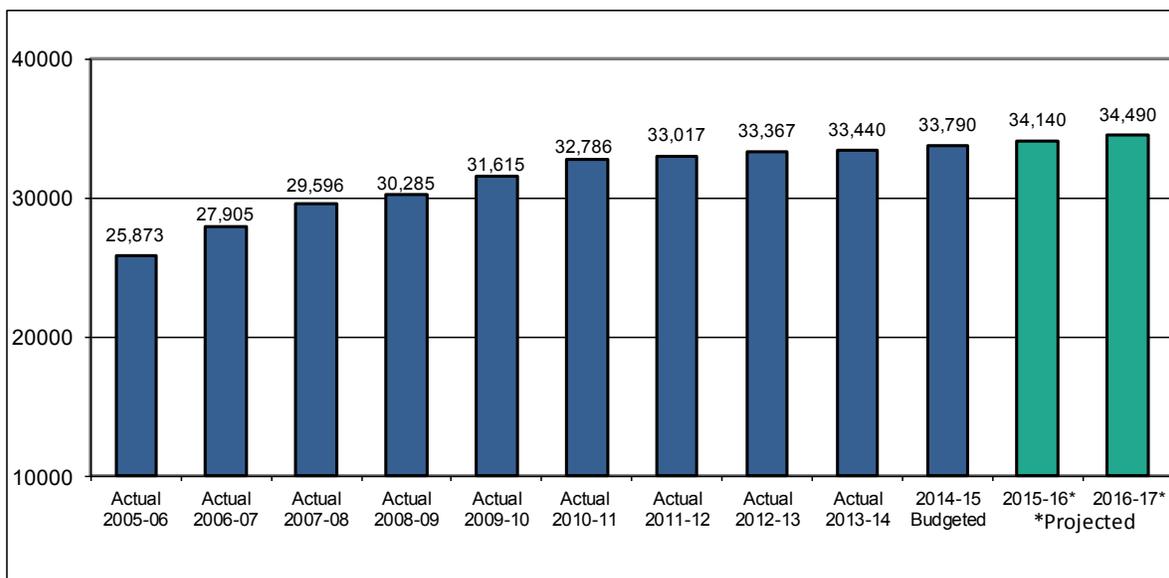
**Enrollment**

Enrollment projections are necessary to accurately budget general fund revenue. State revenue estimates, as well as the campus expenditure budget allocations rely heavily on enrollment data. Enrollment projections are prepared by the District's demographic consultant and are verified by KISD's Demographic department.

Three forms of data are used to develop student enrollment projections from one year to the next. First, on a campus by campus basis, student enrollments are rolled forward one year to determine what the actual student enrollment could be for the school year being projected. Secondly, an annual district wide demographic study is done to identify existing residential development under construction and residential construction planned for the next two to five years. A formula for students per household is applied to determine the number of students for elementary, intermediate, middle, and high school that new residential development will bring to the district. Thirdly individual campus student enrollment records are maintained for the five years prior to a new school year. This data is used to identify individual campus and campus grade level enrollment and specifically the grade levels that will increase. It also helps the District identify schools showing a continuous decrease in student enrollment. In addition, the school district contracts with a demographic company for a district wide one, five and ten year student enrollment projection. These projections are broken down by elementary, intermediate, middle, and high school.

The District has experienced significant increases in enrollment over the last ten years; however, enrollment growth is slowing as the district approaches build out. As recently as the 2010-11 year, enrollment growth was projected to be 3.7%, but has hovered around 1% since then. Enrollment growth for the next three years is anticipated to be approximately 350 additional students each year. Enrollment growth presents the District with significant challenges including additional personnel, instructional facilities, supplies, and materials. The following graph depicts Keller ISD's enrollment, actual and projected, from 2005 to 2017.

**KELLER ISD ENROLLMENT**



**EXPENDITURE SUMMARY**

The total General Fund expenditure budget for 2014-15 is \$249,520,228. This is an increase of \$15.3 million or 6.52% more than projected actual 2013-14 expenditures. As always, the majority of a school district's expenditures are for personnel costs, 81.77%.

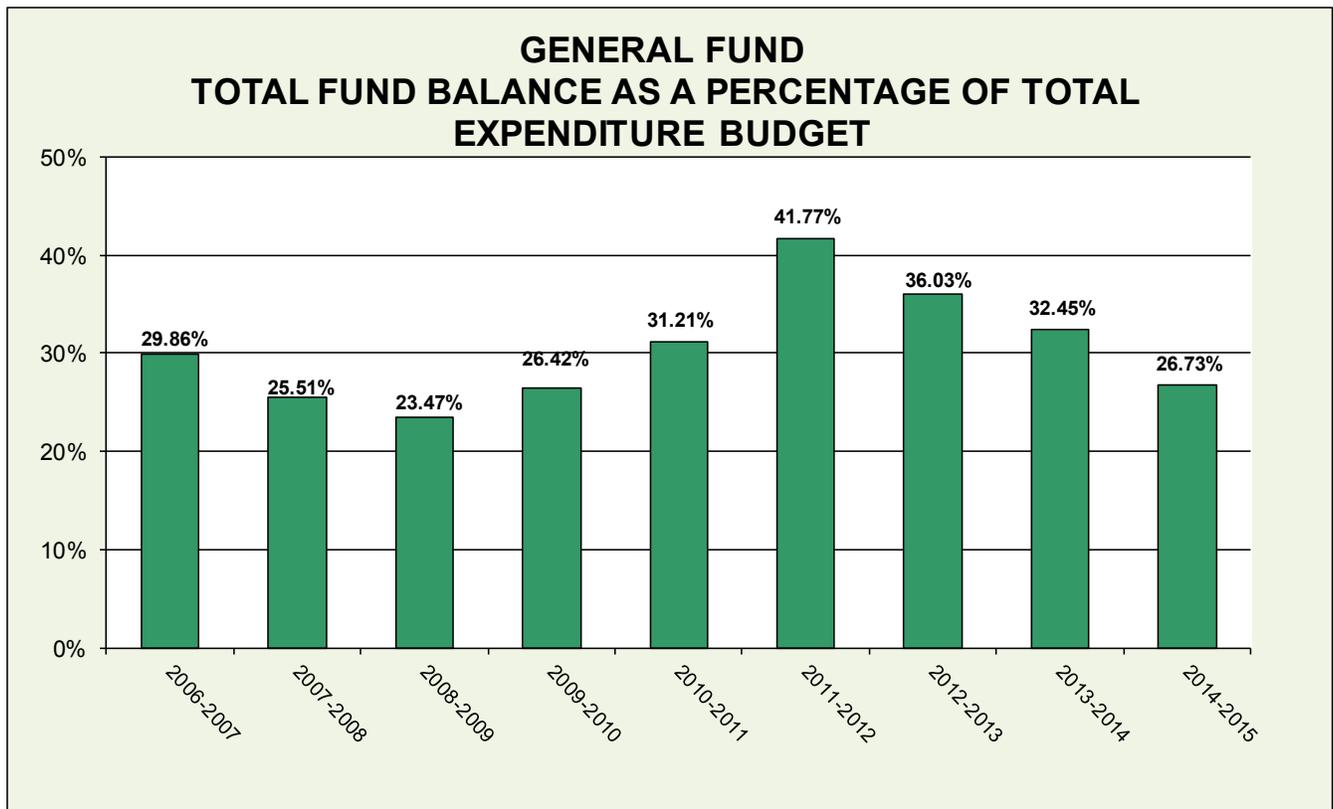
After reducing the general fund budget by \$12 million in 2011-12 in response to the state cutting billions from the education budget, the district has slowly been reinstating some necessary programs and adding new initiatives for the last two years. The 2014-15 budget focuses on providing the resources to comply with the requirements of House Bill 5, hiring and retaining qualified staff, and addressing the cost of health care. The 2014-15 budget includes a 3% of midpoint pay increase for all staff and includes new items deemed necessary to support educational goals for the 2014-15, including:

3% of mid point pay increases for staff	5,600,000
Additional positions needed based on staffing formula	2,196,875
Additional positions needed for Dual Credit/CTE/HB5 programs	900,000
Change High School schedule to 8 period day	2,500,000
Year 1 costs of KISD Health Clinic	566,177
Lease and Utility costs of Health Clinic	57,600
Assist with Health Insurance costs	600,000
Special Education positions that can no longer be funded with federal funds due to sequestration	1,800,000
Replacement of 7 year old technology devices	850,000
Increase in utilities due to higher rates and additional square footage	223,600
Increase in Appraisal District & Tax Assessor costs	100,416
Bond Election costs	100,000
Increase in Transportation contract (net)	116,017
Increase in teacher laptop lease (250 additional laptops)	101,675
Mandated increase by Texas Retirement System	2,200,000
	\$ 17,912,360

**IMPACT ON FUND BALANCE**

A deficit of (\$9,298,724) is budgeted for the 2014-15 year. Projected budgeted fund balance at 8/31/13 was \$76,003,500. After considering the 2015 budgeted deficit, the general fund budgeted fund balance is projected to be approximately \$67 million at 8/31/2015.

Pursuant to GASB 54, KISD has adopted a policy for commitment in general fund balance of 20% of the subsequent years budgeted expenditures. This equates to approximately \$50 million. As depicted below, the general fund balance has consistently exceeded 20% of the subsequent year expenditures. Therefore, the Board of Trustees have embarked on a program of managed “spend-down” of the general fund balance by adopting a deficit budget each year since 2012-13.



	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Projected 2013-2014	Budgeted 2014-2015
Total Budget	159,675,578	187,382,466	198,150,292	198,073,529	205,495,730	198,667,346	217,349,489	234,242,695	249,520,228
Fund Balance	47,676,919	47,805,753	46,505,811	52,326,867	64,139,134	82,979,949	78,320,422	76,003,500	66,704,776
	29.86%	25.51%	23.47%	26.42%	31.21%	41.77%	36.03%	32.45%	26.73%

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
SUMMARY BY MAJOR OBJECT AND FUNCTION  
GENERAL FUND**

	<b>Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Proposed Budget 2014-2015</b>	<b>Percent Increase (Decrease)</b>	<b>Percent of Total</b>
<b>Revenues</b>					
5711 Current Taxes	\$ 115,016,909	\$ 120,782,425	\$ 129,295,456	7.05%	54.96%
5719 Delinquent Taxes and Penalties/Interest	1,393,458	1,350,598	1,430,000	5.88%	0.60%
5739 Tuition and Fees	131,243	133,891	112,500	-15.98%	0.05%
5742 Investment Earnings	399,842	131,666	325,000	146.84%	0.14%
5743 Facility Rental	689,453	566,967	557,900	-1.60%	0.24%
5749 Other Revenue from Local Sources	2,893,406	2,614,022	3,283,225	25.60%	1.40%
5752 Athletic Activities	608,087	576,032	510,500	-11.38%	0.22%
<b>Total Local Revenue</b>	<b>121,132,398</b>	<b>126,155,601</b>	<b>135,514,581</b>	<b>7.42%</b>	<b>57.61%</b>
5811 Per Capita Apportionment	14,758,659	8,284,897	8,282,445	-0.03%	3.52%
5812 Foundation School Fund	68,820,034	87,674,980	88,349,478	0.77%	37.56%
5829 TEA State Matching Funds	200	26,998	-	-100.00%	0.00%
5831 TRS On-Behalf	7,380,031	7,802,540	-	-100.00%	0.00%
<b>Total State Revenue</b>	<b>90,958,924</b>	<b>103,789,415</b>	<b>96,631,923</b>	<b>-6.90%</b>	<b>41.08%</b>
5929 Federal Revenue Distributed by TEA	253,235	235,365	275,000	16.84%	0.12%
5932 Federal Revenue Distributed by Other Agencies	345,405	1,745,392	2,800,000	60.42%	1.19%
<b>Total Federal Revenue</b>	<b>598,640</b>	<b>1,980,757</b>	<b>3,075,000</b>	<b>55.24%</b>	<b>1.31%</b>
<b>Revenues Grand Total</b>	<b>212,689,962</b>	<b>231,925,773</b>	<b>235,221,504</b>	<b>1.42%</b>	<b>100.00%</b>
<b>Expenditures</b>					
11 Instruction	137,181,022	145,977,637	154,914,358	6.12%	62.09%
12 Media Services (Library)	3,003,067	3,241,224	3,294,101	1.63%	1.32%
13 Curriculum and Staff Development	1,827,345	2,747,046	4,125,156	50.17%	1.65%
21 Instructional Leadership	1,970,633	2,290,801	2,988,773	30.47%	1.20%
23 School Leadership	13,603,614	14,978,924	15,028,159	0.33%	6.02%
31 Guidance, Counseling and Evaluation	7,488,510	8,386,755	9,573,026	14.14%	3.84%
32 Social Work Services	202,973	148,162	210,067	41.78%	0.08%
33 Health Services	2,659,587	2,711,749	2,960,807	9.18%	1.19%
34 Student Transportation	5,685,113	6,807,163	7,111,723	4.47%	2.85%
35 Food Services	-	3,354	7,000	108.71%	0.00%
36 Co/Extracurricular Activities	6,877,682	8,396,911	7,305,306	-13.00%	2.93%
41 General Administration	5,332,388	5,012,728	6,489,429	29.46%	2.60%
51 Facility Maintenance and Operations	19,154,666	19,856,018	21,086,518	6.20%	8.46%
52 Security and Monitoring Services	1,573,179	1,829,104	2,128,344	16.36%	0.85%
53 Data Processing Services	4,348,035	4,606,731	4,715,392	2.36%	1.89%
61 Community Services	660,173	596,368	448,624	-24.77%	0.18%
81 Facility Acquisition and Construction	1,015,164	102,440	109,821	7.20%	0.04%
93 Shared Services Arrangements	2,793,151	3,425,124	3,495,347	2.05%	1.40%
95 Juvenile Justice Alternative Education Programs	-	-	2,307	100.00%	0.00%
97 Tax Increment Fund (TIF)	1,973,187	2,055,966	2,350,158	14.31%	0.94%
99 Intergovernmental Charges	-	1,068,490	1,175,812	10.04%	0.47%
	<b>217,349,489</b>	<b>234,242,695</b>	<b>249,520,228</b>	<b>6.52%</b>	<b>100.00%</b>
<b>Other Financial Resources (Uses)</b>	-	-	-	-	-
Other Resources	-	-	5,000,000	-	-
<b>Other Financial Resources (Uses) Grand Total</b>	-	-	<b>5,000,000</b>	-	-
<b>Excess (Deficit) of Revenue and other Financial Resources Over (Under) Expenditures and other Financial Uses</b>	<b>\$ (4,659,527)</b>	<b>\$ (2,316,922)</b>	<b>\$ (9,298,724)</b>	-	-

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
EXPENDITURE SUMMARY BY OBJECT**

	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Percent Increase (Decrease)</b>	<b>Percent of Total</b>
6112 Substitute Teachers	\$ 2,881,002	\$ 2,752,303	\$ 2,891,360	5.05%	1.16%
6118 Extra Duty/Stipends Professional	3,784,877	4,320,487	4,782,089	10.68%	1.92%
6119 Professional Salaries	126,813,911	137,573,973	155,296,399	12.88%	62.23%
6121 Overtime	199,465	207,965	9,500	-95.43%	0.00%
6122 Support Personnel Substitutes	382,361	367,405	363,201	-1.14%	0.15%
6127 Student Workers	15,079	8,805	-	-100.00%	0.00%
6128 Extra Duty Pay Support Personnel	265,657	251,133	170,104	-32.27%	0.07%
6129 Support Salaries	17,648,612	19,999,193	22,575,992	12.88%	9.04%
6131 Contract Buyout	45,750	6,000	-	-100.00%	0.00%
6139 Employee Allowances	(109)	-	-	0.00%	0.00%
6141 FIMM/FICA	2,121,487	2,291,374	2,791,786	21.84%	1.13%
6142 Group Health Insurance	11,067,659	8,893,145	8,371,387	-5.87%	3.35%
6143 Workers Compensation	1,222,657	1,317,894	1,555,516	18.03%	0.62%
6144 TRS On-Behalf	7,380,030	7,802,541	-	-100.00%	0.00%
6145 Unemployment Payments	62,904	35,850	-	-100.00%	0.00%
6146 TRS	3,173,573	3,734,572	5,235,669	40.19%	2.10%
<b>Total Payroll Costs</b>	<b>177,064,915</b>	<b>189,562,640</b>	<b>204,043,003</b>	<b>7.64%</b>	<b>81.77%</b>
6211 Legal Services	92,025	33,632	148,544	341.67%	0.06%
6212 Audit Services	120,860	32,775	72,000	119.68%	0.03%
6213 Tarrant Appraisal District	1,102,027	1,133,159	1,241,416	9.55%	0.50%
6219 Contract Services	258,241	693,132	758,284	9.40%	0.30%
6222 Student Tuition	143,760	150,482	164,973	9.63%	0.07%
6223 JJAEP Contract Services	-	-	2,307	100.00%	0.00%
6229 Instruction District Wide	-	375	85	-77.33%	0.00%
6239 ESC Contract	114,778	115,355	124,971	8.34%	0.05%
6244 Contract Maintenance	986,805	1,106,001	1,402,971	26.85%	0.56%
6245 Contract Repair	7,788	5,980	6,426	7.46%	0.00%
6246 Contract Services-Copier	1,250,008	1,418,653	1,138,734	-19.73%	0.46%
6247 Contract Services-Technical	52,530	114,265	463,258	305.42%	0.20%
6249 Contract M&R	3,378,992	3,185,104	3,298,987	3.58%	1.32%
6255 Utilities Water and Sewer	1,282,406	1,271,593	1,606,566	26.34%	0.64%
6256 Telecommunications	459,218	465,111	560,256	20.46%	0.22%
6257 Utilities (Electricity)	1,672,135	1,954,777	2,198,126	12.45%	0.88%
6258 Utilities (Gas)	406,822	512,456	521,278	1.72%	0.21%
6259 Utilities (Garbage)	295,822	294,890	305,930	3.74%	0.12%
6269 Equipment Rental	198,306	879,159	1,893,440	115.37%	0.77%
6291 Consulting Services	13,975	20,975	29,225	39.33%	0.01%
6298 Royalty Fees	8,739	11,004	22,290	102.56%	0.00%
6299 Misc. Contracted Service	6,683,852	8,299,741	8,604,766	3.68%	3.45%
<b>Total Contract Services</b>	<b>18,529,089</b>	<b>21,698,619</b>	<b>24,564,833</b>	<b>13.21%</b>	<b>9.85%</b>

**KELLER ISD 2014-2015 BUDGET**

**GENERAL FUND  
EXPENDITURE SUMMARY BY OBJECT (continued)**

	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Percent Increase (Decrease)</b>	<b>Percent of Total</b>
6311 Fuel	702,097	836,038	804,376	-3.79%	0.32%
6315 Supplies Operations	644,844	634,076	674,605	6.39%	0.27%
6316 Supplies MNT Operations	1,133,930	734,951	742,564	1.04%	0.30%
6317 Supplies-Grounds	292,028	327,325	348,640	6.51%	0.14%
6321 Textbooks	28,164	45,958	67,517	46.92%	0.03%
6325 Reading Materials	25,954	30,676	30,370	-1.00%	0.01%
6326 Magazines/Periodicals	13,357	12,663	20,272	60.09%	0.01%
6329 Subscriptions	505,711	849,309	830,179	-2.25%	0.33%
6334 Testing Supplies	62,815	75,334	147,422	95.69%	0.06%
6395 Supplies	3,642,376	3,860,407	3,485,726	-9.71%	1.41%
6396 Technology Equipment	2,856,398	4,095,568	2,931,549	-28.42%	1.17%
6397 Furniture/Equipment	1,187,372	848,205	657,720	-22.46%	0.26%
6398 Mid-Year Adjustment	-	-	11,750	100.00%	0.00%
6399 Postage	71,315	73,080	90,771	24.21%	0.04%
<b>Total Supplies and Materials</b>	<b>11,166,361</b>	<b>12,423,590</b>	<b>10,843,461</b>	<b>-12.72%</b>	<b>4.35%</b>
6411 Employee Travel	674,003	852,080	1,121,492	31.62%	0.45%
6412 Student Travel	631,411	521,409	359,639	-31.03%	0.14%
6419 Non Employee Travel	43,758	26,972	31,965	18.51%	0.01%
6425 Liability Insurance	1,208,528	1,214,726	1,067,368	-12.13%	0.43%
6427 Bonding Expense	-	-	350	100.00%	0.00%
6434 Election Expense	32,784	23,746	146,750	518.00%	0.06%
6492 Fiscal Agents Shared Services	2,793,151	3,162,624	3,197,847	1.11%	1.27%
6493 Member District Shared Services	6,000	6,000	6,000	0.00%	0.00%
6494 Student Transportation	451,473	476,938	423,785	-11.14%	0.17%
6495 Membership Fees	122,066	154,509	281,018	81.88%	0.11%
6497 Awards	31,535	71,290	38,542	-45.94%	0.02%
6498 Food	42,239	51,069	64,914	27.11%	0.04%
6499 Fees and Dues	2,372,004	2,442,627	2,764,355	13.17%	1.11%
<b>Total Other Operating Expenses</b>	<b>8,408,952</b>	<b>9,003,990</b>	<b>9,504,025</b>	<b>5.55%</b>	<b>3.81%</b>
6619 Land	139,746	105,250	-	-100.00%	0.00%
6626 Architect/Engineering Services	19,619	-	-	0.00%	0.00%
6629 Construction/Renovation	752,613	48,151	10,398	-78.41%	0.00%
6631 Vehicle	106,761	341,239	122,000	-64.25%	0.05%
6639 Equipment >5000	1,161,433	1,059,216	432,508	-59.17%	0.17%
<b>Total Capital Outlay</b>	<b>2,180,172</b>	<b>1,553,856</b>	<b>564,906</b>	<b>-63.64%</b>	<b>0.22%</b>
<b>Total Expenditures</b>	<b>\$ 217,349,489</b>	<b>\$ 234,242,695</b>	<b>\$ 249,520,228</b>	<b>6.52%</b>	<b>100.00%</b>

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT**

**GENERAL FUND**

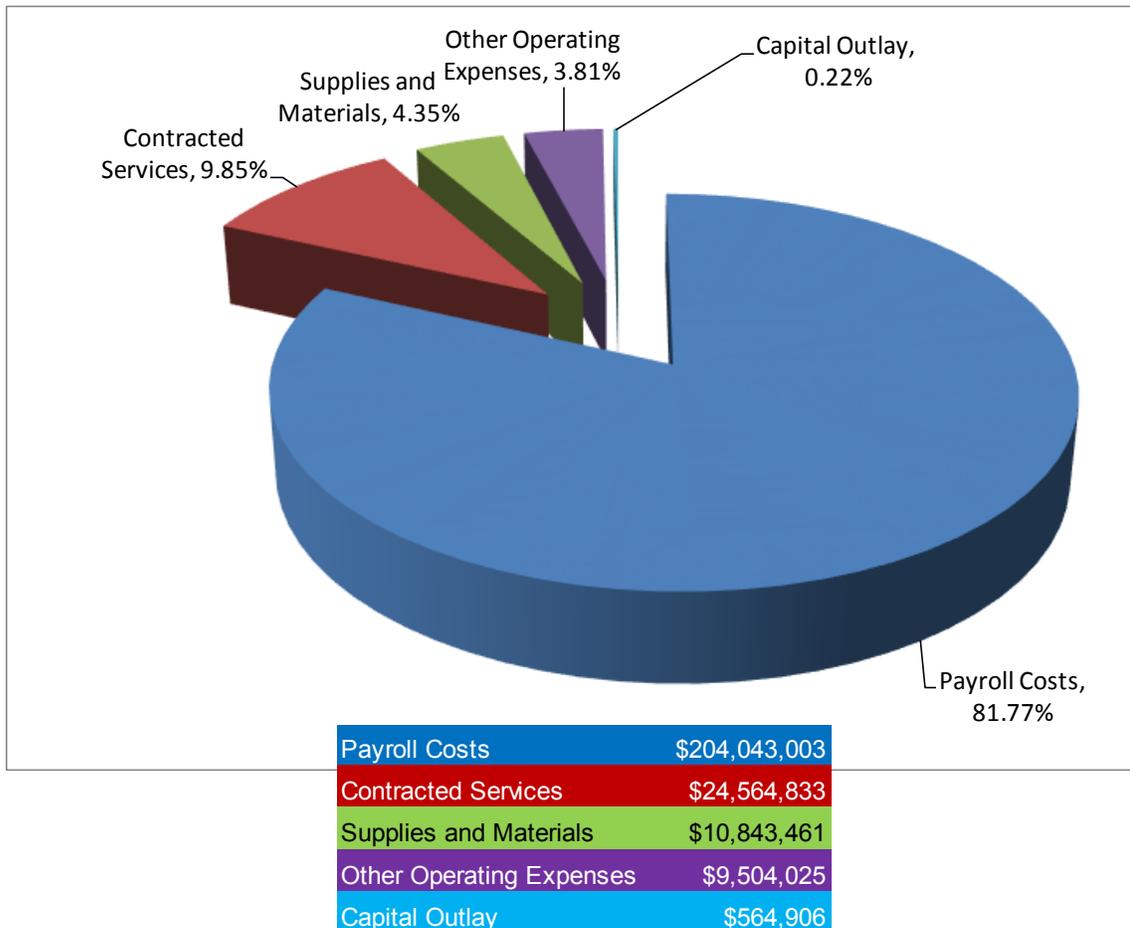
**BUDGET SUMMARY: 2014-2015**

**EXPENDITURE SUMMARY BY MAJOR OBJECT**

	<b>Actual Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>	<b>Amount Increase (Decrease)</b>	<b>Percent Increase (Decrease)</b>	<b>Percent of Total</b>
61XX Payroll Costs	177,064,915	\$ 189,562,640	\$ 204,043,003	\$ 14,480,363	7.64%	81.77%
62XX Contracted Services	18,529,089	21,698,619	24,564,833	2,866,214	13.21%	9.85%
63XX Supplies and Materials	11,166,361	12,423,590	10,843,461	(1,580,129)	-12.72%	4.35%
64XX Other Operating Expenses	8,408,952	9,003,990	9,504,025	500,035	5.55%	3.81%
65XX Capital Outlay	2,180,172	1,553,856	564,906	(988,950)	-63.64%	0.22%
<b>Total Expenditures</b>	<b>\$ 217,349,489</b>	<b>\$ 234,242,695</b>	<b>\$ 249,520,228</b>	<b>\$ 15,277,533</b>	<b>6.52%</b>	<b>100.00%</b>

The graph below depicts the 2014-15 General Fund Expenditure Budget by Major Object.

**GENERAL FUND  
EXPENDITURES BY MAJOR OBJECT FOR 2014-15**



**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
BUDGET SUMMARY: 2014-2015  
EXPENDITURE SUMMARY BY MAJOR OBJECT WITHIN FUNCTION**

	<u>Actual Audited 2012-2013</u>	<u>Projected Actual 2013-2014</u>	<u>Adopted Budget 2014-2015</u>	<u>Percent Increase (Decrease)</u>	<u>Percent of Total</u>
<b>11 Instruction</b>					
61 Payroll Costs	\$ 130,012,720	\$ 137,354,334	\$ 146,794,943	6.87%	58.83%
62 Contracted Services	1,796,025	2,729,230	3,448,345	26.35%	1.38%
63 Supplies and Materials	4,815,522	5,593,630	4,405,045	-21.25%	1.77%
64 Other Operating Expenses	200,848	255,904	266,025	3.95%	0.11%
66 Capital Outlay	355,907	44,539	-	-100.00%	0.00%
<b>Total Function 11</b>	<b>137,181,022</b>	<b>145,977,637</b>	<b>154,914,358</b>	<b>6.12%</b>	<b>62.09%</b>
<b>12 Media Services (Library)</b>					
61 Payroll Costs	2,435,240	2,428,865	2,536,908	4.45%	1.02%
62 Contracted Services	80,563	110,237	96,057	-12.86%	0.04%
63 Supplies and Materials	472,459	672,637	639,486	-4.93%	0.26%
64 Other Operating Expenses	14,805	17,857	21,650	21.24%	0.01%
66 Capital Outlay	-	11,628	-	100.00%	0.00%
<b>Total Function 12</b>	<b>3,003,067</b>	<b>3,241,224</b>	<b>3,294,101</b>	<b>1.63%</b>	<b>1.33%</b>
<b>13 Curriculum and Staff Development</b>					
61 Payroll Costs	885,737	1,542,733	2,535,821	64.37%	1.02%
62 Contracted Services	362,647	317,842	447,492	40.79%	0.18%
63 Supplies and Materials	303,422	510,190	643,603	26.15%	0.26%
64 Other Operating Expenses	275,539	376,281	498,240	32.41%	0.20%
<b>Total Function 13</b>	<b>1,827,345</b>	<b>2,747,046</b>	<b>4,125,156</b>	<b>50.17%</b>	<b>1.66%</b>
<b>21 Instructional Leadership</b>					
61 Payroll Costs	1,750,510	2,059,253	2,697,682	31.00%	1.08%
62 Contracted Services	51,092	63,348	65,495	3.39%	0.03%
63 Supplies and Materials	102,603	76,397	112,505	47.26%	0.05%
64 Other Operating Expenses	66,428	91,803	113,091	23.19%	0.05%
<b>Total Function 21</b>	<b>1,970,633</b>	<b>2,290,801</b>	<b>2,988,773</b>	<b>30.47%</b>	<b>1.21%</b>
<b>23 School Leadership</b>					
61 Payroll Costs	13,247,805	14,379,401	14,428,410	0.34%	5.78%
62 Contracted Services	10,382	241,009	213,955	-11.23%	0.09%
63 Supplies and Materials	199,860	176,165	179,959	2.15%	0.07%
64 Other Operating Expenses	145,567	182,349	205,835	12.88%	0.08%
<b>Total Function 23</b>	<b>13,603,614</b>	<b>14,978,924</b>	<b>15,028,159</b>	<b>0.33%</b>	<b>6.02%</b>
<b>31 Guidance, Counseling and Evaluation</b>					
61 Payroll Costs	7,229,764	8,008,362	9,165,429	14.45%	3.67%
62 Contracted Services	21,367	44,181	59,519	34.72%	0.02%
63 Supplies and Materials	183,151	242,241	201,973	-16.62%	0.08%
64 Other Operating Expenses	54,228	91,971	146,105	58.86%	0.06%
<b>Total Function 31</b>	<b>7,488,510</b>	<b>8,386,755</b>	<b>9,573,026</b>	<b>14.14%</b>	<b>3.83%</b>

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND**

**BUDGET SUMMARY: 2014-2015**

**EXPENDITURE SUMMARY BY MAJOR OBJECT WITHIN FUNCTION—Continued**

	<u>Actual Audited 2012-2013</u>	<u>Projected Actual 2013-2014</u>	<u>Adopted Budget 2014-2015</u>	<u>Percent Increase (Decrease)</u>	<u>Percent of Total</u>
<b>32 Social Work Services</b>					
61 Payroll Costs	112,023	124,594	169,310	35.89%	0.07%
62 Contracted Services	88,196	20,578	35,000	70.08%	0.01%
63 Supplies and Materials	433	844	1,000	18.48%	0.00%
64 Other Operating Expenses	2,321	2,146	4,757	121.67%	0.00%
<b>Total Function 32</b>	<b>202,973</b>	<b>148,162</b>	<b>210,067</b>	<b>41.78%</b>	<b>0.08%</b>
<b>33 Health Services</b>					
61 Payroll Costs	2,541,162	2,573,356	2,775,647	7.86%	1.11%
62 Contracted Services	3,082	4,278	10,000	133.75%	0.00%
63 Supplies and Materials	101,594	119,484	147,160	23.16%	0.06%
64 Other Operating Expenses	13,749	14,631	28,000	91.37%	0.01%
<b>Total Function 33</b>	<b>2,659,587</b>	<b>2,711,749</b>	<b>2,960,807</b>	<b>9.18%</b>	<b>1.18%</b>
<b>34 Student Transportation</b>					
62 Contracted Services	4,901,567	5,647,234	6,281,252	11.23%	2.52%
63 Supplies and Materials	702,097	1,086,038	803,571	-26.01%	0.32%
64 Other Operating Expenses	81,449	73,891	26,900	-63.60%	0.01%
<b>Total Function 34</b>	<b>5,685,113</b>	<b>6,807,163</b>	<b>7,111,723</b>	<b>4.47%</b>	<b>2.85%</b>
<b>35 Food Service</b>					
62 Contracted Services	-	3,354	7,000	108.71%	0.00%
<b>Total Function 35</b>	<b>-</b>	<b>3,354</b>	<b>7,000</b>	<b>108.71%</b>	<b>0.00%</b>
<b>36 Co/Extracurricular Activities</b>					
61 Payroll Costs	3,994,308	4,454,254	4,917,813	10.41%	1.97%
62 Contracted Services	442,119	713,950	633,020	-11.34%	0.25%
63 Supplies and Materials	1,038,294	1,128,822	795,507	-29.53%	0.32%
64 Other Operating Expenses	1,188,617	1,101,123	958,966	-12.91%	0.38%
66 Capital Outlay	214,344	998,762	-	-100.00%	0.00%
<b>Total Function 36</b>	<b>6,877,682</b>	<b>8,396,911</b>	<b>7,305,306</b>	<b>-13.00%</b>	<b>2.92%</b>
<b>41 General Administration</b>					
61 Payroll Costs	3,197,665	3,727,242	4,456,143	19.56%	1.79%
62 Contracted Services	1,623,239	645,876	1,194,027	84.87%	0.48%
63 Supplies and Materials	183,778	318,059	399,694	25.67%	0.16%
64 Other Operating Expenses	278,490	280,092	439,565	56.94%	0.18%
66 Capital Outlay	49,216	41,459	-	-100.00%	0.00%
<b>Total Function 41</b>	<b>5,332,388</b>	<b>5,012,728</b>	<b>6,489,429</b>	<b>29.46%</b>	<b>2.61%</b>
<b>51 Facility Maintenance and Operations</b>					
61 Payroll Costs	9,517,844	10,508,525	10,932,053	4.03%	4.38%
62 Contracted Services	5,556,110	5,996,471	6,623,037	10.45%	2.65%
63 Supplies and Materials	2,517,062	1,864,533	2,136,286	14.57%	0.86%
64 Other Operating Expenses	1,256,235	1,248,678	1,123,634	-10.01%	0.45%
66 Capital Outlay	307,415	237,811	271,508	14.17%	0.11%
<b>Total Function 51</b>	<b>19,154,666</b>	<b>19,856,018</b>	<b>21,086,518</b>	<b>6.20%</b>	<b>8.45%</b>

