

2013-2014 BUDGET

Keller Independent School District
350 Keller Parkway
Keller, Tarrant County, Texas 76248

Adopted August 29, 2013



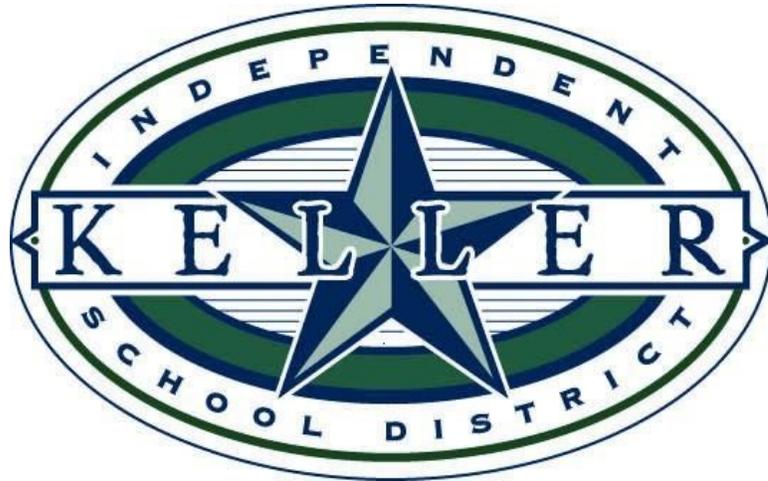
Seniors 2014

The Class with Class

REACHING OUT WITH CHARACTER AND KINDNESS

REACHING OUT WITH CHARACTER AND KINDNESS





KELLER ISD
Intentionally  Exceptional

Keller Independent School District

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

2013-14 Adopted Budget

Dr. Randy Reid
Superintendent

R. Mark Youngs
Chief Financial Officer

Effective
September 1, 2013 – August 31, 2014

Issued by:

Finance Department

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Director of Finance

Margie Rideout
Financial Data Analyst

Karen Fiscus
Budget Analyst

Debbie Adams
Senior Accountant

DeArcy Robinson
Treasury Accountant

www.kellerisd.net

Presented to:

Board of Trustees

Jim Stitt
President

Craig Allen
Vice President

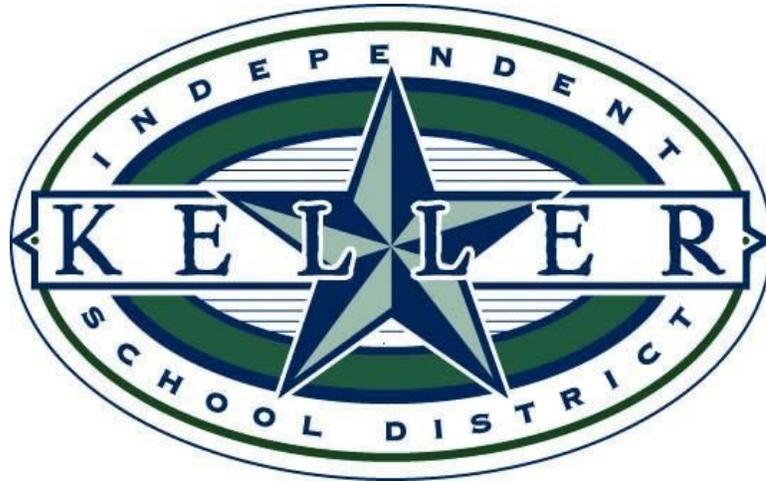
Cindy Lotton
Secretary

Ruth Keyes

Brad Schofield

Karina Davis

Vacant



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TABLE OF CONTENTS
2013-2014 BUDGET

Introductory Section.....1
Principal Officials/Administrative Officials.....3
Mission Statement and District Strategic Priorities and Goals.....4

Executive Summary.....7
 Budget Message.....7
 Budget Overview and Highlights8
 Major Initiatives and Accomplishments.....10
 General Fund17
 Debt Service Fund23
 Child Nutrition Fund.....27
 Tax Rate.....28
 Budget Process and Significant Changes29
 Key Factors and Summary.....30
 Keller ISD Enrollment (Graph)30
 The Results.....31
 Long Range Financial Forecast33