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND**

**BUDGET SUMMARY: 2014-2015**

**EXPENDITURE SUMMARY BY MAJOR OBJECT WITHIN FUNCTION-Continued**

	<u>Actual Audited 2012-2013</u>	<u>Projected Actual 2013-2014</u>	<u>Adopted Budget 2014-2015</u>	<u>Percent Increase (Decrease)</u>	<u>Percent of Total</u>
<b>52 Security and Monitoring Services</b>					
61 Payroll Costs	699,880	790,647	882,354	11.60%	0.34%
62 Contracted Services	494,584	682,115	762,791	11.83%	0.31%
63 Supplies and Materials	97,885	219,602	217,049	-1.16%	0.09%
64 Other Operating Expenses	9,538	8,955	16,150	80.35%	0.01%
66 Capital Outlay	271,292	127,785	250,000	95.64%	0.10%
<b>Total Function 52</b>	<b>1,573,179</b>	<b>1,829,104</b>	<b>2,128,344</b>	<b>16.36%</b>	<b>0.85%</b>
<b>53 Data Processing Services</b>					
61 Payroll Costs	1,066,558	1,238,745	1,524,546	23.07%	0.61%
62 Contracted Services	2,894,370	3,000,490	3,073,806	2.44%	1.23%
63 Supplies and Materials	324,884	309,022	24,035	-92.22%	0.01%
64 Other Operating Expenses	38,203	25,333	93,005	267.13%	0.04%
66 Capital Outlay	24,020	33,141	-	-100.00%	0.00%
<b>Total Function 53</b>	<b>4,348,035</b>	<b>4,606,731</b>	<b>4,715,392</b>	<b>2.36%</b>	<b>1.89%</b>
<b>61 Community Services</b>					
61 Payroll Costs	373,699	372,329	225,944	-39.32%	0.09%
62 Contracted Services	147,520	147,436	138,418	-6.12%	0.06%
63 Supplies and Materials	76,357	62,217	62,165	-0.08%	0.02%
64 Other Operating Expenses	16,597	14,386	14,097	-2.01%	0.01%
66 Capital Outlay	46,000	-	8,000	100.00%	0.00%
<b>Total Function 61</b>	<b>660,173</b>	<b>596,368</b>	<b>448,624</b>	<b>-24.77%</b>	<b>0.18%</b>
<b>81 Facility Acquisition and Construction</b>					
62 Contracted Services	56,226	-	-	#DIV/0!	0.00%
63 Supplies and Materials	46,960	43,709	74,423	70.27%	0.03%
66 Capital Outlay	911,978	58,731	35,398	-39.73%	0.01%
<b>Total Function 81</b>	<b>1,015,164</b>	<b>102,440</b>	<b>109,821</b>	<b>7.21%</b>	<b>0.04%</b>
<b>93 Shared Services Arrangement</b>					
62 Contracted Services	-	262,500	297,500	13.33%	0.12%
64 Other Operating Expenses	2,793,151	3,162,624	3,197,847	1.11%	1.28%
<b>Total Function 93</b>	<b>2,793,151</b>	<b>3,425,124</b>	<b>3,495,347</b>	<b>2.05%</b>	<b>1.40%</b>
<b>95 Juvenile Justice Alternative Education Programs</b>					
62 Contracted Services	-	-	2,307	100.00%	0.00%
<b>Total Function 95</b>	<b>-</b>	<b>-</b>	<b>2,307</b>	<b>100.00%</b>	<b>0.00%</b>
<b>97 Tax Increment Fund (TIF)</b>					
64 Other Operating Expenses	1,973,187	2,055,966	2,350,158	14.31%	0.94%
<b>Total Function 97</b>	<b>1,973,187</b>	<b>2,055,966</b>	<b>2,350,158</b>	<b>14.31%</b>	<b>0.94%</b>
<b>99 Transfers</b>					
62 Contracted Services	-	1,068,490	1,175,812	10.04%	0.47%
<b>Total Function 99</b>	<b>-</b>	<b>1,068,490</b>	<b>1,175,812</b>	<b>10.04%</b>	<b>0.47%</b>
<b>Total Expenditures</b>	<b>\$ 217,349,489</b>	<b>\$ 234,242,695</b>	<b>\$ 249,520,228</b>	<b>6.52%</b>	<b>100.00%</b>

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
2014-2015 BUDGET  
MAJOR OBJECT SUMMARY BY CAMPUS**

<b>Organization</b>	<b>Payroll 6100</b>	<b>Contracted Services 6200</b>	<b>Supplies and Materials 6300</b>	<b>Other Operating Expenses 6400</b>	<b>Capital Outlay 6600</b>
001 Keller High	\$ 12,522,118	\$ 21,983	\$ 153,690	\$ 60,801	\$ -
002 Fossil Ridge High	11,287,623	8,019	140,274	68,664	-
004 Central High	11,990,320	5,500	153,772	86,670	-
005 Timber Creek High	13,184,211	8,637	166,011	94,532	-
039 Learning Center	1,570,750	13,805	39,802	19,790	-
<b>Total High Schools</b>	<b>50,555,022</b>	<b>57,944</b>	<b>653,549</b>	<b>330,457</b>	<b>-</b>
041 Keller Middle	3,852,818	480	54,543	15,731	-
042 Fossil Hill Middle	4,736,344	1,600	65,439	12,795	-
043 Hillwood Middle	4,979,269	294	74,549	18,028	-
044 Indian Springs Middle	4,455,798	250	59,799	13,788	-
045 Trinity Springs Middle	4,781,003	2,360	79,478	13,198	-
046 Timberview Middle	5,416,362	1,400	62,532	27,559	-
<b>Total Middle Schools</b>	<b>28,221,594</b>	<b>6,384</b>	<b>396,340</b>	<b>101,099</b>	<b>-</b>
104 Bear Creek Intermediate	3,457,386	2,159	45,304	15,401	-
107 Chisholm Trail Intermediate	4,148,881	950	53,501	15,069	-
114 Parkwood Hill Intermediate	4,402,486	6,094	67,673	18,225	-
115 South Keller Intermediate	3,727,312	1,028	46,828	13,433	-
123 Trinity Meadows Intermediate	4,555,731	290	77,877	6,598	-
<b>Total Intermediate Schools</b>	<b>20,291,796</b>	<b>10,521</b>	<b>291,183</b>	<b>68,726</b>	<b>-</b>
101 Keller-Harvel Elementary	2,523,613	-	27,599	4,245	-
102 Florence Elementary	2,635,603	350	25,101	5,004	-
103 Parkview Elementary	3,800,566	355	43,370	6,854	-
105 Whitley Road Elementary	2,776,713	-	33,854	3,402	-
106 Heritage Elementary	3,247,794	1,200	37,656	11,128	-
108 Shady Grove Elementary	2,774,022	2,560	25,714	5,060	-
109 Park Glen Elementary	2,915,509	-	35,206	5,552	-
110 Willis Lane Elementary	2,522,255	1,215	31,142	4,824	-
111 North Riverside Elementary	3,082,934	900	33,373	4,315	-
112 Hidden Lakes Elementary	2,727,486	150	29,286	4,680	-
113 Lone Star Elementary	3,528,051	1,500	43,834	13,986	-
116 Bluebonnet Elementary	3,111,373	3,000	41,230	4,710	-
117 Freedom Elementary	2,386,848	253	27,192	9,035	-
118 Bette Perot Elementary	3,182,262	1,135	41,612	8,848	-
119 Woodland Springs Elementary	2,981,802	-	34,855	3,971	-
120 Liberty Elementary	2,305,529	305	24,795	4,795	-
121 Independence Elementary	2,557,526	450	26,703	4,718	-
122 Friendship Elementary	2,989,716	1,634	39,195	5,041	-
124 Eagle Ridge Elementary	3,738,282	1,275	50,422	12,406	-
125 Caprock Elementary	3,715,955	750	50,929	5,100	-
126 Basswood Elementary	2,997,268	400	34,352	6,650	-
128 Early Learning Center	3,388,640	-	24,112	3,760	-
129 Ridgeview Elementary	2,888,554	-	32,793	7,486	-
<b>Total Elementary Schools</b>	<b>68,778,301</b>	<b>17,432</b>	<b>794,325</b>	<b>145,570</b>	<b>-</b>
<b>Total Campus Costs</b>	<b>\$ 167,846,713</b>	<b>\$ 92,281</b>	<b>\$ 2,135,397</b>	<b>\$ 645,852</b>	<b>\$ -</b>

**KELLER ISD 2014-2015 BUDGET**

**GENERAL FUND**

**FIVE YEAR SUMMARY OF REVENUES AND EXPENDITURES  
YEARS ENDED AUGUST 31, 2011-AUGUST 31, 2015 (BUDGETED)**

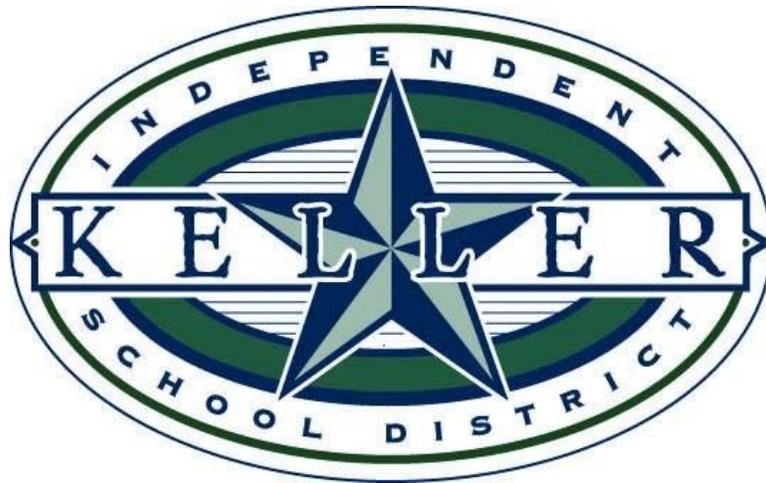
	<b>Audited</b>
	<b>2010-2011</b>
<b>Revenues</b>	
Local Revenues	\$ 115,342,108
State Revenues	101,741,928
Federal Revenues	223,961
<b>Total Revenues</b>	<b>217,307,997</b>
<b>Expenditures</b>	
Instruction	124,961,395
Media Services (Library)	3,103,390
Curriculum and Staff Development	2,239,102
Instructional Leadership	2,090,475
School Leadership	13,103,572
Guidance, Counseling and Evaluation	8,014,923
Social Work Services	278,615
Health Services	2,257,066
Student Transportation	6,722,015
Food Services	-
Co/Extracurricular Activities	6,689,486
General Administration	5,382,277
Facility Maintenance and Operations	19,274,555
Security and Monitoring Services	1,449,958
Data Processing Services	3,675,083
Community Services	700,459
Facility Acquisition and Construction	472,775
Shared Services Arrangements	3,329,680
Juvenile Justice Alternative Education Programs	-
Tax Increment Fund (TIF)	1,750,904
Intergovernmental Charges	-
<b>Total Expenditures</b>	<b>205,495,730</b>
<b>Excess (Deficiencies) Revenue over</b>	
Other Resources	-
Other Uses	-
<b>Total Other Financing Resources (Uses)</b>	<b>-</b>
<b>Excess (Deficiencies) of Revenue and Other Financial Resources Over Expenditures and Other Financial Uses</b>	<b>11,812,267</b>
Fund Balance, beginning, 9/1	52,326,867
<b>Fund Balance, ending, 8/31</b>	<b>\$ 64,139,134</b>

**KELLER ISD 2014-2015 BUDGET**

**GENERAL FUND**

**FIVE YEAR SUMMARY OF REVENUES AND EXPENDITURES (Continued)  
YEARS ENDED AUGUST 31, 2009-AUGUST 31, 2013 (BUDGETED)**

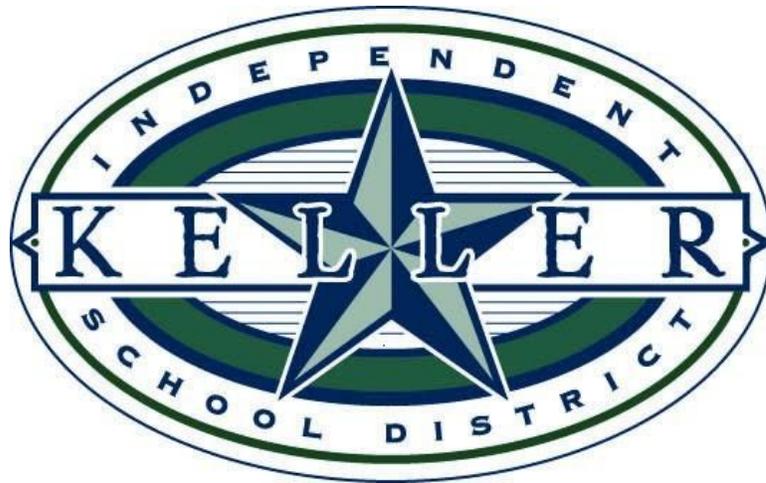
<u>Audited 2011-2012</u>	<u>Audited 2012-2013</u>	<u>Projected Actual 2013-2014</u>	<u>Adopted Budget 2014-2015</u>
\$ 122,477,457	\$ 121,132,398	\$ 126,155,601	\$ 135,514,581
94,683,993	90,958,924	103,789,415	96,631,923
346,711	598,640	1,980,757	3,075,000
<u>217,508,161</u>	<u>212,689,962</u>	<u>231,925,773</u>	<u>235,221,504</u>
124,322,850	137,181,022	145,977,637	154,914,358
2,042,530	3,003,067	3,241,224	3,294,101
1,744,637	1,827,345	2,747,046	4,125,156
1,749,503	1,970,633	2,290,801	2,988,773
12,474,734	13,603,614	14,978,924	15,028,159
7,365,218	7,488,510	8,386,755	9,573,026
155,656	202,973	148,162	210,067
2,282,194	2,659,587	2,711,749	2,960,807
5,327,277	5,685,113	6,807,163	7,111,723
-	-	3,354	7,000
5,853,416	6,877,682	8,396,911	7,305,306
5,019,367	5,332,388	5,012,728	6,489,429
17,671,549	19,154,666	19,856,018	21,086,518
1,046,033	1,573,179	1,829,104	2,128,344
4,588,417	4,348,035	4,606,731	4,715,392
562,344	660,173	596,368	448,624
1,316,799	1,015,164	102,440	109,821
3,410,020	2,793,151	3,425,124	3,495,347
2,375	-	-	2,307
1,732,427	1,973,187	2,055,966	2,350,158
-	-	1,068,490	1,175,812
<u>198,667,346</u>	<u>217,349,489</u>	<u>234,242,695</u>	<u>249,520,228</u>
-	-	-	5,000,000
-	-	-	-
-	-	-	<u>5,000,000</u>
<b>18,840,815</b>	<b>(4,659,527)</b>	<b>(2,316,922)</b>	<b>(9,298,724)</b>
64,139,134	82,979,949	78,320,422	76,003,500
<u>\$ 82,979,949</u>	<u>\$ 78,320,422</u>	<u>\$ 76,003,500</u>	<u>\$ 66,704,776</u>



KELLER ISD  
Intentionally  Exceptional

# *Keller ISD Organizations*





KELLER ISD  
Intentionally  Exceptional

# KELLER ISD 2014-2015 BUDGET

## KELLER INDEPENDENT SCHOOL DISTRICT ORGANIZATIONS

### High Schools

001 Keller High  
002 Fossil Ridge High  
004 Central High  
005 Timber Creek High  
039 Learning Center

### Middle Schools

041 Keller Middle  
042 Fossil Hill Middle  
043 Hillwood Middle  
044 Indian Springs Middle  
045 Trinity Springs Middle  
046 Timberview Middle

### Intermediate Schools

104 Bear Creek Intermediate  
107 Chisholm Trail Intermediate  
114 Parkwood Hill Intermediate  
115 South Keller Intermediate  
123 Trinity Meadows Intermediate

### Elementary Schools

101 Keller-Harvel Elementary  
102 Florence Elementary  
103 Parkview Elementary  
105 Whitley Road Elementary  
106 Heritage Elementary  
108 Shady Grove Elementary  
109 Park Glen Elementary  
110 Willis Lane Elementary  
111 North Riverside Elementary  
112 Hidden Lakes Elementary  
113 Lone Star Elementary  
116 Bluebonnet Elementary  
117 Freedom Elementary  
118 Bette Perot Elementary  
119 Woodland Springs Elementary  
120 Liberty Elementary  
121 Independence Elementary  
122 Friendship Elementary  
124 Eagle Ridge Elementary  
125 Caprock Elementary  
126 Basswood Elementary  
128 Early Learning Center  
129 Ridgeview Elementary

### Departments

036 Athletics  
701 Superintendent  
702 Board of Trustees  
737 Media Production  
738 Payroll  
739 Legal  
740 Executive Director of Business Operations  
741 Demographics  
742 Communications  
743 Chief Financial Officer  
744 Purchasing  
746 Risk Management  
747 Instructional Materials  
748 Human Resources  
749 Finance  
896 Natatorium  
931 Behavior Intervention  
932 Student Intervention  
934 Transportation  
935 Special Services  
936 Special Education  
937 Language Acquisition  
938 Dyslexia  
939 Fine Arts  
940 Early Childhood Programs  
941 Director of Curriculum & Instruction  
942 Assessment  
943 Guidance and Counseling  
945 State and Federal Programs  
946 Organizational Improvement  
948 Chief Academic Officer  
949 Technology  
950 Facility Projects  
951 Maintenance  
952 Facility Services  
953 Health Services  
954 Child Nutrition  
955 Library/Media Services  
956 Career and Technology  
957 Social Studies  
958 Math  
960 Science  
961 AVID  
964 Elementary Language Arts  
965 Distribution Center  
966 Fixed Assets  
967 Advanced Academics  
970 Media Production  
971 Leadership  
973 PEIMS/Records Management  
975 Safety and Security  
976 Environmental Services  
977 Facility Processes  
997 High School Allotment  
999 District Wide

**KELLER ISD 2014-2015 BUDGET**

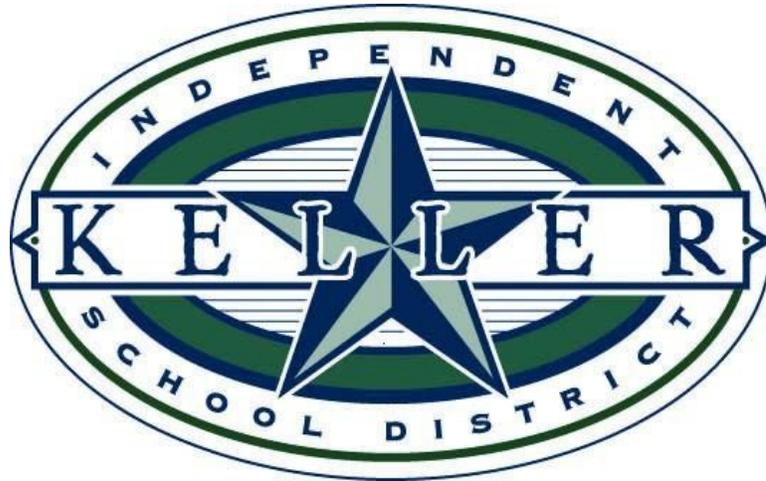
**General Fund Budgets by Organization**

Organization Name	Payroll 6100	Contracted Services 6200	Supplies and Materials 6300	Other	Capital Outlay 6600	Total 2014-15 Budget
				Operating Expenses 6400		
001 Keller High	12,522,118	21,983	153,690	60,801	0	12,758,592
002 Fossil Ridge High	11,287,623	8,019	140,274	68,664	0	11,504,580
004 Central High	11,990,320	5,500	153,772	86,670	0	12,236,262
005 Timber Creek High	13,184,211	8,637	166,011	94,532	0	13,453,391
036 Athletics	674,248	426,600	643,065	530,771	0	2,274,684
039 Keller Learning Center	1,570,750	13,805	39,802	19,790	0	1,644,147
041 Keller Middle	3,852,818	480	54,543	15,731	0	3,923,572
042 Fossil Hill Middle	4,736,344	1,600	65,439	12,795	0	4,816,178
043 Hillwood Middle	4,979,269	294	74,549	18,028	0	5,072,140
044 Indian Springs Middle	4,455,798	250	59,799	13,788	0	4,529,635
045 Trinity Springs Middle	4,781,003	2,360	79,478	13,198	0	4,876,039
046 Timberview Middle	5,416,362	1,400	62,532	27,559	0	5,507,853
101 Keller-Havel Elementary	2,523,613	0	27,599	4,245	0	2,555,457
102 Florence Elementary	2,635,603	350	25,101	5,004	0	2,666,058
103 Parkview Elementary	3,800,566	355	43,370	6,854	0	3,851,145
104 Bear Creek Intermediate	3,457,386	2,159	45,304	15,401	0	3,520,250
105 Whitley Road Elementary	2,776,713	0	33,854	3,402	0	2,813,969
106 Heritage Elementary	3,247,794	1,200	37,656	11,128	0	3,297,778
107 Chisholm Trail Intermediate	4,148,881	950	53,501	15,069	0	4,218,401
108 Shady Grove Elementary	2,774,022	2,560	25,714	5,060	0	2,807,356
109 Park Glen Elementary	2,915,509	0	35,206	5,552	0	2,956,267
110 Willis Lane Elementary	2,522,255	1,215	31,142	4,824	0	2,559,436
111 North Riverside Elementary	3,082,934	900	33,373	4,315	0	3,121,522
112 Hidden Lakes Elementary	2,727,486	150	29,286	4,680	0	2,761,602
113 Lone Star Elementary	3,528,051	1,500	43,834	13,986	0	3,587,371
114 Parkwood Hill Intermediate	4,402,486	6,094	67,673	18,225	0	4,494,478
115 South Keller Intermediate	3,727,312	1,028	46,828	13,433	0	3,788,601
116 Bluebonnet Elementary	3,111,373	3,000	41,230	4,710	0	3,160,313
117 Freedom Elementary	2,386,848	253	27,192	9,035	0	2,423,328
118 Bette Perot Elementary	3,182,262	1,135	41,612	8,848	0	3,233,857
119 Woodland Springs	2,981,802	0	34,855	3,971	0	3,020,628
120 Liberty Elementary	2,305,529	305	24,795	4,795	0	2,335,424
121 Independence Elementary	2,557,526	450	26,703	4,718	0	2,589,397
122 Friendship Elementary	2,989,716	1,634	39,195	5,041	0	3,035,586
123 Trinity Meadows Intermediate	4,555,731	290	77,877	6,598	0	4,640,496
124 Eagle Ridge Elementary	3,738,282	1,275	50,422	12,406	0	3,802,385
125 Caprock Elementary	3,715,955	750	50,929	5,100	0	3,772,734
126 Basswood Elementary	2,997,268	400	34,352	6,650	0	3,038,670
128 Keller Early Learning Center	3,388,640	0	24,112	3,760	0	3,416,512
129 Ridgeview Elementary	2,888,554	0	32,793	7,486	0	2,928,833

**KELLER ISD 2014-2015 BUDGET**

**Budgets by Organization (continued)**

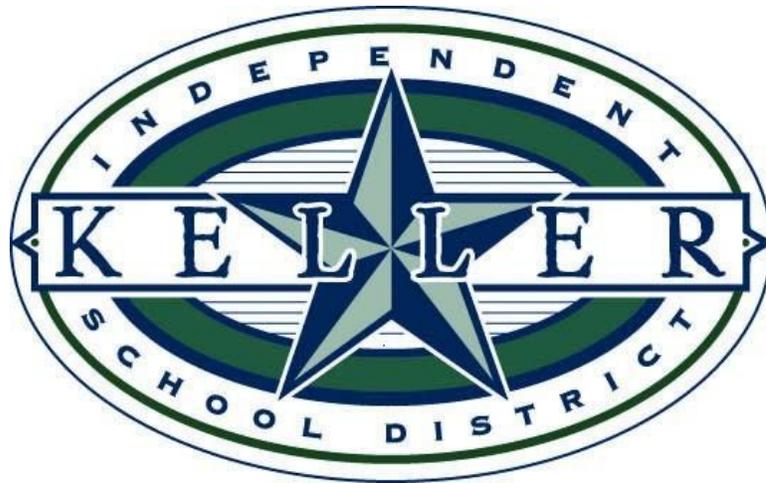
Organization Name	Payroll 6100	Contracted Services 6200	Supplies and Materials 6300	Other	Capital Outlay 6600	Total 2014-15 Budget
				Operating Expenses 6400		
701 Superintendent	374,756	144,355	19,879	49,017	0	588,007
702 Board of Trustees	0	150	203	168,062	0	168,415
737 Media	130,332	0	12,763	3,004	0	146,099
738 Payroll Department	363,356	41,024	51,621	10,733	0	466,734
739 Legal	252,678	157,450	3,356	5,000	0	418,484
740 Assistant Superintendent Operations	219,378	0	74,423	0	35,398	329,199
741 Demographics and Planning	27,041	40,000	13,863	3,909	0	84,813
742 Communications	320,721	5,675	153,611	18,277	0	498,284
743 Chief Financial Officer	195,779	2,934	3,355	28,135	0	230,203
744 Purchasing	368,578	46,250	4,198	14,100	0	433,126
746 Risk Management\Facility Rentals	17,573	0	0	1,058,538	0	1,076,111
747 Instructional Materials	41,082	14,195	11,220	4,413	0	70,910
748 Human Resources	917,282	684,377	44,279	82,300	0	1,728,238
749 Finance	881,527	1,356,018	77,007	247,957	0	2,562,509
896 Natatorium	250,074	67,418	59,350	141,964	8,000	526,806
934 Transportation	0	6,236,252	803,571	0	0	7,039,823
935 Special Services	0	2,000	44,921	17,000	0	63,921
936 Special Education	3,283,949	310,500	1,366	46,600	0	3,642,415
937 Language Acquisition	313,370	23,361	243,723	45,421	0	625,875
938 Dyslexia	133,991	42,000	124,088	12,100	0	312,179
939 Fine Arts	328,287	312,580	608,950	103,506	0	1,353,323
942 Reseach Assessment & Program Evaluation	358,572	55,493	266,362	6,604	0	687,031
943 Guidance and Counseling	1,032,826	27,500	67,446	59,747	0	1,187,519
945 General Education	1,015,584	126,500	71,113	17,800	0	1,230,997
946 Organizational Improvement	894,494	151,003	95,969	40,234	0	1,181,700
948 Chief Academic Officer	783,139	243,362	947,994	35,729	0	2,010,224
949 Technology	1,254,598	6,609,907	642,569	86,000	0	8,593,074
950 Facility Projects	856,282	251,129	138,871	0	0	1,246,282
951 Maintenance	2,412,215	657,090	1,058,526	0	84,420	4,212,251
952 Facility Services	7,039,664	93,922	818,735	0	105,088	8,057,409
953 Health Services	2,759,893	8,000	144,005	28,000	0	2,939,898
955 Library/Media Services	42,562	0	112,301	18,665	0	173,528
956 Career and Technology	221,354	208,773	614,893	119,115	0	1,164,135
957 Social Studies Coordinator	104,610	10,000	24,775	4,650	0	144,035
958 Math Coordinator	379,885	20,000	60,021	16,310	0	476,216
960 Science Coordinator	88,267	20,000	10,150	5,050	0	123,467
961 AVID Coordinator	77,987	0	1,075	1,600	0	80,662
964 Elementary Language Arts Coordinator	196,141	16,525	30,125	16,050	0	258,841
965 Warehouse	303,560	54,100	16,241	0	0	373,901
966 Fixed Assets	7,209	2,891	4,339	0	0	14,439
967 Coordinator Advanced Academics	120,695	0	42,225	3,900	0	166,820
970 Media Production	3,680	0	0	0	0	3,680
971 Int/Mid Admin Executive Director	1,219,605	193,357	70,625	133,798	0	1,617,385
973 PEIMS	238,720	500	1,035	7,005	0	247,260
975 Safety and Security	353,642	1,017,769	227,843	24,490	290,000	1,913,744
976 Environmental Services	215,867	4,609,766	64,273	3,066,980	0	7,956,886
977 Facility Processes	0	41,826	440	58,756	42,000	143,022
997 High School Allotment	118,437	140,000	177,301	166,725	0	602,463
999 District Wide	5,002,800	0	0	2,350,158	0	7,352,958
	204,043,003	24,564,833	10,843,461	9,504,025	564,906	249,520,228



KELLER ISD  
Intentionally  Exceptional

# *Debt Service Fund*





KELLER ISD  
Intentionally  Exceptional

## **DEBT SERVICE FUND OVERVIEW**

The Debt Service Fund accounts for payments of principal, interest, and related fees on the District's General Obligation bonds. Under Texas Law, only these Debt Service payments can be charged to this fund. A majority of funding is derived from a designated allocation of the property tax rate. Current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Proceeds of long-term issues are reflected as "Other Resources" in the operating statement of the recipient fund.

On March 14, 2014 the District issued \$5,650,000 in unlimited tax refunding bonds, with interest rates between 2.00% and 3.00% to advance refund \$45,845,000 of series 2005 and 2005A Bonds with original maturity of 2030 and interest rates between 4.00% of 5.00%. The refunding was undertaken to reduce the District's total debt service payments over the next 20 years by \$3,934,863 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$3,362,150.

## **DEBT SERVICE EXPENDITURES**

The debt service budget consists of the following amounts: \$15,100,069 for bond principal payments, \$40,048,086 for bond interest payments, and \$50,000 for paying agent fees. Detailed Debt Service requirements are located within this section of the budget document.

The District continues to retire existing debt at a steady pace, but continued enrollment growth has required issuance of new debt at a similar pace. Although enrollment has slowed, District personnel continually work with the community through the Citizens Bond Advisor Committee to review the facility needs of the District. This Board-appointed committee makes recommendations to the Board of Trustees for needs that will be addressed through additional debt issuance, while minimizing the financial impact on the taxpayer. As new construction slows and significantly fewer bonds are issued, the district's annual debt requirements will decrease as well. This would eventually lead to decreases in the debt service portion of the tax rate.

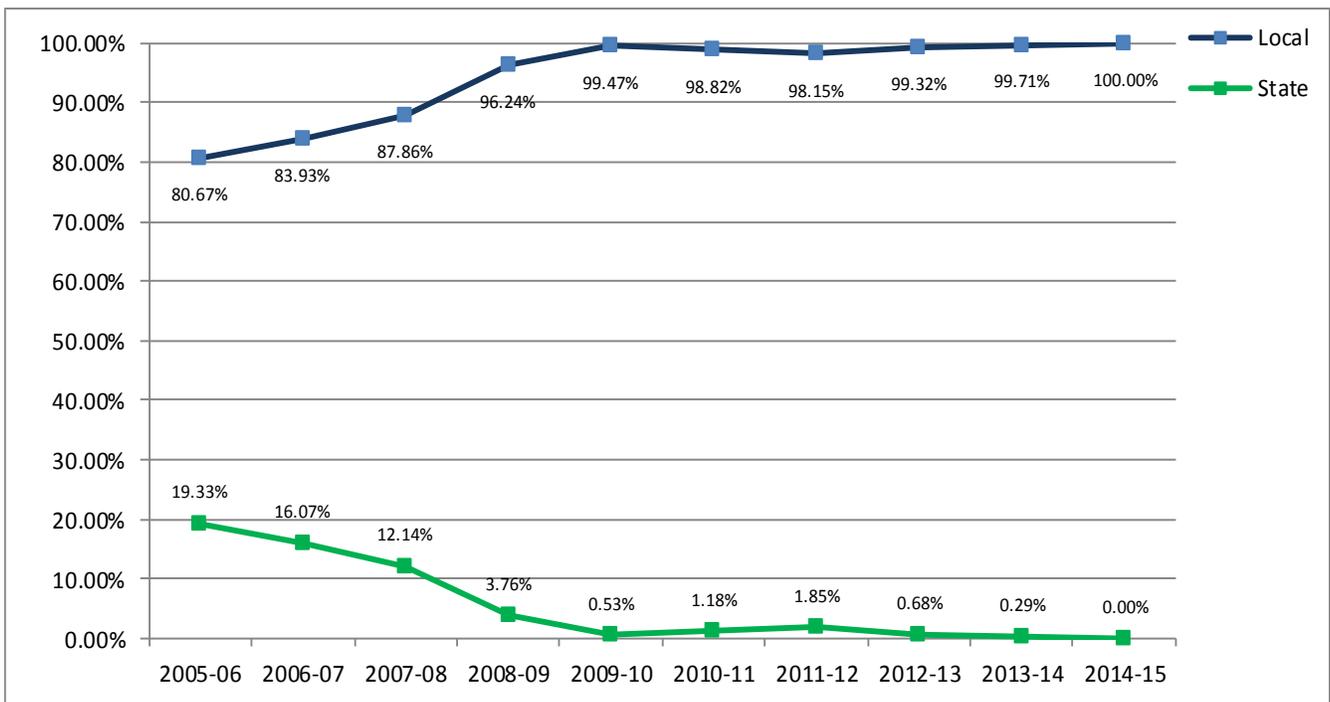
For 2014-15, the Debt Service remains at \$0.500 per \$100 valuation for the fourth consecutive year.