Organization Section.....35
Organization Chart.....36
Mission Statement and District Strategic Priorities/Goals.....37
Organizational Profile.....44
Financial Structure and Basis of Accounting46
Non Major Governmental Funds.....47
Classification of Revenues and Expenditures.....52
Significant Financial Policies and Procedures.....53
General Fund Historical Revenue, Expenditure and Fund Balance Level Changes56
Child Nutrition Fund Historical Revenue, Expenditure and Fund Balance Level Changes... 58
Debt Service Fund Historical Revenue, Expenditure and Fund Balance Level Changes.....60
Budget Policies and Development Procedures64
Budget Calendar67
Budget Administration and Management Process.....69

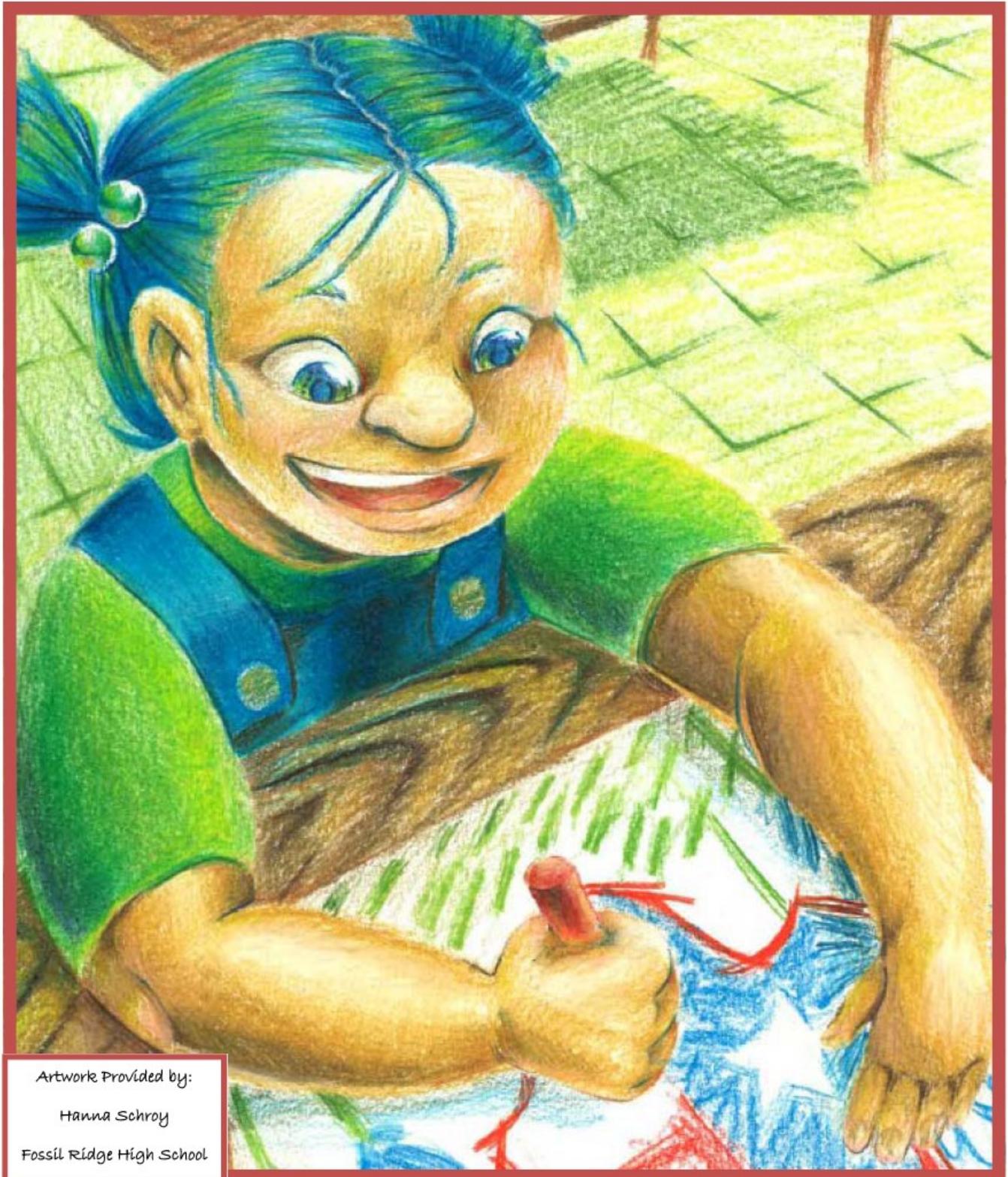
Financial Plan.....71
Combined Budget Summary - Revenues.....72
Combined Budget Summary - Expenditures73
Combined Summary of Revenue and Expenditures – General Fund, Debt Service Fund &
Child Nutrition Fund.....74
Total Tax Ranking Comparable Districts, Regional and State.....75
Comparison of Tax Rates - Last 25 Fiscal Years76