## KELLER ISD 2014-2015 BUDGET

Debt Service is a major area of cost due to the District's building program which is primarily financed by the sale of general obligation bonds. The ratio of net bonded debt to assessed value for the District was 5.13% at August 31, 2014.

The following graph depicts the change in Keller ISD's Debt Service Fund revenue sources, 2006-2015. The district has derived increasing amounts of revenue from local sources as state revenue declines. The Existing Debt Allotment (EDA and the Instructional Facilities Allotment (IFA) were eliminated by the State for the 2014-15 year; therefore, the State no longer contributes any revenue to the Debt Service Fund of KISD.

### DEBT SERVICE REVENUE SOURCES

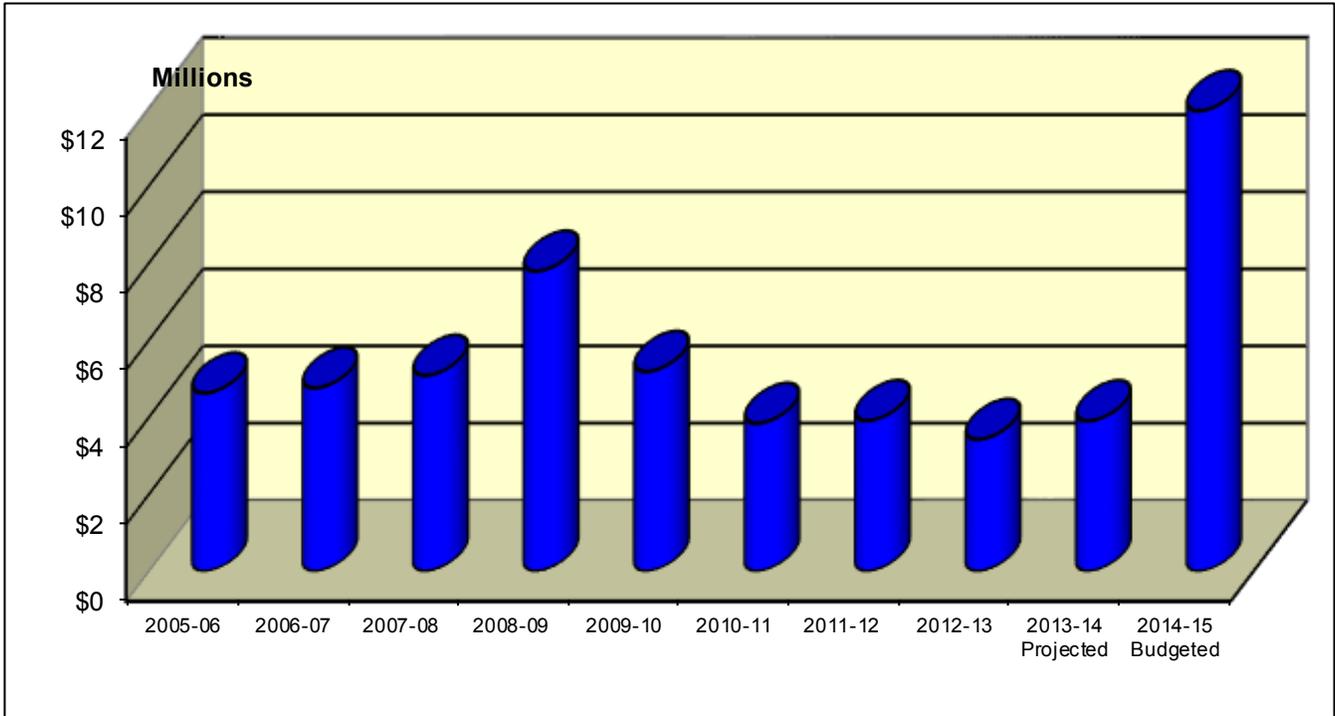


<u>Year</u>	<u>Local</u>	<u>State</u>	<u>Federal</u>
2005-06	21,710,060	5,201,057	0
2006-07	25,867,344	4,953,187	0
2007-08	30,869,545	4,264,854	0
2008-09	39,442,048	1,542,827	0
2009-10	48,779,858	261,674	0
2010-11	53,214,975	638,097	0
2011-12	55,909,665	1,052,689	0
2012-13	56,582,160	384,652	0
2013-14	59,379,618	175,493	0
2014-15	63,240,391	0	0

**KELLER ISD 2014-2015 BUDGET**

The graph below indicates the Debt Service budgeted fund balance at the end of each fiscal year from 2005-06 to 2012-13 and a projection of the budgeted fund balance for the 2013-14 and the 2014-15 budget years. Again, the significant increase in fund balance projected for the 2014-15 year is the result of a 7% increase in property values coupled with decreased principal and interest requirements.

**DEBT SERVICE FUND BALANCE**



Year	Budgeted Fund Balance
2005-06	4,608,114
2006-07	4,741,309
2007-08	5,066,051
2008-09	7,771,284
2009-10	5,167,382
2010-11	3,820,031
2011-12	3,892,876
2012-13	3,406,682
2013-14 Projected	3,888,550
2014-15 Budgeted	11,930,786

THIS PAGE INTENTIONALLY BLANK

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
DEBT SERVICE FUND**

**FIVE YEAR SUMMARY OF REVENUES AND EXPENDITURES  
YEARS ENDED AUGUST 31, 2011 - AUGUST 31, 2015 (BUDGETED)**

	<u>Audited 2010-11</u>	<u>Audited 2011-12</u>	<u>Audited 2012-13</u>	<u>Projected Actual 2013-14</u>	<u>Adopted Budget 2014-15</u>
<b>Revenue</b>					
Local Sources	\$ 53,214,975	\$ 55,909,665	\$ 56,582,160	\$ 59,379,618	\$ 63,240,391
State Sources	638,097	1,052,689	384,652	175,493	-
<b>Total Revenues</b>	<u>53,853,072</u>	<u>56,962,354</u>	<u>56,966,812</u>	<u>59,555,111</u>	<u>63,240,391</u>
<b>Expenditures</b>					
Debt Service	55,371,826	56,974,733	58,408,156	59,297,514	55,198,155
<b>Total Expenditures</b>	<u>55,371,826</u>	<u>56,974,733</u>	<u>58,408,156</u>	<u>59,297,514</u>	<u>55,198,155</u>
<b>Revenue Over (Under) Expenditures</b>	<u>(1,518,754)</u>	<u>(12,379)</u>	<u>(1,441,344)</u>	<u>257,597</u>	<u>8,042,236</u>
<b>Other Financing Resources (Uses)</b>					
Other Resources	9,975,449	2,910,974	100,689,802	49,295,068	-
Other Uses	(9,804,046)	(2,825,750)	(99,734,652)	(49,070,797)	-
<b>Total Other Financing Resources (Uses)</b>	<u>171,403</u>	<u>85,224</u>	<u>955,150</u>	<u>224,271</u>	<u>-</u>
<b>Revenues and Other Resources Over (Under) Expenditures</b>	<u>(1,347,351)</u>	<u>72,845</u>	<u>(486,194)</u>	<u>481,868</u>	<u>8,042,236</u>
<b>Beginning Fund Balance, 9/1</b>	<u>5,167,382</u>	<u>3,820,031</u>	<u>3,892,876</u>	<u>3,406,682</u>	<u>3,888,550</u>
<b>Ending Fund Balance, 8/31</b>	<u>\$ 3,820,031</u>	<u>\$ 3,892,876</u>	<u>\$ 3,406,682</u>	<u>\$ 3,888,550</u>	<u>\$ 11,930,786</u>

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
DEBT SERVICE FUND BOND SCHEDULE**

<b>Description</b>	<b>Interest Rate Payable</b>	<b>Amounts Original Issue</b>	<b>Amount Outstanding 9/1/2013</b>	<b>Issued Current Year</b>	<b>Retired Current Year</b>
Refunding and School Building Bonds	3.50% to 6.25%	31,065,000	117,654	-	117,654
Series 1993 & 1993A					
Unlimited Tax School Building Bonds	3.60% to 5.90%	59,539,931	13,163,256	-	1,129,314
Bonds Series 1996A					
Unlimited Tax School Building Bonds	3.85% to 6.00%	29,698,013	4,019,995	-	-
Bonds Series 1997A					
Unlimited Tax School Building Bonds	4.00% to 4.90%	30,190,000	85,002	-	45,000
Bonds Series 1999					
Unlimited Tax Refunding Bonds	4.75% to 5.00%	98,339,961	89,685,000	-	45,355,000
Bonds Series 2005					
Unlimited Tax School Building and Refunding B	4.00% to 5.00%	117,165,000	21,965,000	-	9,025,000
Bonds Series 2005A					
Unlimited Tax School Refunding Bonds	4.00% to 5.00%	89,844,973	87,739,973	-	320,000
Bonds Series 2006					
Unlimited Tax School Refunding Bonds	4.00% to 4.60%	64,749,980	63,931,092	-	2,701
Bonds Series 2006A					
Unlimited Tax School Refunding Bonds	4.00% to 5.00%	136,470,000	133,470,000	-	1,425,000
Bonds Series 2007					
Unlimited Tax School Refunding Bonds	4.39% to 5.00%	142,299,951	131,309,951	-	9,240,000
Bonds Series 2009					
Unlimited Tax School Refunding Bonds	3.00% to 4.63%	11,199,999	8,845,000	-	1,970,000
Bonds Series 2009					
Unlimited Tax School Refunding Bonds	3.50% to 4.50%	22,419,992	22,361,243	-	5,100
Bonds Series 2009A					
Unlimited Tax School Refunding Bonds	2.00% to 4.125%	8,389,999	7,700,000	-	230,000
Bonds Series 2010					
Unlimited Tax School Refunding Bonds	2.00% to 4.00%	9,445,000	8,970,000	-	615,000
Bonds Series 2011					
Unlimited Tax School Refunding Bonds	2.55% to 2.74%	2,710,000	2,710,000	-	-
Bonds Series 2012					
Unlimited Tax School Refunding Bonds	2.00% to 3.00%	4,339,998	4,339,998	-	-
Bonds Series 2012A					
Unlimited Tax School Refunding Bonds	1.50% to 5.00%	81,080,000	81,080,000	-	-
Bonds Series 2013					
Unlimited Tax School Refunding Bonds		45,650,000	-	45,650,000	300,000
Bonds Series 2014					
<b>Total Bonded Indebtedness</b>			<b>\$ 681,493,164</b>	<b>\$ 45,650,000</b>	<b>\$ 69,779,769</b>

**KELLER ISD 2014-2015 BUDGET**

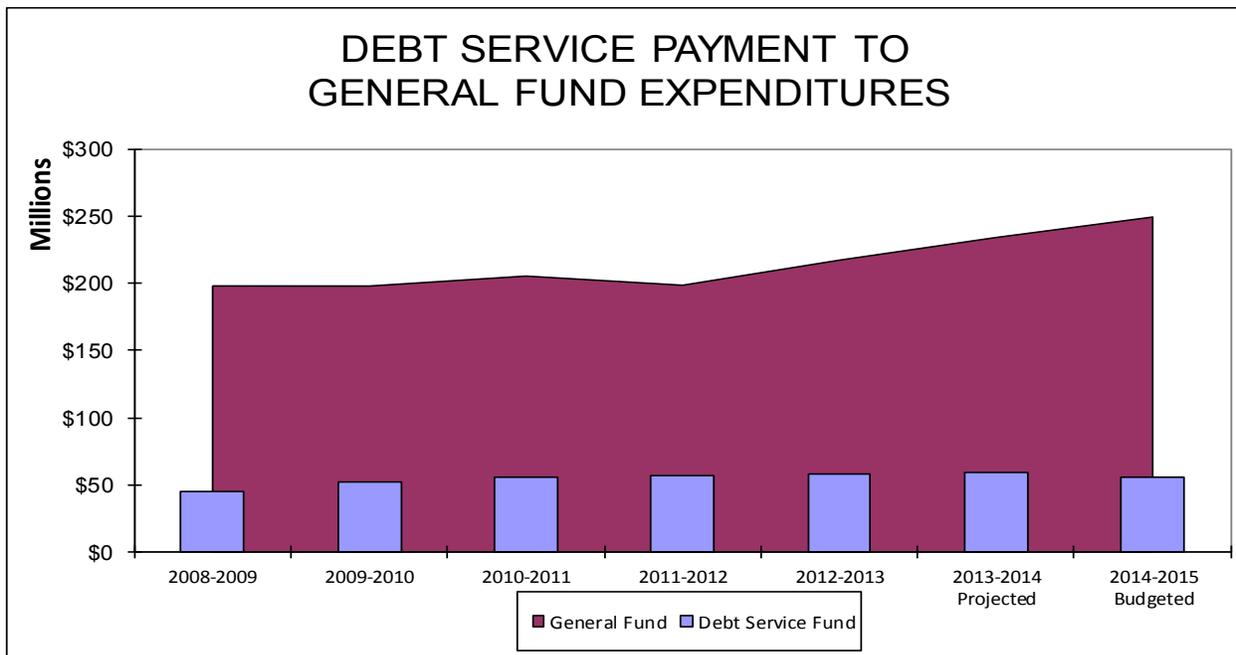
**DEBT SERVICE FUND BOND SCHEDULE**

Amount Outstanding 8/31/2014	Requirements		Requirements		9/1/2014 To Maturity Interest
	Year Ending 8/31/2015 Principal	Year Ending 8/31/2015 Interest	Year Ending 8/31/2016 Principal	Year Ending 8/31/2016 Interest	
\$ -	-	-	-	-	-
\$ 12,033,942	319,242	4,625,758	650,933	7,924,067	46,451,743
\$ 4,019,995	-	241,200	-	241,200	1,845,600
\$ 40,002	40,000	735,000	-	-	1,485,000
\$ 44,330,000	8,130,000	2,160,850	-	1,754,350	28,192,816
\$ 12,940,000	500,000	557,305	-	532,305	7,918,636
\$ 87,419,973	335,000	4,192,294	350,000	4,178,475	56,091,230
\$ 63,928,391	1,567	3,024,097	4,330	3,716,334	42,360,793
\$ 132,045,000	2,970,000	6,458,025	2,800,000	6,294,675	87,917,375
\$ 122,069,951	64,413	10,506,393	16,972	8,618,835	112,907,408
\$ 6,875,000	1,975,000	232,631	655,000	189,075	1,372,575
\$ 22,356,143	4,846	1,023,364	9,855	1,098,355	14,846,245
\$ 7,470,000	180,000	281,019	245,000	275,931	3,389,984
\$ 8,355,000	580,000	315,250	650,000	297,850	2,687,600
\$ 2,710,000	-	94,850	-	94,850	1,594,950
\$ 4,339,998	-	128,550	4,998	423,552	1,934,652
\$ 81,080,000	-	3,529,125	965,000	3,529,125	40,879,225
\$ 45,350,000	-	1,927,375	5,870,000	1,659,270	11,489,125
\$ 657,363,395	\$ 15,100,068	\$ 40,033,085	\$ 12,222,087	\$ 40,828,249	\$ 463,364,957

**DEBT SERVICE PAYMENT COMPARED TO GENERAL FUND EXPENDITURES**

The graph below depicts a comparison of the Keller ISD’s General Fund expenditures and the Debt Service expenditures. Between 2005 and 2012, the district opened fourteen campuses. Nine of these campuses were elementary schools, one intermediate school, two middle schools, one high school and an Early Learning Center. During this period the rate of increase of debt service expenditures far exceeded the rate of increase for general fund expenditures. The fact that the general fund expenditures to open and operate these campuses increased at a much lesser rate than debt service expenditures attests to the District’s efficiency in managing their resources.

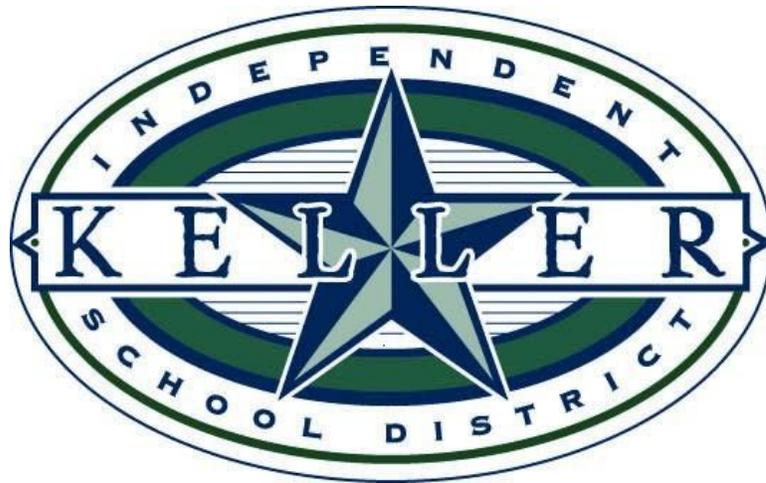
The rate of increase in general fund expenditures is greater than that for debt service beginning in 2012-13 and budgeted to be greater in 2014-15 as well. No campuses were opened during these years, but general fund expenditures increased mainly due to pay raises.



Year	General Fund		Debt Service Fund	
	General Fund	% Increase Over Prior Year	Debt Service	% Increase Over Prior Year
2008-2009	198,150,292	5.75%	44,610,580	7.72%
2009-2010	198,073,529	-0.04%	52,109,811	16.81%
2010-2011	205,495,730	3.75%	55,371,826	6.26%
2011-2012	198,667,346	-3.32%	56,974,733	2.89%
2012-2013	217,349,489	9.40%	58,408,156	2.52%
2013-2014 Projected	234,242,695	7.77%	59,297,514	1.52%
2014-2015 Budgeted	249,520,228	6.52%	55,198,155	-6.91%

# *Child Nutrition Fund*





KELLER ISD  
Intentionally  Exceptional

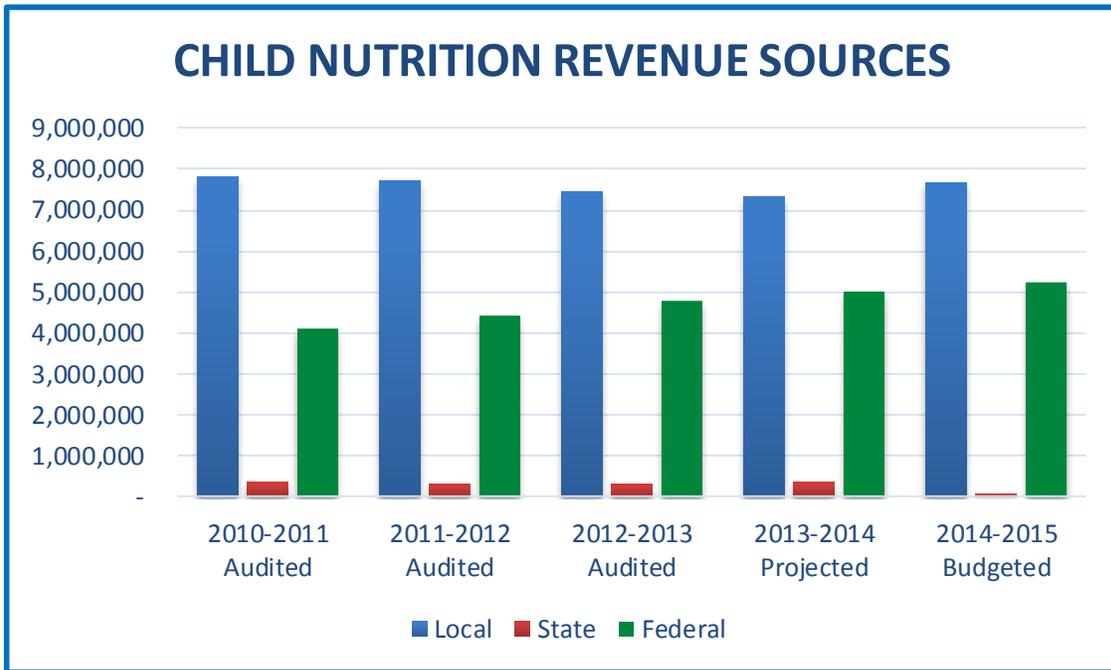
**CHILD NUTRITION SPECIAL REVENUE FUND OVERVIEW**

The District’s food service operations are accounted for in the Child Nutrition Special Revenue Fund. Although Special Revenue Funds are generally not included in the annual budget adopted by the Board of Trustees, the TEA regulations require inclusion of the Child Nutrition Fund. Approximately 40.42% of the projected 2014-15 revenue in this fund is received from the United States Department of Agriculture (USDA) under the National School Lunch Program, the School Breakfast Program, and the Food Distribution Program. Less than 1% is generated from state sources, and the remaining revenue (59.06%) is primarily generated from user fees – i.e. student payments for meals.

Child Nutrition expenditures for 2014-15 consist of payroll (35.99%), contracted services (62.52%), other operating expenditures (.11%) and supplies and materials (1.40%). Capital Outlay is budgeted to decrease by 100% due to the completion of a new kitchen installation during the 2013-14 year.

The District began using an outside vendor to manage the Child Nutrition program in the 2003-04 fiscal year. The current provider is Sodexo, Inc. Fund balance has increased from \$1,306,903 at August 31, 2003 to a projected budgeted balance of \$3,606,706 at August 31, 2014, an increase of \$2,299,803.

The budgeted ending fund balance for 2014-15 is projected to be \$4,456,706, which is an increase from 2013-14 of \$850,000. This increase is due to guaranteed income from the District’s food service management company.



Year	Local	State	Federal
2010-2011 Audited	7,839,256	350,514	4,103,338
2011-2012 Audited	7,715,387	320,154	4,417,830
2012-2013 Audited	7,461,105	334,014	4,794,879
2013-2014 Projected	\$ 7,342,872	338,926	4,993,755
2014-2015 Budgeted	\$ 7,666,059	67,302	5,246,379

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
CHILD NUTRITION FUND**

**FIVE YEAR SUMMARY OF REVENUES AND EXPENDITURES  
YEARS ENDED AUGUST 31, 2011—AUGUST 31, 2015 (ADOPTED BUDGET)**

	<b>Audited 2010-2011</b>	<b>Audited 2011-2012</b>	<b>Audited 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Adopted Budget 2014-2015</b>
<b>Revenues</b>					
Local sources	\$ 7,839,256	\$ 7,715,387	\$ 7,461,105	\$ 7,342,872	\$ 7,666,059
State sources	350,514	320,154	334,014	338,926	67,302
Federal sources	4,103,338	4,417,830	4,794,879	4,993,755	5,246,379
<b>Total Revenues</b>	<b>12,293,108</b>	<b>12,453,371</b>	<b>12,589,998</b>	<b>12,675,553</b>	<b>12,979,740</b>
<b>Expenditures</b>					
Food Services	10,892,691	11,502,531	12,663,935	13,759,074	12,129,740
<b>Total Expenditures</b>	<b>10,892,691</b>	<b>11,502,531</b>	<b>12,663,935</b>	<b>13,759,074</b>	<b>12,129,740</b>
<b>Revenues Over Expenditures</b>	<b>1,400,417</b>	<b>950,840</b>	<b>(73,937)</b>	<b>(1,083,521)</b>	<b>850,000</b>
<b>Fund Balance beginning, 9/1</b>	<b>2,412,907</b>	<b>3,813,324</b>	<b>4,764,164</b>	<b>4,690,227</b>	<b>3,606,706</b>
<b>Fund Balance ending, 8/31</b>	<b>\$ 3,813,324</b>	<b>\$ 4,764,164</b>	<b>\$ 4,690,227</b>	<b>\$ 3,606,706</b>	<b>\$ 4,456,706</b>

**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
CHILD NUTRITION FUND**

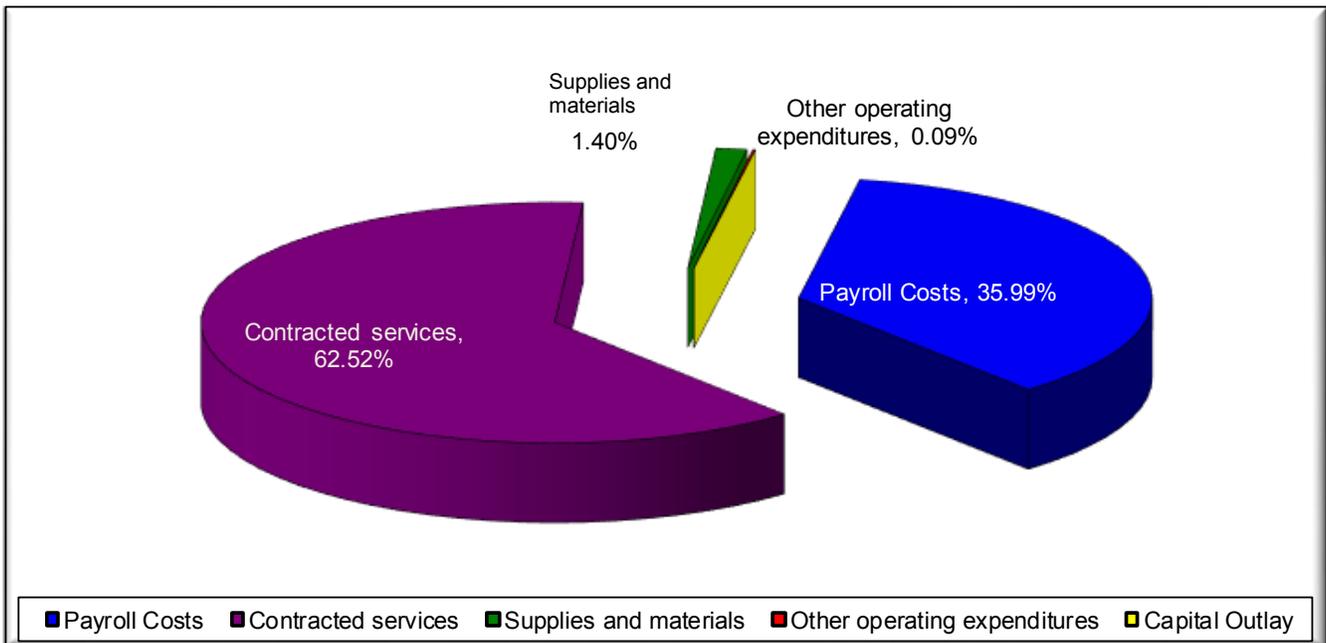
**BUDGET SUMMARY: 2014-2015**

**REVENUE AND EXPENDITURE SUMMARY BY MAJOR OBJECT**

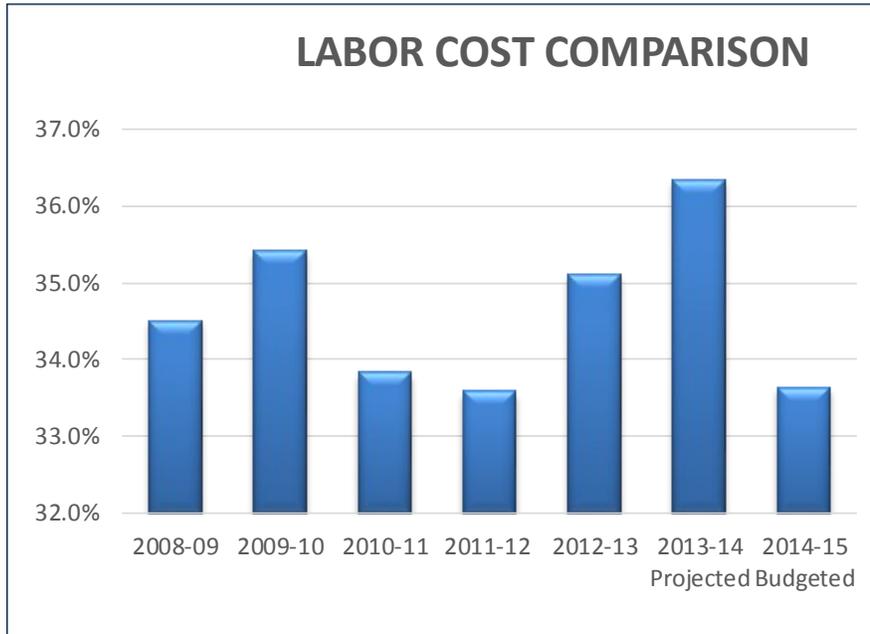
	<u>Audited 2011-2012</u>	<u>Audited 2012-2013</u>	<u>Projected Actual 2013-2014</u>	<u>Adopted Budget 2014-2015</u>	<u>Percent of Total</u>
<b>Revenues</b>					
Local sources	\$ 7,715,387	\$ 7,461,105	\$ 7,342,872	\$ 7,666,059	59.06%
State sources	320,154	334,014	338,926	67,302	0.52%
Federal sources	4,417,830	4,794,879	4,993,755	5,246,379	40.42%
<b>Total Revenues</b>	<b>12,453,371</b>	<b>12,589,998</b>	<b>12,675,553</b>	<b>12,979,740</b>	<b>100.00%</b>
<b>Expenditures by object</b>					
Payroll Costs	4,181,315	4,419,804	4,606,551	4,365,634	35.99%
Contracted services	1,145,688	7,285,420	7,444,628	7,583,488	62.52%
Supplies and materials	5,998,705	192,357	375,013	170,318	1.40%
Other operating expenditures	8,732	7,762	9,065	10,300	0.09%
Capital Outlay	168,087	758,592	1,323,817	-	0.00%
<b>Total Expenditures</b>	<b>11,502,527</b>	<b>12,663,935</b>	<b>13,759,074</b>	<b>12,129,740</b>	<b>100.00%</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$ 950,844</b>	<b>\$ (73,937)</b>	<b>\$ (1,083,521)</b>	<b>\$ 850,000</b>	

The graph below depicts the Child Nutrition expenditure budget for 2014-2015 by Major Object.

**CHILD NUTRITION BUDGET EXPENDITURE SUMMARY**



**CHILD NUTRITION FUND  
Labor Cost COMPARISON**



Year	Revenue	Labor Costs	Percentage
2008-09	10,425,609	3,597,123	34.5%
2009-10	11,296,372	4,000,245	35.4%
2010-11	12,293,108	4,157,042	33.8%
2011-12	12,453,371	4,181,315	33.6%
2012-13	12,589,998	4,419,804	35.1%
2013-14 Projected	12,675,553	4,606,551	36.3%
2014-15 Budgeted	12,979,740	4,365,634	33.6%

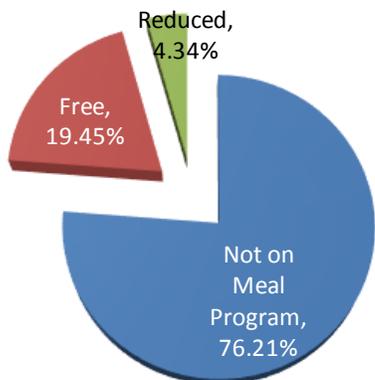
The above graph illustrates the labor costs over seven years as a percentage of revenue. As demonstrated by the graph, 2014-15 labor costs are projected to be approximately 33.6% of total budgeted revenue. Revenue is projected to increase in 2014-2015 from the prior year by 2.40%, due mainly to higher program participation, while labor costs are expected to decrease by 5.23%.

# KELLER ISD 2014-2015 BUDGET

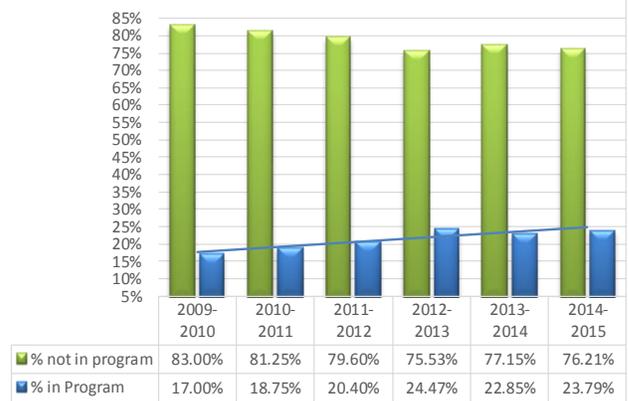
## Child Nutrition Fund Meal Program Students by Campus

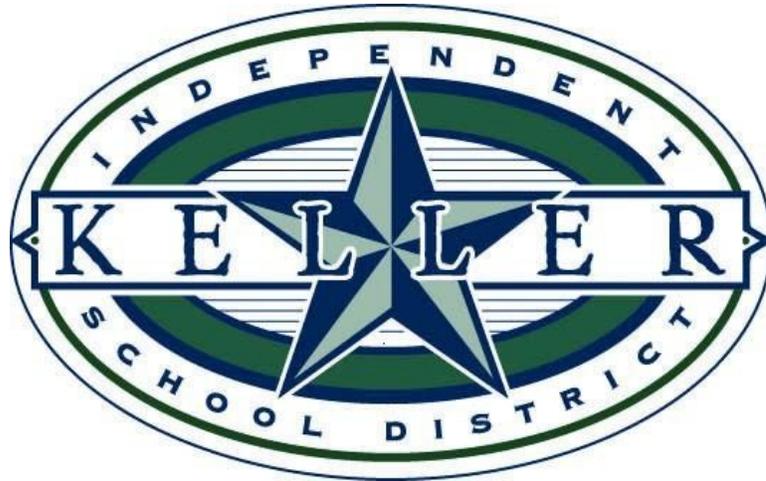
2014-2015	Campus	Free	Reduced	Number in Program	Percent Meal Program Students
	1 Keller High	120	30	150	5.91%
	2 Fossil Ridge High	741	181	922	42.98%
	4 Central High	436	103	539	22.25%
	5 Timber Creek High	521	132	653	23.65%
	39 Keller Learning Center	14	0	14	25.00%
	41 Keller Middle	29	12	41	5.26%
	42 Fossil Hill Middle	352	79	431	51.93%
	43 Hillwood Middle	229	46	275	26.80%
	44 Indian Springs Middle	119	23	142	17.44%
	45 Trinity Springs Middle	210	53	263	26.97%
	46 Timberview Middle	110	38	148	14.27%
	101 Keller-Harvel Elementary	65	11	76	18.77%
	102 Florence Elementary	21	2	23	4.94%
	103 Parkview Elementary	237	61	298	53.89%
	104 Bear Creek Intermediate	43	15	58	7.87%
	105 Whitley Road Elementary	167	36	203	51.52%
	106 Heritage Elementary	152	33	185	37.60%
	107 Chisholm Trail Intermediate	336	74	410	54.02%
	108 Shady Grove Elementary	19	0	19	4.49%
	109 Park Glen Elementary	63	16	79	16.32%
	110 Willis Lane Elementary	33	8	41	9.17%
	111 North Riverside Elementary	174	28	202	49.75%
	112 Hidden Lakes Elementary	7	3	10	2.28%
	113 Lone Star Elementary	82	15	97	14.35%
	114 Parkwood Hill Intermediate	200	59	259	26.73%
	115 South Keller Intermediate	92	23	115	16.08%
	116 Bluebonnet Elementary	156	31	187	33.57%
	117 Freedom Elementary	71	15	86	21.13%
	118 Bette Perot Elementary	45	18	63	11.01%
	119 Woodland Springs	61	10	71	14.46%
	120 Liberty Elementary	17	0	17	4.52%
	121 Independence Elementary	45	4	49	11.19%
	122 Friendship Elementary	151	19	170	33.86%
	123 Trinity Meadows Intermediate	206	36	242	27.04%
	124 Eagle Ridge Elementary	72	16	88	13.17%
	125 Caprock Elementary	243	41	284	44.65%
	126 Basswood Elementary	181	34	215	50.47%
	128 Keller Early Learning Center	112	5	117	25.77%
	129 Ridgeview Elementary	46	25	71	12.37%
<b>2014-2015 Totals</b>		<b>5978</b>	<b>1335</b>	<b>7313</b>	<b>23.79%</b>

**Students Receiving Free or Reduced Meals**



**Historical Meal Program Utilization**



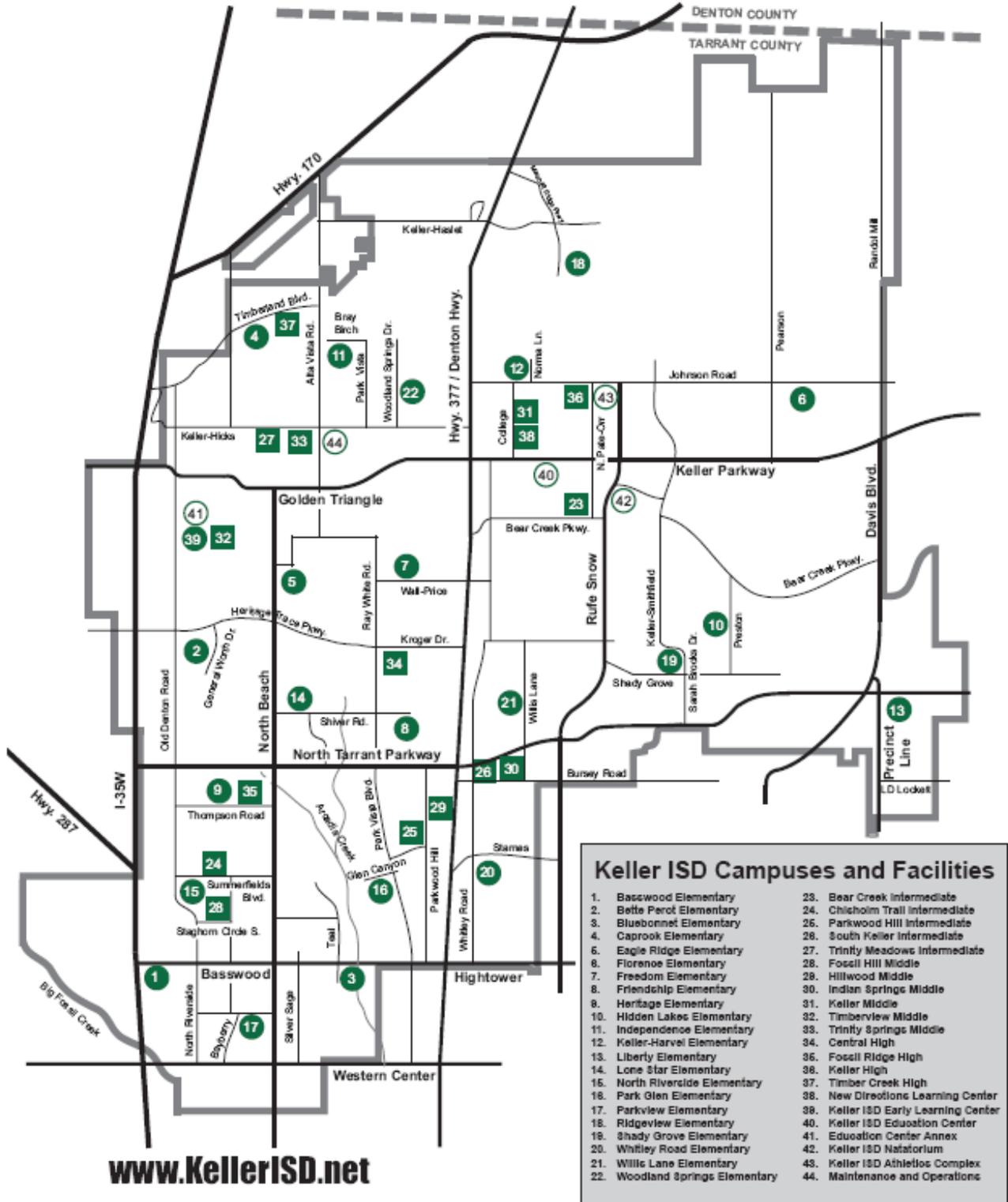


KELLER ISD  
Intentionally  Exceptional

# *Informational Section*



# 2014-15 KISD Campus Locator Map



This map is intended as an overview and is not drawn to exact scale.

# Keller ISD Schools

## Grades 9-12 (High School)

**Central High**  
9450 Ray White Rd.  
Keller, TX 76244  
817-744-2000  
Fax 817-744-2252

**Fossil Ridge High**  
4101 Thompson Rd.  
Fort Worth, TX 76244  
817-744-1700  
Fax 817-337-3407

**Keller High**  
601 N. Pate-Orr Rd.  
Keller, TX 76248  
817-744-1400  
Fax 817-337-3362

**Timber Creek High**  
12350 Timberland Blvd.  
Fort Worth, TX 76244  
817-744-2300  
Fax 817-744-2338

**New Directions Learning Center**  
250 N. College St.  
Keller, TX 76248  
817-744-4465  
Fax 817-744-4464

## Grades 7-8 (Middle School)

**Fossil Hill**  
3821 Staghorn Circle S.  
Fort Worth, TX 76137  
817-744-3050  
Fax 817-847-6990

**Hillwood**  
8250 Parkwood Hill Blvd.  
Fort Worth, TX 76137  
817-744-3350  
Fax 817-581-1810

**Indian Springs**  
305 Bursley Rd.  
Keller, TX 76248  
817-744-3200  
Fax 817-431-4432

**Keller Middle**  
300 N. College  
Keller, TX 76248  
817-744-2900  
Fax 817-337-3512

**Timberview Middle**  
10300 Old Denton Rd.  
Fort Worth, TX 76244  
817-744-2600  
Fax 817-744-2638

**Trinity Springs**  
3550 Keller-Hicks Rd.  
Keller, TX 76244  
817-744-3500  
Fax 817-741-6353

## Grades 5-6 (Intermediate School)

**Bear Creek**  
801 Bear Creek Pkwy.  
Keller, TX 76248  
817-744-3650  
Fax 817-337-5200

**Chisholm Trail**  
3901 Summerfields Blvd.  
Fort Worth, TX 76137  
817-744-3600  
Fax 817-306-8393

**Parkwood Hill**  
8201 Parkwood Hill Blvd.  
Fort Worth, TX 76137  
817-744-4000  
Fax 817-581-0085

**South Keller**  
201 Bursley Rd.  
Keller, TX 76248  
817-744-4150  
Fax 817-431-6616

**Timberview Middle**  
10300 Old Denton Rd.  
Fort Worth, TX 76244  
817-744-2600  
Fax 817-744-2638

**Trinity Meadows**  
3500 Keller-Hicks Rd.  
Keller, TX 76244  
817-744-4300  
817-741-6923

## Grades K-4 (Elementary School)

**Basswood**  
3100 Clay Mountain Tr.  
Fort Worth, TX 76137  
817-744-6500  
Fax 817-750-5168

**Bette Perot**  
9345 General Worth Dr.  
Fort Worth, TX 76244  
817-744-4800  
Fax 817-741-3659

**Bluebonnet**  
7000 Teal Dr.  
Fort Worth, TX 76137  
817-744-4500  
Fax 817-581-3441

**Caprock**  
12301 Grey Twig Dr.  
Fort Worth, TX 76244  
817-744-6400  
Fax 817-741-5203

**Eagle Ridge**  
4600 Alta Vista Rd.  
Fort Worth, TX 76244  
817-744-6300  
Fax 817-741-1856

**Florence**  
3095 Johnson Rd.  
Southlake, TX 76092  
817-744-4700  
Fax 817-337-3607

**Freedom**  
5401 Wall-Price  
Fort Worth, TX 76244  
817-744-4800  
Fax 817-741-9913

**Friendship**  
5400 Shiver Rd.  
Fort Worth, TX 76244  
817-744-6200  
Fax 817-741-5853

**Heritage**  
4001 Thompson Rd.  
Fort Worth, TX 76244  
817-744-4900  
Fax 817-337-3656

**Hidden Lakes**  
900 Preston Ln.  
Keller, TX 76248  
817-744-5000  
Fax 817-741-1260

**Independence**  
11773 Bray Birch Ln.  
Fort Worth, TX 76244  
817-744-6100  
Fax 817-744-6138

**Keller-Harvel**  
635 Norma Ln.  
Keller, TX 76248  
817-744-5100  
Fax 817-337-3551

**Liberty**  
1101 W. McDonwell School Rd.  
Colleyville, TX 76034  
817-744-6000  
Fax 817-743-0314

**Lone Star**  
4647 Shiver Rd.  
Fort Worth, TX 76244  
817-744-5200  
Fax 817-379-6231

**North Riverside**  
7900 N. Riverside Dr.  
Fort Worth, TX 76137  
817-744-5300  
Fax 817-306-1474

**Park Glen**  
5100 Glen Canyon Rd.  
Fort Worth, TX 76137  
817-744-5400  
Fax 817-485-2067

**Parkview**  
6900 Bayberry Dr.  
Fort Worth, TX 76137  
817-744-5500  
Fax 817-232-8693

**Ridgeview**  
1601 Marshall Ridge Pkwy.  
Keller, TX 76248  
817-744-6600  
Fax 817-744-6438

**Shady Grove**  
1400 Sarah Brooks Dr.  
Keller, TX 76248  
817-744-5600  
Fax 817-428-2895

**Whitley Road**  
7600 Whitley Rd.  
Watauga, TX 76148  
817-744-5800  
Fax 817-281-4023

**Willis Lane**  
1620 Willis Ln.  
Keller, TX 76248  
817-744-5700  
Fax 817-337-3830

**Woodland Springs**  
12120 Woodland Springs Dr.  
Fort Worth, TX 76244  
817-744-5900  
Fax 817-741-0354

**KISD Early Learning Center**  
10310 Old Denton Rd.  
Fort Worth, TX 76244  
817-744-6700  
Fax 817-744-6738

## Other District Facilities

**Keller ISD Education Center**  
350 Keller Pkwy.  
Keller, TX 76248  
817-744-1000  
Fax 817-337-3261

**Keller ISD Athletic Complex**  
500 N. Pate-Orr Rd.  
Keller, TX 76248  
817-744-1325

**Maintenance and Operations**  
11300 Alta Vista Rd.  
Fort Worth, TX 76244  
817-744-3950  
Fax 817-337-3728

**Education Center Annex**  
10310 Old Denton Rd.  
Fort Worth, TX 76244  
817-744-6900

**Keller ISD Natatorium**  
1000 Bear Creek Pkwy.  
Keller, TX 76248  
817-744-1350  
Fax 817-745-1707

**Durham School Services (Transportation)**  
11300 Alta Vista Rd.  
Fort Worth, TX 76244  
817-744-1300  
Fax 817-337-1762

KELLER ISD 2014-2015 BUDGET

2014

July						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	NTO		CPD	CPD		16
17	DPD		TP	CPD		23
24	[25	26	27	28	29	30
31						

September						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October						
S	M	T	W	Th	F	S
			1	2	ER]	4
5	[6	7	8	9	10	11
12	DPD	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	DPD	11	12	13	14	15
16	17	18	19	20	ER]	22
23	24	25	26	27	28	29
30						

December						
S	M	T	W	Th	F	S
	[1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

2015

January						
S	M	T	W	Th	F	S
				1	2	3
4	DPD	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	ER]	24
25	[26	27	28	29	30	31

February						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	Bad Weather	17	18	19	20	21
22	23	24	25	26	27	28

March						
S	M	T	W	Th	F	S
1	2	3	4	5	ER]	7
8	9	10	11	12	13	14
15	[16	17	18	19	20	21
22	23	24	25	26	27	28
29	SA					

April						
S	M	T	W	Th	F	S
			4-8 STAAR/Eng I&II			4
5	Bad Weather	7	8	9	10	11
12	13	14	15	16	17	18
19	20	3-8 STAAR		24]		25
26	[27	28	29	30		

May						
S	M	T	W	Th	F	S
					1	2
3	HS STAAR					9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	GD
31						

June						
S	M	T	W	Th	F	S
	1	2	3	4	ER]	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Key

- H Student/District Holiday
- DPD Student Holiday/District Professional Development
- CPD Student Holiday/Campus Professional Development
- ER] End of Semester/Pre K-12 Early Release/Teacher Prep Day
- SA State Assessment Days
- ER] Pre K-12 Early Release
- GD High School Graduation Day
- Bad Weather Bad Weather Make Up Day

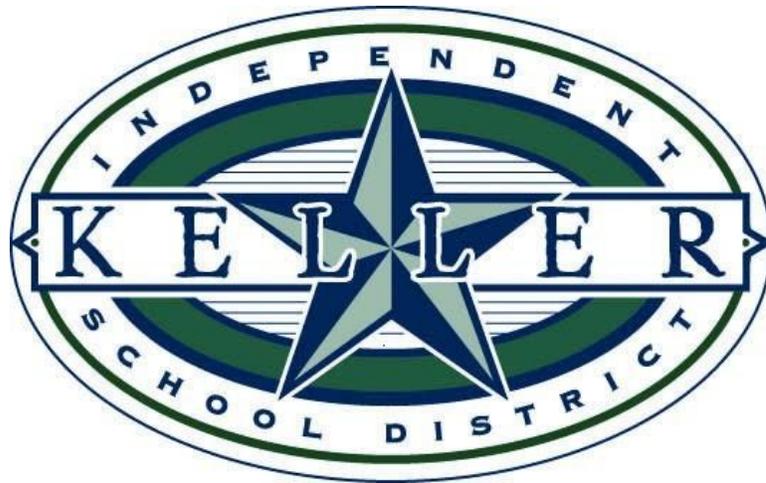
## 2014-2015 Dates at a Glance

Aug. 11-13	New Teacher Orientation
Aug. 14	Return of Campus Teachers/Staff-Campus Professional Development
Aug. 15	Campus Professional Development
Aug. 18-20	District Professional Development
Aug. 21	Teacher Preparation Day
Aug. 22	Campus Professional Development
Aug. 25	First Day of School
Sept. 1	Labor Day
Oct. 3	Pre K-12 Early Release/Campus Professional Development
Oct. 13	Student Holiday/District Professional Development
Nov. 10	Student Holiday/District Professional Development
Nov. 21	Pre K-12 Early Release/Campus Professional Development
Nov. 24-28	Thanksgiving Break
Dec. 22-Jan. 2	Winter Break
Jan. 5	Student Holiday/District Professional Development
Jan. 19	MLK Day - Student/Staff Holiday
Jan. 23	End of 1st Semester/Pre K-12 Early Release/Teacher Prep Day
Feb. 16	District Holiday/Bad Weather Make Up
Mar. 6	Pre K-12 Early Release/Campus Professional Development
Mar. 9-13	Spring Break
Apr. 6	District Holiday/Bad Weather Make Up
May 25	District Holiday
May 30	High School Graduation Day
June 5	Last Day of School/Pre K-12 Early Release/Teacher Prep Day

### Weeks

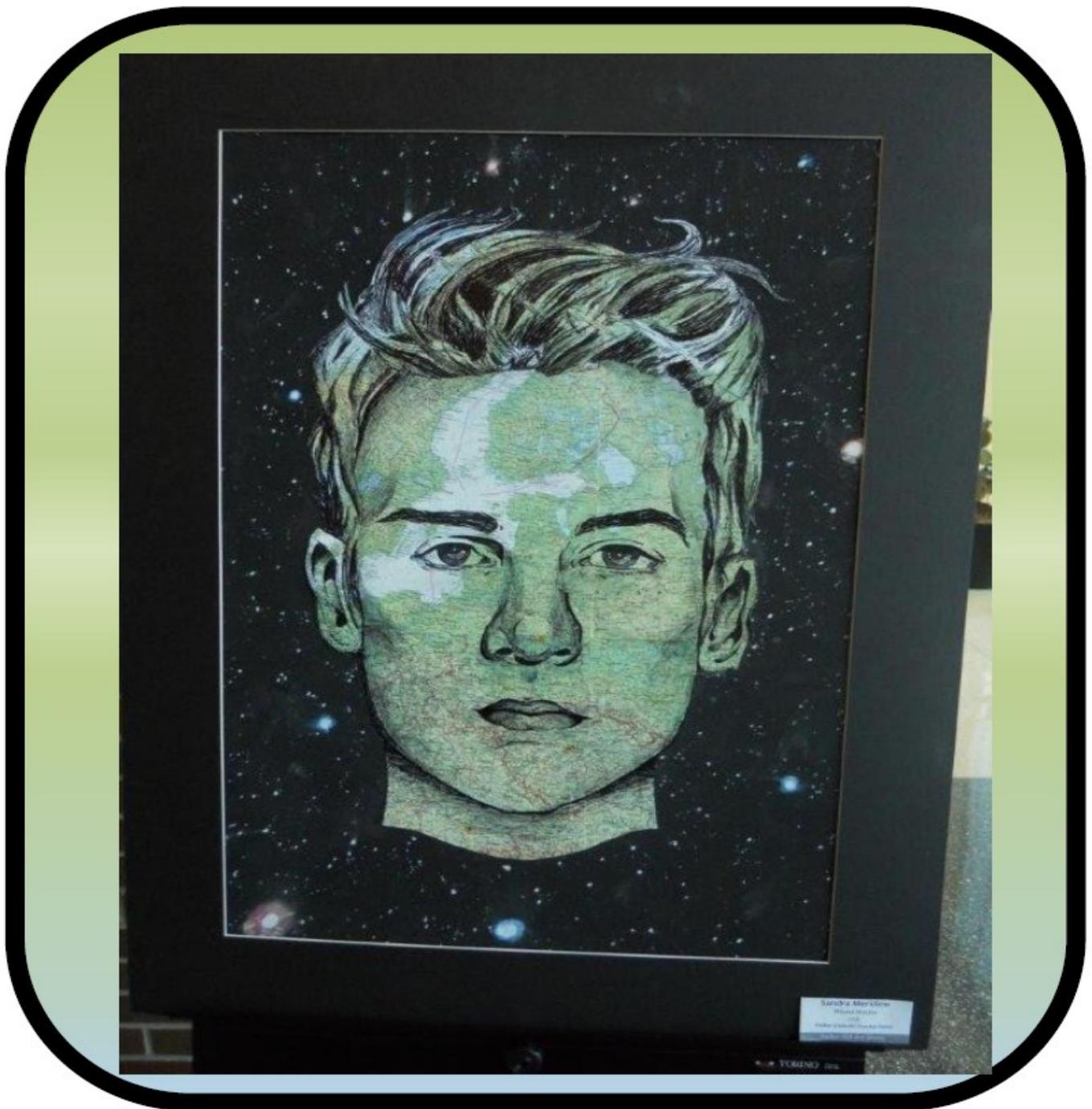
### Grading Periods

6	Aug. 25-Oct. 3	First Grading Period
7	Oct. 6-Nov. 21	Second Grading Period
6	Dec. 1-Jan. 23	Third Grading Period
6	Jan. 26-Mar. 6	Fourth Grading Period
6	Mar. 16-Apr. 24	Fifth Grading Period
6	Apr. 27-Jun. 5	Sixth Grading Period



KELLER ISD  
Intentionally  Exceptional

# *Long Range Financial Forecasts*



**KELLER ISD 2014-2015 BUDGET**

**KELLER INDEPENDENT SCHOOL DISTRICT  
REVENUE, EXPENDITURE AND FUND BALANCE FORECAST  
GENERAL FUND AND DEBT SERVICE FUND**

	<b>Actual 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Projected Budget 2014-2015</b>	<b>Projected Budget 2015-2016</b>	<b>Projected Budget 2016-2017</b>
<b>General Fund</b>					
Estimated Revenues	\$ 212,689,962	\$ 231,925,773	\$ 235,221,504	\$ 235,579,216	\$ 238,797,787
Estimated Expenditures	217,349,489	234,242,695	249,520,228	257,005,835	264,716,010
Revenue & Other Resources Over (Under) Expenditures	(4,659,527)	(2,316,922)	(14,298,724)	(21,426,618)	(25,918,223)
Other Resources	-	-	5,000,000	-	-
Over (Under) Expenditures	(4,659,527)	(2,316,922)	(9,298,724)	(21,426,618)	(25,918,223)
Beginning Fund Balance, 9/1	82,979,949	78,320,422	76,003,500	66,704,776	45,278,158
<b>Ending Fund Balance, 8/31</b>	<b>\$ 78,320,422</b>	<b>\$ 76,003,500</b>	<b>\$ 66,704,776</b>	<b>\$ 45,278,158</b>	<b>\$ 19,359,934</b>
General Fund Tax Rate	1.04	1.04	1.04	1.04	1.04
<b>Debt Service</b>					
Estimated Revenues	\$ 56,966,812	\$ 59,555,111	\$ 63,240,391	\$ 67,022,515	\$ 71,031,197
Estimated Expenditures	58,408,156	59,125,246	59,075,245	53,050,336	53,050,336
Revenue & Other Resources Over (Under) Expenditures	(1,441,344)	429,865	4,165,146	13,972,179	17,980,861
Other Financing Resources (Uses)					
Other Resources	-	240,301	579,031	-	-
Other (Uses)	-	-	-	-	-
Revenues and Other Resources Over (Under) Expenditures	(1,441,344)	670,166	4,744,177	13,972,179	17,980,861
Beginning Fund Balance, 9/1	-	(1,441,344)	(771,178)	3,972,999	17,945,178
<b>Ending Fund Balance, 8/31</b>	<b>\$ (1,441,344)</b>	<b>\$ (771,178)</b>	<b>\$ 3,972,999</b>	<b>\$ 17,945,178</b>	<b>\$ 35,926,039</b>
Debt Service Tax Rate	0.500	0.500	0.500	0.500	0.500
<b>Total Tax Rate</b>	<b>\$ 1.5400</b>	<b>\$ 1.5400</b>	<b>\$ 1.5400</b>	<b>\$ 1.5400</b>	<b>\$ 1.5400</b>

**KELLER ISD 2014-2015 BUDGET**

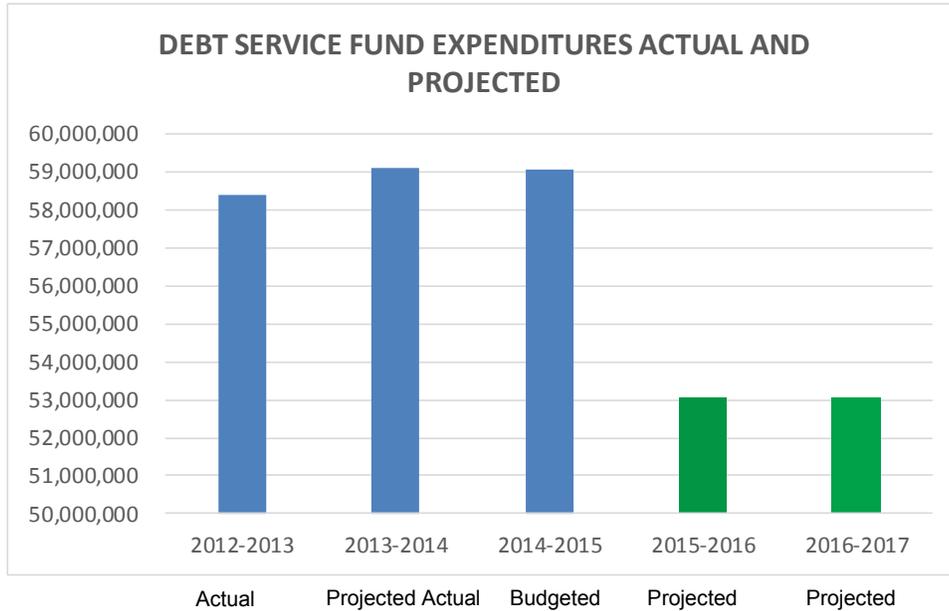
**GENERAL FUND AND DEBT SERVICE FUND**

**PROJECTED REVENUES**

	<b>Actual 2012-2013</b>	<b>Projected Actual 2013-2014</b>	<b>Budget 2014-2015</b>	<b>Projected Budget 2015-2016</b>	<b>Projected Budget 2016-2017</b>
<b>General Fund Local Revenues</b>					
Current Taxes	\$ 115,016,909	\$ 120,782,425	\$ 129,295,456	\$ 138,484,351	\$ 146,793,412
Delinquent Taxes and Penalties/Interest	1,393,458	1,350,598	1,430,000	1,472,900	1,517,087
Tuition and Fees	131,243	133,891	112,500	119,250	126,405
Investment Earnings	399,842	131,666	325,000	344,500	365,170
Facility Rental	689,453	566,967	557,900	591,374	626,856
Other Revenue from Local Sources	2,893,406	2,614,022	3,283,225	3,480,219	3,689,032
Athletic Activities	608,087	576,032	510,500	541,130	573,598
<b>Total General Fund Local Revenues</b>	<b>121,132,398</b>	<b>126,155,601</b>	<b>135,514,581</b>	<b>145,033,723</b>	<b>153,691,560</b>
<b>General Fund State Revenues</b>					
Per Capita Apportionment	14,758,659	8,284,897	8,282,445	9,082,780	12,290,438
Foundation School Fund	68,820,234	87,701,978	88,349,478	78,303,713	69,570,269
TRS On-Behalf	7,380,031	7,802,540	-	-	-
<b>Total General Fund State Revenues</b>	<b>90,958,924</b>	<b>103,789,415</b>	<b>96,631,923</b>	<b>87,386,493</b>	<b>81,860,707</b>
<b>General Fund Federal Revenues</b>					
Federal Revenue Distributed by TEA	253,235	235,365	275,000	275,000	275,000
Federal Revenue Distributed by Other	345,405	1,745,392	2,800,000	2,884,000	2,970,520
<b>Total Federal Revenues</b>	<b>598,640</b>	<b>1,980,757</b>	<b>3,075,000</b>	<b>3,159,000</b>	<b>3,245,520</b>
<b>Total General Fund Revenues</b>	<b>\$ 212,689,962</b>	<b>\$ 231,925,773</b>	<b>\$ 235,221,504</b>	<b>\$ 235,579,216</b>	<b>\$ 238,797,787</b>
<b>Debt Service Local Revenues</b>					
Current Taxes	\$ 55,984,783	\$ 58,785,536	\$ 62,810,391	\$ 66,579,015	\$ 70,573,756
Delinquent Taxes and Penalties/Interest	555,149	562,859	410,000	422,300	434,969
Investment Earnings	35,648	31,223	20,000	21,200	22,472
Other Revenue from Local Sources	6,580	-	-	-	-
<b>Total Debt Service Local Revenues</b>	<b>56,582,160</b>	<b>59,379,618</b>	<b>63,240,391</b>	<b>67,022,515</b>	<b>71,031,197</b>
<b>Debt Service State Revenues</b>					
State Revenue - TEA	384,652	175,493	-	-	-
<b>Total Debt Service State Revenues</b>	<b>384,652</b>	<b>175,493</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Debt Service Revenues</b>	<b>\$ 56,966,812</b>	<b>\$ 59,555,111</b>	<b>\$ 63,240,391</b>	<b>\$ 67,022,515</b>	<b>\$ 71,031,197</b>

## KELLER ISD 2014-2015 BUDGET

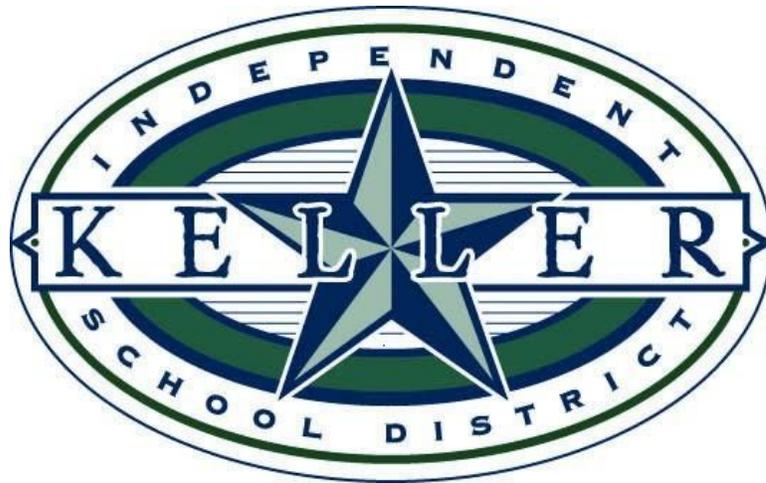
The graph shown below depicts the actual debt services fund expenditures for 2012-13, the projected actual expenditures for 2013-2014, the budgeted expenditures for 2014-15, and projected expenditures for future budget years 2015-2016 and 2016-2017. Debt Service expenditures are expected to decrease by (6.64%) during 2014-2015 from the previous school year.



The following schedule and graph depict the District's Debt Service Retirement through 2035.

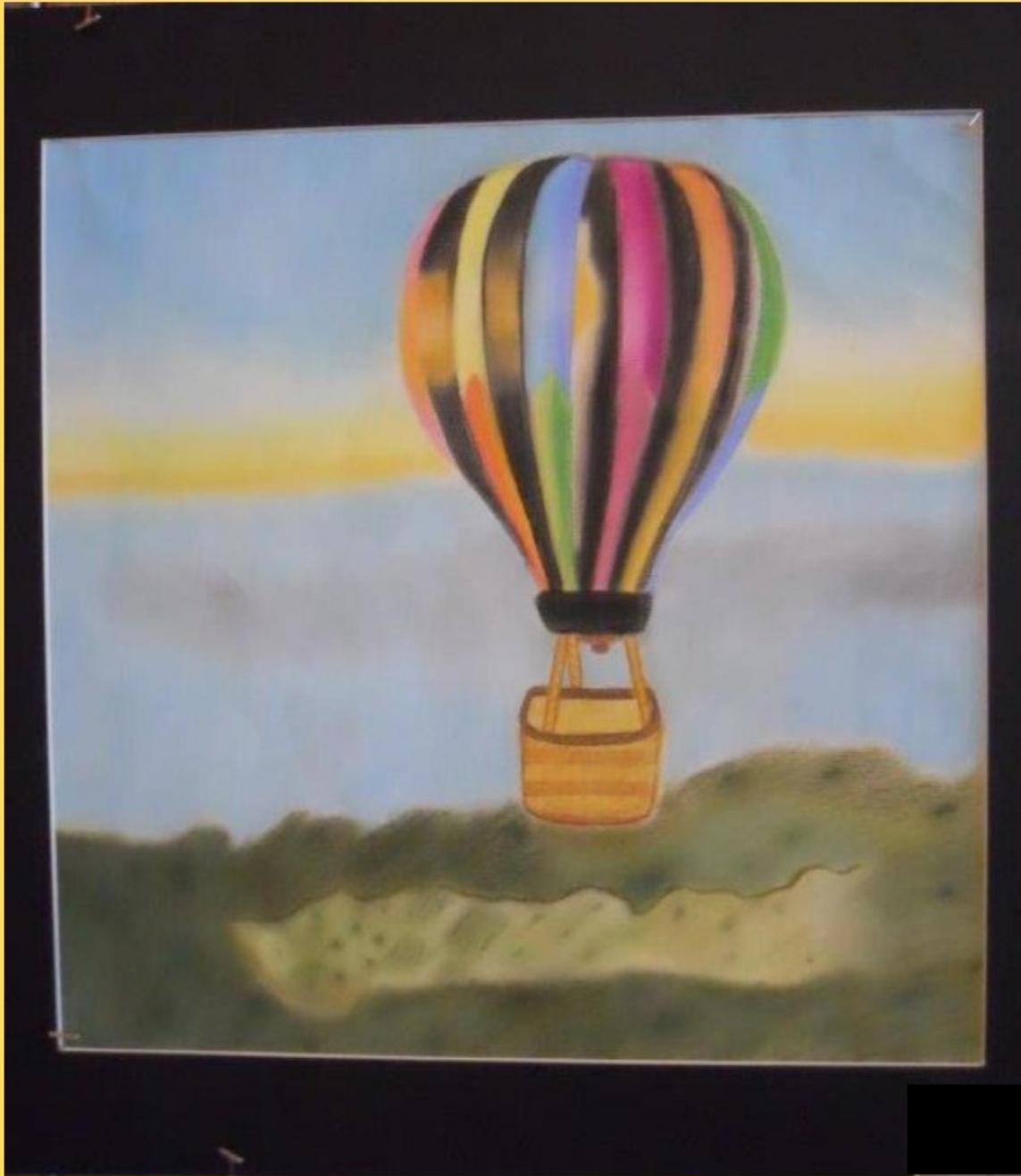
**KELLER INDEPENDENT SCHOOL DISTRICT  
DEBT SERVICE FUND  
DEBT RETIREMENT SCHEDULE**

<b>Fiscal Year Ended 31-Aug</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Percent Retired</b>
<b>2015</b>	15,100,068	40,048,085	55,148,153	0.0230
<b>2016</b>	12,222,087	40,828,249	52,270,172	0.0416
<b>2017</b>	15,787,171	38,347,870	56,615,420	0.0656
<b>2018</b>	20,544,817	34,760,225	58,892,687	0.0968
<b>2019</b>	18,337,529	38,040,604	53,097,754	0.1247
<b>2020</b>	23,732,656	33,438,153	61,773,260	0.1608
<b>2021</b>	25,249,071	32,508,330	58,687,224	0.1992
<b>2022</b>	33,550,000	24,792,479	66,058,330	0.2503
<b>2023</b>	35,665,000	23,268,879	60,457,479	0.3045
<b>2024</b>	37,975,000	21,631,559	61,243,879	0.3623
<b>2025</b>	40,805,000	19,812,134	62,436,559	0.4244
<b>2026</b>	43,355,000	17,786,883	63,167,134	0.4903
<b>2027</b>	46,020,000	15,785,004	63,806,883	0.5603
<b>2028</b>	48,795,000	13,626,616	64,580,004	0.6346
<b>2029</b>	51,135,000	11,387,993	64,761,616	0.7124
<b>2030</b>	53,485,000	9,037,631	64,872,993	0.7937
<b>2031</b>	52,400,000	6,487,763	61,437,631	0.8734
<b>2032</b>	39,570,000	3,958,106	46,057,763	0.9336
<b>2033</b>	13,765,000	2,004,181	17,723,106	0.9546
<b>2034</b>	14,525,000	1,243,413	15,768,413	0.9767
<b>2035</b>	15,345,000	421,988	15,766,988	1.0000
	<b>657,363,399</b>	<b>429,216,145</b>	<b>1,124,623,448</b>	



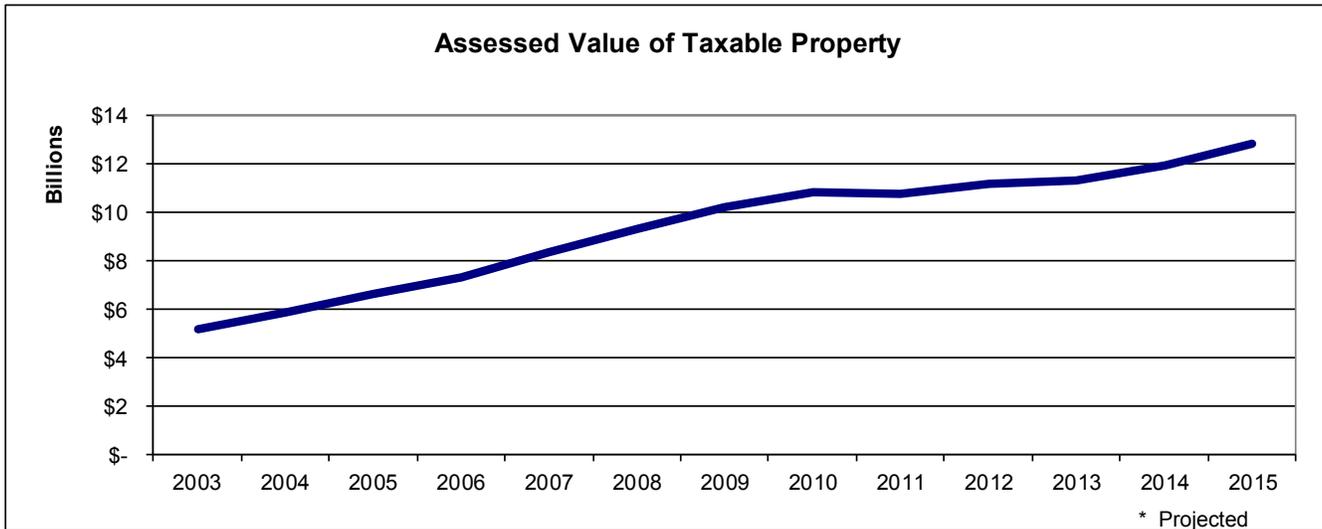
KELLER ISD  
Intentionally  Exceptional

# *Property Tax*



**ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY  
FIFTEEN FISCAL YEARS  
(UNAUDITED)**

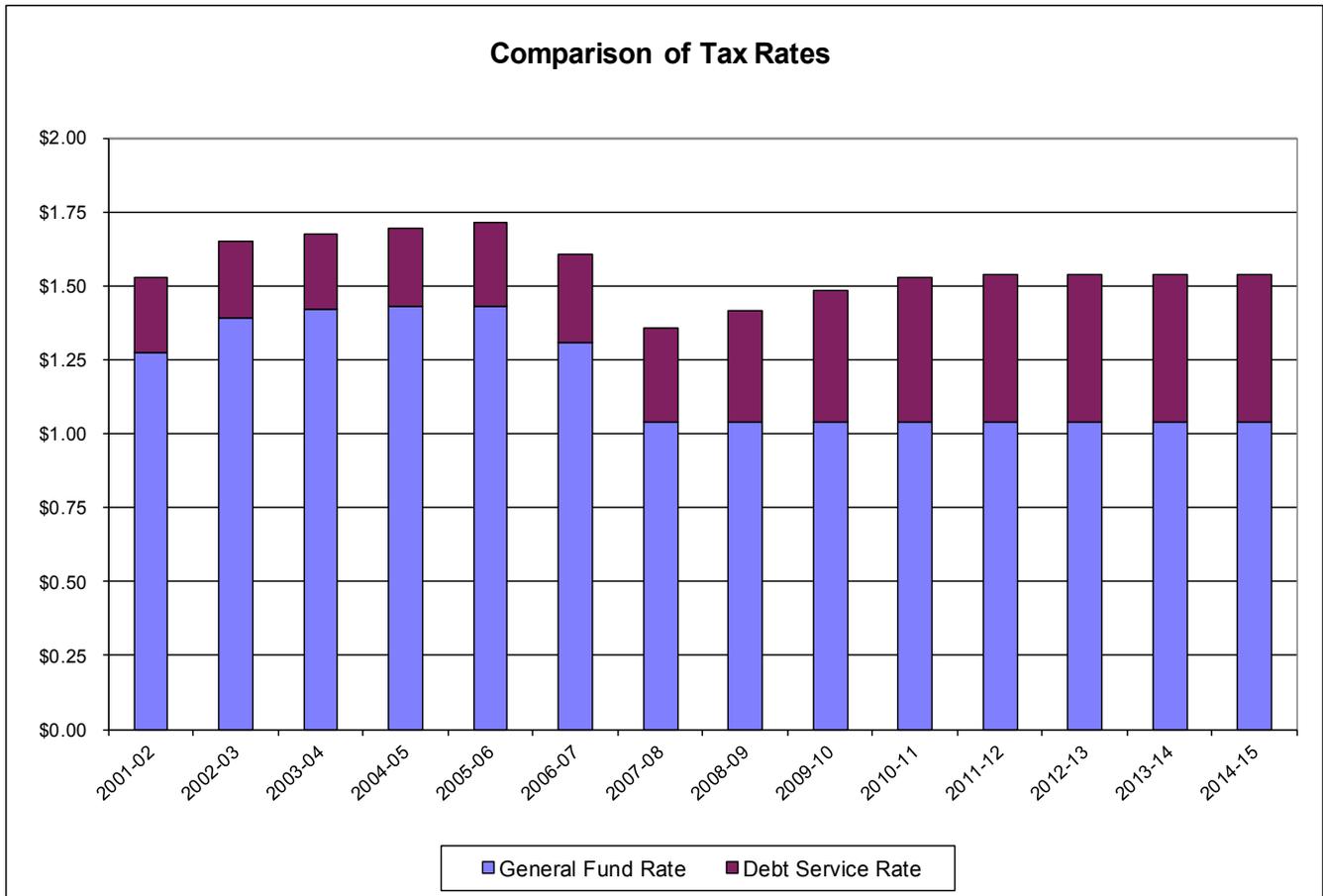
<b>Fiscal Year Ended August 31</b>	<b>Freeze Adjusted Taxable Value</b>	<b>Change over Previous Years in Dollars</b>	<b>Change over Previous Year</b>
2002	\$ 4,368,831,855	\$ 912,715,217	26.41%
2003	\$ 5,188,548,506	\$ 819,716,651	18.76%
2004	\$ 5,897,543,422	\$ 708,994,916	13.66%
2005	\$ 6,630,965,629	\$ 733,422,207	12.44%
2006	\$ 7,316,146,304	\$ 685,180,675	10.33%
2007	\$ 8,327,342,933	\$ 1,011,196,629	13.82%
2008	\$ 9,320,666,258	\$ 993,323,325	11.93%
2009	\$ 10,252,167,262	\$ 931,501,004	9.99%
2010	\$ 10,839,061,530	\$ 586,894,268	5.72%
2011	\$ 10,802,083,601	\$ (36,977,929)	-0.34%
2012	\$ 11,200,638,123	\$ 398,554,522	3.69%
2013	\$ 11,303,854,760	\$ 103,216,637	0.92%
2014	\$ 11,925,386,754	\$ 621,531,994	5.50%
2015	\$ 12,818,447,217	\$ 893,060,463	7.49%



**Keller ISD  
Comparison of Tax Rates**

<u>Year</u>	<u>General Fund Rate</u>	<u>Debt Service Rate</u>	<u>Total Rate</u>
2001-02	1.2730	0.2559	1.5289
2002-03	1.3926	0.2593	1.6519
2003-04	1.4213	0.2549	1.6762
2004-05	1.4336	0.2639	1.6975
2005-06	1.4336	0.2822	1.7158
2006-07	1.3111	0.2969	1.6080
2007-08	1.0400	0.3174	1.3574
2008-09	1.0400	0.3769	1.4169
2009-10	1.0400	0.4463	1.4863
2010-11	1.0400	0.4906	1.5306
2011-12	1.0400	0.5000	1.5400
2012-13	1.0400	0.5000	1.5400
2013-14	1.0400	0.5000	1.5400
2014-15	1.0400	0.5000	1.5400

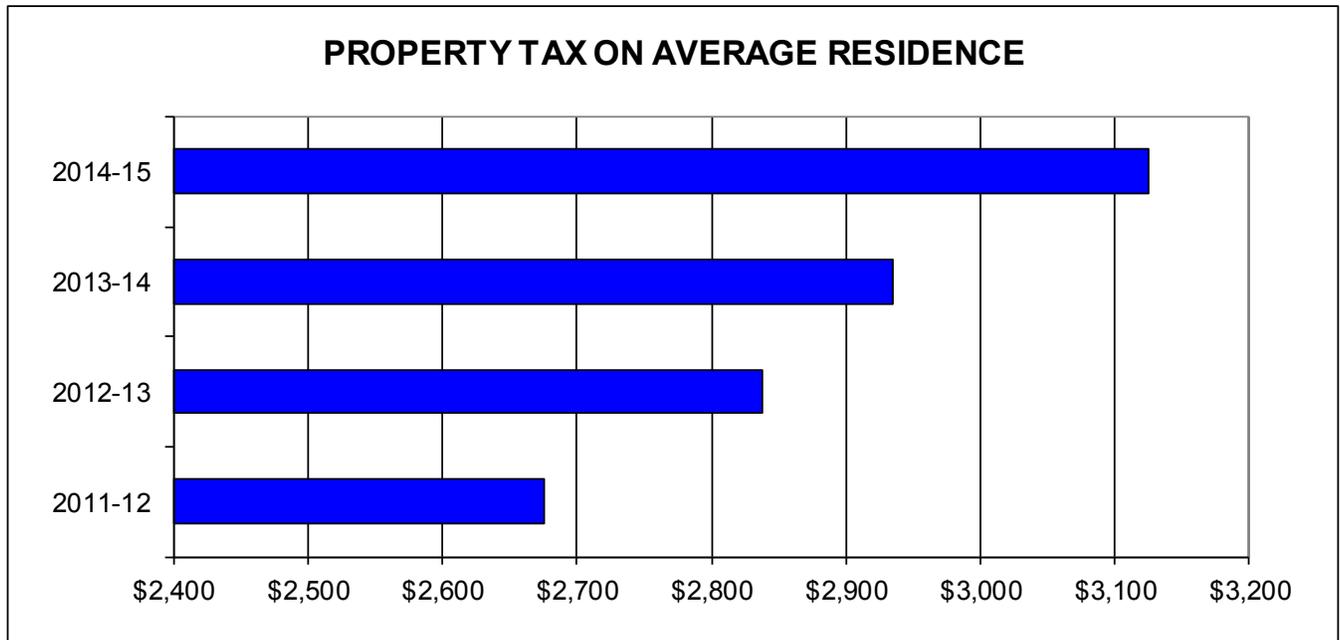
Note: Tax rates are per \$100 of assessed valuation.



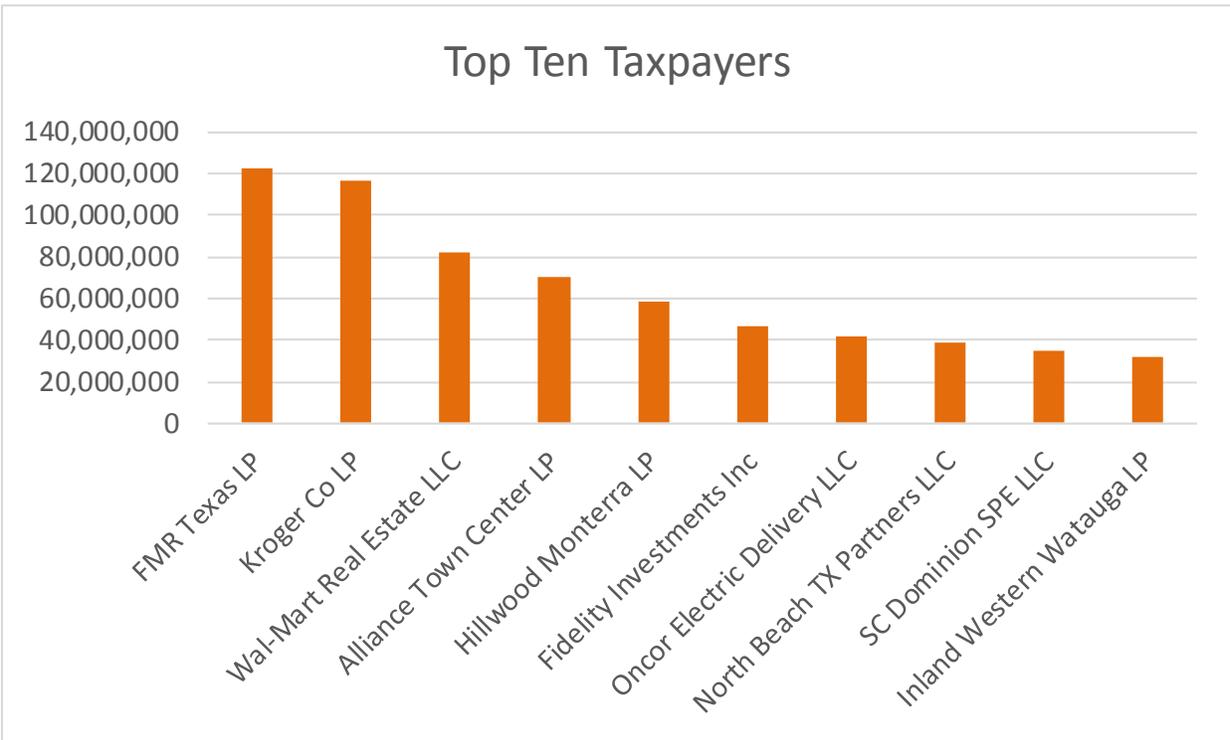
**KELLER INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAXES ON AVERAGE RESIDENCES**

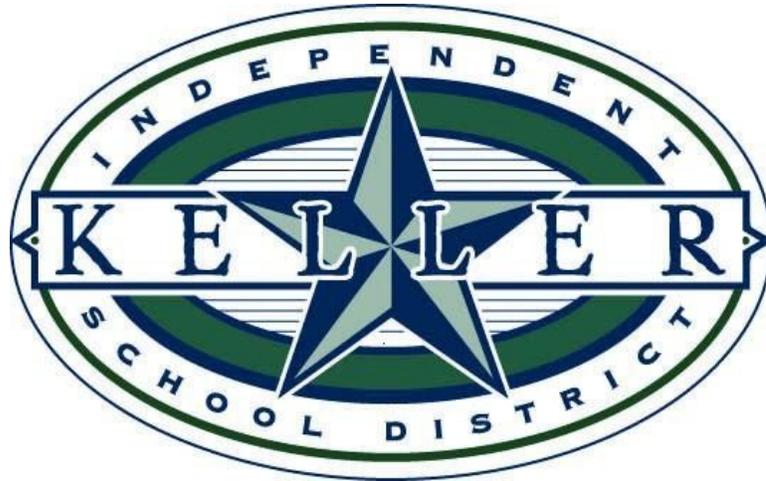
**KELLER INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAXES ON AVERAGE RESIDENCES**

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Average Market Value of Residences	\$ 200,060	\$ 199,252	\$ 205,047	\$ 217,728
Homestead Exemption	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Average Taxable Value of Residences	\$ 185,060	\$ 184,252	\$ 190,544	\$ 202,935
Total Property Tax Rate	\$ 1.5400	\$ 1.5400	\$ 1.5400	\$ 1.5400
Taxes Due on Average Residence	\$ 2,850	\$ 2,837	\$ 2,934	\$ 3,125
Property Tax Percent Increase (Decrease) From Prior Year	-1.06%	-0.46%	3.41%	6.50%



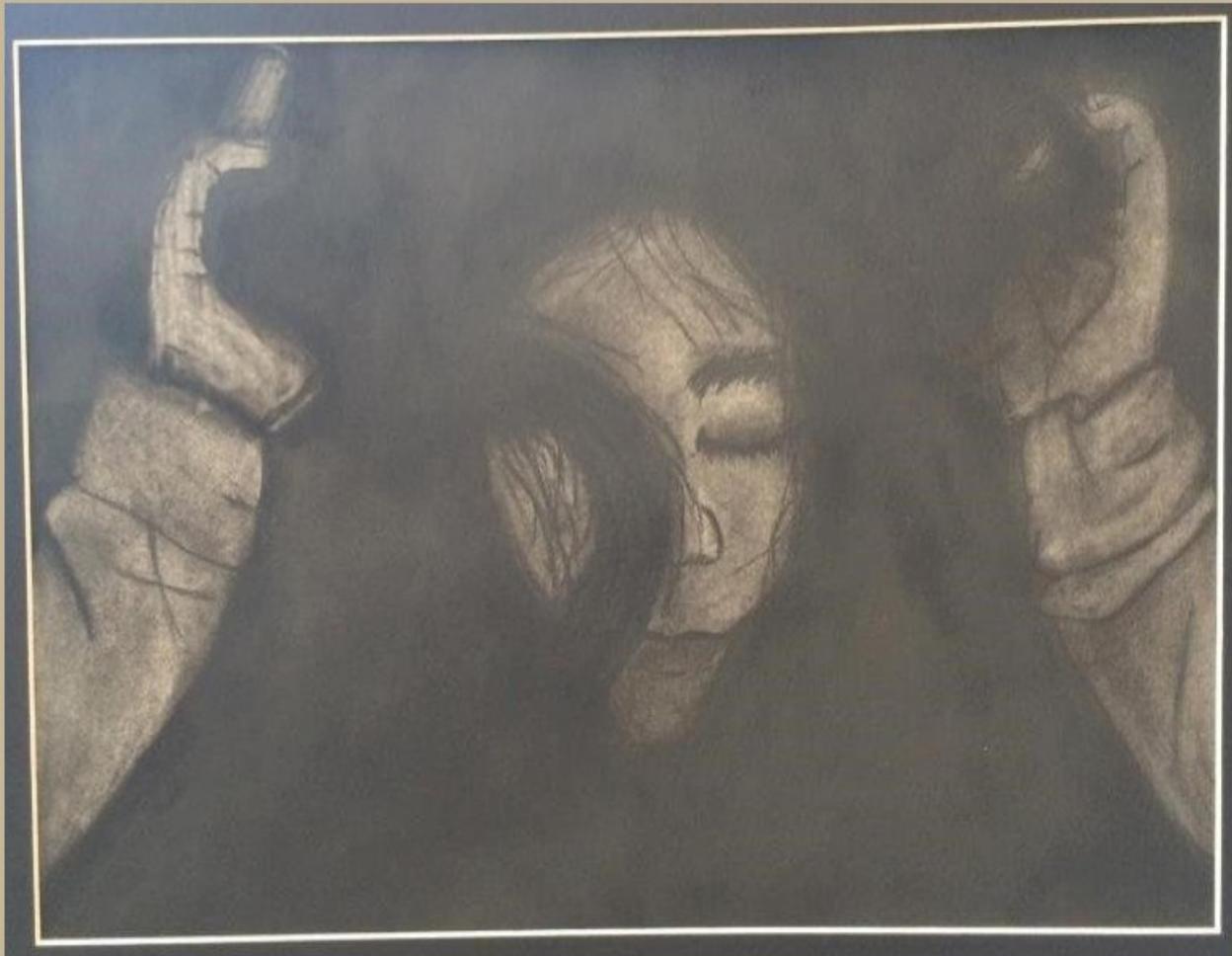
<u>Taxpayer's Name</u>	<u>Total Taxable Value</u>
FMR Texas LP	122,644,449
Kroger Co LP	116,192,355
Wal-Mart Real Estate LLC	82,258,614
Alliance Town Center LP	70,802,200
Hillwood Monterra LP	58,956,922
Fidelity Investments Inc	46,504,262
Oncor Electric Delivery LLC	42,046,728
North Beach TX Partners LLC	39,000,000
SC Dominion SPE LLC	34,800,000
Inland Western Watauga LP	31,436,219
	<u>\$644,641,749</u>





KELLER ISD  
Intentionally  Exceptional

# *Personnel*



**KELLER ISD 2014-2015 BUDGET**

**PERSONNEL**

**Salary Increase 2014-2015**

The budgeted compensation package for 2014-15 included a pay increase for all district staff. For many district employees, this was only the third pay increase since the 2008-09 school year, although teachers, counselors, librarians, nurses, speech therapists and diagnosticians had received a pay increase in the 2010-2011 year. For 2014-15, the Board of Trustees authorized a pay increase of 3% of mid-point for all employees.

**New Positions 2014-2015**

221 positions were added district wide for 2014-15. The schedule below displays the changes in staffing from 2009-10 through 2014-15 years.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<b>Percentage Change 2010-2015</b>
<b>Supervisory</b>							
Instructional administrators	15.5	15.5	12.5	12.5	13.5	17	9.7%
Noninstructional administrators	46.5	46.5	39.5	43.5	49.5	57.8	24.3%
Consultants/supervisors of instruction	19.5	19.5	9.5	8.5	12	24	23.1%
Principals	36	39	39	39	39	39	8.3%
Assistant Principals	62	65	66	66	66	67	8.1%
<b>Total supervisory</b>	<b>180</b>	<b>186</b>	<b>167</b>	<b>170</b>	<b>180</b>	<b>205</b>	<b>14.1%</b>
<b>Instruction</b>							
Elementary classroom teachers	1130	1120	1097	1117.3	1134.3	1200.5	6.2%
Secondary classroom teachers	822	884	798	787.44	901.75	961.5	17.0%
Other teachers (adult)	-	-	-	-	-	-	0.0%
Other professionals (instructional)	85	83	73	79	81	85.5	0.6%
Aides	301.75	303.5	277.5	283	302	333	10.4%
<b>Total Instruction</b>	<b>2,339</b>	<b>2,391</b>	<b>2,246</b>	<b>2,267</b>	<b>2,419</b>	<b>2,581</b>	<b>10.3%</b>
<b>Student Services</b>							
Guidance counselors	74.5	78.5	78	82	98	100	34.2%
Visiting teacher/social workers	2	2	2	2	2	3	50.0%
Psychologists	7	8	8	8	8	8	14.3%
Librarians	36	37	38	38	38	38	5.6%
Other professionals (noninstructional)	69.5	78	78.5	83.5	83.5	92.5	33.1%
Technicians	30	30	0	0	0	0	-100.0%
<b>Total student services</b>	<b>219</b>	<b>234</b>	<b>205</b>	<b>214</b>	<b>230</b>	<b>242</b>	<b>10.3%</b>
<b>Support and Administration</b>							
Clerical/secretarial	262	297	203.5	205.5	235	246	-6.1%
Service workers	250	256	271	271	270	272	8.8%
Skilled crafts	N/A						
Unskilled Laborers	271	318	318	318	323	333	22.9%
<b>Total support and administration</b>	<b>783</b>	<b>871</b>	<b>793</b>	<b>795</b>	<b>828</b>	<b>851</b>	<b>8.7%</b>
<b>Total</b>	<b>3,520</b>	<b>3,681</b>	<b>3,409</b>	<b>3,444</b>	<b>3,657</b>	<b>3,878</b>	<b>10.2%</b>

**Source:** Keller Independent School District records.

**Employee Benefits**

Keller ISD provides health insurance, workers' compensation, unemployment, Medicare and TRS benefits to its employees. Excluding TRS on Behalf, employee benefits are budgeted to increase by 12.26% in 2014-15 from the prior year. While the other benefits increased due to the district wide salary increase for employees and additions of staff, the district portion of the health insurance was decreased. The Board of Trustees voted to reduce the funding dedicated to lessening the impact to employees of premium increases from approximately in \$1.4 million in 2013-2014 to \$600,000 for the 2015 year.

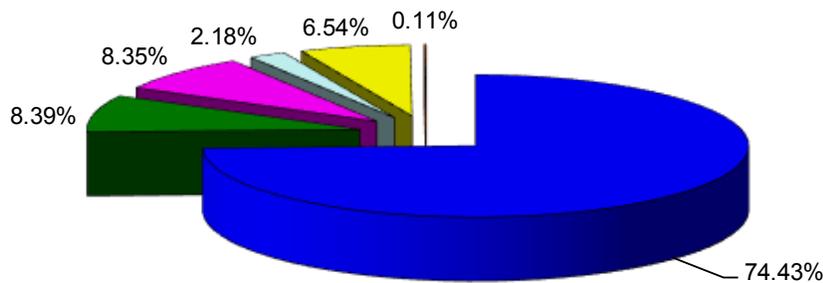
**KELLER INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF PAYROLL EXPENDITURES BY OBJECT**

	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Projected</b>	<b>Adopted</b>
	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>Actual</b>	<b>Budget</b>
	<b>2010-2011</b>	<b>2011-2012</b>	<b>2012-2013</b>	<b>2013-2014</b>	<b>2014-2015</b>
6112 Substitute Teachers	\$ 2,628,845	\$ 3,221,245	\$ 2,881,002	\$ 2,752,303	\$ 2,891,360
6118 Extra Duty/Stipends Professional	3,951,321	3,237,241	3,784,877	4,320,487	4,782,089
6119 Professional Salaries	118,353,585	115,783,219	126,813,911	137,573,973	155,296,399
6121 Overtime	122,180	96,683	199,465	207,965	9,500
6122 Support Personnel Substitutes	108,849	318,532	382,361	367,405	363,201
6127 Student Workers	5,192	15,576	15,079	8,805	-
6128 Extra Duty Pay Support Personnel	170,109	205,508	265,657	251,133	170,104
6129 Support Salaries	18,083,308	16,478,624	17,648,612	19,999,193	22,575,992
6131 Contract Buyout	150,250	-	45,750	6,000	-
6139 Employee Allowances	-	109	(109)	-	-
6141 FIMM/FICA	1,974,959	1,920,143	2,121,487	2,291,374	2,791,786
6142 Group Health Insurance	6,545,354	7,615,774	11,067,659	8,893,145	8,371,387
6143 Workers Compensation	1,142,856	1,098,212	1,222,657	1,317,894	1,555,516
6144 TRS On-Behalf	8,836,472	6,475,878	7,380,030	7,802,541	-
6145 Unemployment Payments	307,219	281,946	62,904	35,850	-
6146 TRS	3,321,972	2,562,929	3,173,573	3,734,572	5,235,669
	<b>\$ 165,702,471</b>	<b>\$ 159,311,619</b>	<b>\$ 177,064,915</b>	<b>\$ 189,562,640</b>	<b>\$ 204,043,003</b>

**KELLER INDEPENDENT SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF PAYROLL EXPENDITURES BY FUNCTION**

	Audited 2010-2011	Audited 2011-2012	Audited 2012-2013	Projected Actual 2013-2014	Adopted Budget 2014-2015
11 Instruction	\$ 118,064,941	\$ 116,827,280	\$ 130,012,720	\$ 137,354,334	\$ 146,794,943
12 Media Services (Library)	2,391,724	1,558,529	2,435,240	2,428,865	2,536,908
13 Curriculum and Staff Development	1,521,757	780,663	885,737	1,542,733	2,535,821
21 Instructional Leadership	1,882,174	1,568,432	1,750,510	2,059,253	2,697,682
23 School Leadership	12,767,011	12,181,232	13,247,805	14,379,401	14,428,410
31 Guidance,Counseling and Evaluation	7,739,421	7,170,726	7,229,764	8,008,362	9,165,429
32 Social Work Services	112,599	112,585	112,023	124,594	169,310
33 Health Services	2,165,383	2,195,454	2,541,162	2,573,356	2,775,647
36 Co/Extracurricular Activities	4,382,230	3,459,414	3,994,308	4,454,254	4,917,813
41 General Administration	3,383,629	2,892,934	3,197,665	3,727,242	4,456,143
51 Facility Maintenance and Operations	9,336,520	8,680,850	9,517,844	10,508,525	10,932,053
52 Security and Monitoring Services	298,998	636,315	699,880	790,647	882,354
53 Data Processing Services	1,167,966	886,620	1,066,558	1,238,745	1,524,546
61 Community Services	488,118	360,239	373,699	372,329	225,944
81 Facility Acquisition and Construction	-	346	-	-	-
	<b>\$ 165,702,471</b>	<b>\$ 159,311,619</b>	<b>\$ 177,064,915</b>	<b>\$ 189,562,640</b>	<b>\$ 204,043,003</b>

**2014-2015 PAYROLL BUDGET BY FUNCTIONAL CATEGORY**



<span style="color:blue">■</span> Instruction	<span style="color:green">■</span> School Leadership	<span style="color:magenta">■</span> Student Support
<span style="color:blue">■</span> Administrative Support	<span style="color:yellow">■</span> Non Student Support	<span style="color:orange">■</span> Community Support

**KELLER ISD 2014-2015 BUDGET**

**Keller ISD**

**2014-15 Teacher Hiring Schedule**

**Includes Librarians and Nurses (BSRN)\***

	Bachelors Degree		Masters Degree		Doctorate Degree	
	Annual		Annual		Annual	
	Rate 14-15	Daily Rate 14-15	Rate 14-15	Daily Rate 14-15	Rate 14-15	Daily Rate 14-15
0	\$50,000	\$267.38	\$51,000	\$272.73	\$51,500	\$275.40
1	\$50,300	\$268.98	\$51,300	\$274.33	\$51,800	\$277.01
2	\$50,550	\$270.32	\$51,550	\$275.67	\$52,050	\$278.34
3	\$51,156	\$273.56	\$52,156	\$278.91	\$52,656	\$281.58
4	\$51,299	\$274.33	\$52,299	\$279.67	\$52,799	\$282.35
5	\$51,849	\$277.27	\$52,849	\$282.61	\$53,349	\$285.29
6	\$52,454	\$280.50	\$53,454	\$285.85	\$53,954	\$288.52
7	\$53,064	\$283.76	\$54,064	\$289.11	\$54,564	\$291.79
8	\$53,459	\$285.88	\$54,459	\$291.22	\$54,959	\$293.90
9	\$53,975	\$288.64	\$54,975	\$293.98	\$55,475	\$296.66
10	\$54,519	\$291.55	\$55,519	\$296.89	\$56,019	\$299.57
11	\$54,819	\$293.15	\$55,819	\$298.50	\$56,319	\$301.17
12	\$55,119	\$294.75	\$56,119	\$300.10	\$56,619	\$302.78
13	\$55,419	\$296.36	\$56,419	\$301.71	\$56,919	\$304.38
14	\$55,719	\$297.96	\$56,719	\$303.31	\$57,219	\$305.98
15	\$56,019	\$299.57	\$57,019	\$304.91	\$57,519	\$307.59
16	\$56,369	\$301.44	\$57,369	\$306.79	\$57,869	\$309.46
17	\$56,683	\$303.12	\$57,683	\$308.47	\$58,183	\$311.14
18	\$56,983	\$304.72	\$57,983	\$310.07	\$58,483	\$312.74
19	\$57,769	\$308.93	\$58,769	\$314.27	\$59,269	\$316.95
20	\$58,069	\$310.53	\$59,069	\$315.88	\$59,569	\$318.55
21	\$58,669	\$313.74	\$59,669	\$319.09	\$60,169	\$321.76
22	\$59,019	\$315.61	\$60,019	\$320.96	\$60,519	\$323.63
23	\$59,544	\$318.42	\$60,544	\$323.76	\$61,044	\$326.44
24	\$60,419	\$323.10	\$61,419	\$328.44	\$61,919	\$331.12
25	\$61,294	\$327.78	\$62,294	\$333.12	\$62,794	\$335.80
26	\$61,619	\$329.51	\$62,619	\$334.86	\$63,119	\$337.53
27	\$62,319	\$333.26	\$63,319	\$338.60	\$63,819	\$341.28
28	\$63,263	\$338.30	\$64,263	\$343.65	\$64,763	\$346.33
29	\$63,933	\$341.89	\$64,933	\$347.24	\$65,433	\$349.91
30	\$64,251	\$343.59	\$65,251	\$348.94	\$65,751	\$351.61

\*Also includes Athletic Trainers and O & M Specialist.

^Based on a 187-day contract.

^Experience based on TEA approved creditable year of service.

^Base pay does not include any stipends or other salary supplements.

^For employees on contracts other than 187-days, the annual rate is based on the daily rate multiplied by the number of days worked.

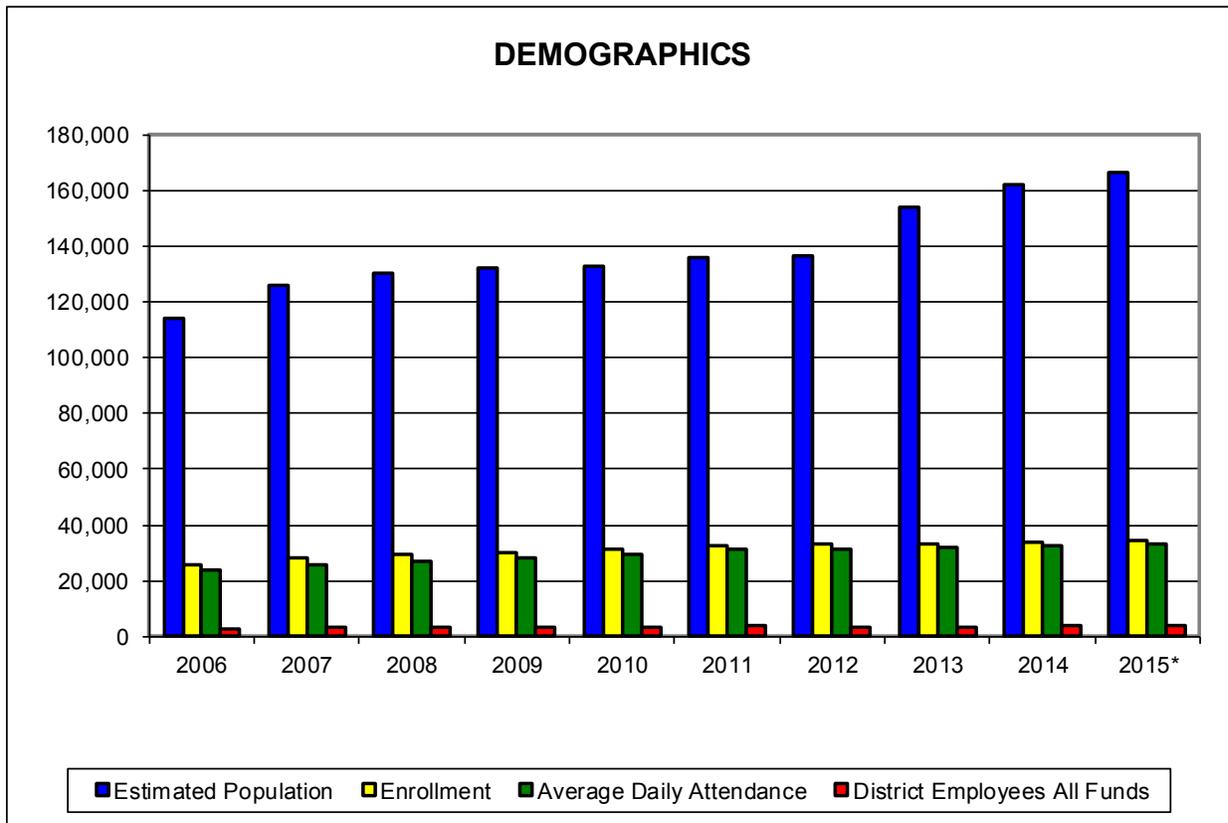
This salary plan is for the 2014-15 school year only. This schedule does not predict future compensation.

Salary Advancement is based on the annual pay raise budget approved by the Board of Trustees each year.

**KELLER INDEPENDENT SCHOOL DISTRICT  
DEMOGRAPHIC DATA  
LAST TEN FISCAL YEARS (UNAUDITED)**

<b>Fiscal Year Ended August 31</b>	<b>Estimated Population</b>	<b>Enrollment</b>	<b>Average Daily Attendance</b>	<b>District Employees All Funds</b>
2006	114,114	25,873	23,791	2,894
2007	125,764	27,905	25,706	3,166
2008	130,309	29,596	27,074	3,464
2009	132,430	30,285	28,057	3,493
2010	132,705	31,615	29,678	3,515
2011	136,038	32,786	31,112	3,633
2012	136,518	33,130	31,455	3,409
2013	154,360	33,367	31,698	3,446
2014	161,985	33,763	32,415	3,626
2015*	166,533	34,265	32,439	3,878

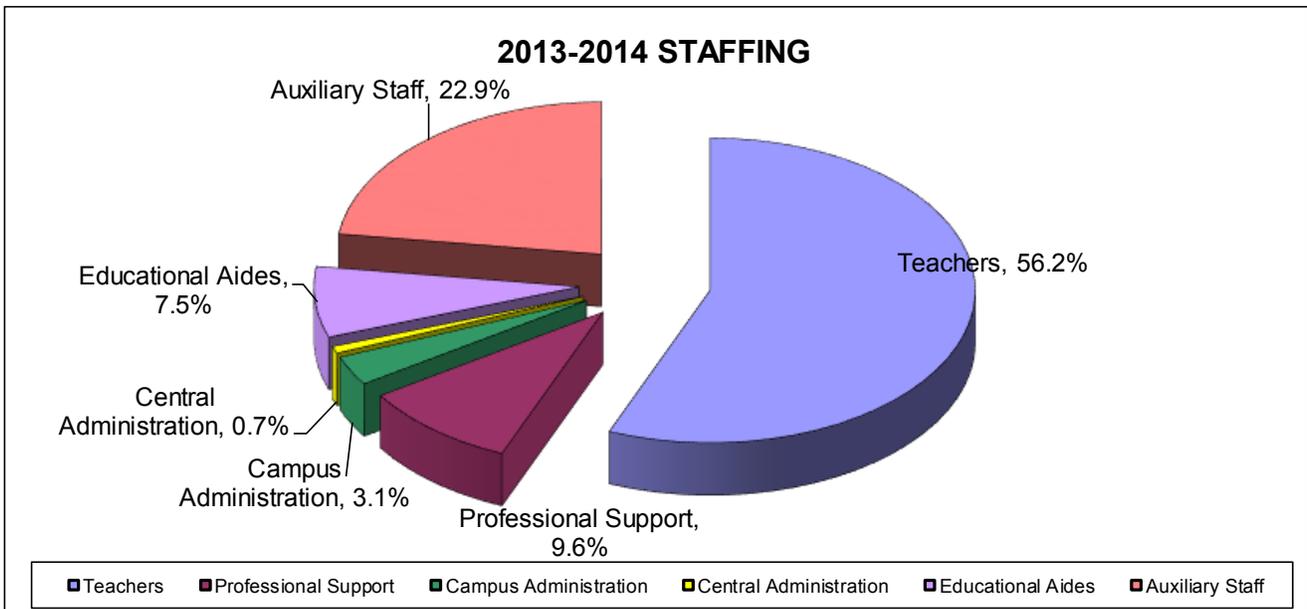
\*Budgeted



Source of Information: AEIS Reports, PEIMS Reports and the Chamber of Commerce

## KELLER INDEPENDENT SCHOOL DISTRICT SUMMARY OF STAFFING- ALL FUNDS

	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Percent</u>
Teachers	1,870.7	1,940.6	2,036.6	56.2%
Professional Support	338.8	327.0	347.7	9.6%
Campus Administration	109.1	107.6	115.0	3.1%
Central Administration	21.0	19.6	26.0	0.7%
Educational Aides	258.4	267.3	271.5	7.5%
Auxiliary Staff	722.9	783.5	828.7	22.9%
<b>Total Staff</b>	<b>3,320.9</b>	<b>3,445.6</b>	<b>3,625.5</b>	<b>100.0%</b>

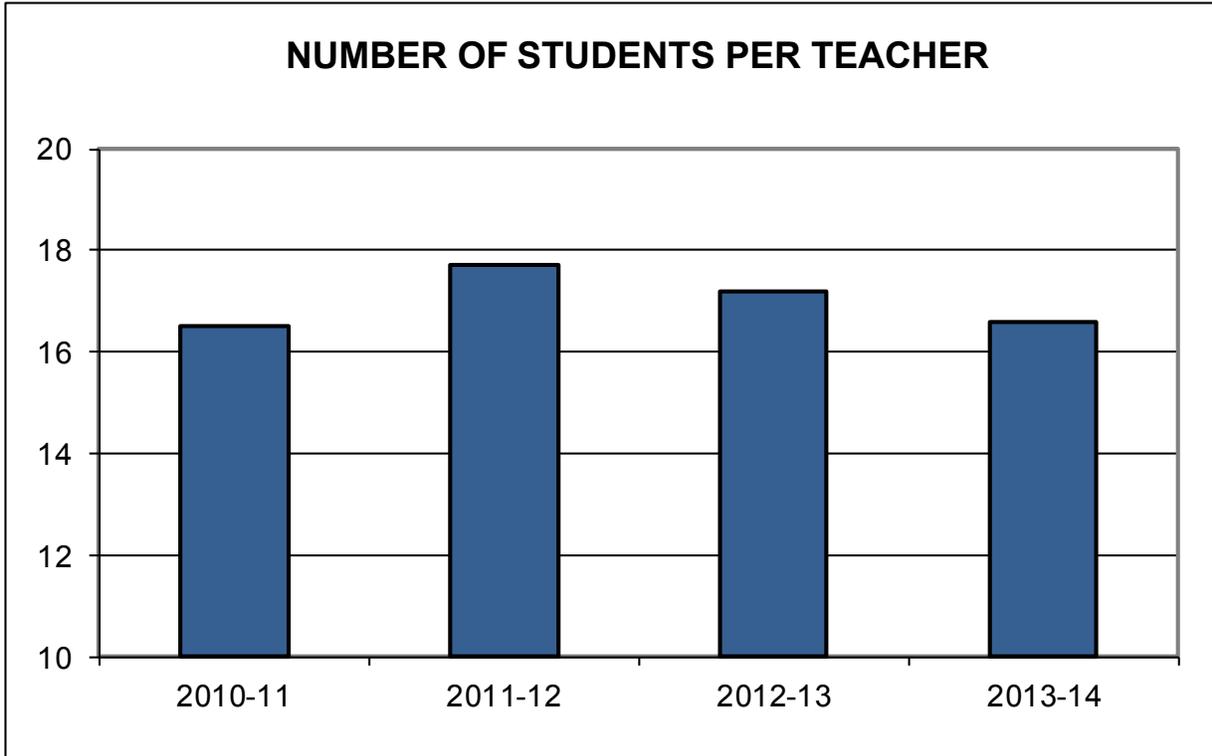


Summary of staffing information for the 2014-15 year is not available at the time of publication.

Source of Information: AEIS Reports, PEIMS Reports

**KELLER INDEPENDENT SCHOOL DISTRICT  
NUMBER OF STUDENTS PER TEACHER**

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Keller ISD	16.5	17.7	17.2	16.6

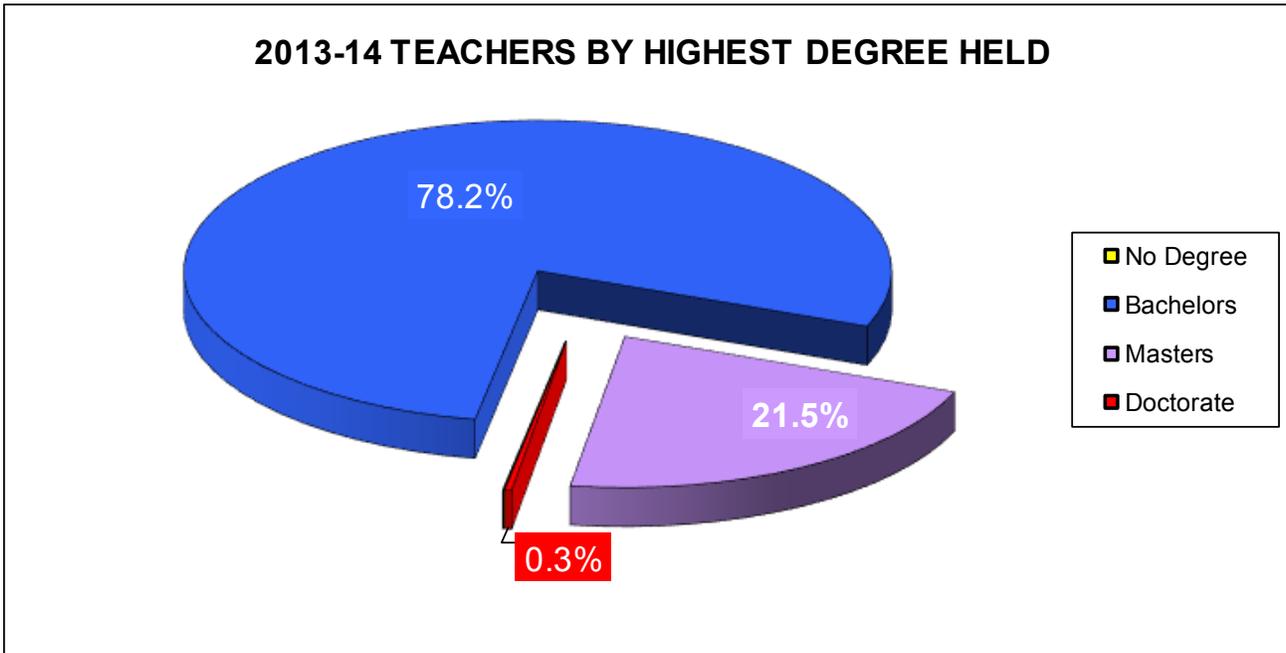


Source of Information: AEIS Reports, PEIMS Reports

Students per teacher information for the 2014-15 year is not available at the time of publication.

**KELLER INDEPENDENT SCHOOL DISTRICT  
TEACHERS BY HIGHEST DEGREE HELD**

	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
No Degree	1.0	1.3	1.0
Bachelors	1,482.3	1,532.5	1,591.8
Masters	380.7	399.3	437.4
Doctorate	6.7	7.5	6.4



Source of Information: AEIS Reports, PEIMS Reports

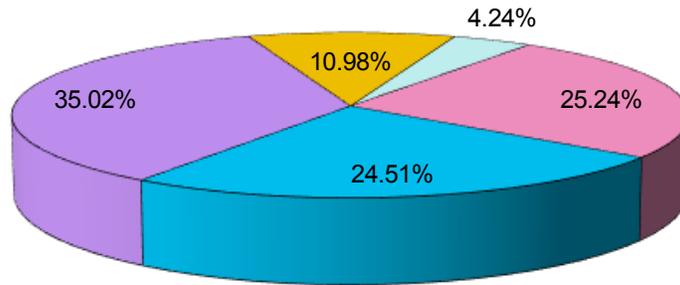
Teachers by highest degree held information for the 2014-15 year is not available at the time of publication.

KELLER INDEPENDENT SCHOOL DISTRICT

TEACHERS BY YEARS OF EXPERIENCE

	2011-12	2012-13	2013-14
Beginning Teachers	37.4	89.6	86.3
1-5 years	496.7	472.7	514.1
6-10 years	507.0	478.8	499.2
11-20 years	612.5	680.3	713.2
Over 20 years	217.1	219.2	223.7

TEACHERS BY YEARS OF EXPERIENCE FOR 2013-2014



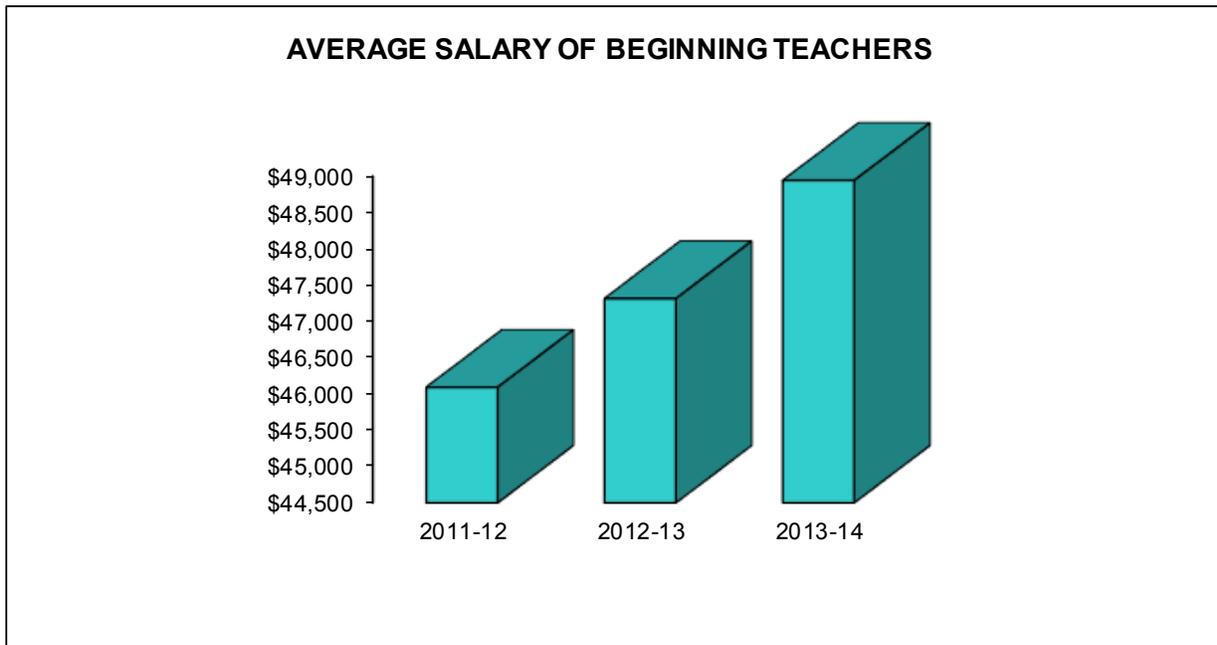
Beginning Teachers
  1-5 years
  6-10 years
  11-20 years
  Over 20 years

Source of Information: AEIS Reports, PEIMS Reports

Teachers by years of experience information for the 2014-15 year is not available at the time of publication.

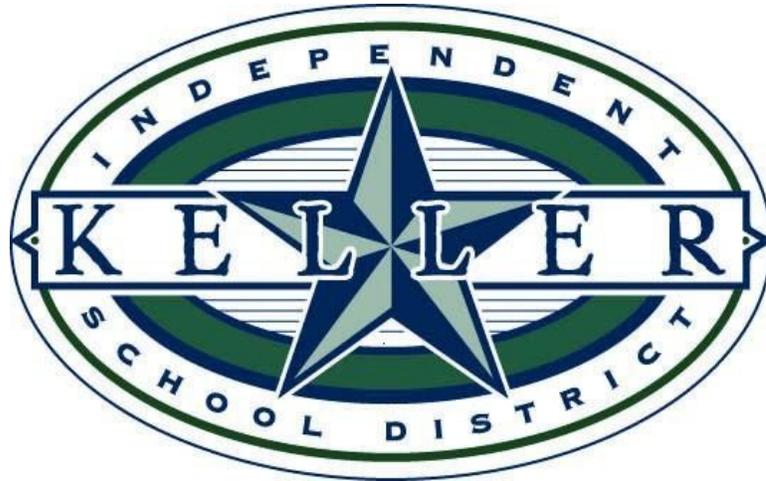
**KELLER INDEPENDENT SCHOOL DISTRICT  
AVERAGE TEACHER SALARY BY YEARS OF EXPERIENCE**

	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
Beginning Teachers	46,092	47,314	48,941
1-5 years	47,198	47,546	49,665
6-10 years	49,558	49,619	52,120
11-20 years	52,136	52,275	54,612
Over 20 years	59,769	59,479	61,507



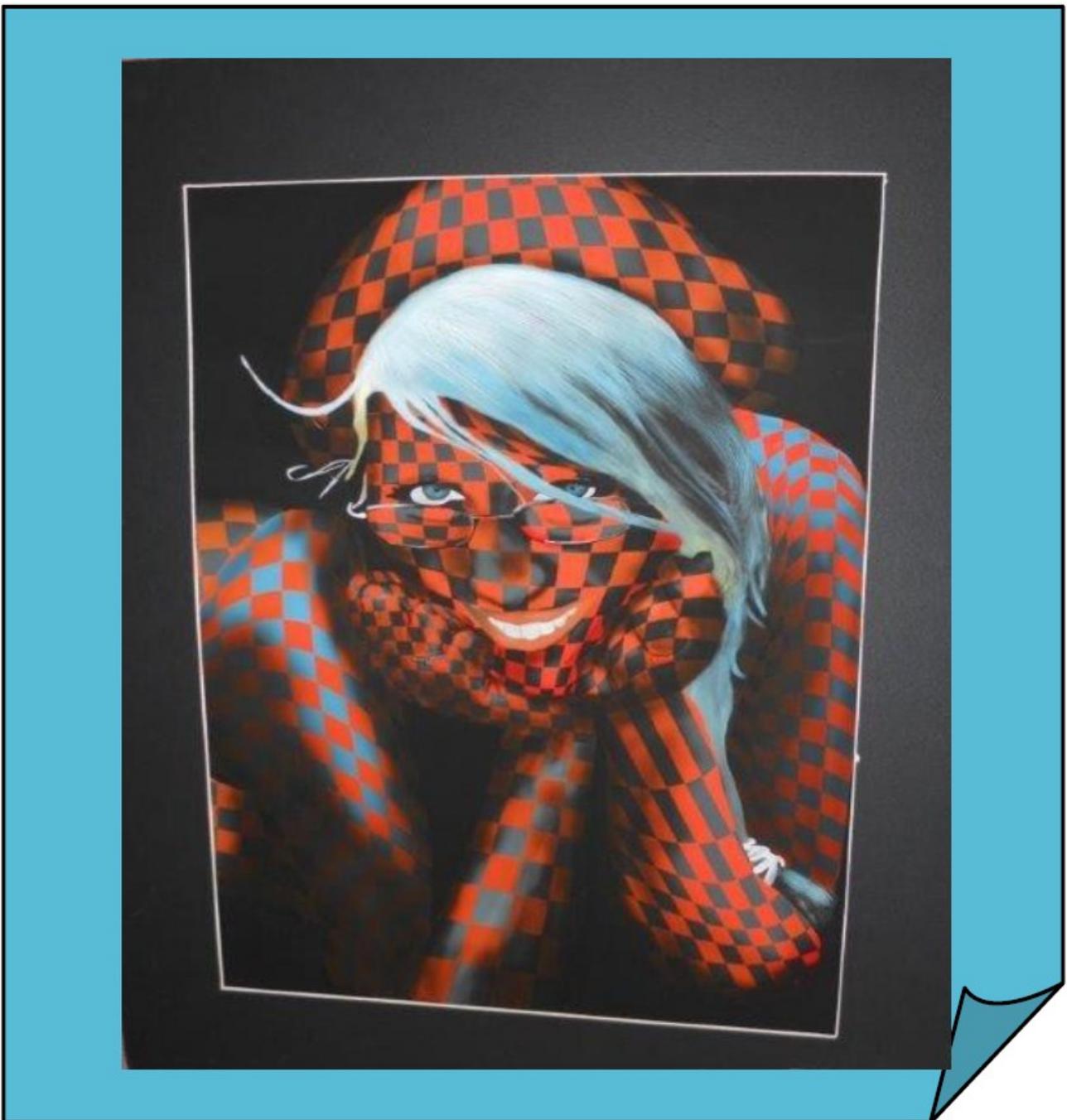
Source of Information: AEIS Reports, PEIMS Reports

Average teacher salary by years of experience information for the 2014-15 years is not available at the time of publication.



KELLER ISD  
Intentionally  Exceptional

# *Economic/ Demographic Conditions*



The Texas Work Force Commission reports the following employment statistics for Tarrant County and the State of Texas.

**EMPLOYMENT STATUS**

	<u>Tarrant County</u>		<u>State of Texas</u>	
	<u>August 2013</u>	<u>August 2014</u>	<u>August 2013</u>	<u>August 2014</u>
Total Civilian				
Labor Force	979,292	990,540	12,833,728	12,975,900
Total Employment	920,630	936,061	12,024,405	12,292,300
Total Unemployment	58,662	54,479	809,323	683,600

**UNEMPLOYMENT RATES**

	<u>August 2013</u>	<u>August 2014</u>
Tarrant County**	6.0%	5.5%
State of Texas*	6.3%	5.3%
United States*	7.3%	5.9%

Source of information: Texas Work Force Commission, Austin Texas

**KISD PRINCIPAL EMPLOYERS**

**KISD Principal Employers**

<u>Name of Company</u>	<u># of Employees</u>
AMR Corporation	24,890
Bell Helicopter	6,000
Fidelity Investments	5,003
Keller ISD	3,625
BNSF Railway	3,500
ATC Logistics	3,315
Sabre Corporation	2,532
Gaylord Texan Resort	2,000
Dallas/Fort Worth Airport	1,600
Health Markets	1,600
	<u>54,065</u>

The district has previously elected to provide the "Freeport Exemption" for qualifying businesses. This tax incentive has resulted in the attraction of new businesses bringing value and jobs to the district. It is believed that this will continue to be a positive force for the district and will insure that businesses needing the facilities of DFW and Alliance airports will consider, and select, Keller ISD for their new plants and their plant expansions.

**KELLER ISD 2014-2015 BUDGET**

**KELLER ISD DEMOGRAPHICS**

**Existing Population Distribution**

	Colleyville		Fort Worth		Haltom City	
	Number	Percent	Number	Percent	Number	Percent
Less than 19 years	6,597	28.60%	246,685	32.20%	13,342	30.40%
20-24 years	738	3.20%	55,926	7.30%	3,511	8.00%
25-34 years	1,038	4.50%	124,875	16.30%	6,934	15.80%
35-54 years	8,374	36.30%	208,380	27.20%	11,674	26.60%
55+	6,321	27.40%	130,238	17.00%	8,426	19.20%
Total Population	23,068		766,104		43,888	

**Existing Population: Race and Ethnicity**

	Colleyville		Fort Worth		Haltom City	
	Number	Percent	Number	Percent	Number	Percent
White	19,193	83.20%	207,614	27.10%	12,375	28.20%
Black or African American	484	2.10%	142,495	18.60%	1,887	4.30%
American Indian and Alaska native	115	0.50%	5,363	0.70%	395	0.90%
Asian and Pacific Islander	1,361	5.90%	28,346	3.70%	3,555	8.10%
Hispanic or Latino	1,269	5.50%	264,307	34.50%	17,072	38.90%
Other Races	646	2.80%	117,980	15.40%	8,602	19.60%
Total Population	23,068		766,104		43,888	

**Existing Population: Income by Household**

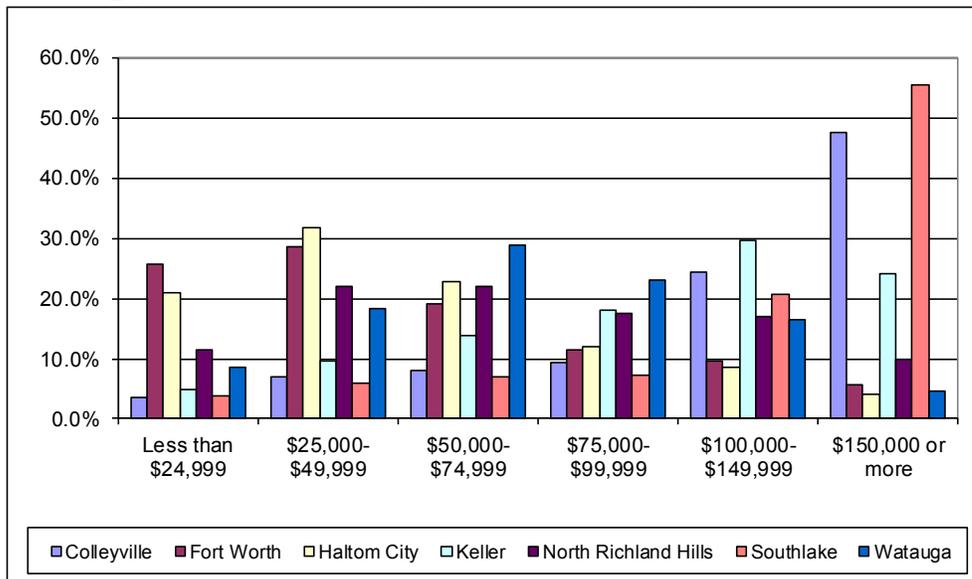
Household Income	Colleyville	Fort Worth	Haltom City
Less than \$24,999	6.20%	24.70%	25.60%
\$25,000-\$49,999	8.90%	27.00%	35.90%
\$50,000-\$74,999	7.30%	19.20%	20.20%
\$75,000-\$99,999	9.70%	12.40%	8.90%
\$100,000-\$149,999	19.90%	10.90%	7.40%
\$150,000 or more	48.00%	5.80%	2.00%

## KELLER ISD 2014-2015 BUDGET

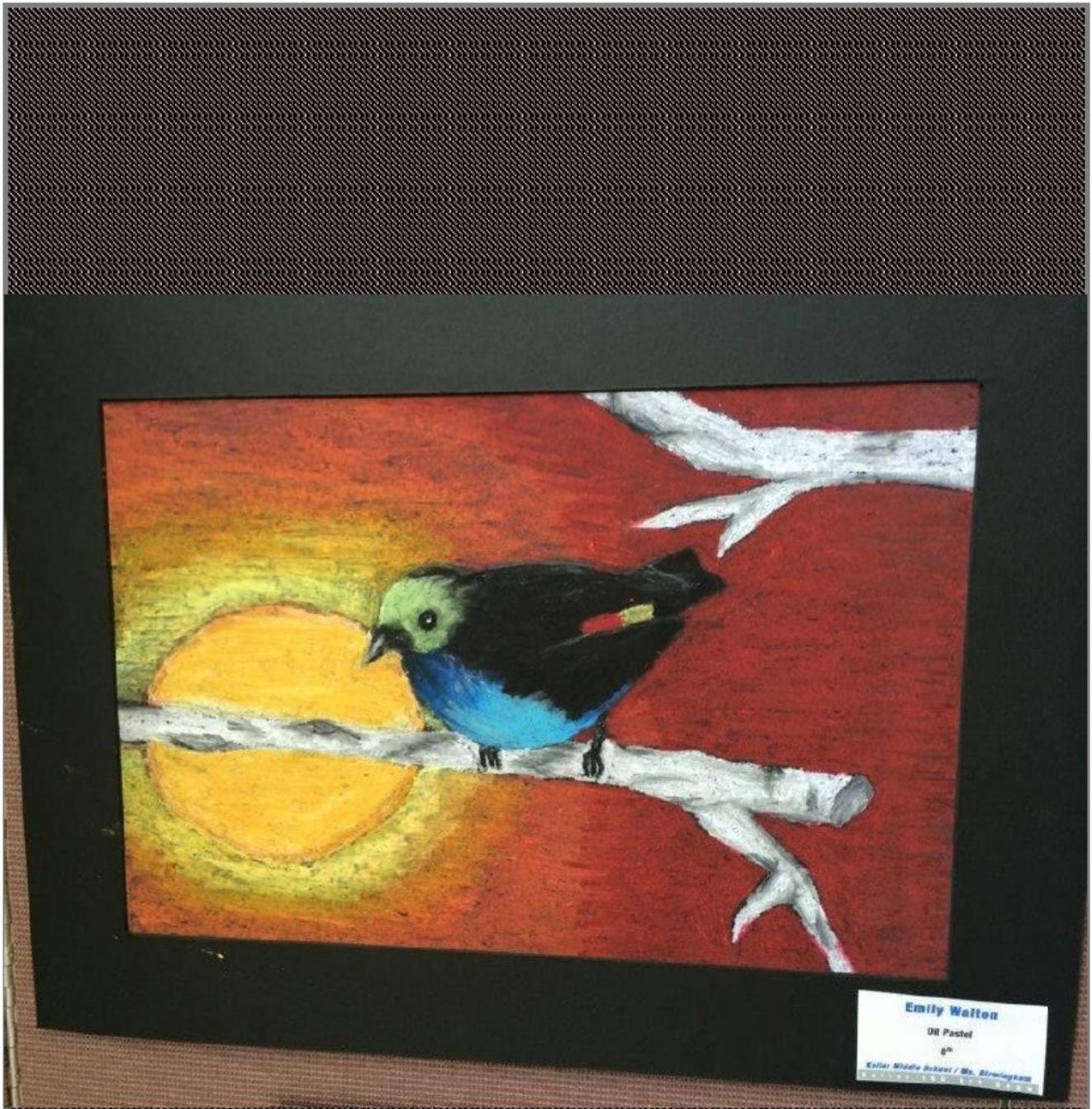
Keller		North Richland Hills		Southlake		Watauga	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
13,420	32.90%	17,116	26.90%	9,965	36.70%	7,304	30.80%
1,428	3.50%	4,009	6.30%	652	2.40%	1,375	5.80%
2,896	7.10%	8,335	13.10%	1,059	3.90%	3,510	14.80%
14,971	36.70%	18,706	29.40%	10,562	38.90%	7,304	30.80%
8,076	19.80%	15,461	24.30%	4,915	18.10%	4,221	17.80%
40,790		63,627		27,152		23,714	

Keller		North Richland Hills		Southlake		Watauga	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
31,205	76.50%	38,750	60.90%	22,237	81.90%	14,466	61.00%
1,061	2.60%	3,054	4.80%	597	2.20%	1,138	4.80%
2,040	5.00%	4,454	7.00%	81	0.30%	213	0.90%
1,632	4.00%	1,972	3.10%	1,738	6.40%	1,186	5.00%
3,263	8.00%	10,371	16.30%	1,630	6.00%	4,743	20.00%
1,591	3.90%	5,027	7.90%	869	3.20%	1,968	8.30%
40,790		63,627		27,152		23,714	

Keller	North Richland Hills	Southlake	Watauga
6.60%	17.50%	4.50%	11.70%
13.60%	24.00%	5.30%	23.70%
12.00%	19.40%	6.10%	26.80%
12.30%	14.10%	5.70%	21.50%
28.60%	16.60%	19.50%	14.40%
26.90%	8.40%	58.90%	1.90%

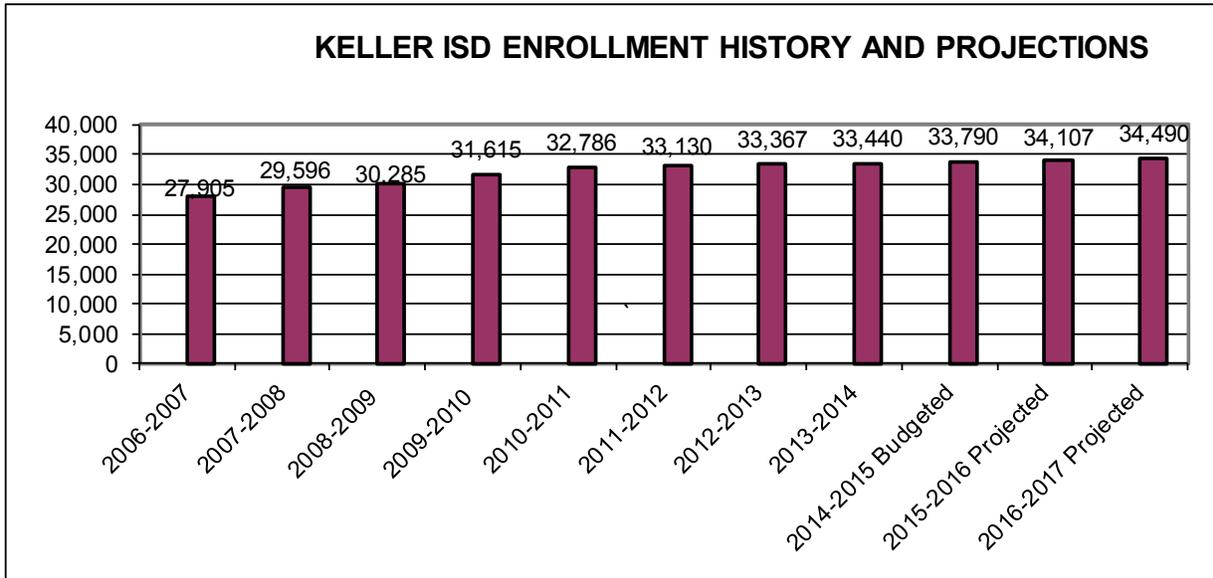


# *Other Information*

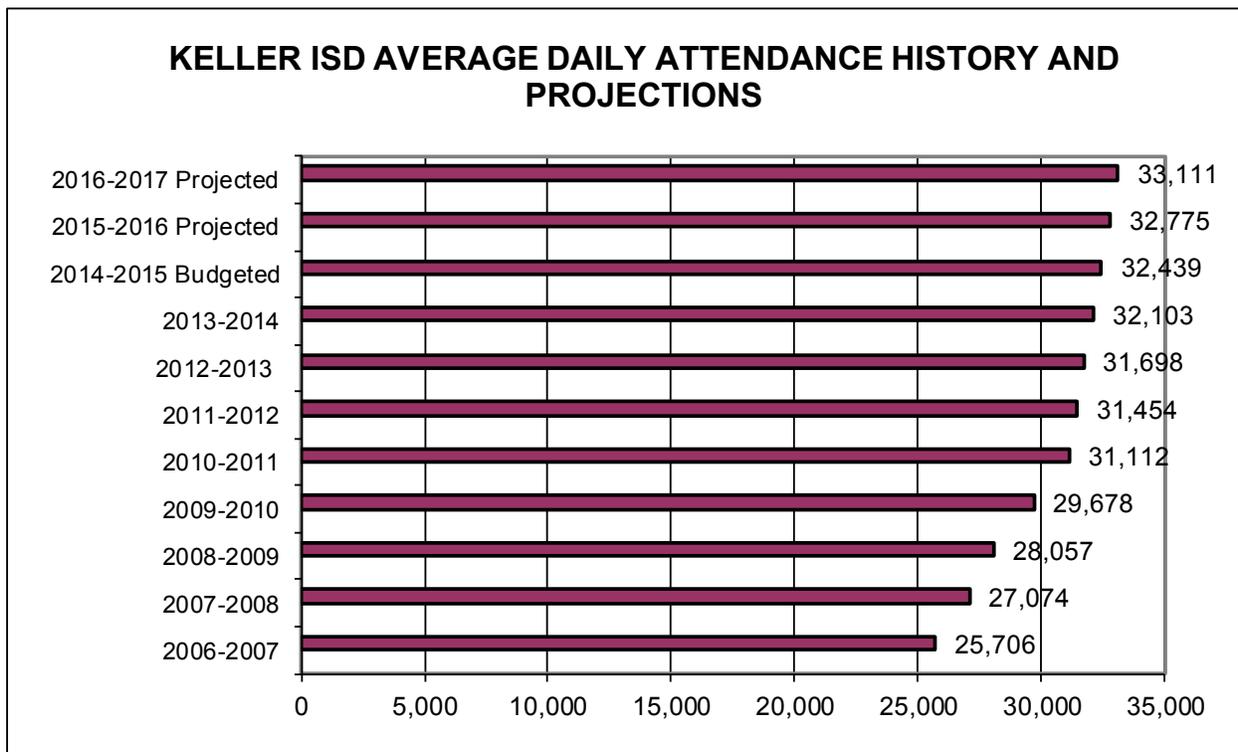


**ENROLLMENT PROJECTIONS AND AVERAGE DAILY ATTENDANCE**

The graph below depicts the Keller ISD enrollment actual and projected.

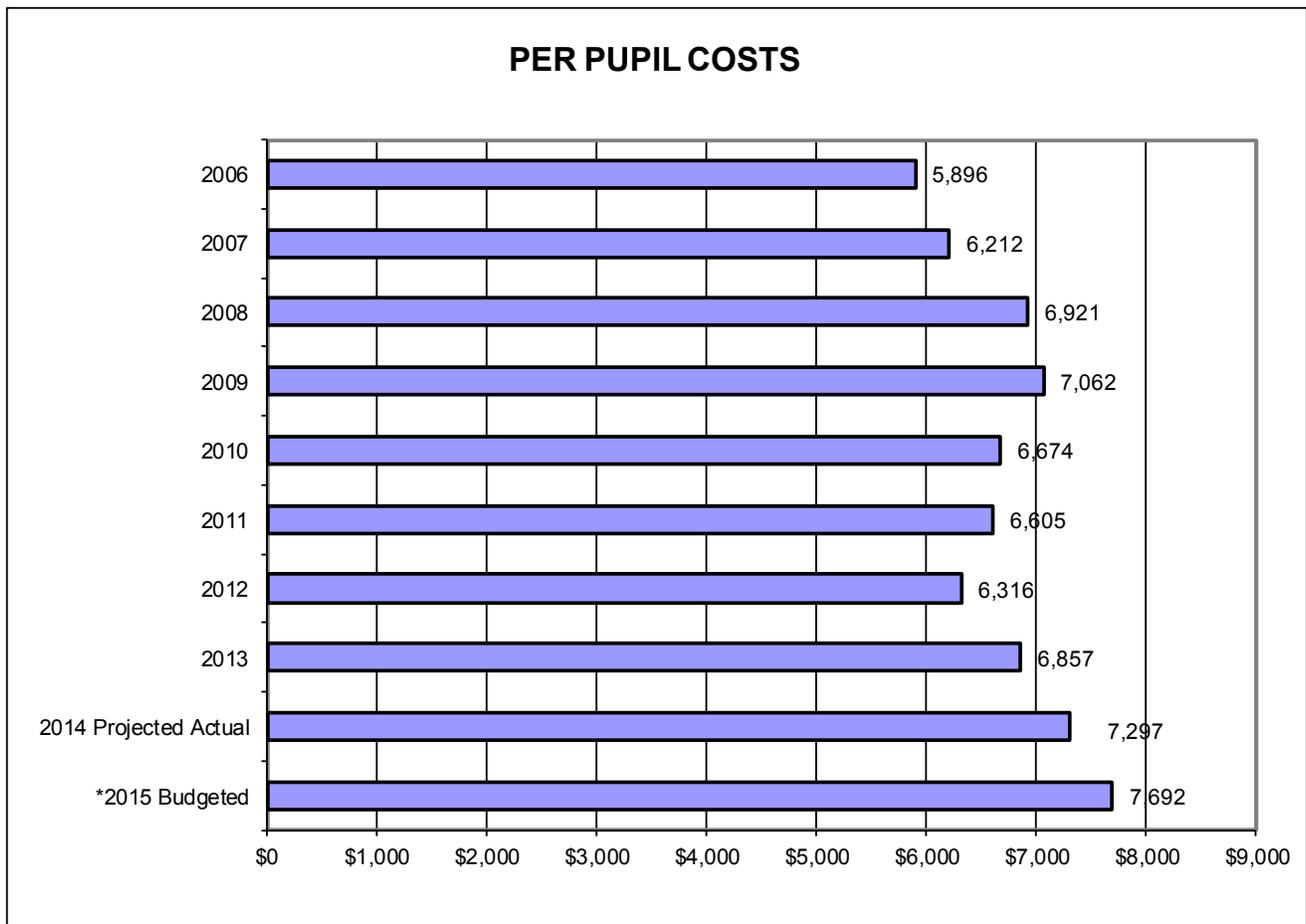


The graph below depicts the District's Average Daily Attendance.



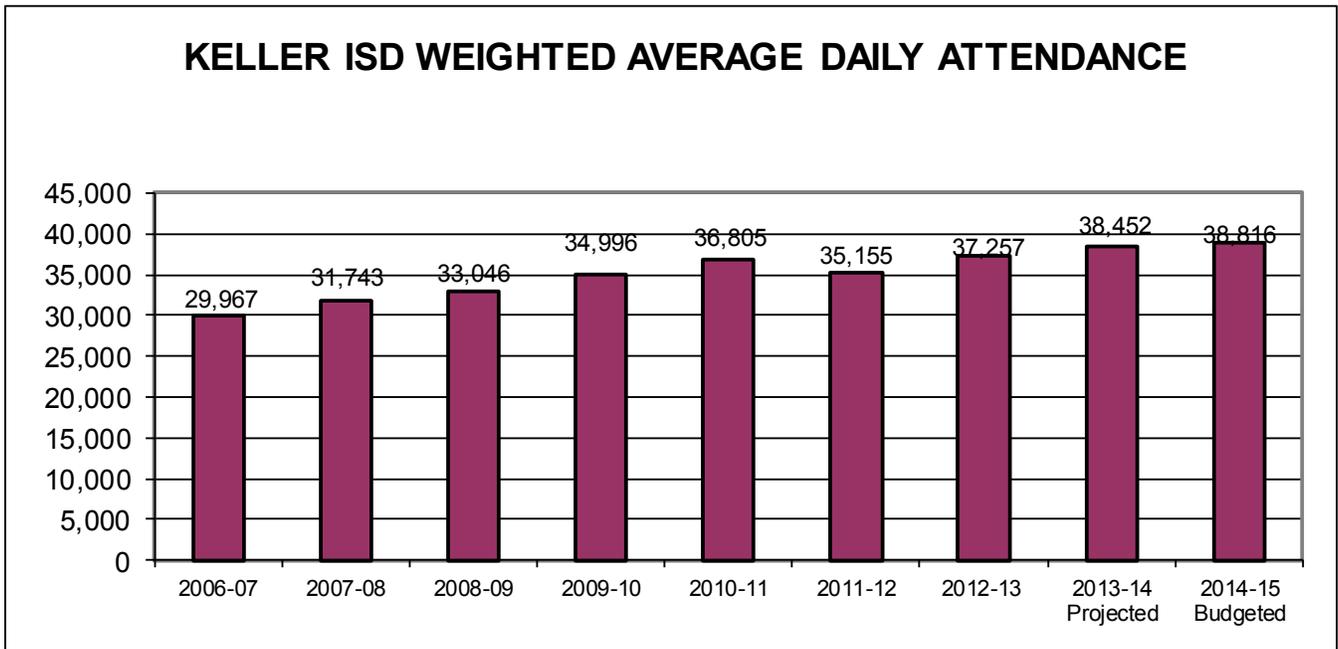
**KELLER ISD  
GENERAL FUND EXPENDITURES, AVERAGE DAILY ATTENDANCE  
AND GENERAL FUND PER PUPIL COST**

<u>Fiscal Year Ended August 31</u>	<u>General Fund Expenditures</u>	<u>Average Daily Attendance</u>	<u>Per Pupil Cost</u>
*2015 Budgeted	249,520,228	32,439	7,692
2014 Projected Actual	234,242,695	32,103	7,297
2013	217,349,489	31,698	6,857
2012	198,667,346	31,454	6,316
2011	205,495,730	31,112	6,605
2010	198,073,529	29,678	6,674
2009	198,150,292	28,057	7,062
2008	187,382,466	27,074	6,921
2007	159,675,578	25,706	6,212
2006	140,268,250	23,791	5,896



**WEIGHTED AVERAGE DAILY ATTENDANCE**

Weighted average daily attendance (WADA) is used to measure the extent students are participating in special programs. The concept of WADA in effect converts all of a school district's students with their different weights to a calculated number of regular students required to raise the same amount of Tier I revenue. A school district's WADA will be greater than its ADA. The greater the number of students eligible for special entitlements, the greater a school district's WADA will be. WADA is a key component in calculating the district's wealth level used for purposes of equalization.



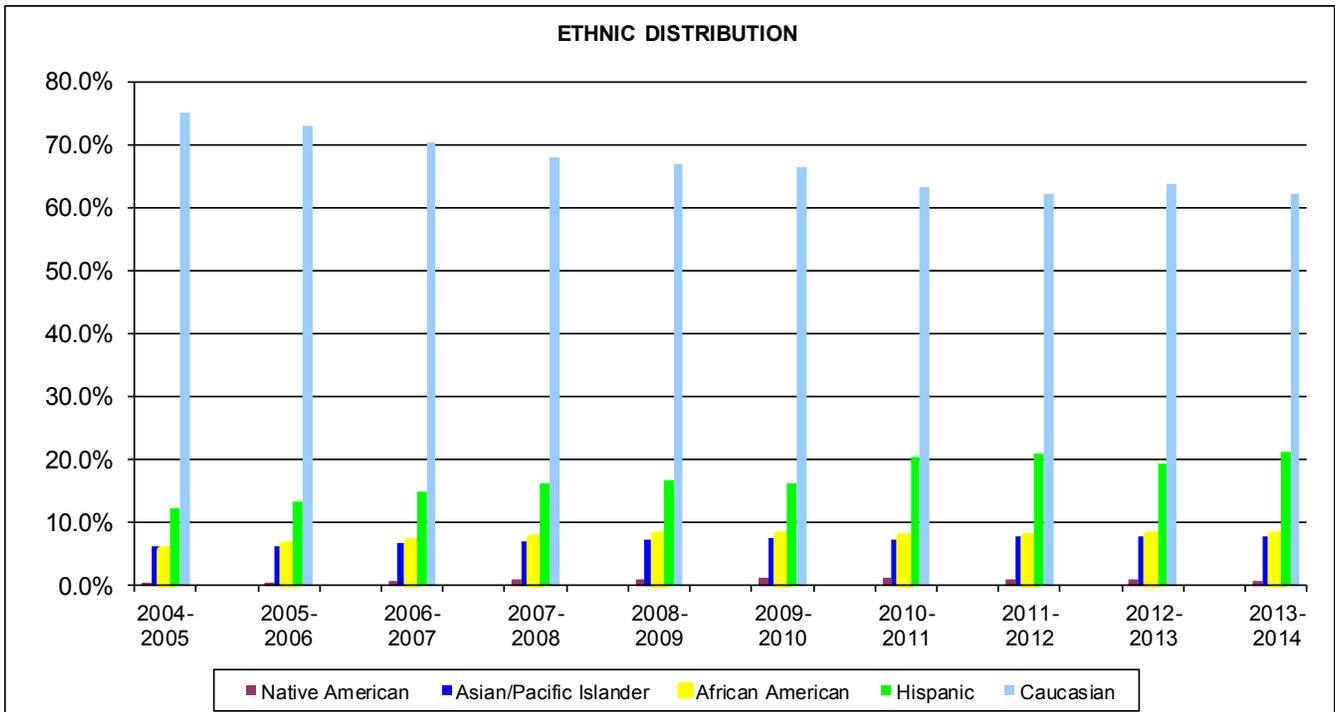
# KELLER ISD 2014-2015 BUDGET

## STUDENT POPULATION STUDENT POPULATION BY GRADE LEVEL

Grade	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-12	2012-13	2013-14
Early Education	1	0	0	0	193	197	225	232	233	198
Pre-Kindergarten	206	247	260	284	348	381	339	365	386	363
Kindergarten	1,641	1,807	1,883	1,852	1910	2269	2482	2275	2367	2373
Grade 1	1,827	1,971	2,124	2,271	2375	2301	2455	2567	2386	2426
Grade 2	1,843	1,946	2,084	2,197	2489	2467	2410	2489	2610	2451
Grade 3	1,681	1,958	2,129	2,188	2471	2585	2524	2421	2528	2626
Grade 4	1,717	1,828	2,106	2,224	2477	2544	2668	2591	2475	2582
Grade 5	1,668	1,837	2,045	2,249	2479	2544	2573	2720	2532	2462
Grade 6	1,735	1,813	2,003	2,198	2466	2535	2637	2600	2732	2600
Grade 7	1,720	1,866	1,955	2,140	2480	2512	2590	2677	2627	2762
Grade 8	1,691	1,829	1,986	2,058	2345	2532	2572	2586	2673	2694
Grade 9	1,854	1,927	2,045	2,290	2439	2606	2716	2738	2731	2862
Grade 10	1,572	1,815	1,892	1,973	2169	2245	2434	2561	2593	2627
Grade 11	1,424	1,547	1,701	1,735	1904	2048	2111	2237	2379	2433
Grade 12	1,264	1,425	1,554	1,645	1754	1803	2010	2071	2108	2304

## ETHNIC DISTRIBUTION

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Native American	0.6%	0.6%	0.8%	1.0%	0.9%	1.4%	1.2%	1.1%	1.0%	0.7%
Asian/Pacific Islander	6.2%	6.4%	6.7%	7.1%	7.4%	7.7%	7.4%	7.8%	7.9%	7.8%
African American	5.6%	6.4%	7.0%	7.5%	7.9%	8.1%	7.7%	7.7%	7.9%	8.0%
Hispanic	12.4%	13.5%	15.0%	16.2%	16.7%	16.2%	20.4%	21.0%	19.4%	21.2%
Caucasian	75.2%	73.1%	70.5%	68.2%	67.1%	66.6%	63.4%	62.4%	63.8%	62.4%



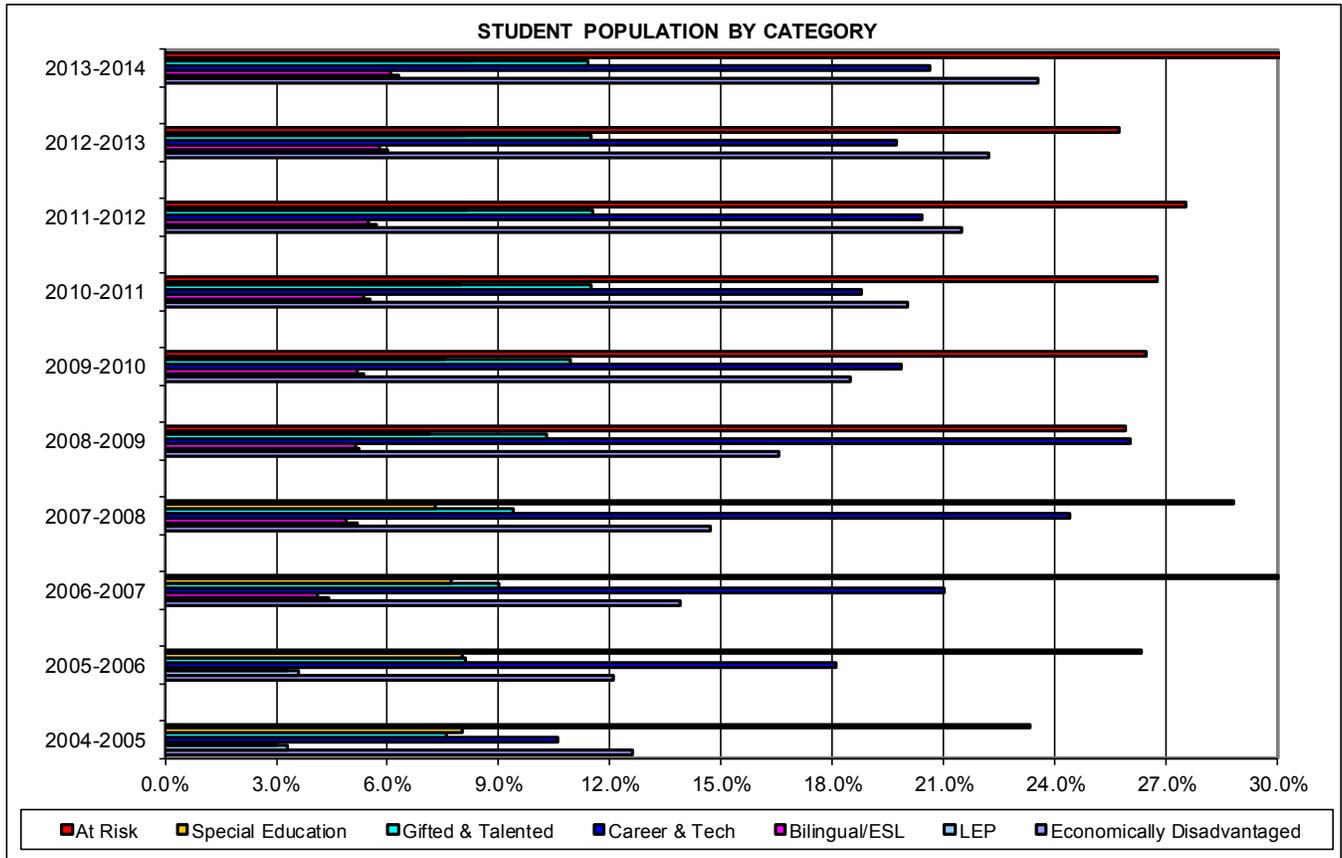
# KELLER ISD 2014-2015 BUDGET

## SPECIAL POPULATION BY CATEGORY STUDENT COUNT

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Economically Disadvantaged	3,002	3,143	3,887	4,339	5,009	5,834	6,562	7,113	7,398	7,942
LEP	778	943	1,222	1,519	1,590	1,686	1,809	1,888	2,006	2,128
Bilingual/ESL	705	844	1,144	1,445	1,557	1,633	1,748	1,815	1,923	2,050
Career & Tech	2,530	4,686	5,850	7,198	7,890	6,261	6,153	6,766	6,550	6,956
Gifted & Talented	1,813	2,102	2,503	2,761	3,115	3,443	3,763	3,823	3,815	3,855
Special Education	1,912	2,057	2,138	2,154	2,156	2,382	2,609	2,703	2,679	2,805
At Risk	5,533	6,798	8,382	8,491	7,841	8,343	8,757	9,123	8,537	10,427

## PERCENTAGES

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Economically Disadvantaged	12.6%	12.1%	13.9%	14.7%	16.5%	18.5%	20.0%	21.5%	22.2%	23.5%
LEP	3.3%	3.6%	4.4%	5.2%	5.3%	5.3%	5.5%	5.7%	6.0%	6.3%
Bilingual/ESL	3.0%	3.3%	4.1%	4.9%	5.1%	5.2%	5.3%	5.5%	5.8%	6.1%
Career & Tech	10.6%	18.1%	21.0%	24.4%	26.0%	19.8%	18.8%	20.4%	19.7%	20.6%
Gifted & Talented	7.6%	8.1%	9.0%	9.4%	10.3%	10.9%	11.5%	11.5%	11.5%	11.4%
Special Education	8.0%	8.0%	7.7%	7.3%	7.1%	7.6%	8.0%	8.2%	8.1%	8.3%
At Risk	23.3%	26.3%	30.0%	28.8%	25.9%	26.4%	26.7%	27.5%	25.7%	30.9%



# *Performance Indicators*



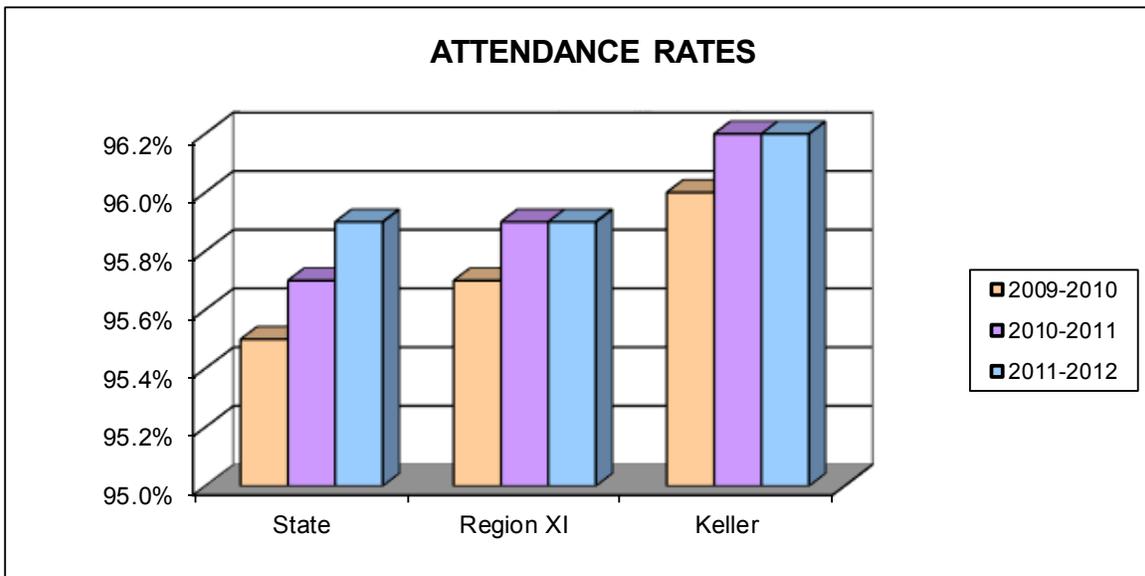
ATTENDANCE RATES

The District offers various attendance programs at campuses to encourage student attendance. Training is provided for administrators and attendance personnel on attendance requirements and techniques for improving attendance. Keller ISD's attendance rate compares favorably to region and state rates as evidenced by the graph below.

Note: Attendance and Drop-out rates are provided through the TEA AEIS reports. The 2012-13 and 2013-2014 attendance information is not available at the time of publication.

KELLER ISD ATTENDANCE RATES

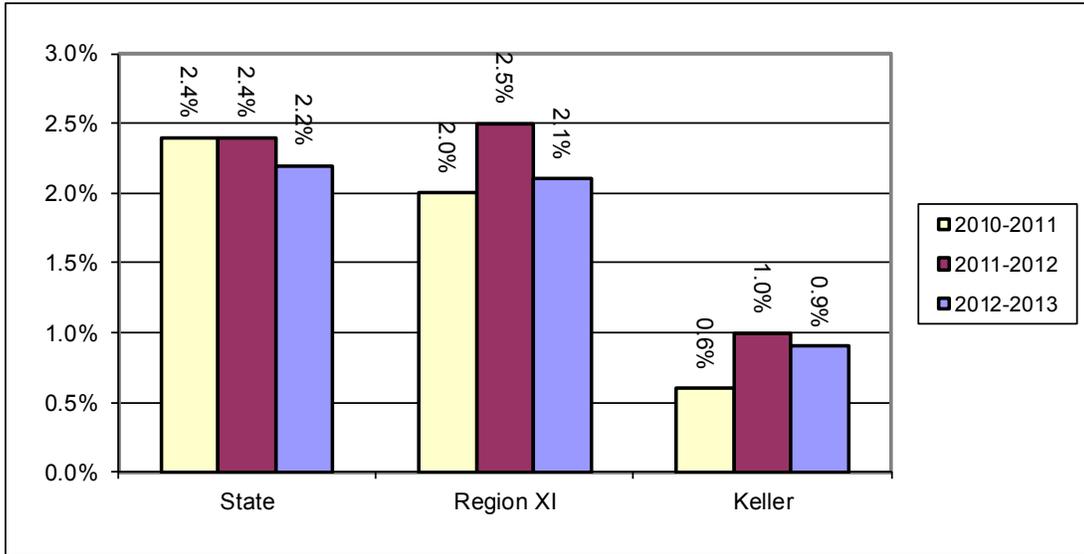
<u>Year</u>	<u>State</u>	<u>Region XI</u>	<u>Keller</u>
2011-2012	95.9%	95.9%	96.2%
2010-2011	95.7%	95.9%	96.2%
2009-2010	95.5%	95.7%	96.0%



**KELLER ISD DROPOUT RATES**

**Keller ISD Dropout Rates**

<u>Year</u>	<u>State</u>	<u>Region XI</u>	<u>Keller</u>
2012-2013	2.2%	2.1%	0.9%
2011-2012	2.4%	2.5%	1.0%
2010-2011	2.4%	2.0%	0.6%



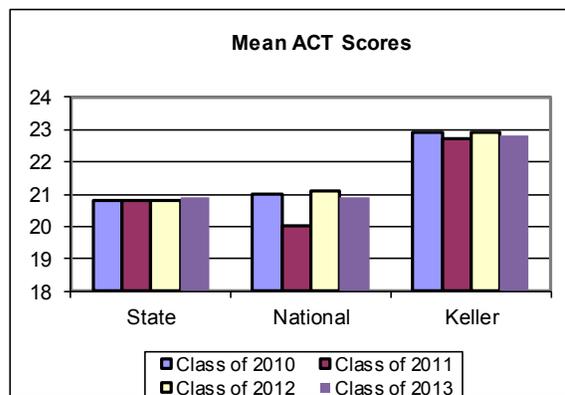
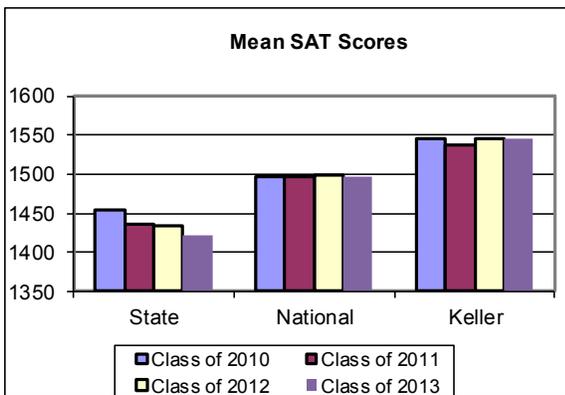
**SAT / ACT RESULTS**

**Mean SAT Results**

<u>Year</u>	<u>State</u>	<u>National</u>	<u>Keller</u>
Class of 2010	1454	1497	1546
Class of 2011	1436	1497	1537
Class of 2012	1434	1498	1546
Class of 2013	1422	1497	1546

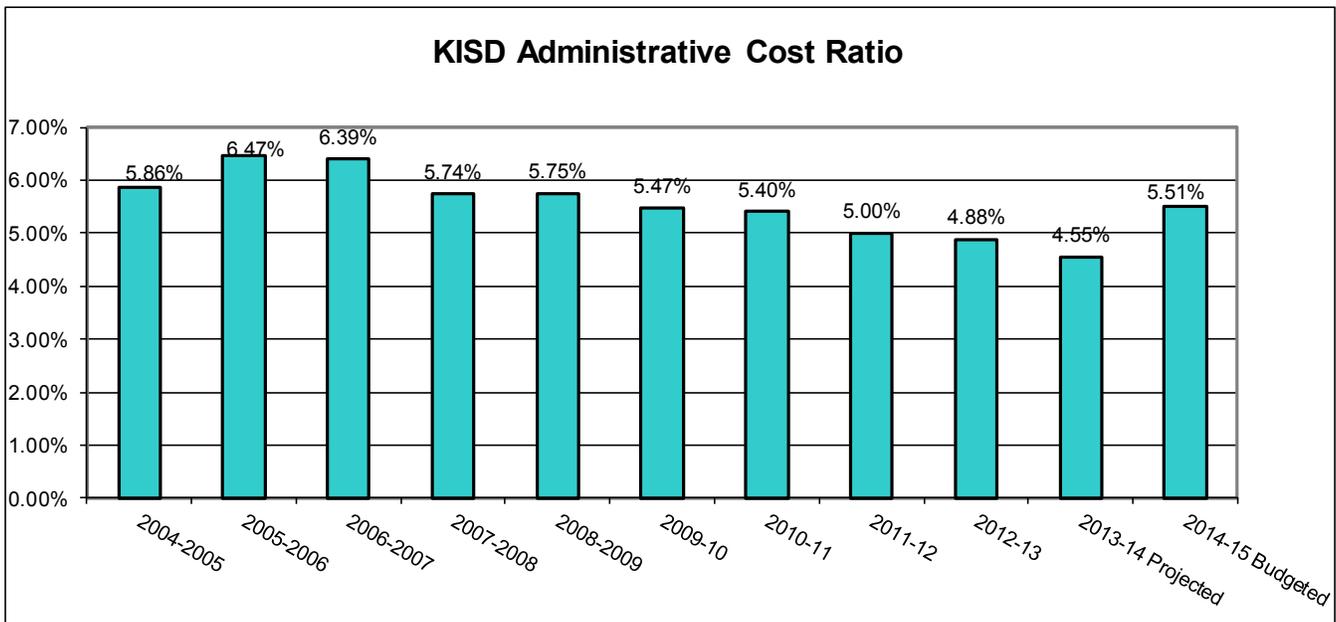
**Mean ACT Scores**

<u>Year</u>	<u>State</u>	<u>National</u>	<u>Keller</u>
Class of 2010	20.8	21.0	22.9
Class of 2011	20.8	20.0	22.7
Class of 2012	20.8	21.1	22.9
Class of 2013	20.9	20.9	22.8



**ADMINISTRATIVE COST RATIO**

TEA sets annual rules for the calculation of administrative costs and the “acceptable” administrative cost ratio for school districts based upon their size, and student population characteristics. The “acceptable” administrative cost for Keller ISD is 11.05%. The components of administrative cost are defined as operating expenses made from funds other than federal funds associated with managing, planning, directing, coordinating, and evaluating a school district. Administrative costs include costs classified in Account Code Functions 21 (Instructional Leadership) and 41 (General Administration) as defined in the Financial Accounting and Reporting module. The administrative cost ratio is calculated by dividing administrative costs by instructional costs, expressed as a percentage. Instruction costs are defined as operating expenses made from funds other than federal funds associated with teacher-student instruction. Instructional costs are costs classified in Account Code Function 11 (Instruction), 12 (Instructional Resources and Media Services), 13 (Curriculum Development and Instructional Staff Development), and 31 (Guidance, Counseling and Evaluation Services). Although the administrative cost ratio is no longer required by state law it remains an indicator in the Financial Integrity Rating System of Texas (First).



## SCHOOLS FIRST RATING

School FIRST (Financial Integrity Rating System of Texas) reports public school district financial accountability ratings as authorized by Senate Bill (SB) 218 of the 77<sup>th</sup> Legislature in 2001. Ratings are based on analysis of staff and student data for the school year, and on budgetary and actual financial data for the fiscal year.

The primary goal of School FIRST is to achieve improved performance in the management of school districts' financial resources. The primary objective of the rating system is to assess the quality of financial management in Texas public schools. A secondary objective is to measure and report the extent to which financial resources in Texas public schools assure the maximum allocation possible for direct instructional purposes. Other objectives reflect the implementation of a rating system that fairly and equitably evaluates the quality of financial management decisions.

The School FIRST accountability rating system assigns one of four financial accountability ratings to Texas school districts, with the highest being "Superior Achievement", followed by "Above Standard Achievement", "Standard Achievement" and "Substandard Achievement". Districts with serious data quality problems may receive the additional rating of "Suspended-Data Quality". Districts that receive the "Substandard Achievement" or "Suspended-Data Quality" ratings under School FIRST must file a corrective action plan with the Texas Education Agency.

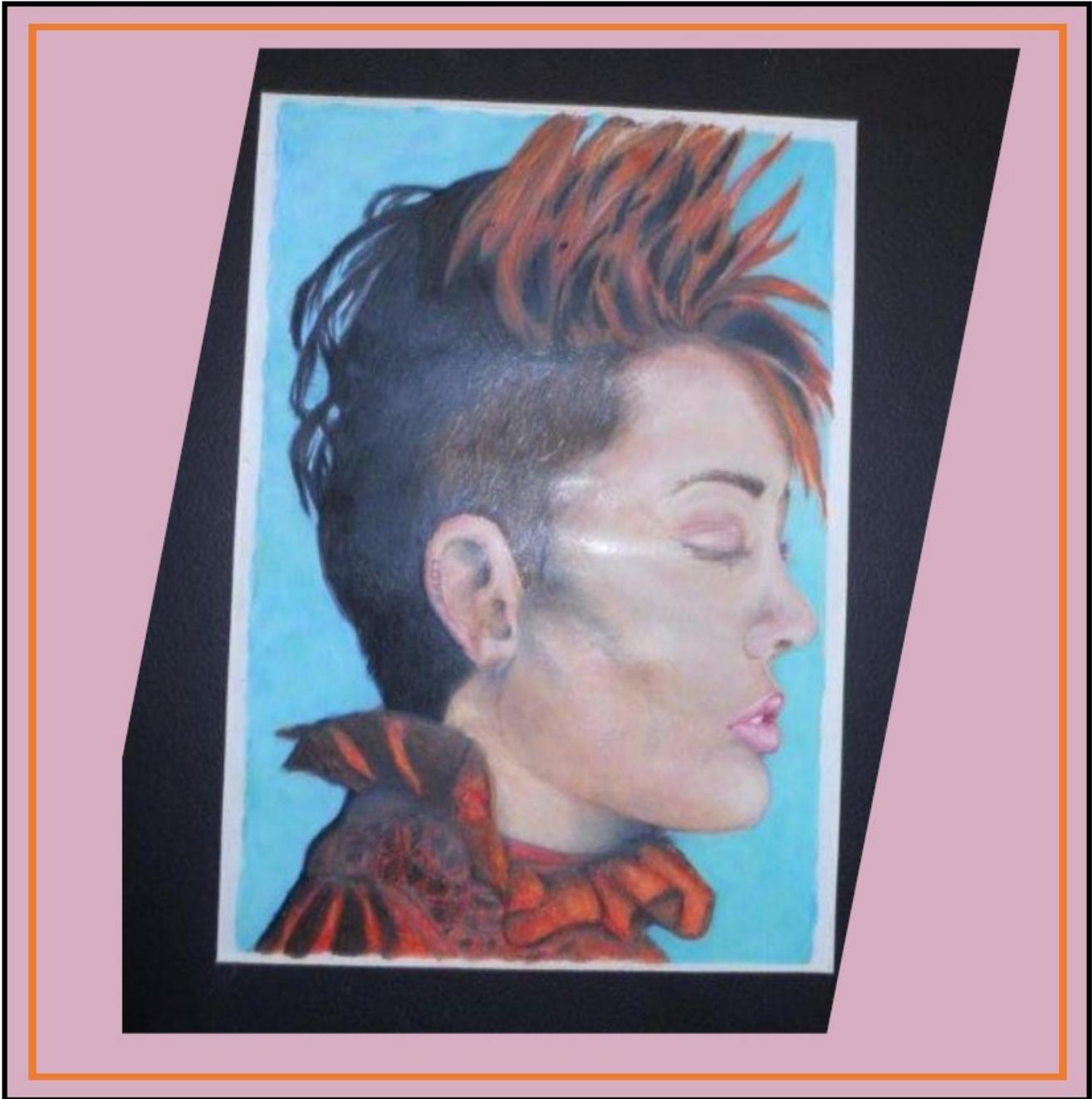
The School FIRST rating system encompasses many of the performance indicators that are important to a school district, including fund balance levels, tax collection rates, data integrity, debt ratios, percentage of expenditures dedicated to instruction, ratio of students to teachers and students to staff. Keller ISD rated favorably on all indicators with the exception of one which related to optimum fund balance levels. Keller ISD's fund balance level was higher than the optimum fund balance designated by TEA.

Keller ISD received a rating of "Superior Achievement" under Texas' School FIRST financial accountability rating system for the eleventh consecutive year. The Superior Achievement rating is the state's highest, demonstrating the quality of KISD's financial management and reporting system.

School FIRST ratings can be accessed thru the TEA website at [www.tea.state.tx.us/](http://www.tea.state.tx.us/).



# *Appendix*



**KELLER INDEPENDENT SCHOOL DISTRICT**  
**CLASSIFICATION OF REVENUES AND EXPENDITURES**

Section 44.007 of the Texas Education Code requires that a standard school district fiscal accounting system be adopted by each school district. The system must meet at least the minimum requirements prescribed by the State Board of Education and also be subject to review and comment by the state auditor. Additionally, the accounting system must conform to Generally Accepted Accounting Principles (GAAP) as applied to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide (FASRG). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. This section further requires that a report be provided at the time the school district budget is filed, showing financial information sufficient to enable the State Board of Education to monitor the funding process and to determine educational system costs by school district, campus, and program.

A major purpose of the accounting code structure is to establish the standard school district fiscal accounting system required by law. Although certain codes within the overview may be used at local option, the sequence of the codes within the structure, and the funds and chart of accounts, are to be uniformly used by Texas school districts in accordance with GAAP.

**BASIC SYSTEM EXPENDITURE CODE COMPOSITION**

- Fund Code – A mandatory 3-digit code is to be used for all financial transactions to identify the fund group and specific funds. The first digit refers to the fund group, and the second and third digits specify the fund.
- Function Code – A mandatory 2-digit code that identifies the purpose of the transaction is applied to expenditures. The first digit identifies the major service area and the second digit refers to the specific function within the area.
- Object Code – A mandatory 4-digit code identifying the nature and object of an account, a transaction or a source. The first of the four digits identifies the type of account or transaction, the second digit identifies the major area, and the third and fourth digits provide further sub-classifications. In addition, KISD has incorporated two additional digits to the object code to define the subject (i.e., math, science, etc.). This allows for easy analysis of amounts expended for each subject.
- Sub-Object – Optional code. Used at KISD to provide special accountability for certain programs or areas.
- Organization Code – A mandatory 3-digit code identifying the organization, i.e., campus, department.
- Fiscal Year Code – A mandatory single digit code that identifies the fiscal year of the transaction or the project year of inception of a grant project.
- Program Intent Code – A 2-digit code used to designate services provided to students.
- Optional Code 3, 4, and 5 – Optional code that may be used to further describe the transaction.

District revenues are classified by fund and object or source. There are three major sources: local sources, state sources, and federal sources.

Expenditure budgets are legally adopted at the fund and function level. However, within this document we have included several additional presentations of expenditures. These presentations segregate expenditures by either organization or by major object. Major object codes are used to describe the type of items purchased or services obtained. The major object codes used in this document are: payroll and related costs, contracted services, supplies and materials, other operating expenditures, debt service, and capital outlay. Fund codes are described in the preceding Financial Structure section. The following pages contain a description of the function codes used throughout this document.

**CODE                      FUNCTION TITLE**

**10      *Instruction and Instructional Related Services***

11      Instruction

This function is used for activities that deal directly with the interaction between teachers and students. This function includes expenditures for direct classroom instruction and other activities that deliver, enhance, or direct the delivery of learning situations to students. Expenditures for the delivery of instruction in regular program basic skills, bilingual programs, compensatory, remedial or tutorial programs, gifted and talented educational programs, and vocational education programs are classified in function 11. For example, function 11 includes classroom teachers, teacher aides, and graders, but does not include curriculum/staff development (13) or principals (23).

12      Library/Media Services

This function is used for expenditures that are directly and exclusively used for resource centers, establishing and maintaining libraries, and other major facilities dealing with educational resources and media. For example, function 12 includes librarians, but does not include textbooks (11) or reference books in the classroom (11).

13      Curriculum Development and Instructional Staff Development

This function is used for expenditures that are directly and exclusively used to aid instructional staff in planning, developing, and evaluating the process of providing learning experiences for students. This function also includes expenditures related to research and development activities that investigate, experiment and/or follow-through with the development of new or modified instructional methods, techniques, procedures, service, etc. For example, this function includes staff that research and develop innovative, new, or modified instruction and staff who prepare in-service training for instructional staff, but does not include salaries of instructional staff when attending in-service training (11 or 12).

**20      *Instructional and School Leadership***

21      Instructional Leadership

This function encompasses those **district-wide** activities, which have as their purpose managing, directing, and supervising the general and specific instructional programs and activities. For example, function 21 includes instructional supervisors, and Associate Superintendent for Instruction, but does not include principals (23).

23      School Leadership

This function includes expenditures for directing, managing, and supervising a school. It includes salaries and supplies for the principal, assistant principal, and other administrative and clerical staff, including attendance clerks.

**30 Student Support Services**

31 Guidance, Counseling, and Evaluation Service

This function includes expenditures for testing and assessing students' abilities, aptitudes, and interests with respect to career and educational goals and opportunities. It includes psychological services, testing, student evaluation and counseling.

32 Social Work Services

This function includes expenditures which directly and exclusively promote and improve school attendance. Examples include social workers and truant officers.

33 Health Services

This function is used for expenditures that directly provide physical health services to students, which are not a part of direct instruction. It includes medical, dental, and nursing services.

34 Student Pupil Transportation

This function includes the cost of providing management and operational services for transporting students to and from school. Function 34 includes transportation supervisors and bus drivers, but does not include field trips (11).

35 Food Services

This function includes the management of the Child Nutrition program at the schools and the serving of meals, lunches, or snacks in connection with school activities. Function 35 includes salaries for cooks and food purchases, but does not include concession stands (36).

36 Co/Extracurricular Activities

This function incorporates those activities, which are student and curricular related, but which are not necessary to the regular instructional services. Examples of extracurricular activities are scholastic competition, speech, debate, band, football, baseball, etc. Function 36 includes athletic salary supplements paid exclusively for coaching, directing, or sponsoring extracurricular athletics, but does not include salaries for teaching physical education (11).

**40 Administrative Support Services**

41 General Administration

This function includes expenditures incurred for the overall administrative responsibilities of the school district. It includes expenditures for the school board, superintendent's office, tax office, personnel services, financial services, and administrative attendance personnel.

**50 Support Services – Non Student Based**

51 Facilities Maintenance and Operations

This function deals with expenditures made to keep buildings, grounds, and equipment safe for use and in efficient working condition. Examples include janitors, facility insurance premiums and utilities.

52 Security and Monitoring Services

This is a function for which expenditures are directly and exclusively for activities to keep student and staff surroundings safe, whether in transit to or from school, on a campus or participating in school-sponsored events at another location. Examples include security guards, crossing guards and police.

53 Data Processing Services

Non-instructional data processing services which include computer facility management, computer processing, systems development, analysis and design. Personal computers (PC's) that are stand-alone are to be charged to the appropriate function. Peripherals including terminals and printers are to be charged to the appropriate function.

**60 Ancillary Services**

61 Community Services

This function encompasses all other activities of the school district, which are designed to provide a service or benefit to the community as a whole or a portion of the community. Examples would include recreation programs, natatorium, and parenting programs.

**70 Debt Service**

71 Debt Service

This function includes expenditures for bond and lease purchase principal, and all types of interest paid.

**80 Capital Outlay**

81 Facilities Acquisition and Construction

This function includes the acquisition of land and buildings, the remodeling of buildings and additions to buildings, and installation and extension of service systems and other built-in systems.

**90 Intergovernmental Charges**

93 Payments to Fiscal Agent/Member Districts of Shared Services Arrangements

This function code is used for expenditures that are for (1) payments from a member district to a fiscal agent of a shared services arrangements; or, (2) payments from a fiscal agent to a member district of a shared services arrangement.

95 Payments to Juvenile Justice Alternative Education Programs

This function is used for expenditures that are for the purpose of providing financial resources for Juvenile Justice Alternative Education Programs.

97 Payments to Tax Increment Fund

This function is used for the purpose of providing financial resources paid into a tax increment fund under Chapter 311, Tax Code.

99 Other Intergovernmental Charges

This function is used for amounts paid to other governmental entities such as county appraisal districts for costs related to the appraisal of property.

# *Glossary*



## GLOSSARY

This glossary contains definitions of terms used in this guide and such additional terms as seem necessary to common understandings concerning financial accounting procedures for schools. Several terms, which are not primarily financial accounting terms, have been included because of their significance for school financial accounting. The glossary is arranged alphabetically with appropriate cross-referencing where necessary.

**Abatement** – A complete or partial cancellation of a levy imposed by a governmental unit. Abatements usually apply to tax levies, special assessments, and service previously recorded expenditure or receipt item by such things as refunds, rebates, and collections for loss or damage to school property.

**Account** – A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object, or source.

**Accounting Period** – A period at the end of which and for which financial statements are prepared; for example, September 1 through August 31.

**Accrual** – A method of accounting that recognizes the financial effect of transactions, events, and inter fund activities when they occur, regardless of the timing of related cash flows.

**ACT** – Acronym for American College Test.

**ADA** – Acronym for Average Daily Attendance.

**Administration** – Those activities which have as their purpose the general regulation, direction, and control of the affairs of the local education agency that are system-wide and not confined to one school, subject, or narrow phase of school activity.

**AEIS** – Acronym for Academic Excellence Indicator System.

**AIS** – Acronym for Accelerated Instructional Services.

**Allocation** – A part of a lump-sum appropriation which is designated for expenditure by specific organization units and/or for special purposes, activities, or objects.

**Amendment** – A proposal to change the amount or scope of an activity or project after the budget has already been submitted to the Board.

**AP** – Acronym for Advanced Placement.

**Appraisal** – (1) The act of appraising. (2) The estimated value resulting from such action.

**Appraise** – To make an estimate of value, particularly of the value of property. Note, if the property is valued for purposes of taxation, the less-inclusive term “assess” is substituted for the

**Appropriation Account** – A budgetary account set up to record specific authorization to spend. The account is credited with original and any supplemental appropriations and is charged with expenditures and encumbrances.

**Assess** – To value property officially for the purpose of taxation. Note, the term is also sometimes used to denote the levy of taxes, but such usage is not correct because it fails to distinguish between the valuation process and the tax levy process.

**Assessed Valuation** – A valuation set upon real estate or other property by a government as a basis for levying taxes.

**Assets** – Property owned by a local education agency which has a monetary value.

**Balance Sheet** – An itemized statement that lists the total assets and the total liabilities of a given business to portray its net worth at a given moment of time. The amounts shown on a balance sheet are generally the historic cost of items and not their current values.

**Benefits** – A payment or entitlement, such as one made under an insurance policy or employment agreement, public assistance program, or something of value or usefulness.

**Bill** – (1) A term used to denote a law or statute passed by certain legislative bodies. A bill has greater legal formality and standing than a resolution. (2) A statement of an amount owing for goods and services sold on open account.

**Board of Education** – The elected or appointed body, which has been created according to State, law and vested with responsibilities for educational activities in a given geographical area. These bodies are sometimes called school boards, governing boards, boards of directors, school committees, school trustees, etc. This definition relates to the general term and covers State boards, intermediate administrative unit boards, and local basic administrative unit boards.

**Bond** – A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer periods of time and requires greater legal formality.

**Bonded Debt** – The part of the school district debt which is covered by outstanding bonds of the district. Sometimes called “Funded Debt or Bonded Indebtedness.”

**Bonds Authorized and Unissued** – Bonds that have been legally authorized but not issued and which can be issued and sold without further authorization.

**Bonds Issued** – Bonds sold.

**Bonds Payable** – The face value of bonds issued and unpaid.

**Budget** – A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them. The budget usually consists of three parts: The first part contains a message from the budget-making authority together with a summary of the proposed expenditures and the means of financing them.

The second part consists of schedules supporting the summary. These schedules show in detail the proposed expenditures and means of financing them, together with information as to past years’ actual revenues and expenditures and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect.

**Budgetary Accounts** – Those accounts necessary to reflect budget operations and conditions, such as estimated revenues, appropriations, and encumbrances, the net balance, and other related information.

**Capital Budget** – A plan of proposed capital outlays and the means of financing them for the fiscal period. It is usually a part of the current budget. A capital program is sometimes referred to as a capital budget.

**Capital Outlays** – Expenditures which result in the acquisition of or addition to fixed assets.

**Capital Program** – A plan for capital expenditures to be incurred each year over a fixed period of years to meet capital needs arising from the long term work program or otherwise. It sets forth each project or other contemplated expenditure in which the local education agency is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

**CBA** – acronym for Campus Based Assessment

**CED** – County Education District

**Cocurricular Activities** – Direct and personal services for public school pupils, such as interscholastic athletics, entertainments, publications, clubs, band, and orchestra, that are managed or operated by the student body under the guidance and direction of an adult, and are not part of the regular instructional program.

**Community Services** – Those services which are provided for the community as a whole or some segment of the community and which are not restricted to the public schools or adult education programs.

**Consultant** – A resource person who provides assistance to the regular personnel through conference, demonstration, research, or other means. There are two types of consultants; those retained on a temporary basis and those who are permanently employed.

**Contracted Services** – Labor, material, and other costs for services rendered by personnel who are not on the payroll of the local education agency.

**CRE** – Coordinated Review Effort - federal audit of child nutrition program

**Credit Rating** – A published ranking, based on detailed financial analysis by a credit bureau, of one's financial history, specifically as it relates to one's ability to meet debt obligations. The highest rating is usually AAA, and the lowest is D. Lenders use this information to decide whether to approve

**Current** – As used in this manual, the term has reference to the fiscal year in progress.

**Current Budget** – The annual budget prepared for and effective during the present fiscal year.

**Current Expenditures per Pupil** – Current expenditures for a given period of time divided by a pupil unit of measure (average daily membership, average daily attendance, etc.)

**Current Year's Tax Levy** – Taxes levied for the current fiscal period.

**DAEP** – acronym for District Alternative Education Program

**Debt** – An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants, and notes, etc.

**Debt Limit** – The maximum amount of gross or net debt which is legally permitted.

**Debt Service** – Debt Service refers to the semi-annual amount of money needed to pay the interest and principal payments on a bond issue.

**Debt Service Fund** – A fund used to account for the accumulation of resources and payment of principal and interest on all bonds.

**Defeasement** – To render null and void an agreement, commitment or obligation specified in a written document. When a bond issue is refunded and an escrow is established for the benefit of its bondholders the terms of the original indenture and obligations of the Trustee are generally said to have been defeased. The Original trust indenture is supplanted by the newly formed escrow agreement.

**Deficit** – The excess of the obligations of a fund over the fund's resources.

**Delinquent Taxes** – Taxes remaining unpaid on and after the date on which they become delinquent by statute.

**DTR** – Acronym for district tax rate.

**ELL** – English Language Learner

**Encumbrances** – Commitments related to unperformed (executory) contracts for goods or

**EOC** – Acronym for End of Course.

**ES** – Acronym for Elementary School.

**Estimated Revenue** – When the accounts are kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all to be collected during the period.

**Existing Debt Allotment (EDA)** – Sometimes referred to as Tier III funding. Granted by the 1999 Legislature guarantees \$35 per student in state and local funds for each cent of effort (up to a maximum of \$.12 per \$100 valuation) to pay the principal and interest on eligible bonds. Eligible bonds are those that require a debt service payment during the 1998-99 fiscal year.

**Expenditures** – This includes total charges incurred, whether paid or unpaid, for current expense, capital outlay, and debt service. (Transfers between funds, encumbrances, and payments of cash in settlement of liabilities already accounted as expenditures are not considered as

**Expenses** - Charges incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges which are presumed to benefit the current fiscal period. Note, legal provisions sometimes make it necessary to treat as expenses some charges whose benefits extend over future periods. For example, purchases of materials and supplies which may be used over a period of more than one year and payments for insurance which is to be in force for a period longer than one year frequently must be charged in their entirety to the appropriation of the year in which they are incurred and classified as expenses of that year even though their benefits extend also to other periods.

**First** – Financial Integrity Rating System of Texas

**Fiscal Year** – A twelve-month period of time to which the annual budget applies and at the end of which a local education agency determines its financial position and the results of its operations.

**Fixed Assets** – Land, building, machinery, furniture, and other equipment that the school district intends to hold or continue in use over a long period of time. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

**Food Service** – Those activities which have as their purpose the preparation and serving of regular and incidental meals, lunches, or snacks in connection with school activities.

**FTE** – Acronym for full-time equivalent.

**Function** – As applied to expenditures, this term has reference to an activity or service aimed at accomplishing a certain purpose or end; for example, Instruction, Instructional Administration, Plant Maintenance and Operations.

**Fund** – A sum of money or other resource set-aside for specific activities of a school district. The fund accounts constitute a complete entity and all of the financial transactions for the particular fund are recorded in them.

**Fund Accounting** – A method of accounting that separates and tracks financial transactions to meet restrictions and reporting requirements imposed by funding sources.

**Fund Balance** – The excess of assets of a fund over its liabilities and reserves. During the fiscal year prior to closing, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves, and appropriations for the period.

**GAAP** – Acronym for Generally Accepted Accounting Principles.

**GASB** – Acronym for Governmental Accounting Standards Board.

**GED** – Acronym for General Educational Development.

**General Fund** – A fund used to finance the ordinary operations of the local education agency. It is available for a legally authorized purpose and consists of money not specifically designated for some other particular purpose.

**General Obligation Bonds** – Bonds that carry a pledge of the general taxing power for the payment of debt obligations. General Obligation bonds are backed by the full faith and credit of the issuing governmental agency.

**HAACP** – Hazardous Analysis Critical Control Point

**HS** – Acronym for High School.

**IB** – Acronym for International Baccalaureate.

**Instruction** – The activities dealing directly with the teaching of students or improving the quality of teaching.

**Instructional Facilities Allotment (IFA)** – Granted by House Bill 4 in 1997, program provides a guaranteed level (\$35) of state and local funds per student per penny of tax effort applicable to debt service on eligible bonds. However, there is a limit on funding for each biennium so the District must apply for funding. The applications are ranked based on relative property wealth and funds are awarded up to the dollar limit available.

**Interest** – A fee charged a borrower for the use of money.

**Inventory** – A detailed list or record showing quantities, descriptions, values, and frequency, units of measure, and unit prices of property on hand.

**I & S** – Acronym for Interest & Sinking Fund (Debt Service Fund).

**ISD** – Acronym for Independent School District.

**LAN** – Acronym for local area network.

**LEAP** – The Learning Enrichment Academic Program is a program for students showing evidence of high performance in the area of general intellectual ability. The LEAP program identifies and serves children demonstrating giftedness revealed by learning potential tests.

**Levy** – (Verb) To impose taxes or special assessments. (Noun) The total of taxes or special assessments imposed by a governmental unit.

**Long-Term Loan** – A loan which extends for more than 5 years from the date the loan was obtained and is not secured by serial or term bonds. Such loans are not legal in Texas under the general statutes.

**Modified Accrual Basis of Accounting** – Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.

**M & O** – Acronym for Maintenance and Operations Fund (General Fund).

**MS** – Acronym for Middle School.

**NCES** – National Center for Educational Statistics

**Object** – As applied to expenditures, this term has reference to an article or service received; for example, payroll costs, purchased and contracted services, materials, and supplies.

**OMB** – Office of Management and Budget

**P & D Value** – Pan analysis tool used on assessments to analyze the reliability and validity of the tests.

**PAGE** – acronym for Parents Advocating for Gifted Education

**Payroll** – A list of individual employees entitled to pay, with the amounts due to each for personal services rendered.

**PBM** – Performance based monitoring

**Performance Measures** – The specified level of performance on a specific performance

**PEIMS** – Acronym for Public Education Information Management System.

**Personnel, Full-Time** – School employees who occupy positions the duties of which require them to be on the job on school days, throughout the school year, at least the number of hours the schools in the system are in session.

**Personnel, Part-Time** – Personnel who occupy positions, the duties of which require less than full time-service. This includes those employed full-time for part of the school year, parttime for all of the school year, and part-time for part of the school year. See also Personnel, Full-Time.

**PLAN** – A software guidance resource that helps students measure their current academic development, explore career and training options, and make plans for the remaining year of high school and post-graduation years.

**Plant Maintenance (Plant Repairs and Repairs and Replacements of Equipment)**

Those activities which are concerned with keeping the grounds, buildings, and equipment at their original condition or completeness or efficiency, either through repairs or by replacements of property (anything less than replacement of a total building).

**PO** – Acronym for Purchase Order.

**PPCD** – Preschool Programs for Children with Disabilities is available for children aged 3 through 5. Students are provided instruction in all areas of early childhood development.

**Principal of a School** – The administrative head of a school (not school district) to who has been delegated the major responsibility for the coordination and supervision of the activities of the school.

**Principal of Bonds** – The face value of bonds.

**Program** – The definition of an effort to accomplish a specific objective or objectives consistent with funds or resources available. Budgets and actual revenue and expenditure records may be maintained per program.

**Program Budget** – A budget wherein expenditures are based primarily on programs of work and secondarily on character and object. A program budget is a transitional type of budget between the traditional character and object number, on the one hand, and the performance budget on the

**Property Taxes** – The valuation of property in the School District is determined by the County Tax Assessor. The School District levies a tax per \$100 of assessed valuation.

**PSAT** – Acronym for Preliminary Standardized Achievement Tests.

**Purchase Order** – A document authorizing the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

**RADA** – Acronym for Refined Average Daily Attendance.

**Recapture** – The recovery of financial resources from districts defined by the state as high property wealth.

**Refunding Bonds** – Bonds issued to pay off bonds already outstanding.

**Reimbursement** – Cash or other assets received as a repayment of the cost of work or services performed, or of other expenditures made for or on behalf of another governmental unit or department, or for an individual, firm, or corporation.

**Reserve** – An amount set aside for a specified purpose, or an account which records a portion of the fund balance that is to be segregated for some future use and, therefore, is not available for further appropriation and expenditure.

**RPE** – acronym for Reading Proficiency Tests in English

**Salary** – The total amount regularly paid or stipulated to be paid to an individual, before deductions, for personal services rendered while on the payroll of the school district. Payments for sabbatical leave are also considered as salary.

**SAT** – Acronym for Standardized Achievement Tests.

**School** – A division of the school system consisting of a group of pupils composed of one or more teachers to give instruction of a defined type, and housed in a school plant of one or more buildings. More than one school may be housed in one school plant, as is the case when the elementary and secondary programs are housed in the same school plant.

**School, Elementary** – A school classified as elementary by State and local practice and composed of any span of grades not above grade six. In this District this term includes kindergartens and pre-kindergartens if they are under the control of the local board of education.

**School, Intermediate** – A separately organized elementary school intermediate between early elementary and middle school.

**School, Middle** – A separately organized secondary school intermediate between elementary, intermediate, and senior high school. In this District middle schools include grades six through eight.

**School, Public** – A school operated by publicly elected or appointed school officials in which the program and activities are under the control of these officials and which is supported by public

**School, Secondary** – In this handbook a secondary school comprises any span of grades beginning with the next grade following the elementary/intermediate school and ending with or below grade 12, including middle schools, the different type of high schools, and alternative high schools.

**School, Senior High** – A school offering the final years of high school work necessary for graduation; invariably preceded by a middle school in the same system.

**School, Summer** – The name applied to the school session carried on during the period between the end of the regular school term and the beginning of the next regular school term.

**SDAA** – State Developed Alternative Assessment

**SEM** – Acronym for standard error of measurement

**Student Wealth** – Assessed value of property divided by school enrollment.

**Supplemental Taxes** – Taxes levied subsequent to the initial levy to add property omitted from the original tax roll(s).

**Supply** – A material item of an expendable nature that is consumed, worn out, or deteriorated in use; or one that loses its identity through fabrication or incorporation into a different or more complex unit or substance.

**TAAS** – Acronym for Texas Assessment Academic Skills exam.

**TAKS** – Acronym for Texas Assessment and Knowledge Skills Program.

**TASPA** – Acronym for Texas Academic Skills Program.

**Taxes** – Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses and permits. It does not include special assessments.

**Tax Year** – The twelve-month reporting period for which you are filing your taxes.

**TEA** – Acronym for the Texas Education Agency.

**TEKS** – Acronym for Texas Essential Knowledge and Skills.

**TIF**– Tax Increment Fund

**TLI** – Acronym for Texas Learning Index.

**TRS** – Acronym for Teacher Retirement System.

**TSI** – Texas Success Initiative

**Unencumbered Balance of Appropriation** – That portion of an appropriation not yet expended or encumbered; the balance remaining after deducting from the appropriation the accumulated expenditures and outstanding encumbrances.

**Unexpended Balance of Appropriation** – That portion of an appropriation not yet expended; the balance remaining after deducting from the appropriation the accumulated expenditures.

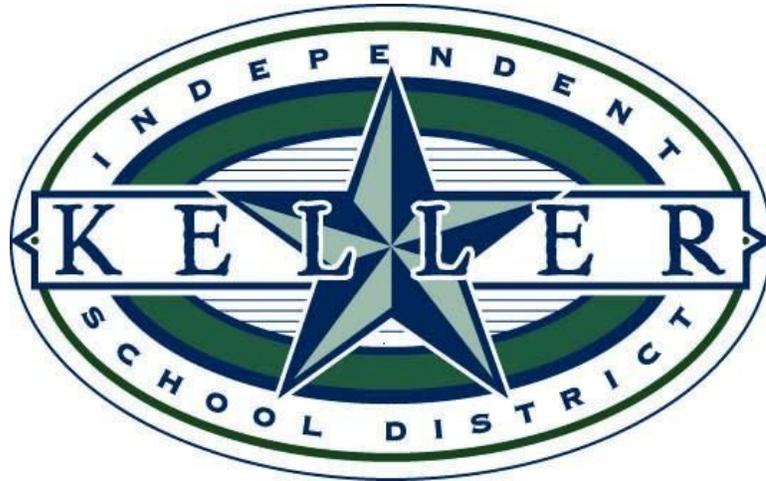
**Unit Cost** – Expenditures for a function, activity, or service divided by the total number of units for which the function, activity, or service was provided.

**USDA** – United States Department of Agriculture

**WADA** – Acronym for Weighted Average Daily Attendance. A combination of regular ADA and students enrolled in special programs such as special education and gifted & talented. A large component of state funding is based upon WADA.

**WAN** – Acronym for wide area network.

**Workers' Compensation** – Compensation provided to employees who are injured or contract an occupational disease due to their employment.



KELLER ISD  
Intentionally  Exceptional