<i>General Fund</i>	77
General Fund Overview.....	79
Projection Components.....	79
Enrollment.....	81
Expenditure Summary.....	82
Impact on Fund Balance	83
Summary by Major Object and Function	84
Expenditure Summary by Object	85
Expenditure Summary by Major Object.....	87
Expenditure Summary by Major Object within Function	88
Major Object Summary by Campus	91
Five Year Summary of Revenues and Expenditures.....	92
Keller ISD Organizations	95
Organizational Listing.....	97
General Fund Budget distribution by Organization.....	98
 <i>Debt Service Fund</i>	 101
Debt Service Fund Overview.....	103
Debt Service Expenditures	103
Debt Service Revenue Source (Graph).....	104
Debt Service Fund Balance (Graph).....	105
Five Year Summary of Revenues and Expenditures	106
Debt Service Fund Bond Schedule.....	108
Debt Service Payment To General Fund Expenditures (Graph).....	110
 <i>Child Nutrition Fund</i>	 111
Child Nutrition Special Revenue Fund Overview	113
Child Nutrition Five Year Summary of Revenue Sources and Expenditures	114
Child Nutrition Revenue and Expenditure Summary by Major Object	115
Labor Costs Comparisons.....	116
Meal Program Students by Campus.....	117

<i>Informational Section</i>	119
2013-14 Locator Map	120
Directory of Schools and Facilities.....	121
2013-14 Instructional Calendar.....	122
Dates at a Glance.....	123
 <i>Long Range Financial Forecasts</i>	 125
Revenue, Expenditure and Fund Balance Forecast - General and Debt Service Funds	126
General and Debt Service Fund Projected Revenues	127
General and Debt Service Funds-Projected Expenditures Graph.....	128
Debt Service Fund Debt Retirement Schedule	129
 <i>Property Tax Information</i>	 131
Assessed and Estimated Value of Taxable Property.....	132
Comparison of Tax Rates.....	133
Property Tax on Average Residences.....	134
Top Ten Taxpayers.....	135
 <i>Personnel</i>	 137
Salary Increase.....	138
New Positions.....	138
Employee Benefits.....	139
Schedule of Payroll Expenditures by Object - General Fund	139
Schedule of General Fund Payroll Expenditures by Function - General Fund	140
Teacher Salary Schedule.....	141
Demographic Data - Last Ten Fiscal Years.....	142
Summary of Staffing - All Funds.....	143
Number of Students per Teacher.....	144
Teachers by Highest Degree Held.....	145
Teachers by Years of Experience.....	146
Average Teacher Salary by Years of Experience.....	147
 <i>Economic/Demographic Conditions</i>	 149
Employment Status.....	150
Unemployment Rates.....	150
Principal Employers.....	150
Demographics.....	151

<i>Other Information</i>	153
Enrollment Projections and Average Daily Attendance (Graphs).....	154
General Fund Expenditures, Average Daily Attendance and Per pupil Costs.....	155
Weighted Average Daily Attendance.....	156
Student Population by Grade Level.....	157
Student Ethnic Distribution.....	157
Special Population by Category.....	158
 <i>Performance Indicators</i>	 159
Attendance Rates.....	160
Dropout Rates.....	161
SAT/ACT Results.....	161
Accountability Rating	162
Administrative Cost Ratio.....	163
Schools FIRST Rating	164
 <i>Appendix</i>	 165
Classification of Revenues and Expenditures.....	166
Basic System Expenditure Code Composition.....	166
Function Titles.....	167
 <i>Glossary</i>	 171
Glossary	172

Introductory Section



Artwork Provided by:

Hanna Schroy

Fossil Ridge High School



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Keller Independent School District
Texas**

For the Fiscal Year Beginning

September 1, 2012

Christopher P. Morill

President

Jeffrey R. Egan

Executive Director

KELLER INDEPENDENT SCHOOL DISTRICT

Principal Officials

Principal Officials

Board of Trustees	Position	Year Elected	Term Expires
Jim Stitt	President	2010	2016
Craig Allen	Vice President	2008	2014
Cindy Lotton	Secretary	2004	2016
Ruthie Keyes	Member	2012	2015
Brad Schofield	Member	2012	2015
Karina Davis	Member	2013	2016
Vacant	Member		2014

Administrative Officials

Official	Position	Years of Service	
		KISD	Education
Dr. Randy Reid	Superintendent	1	34
Amanda Bigbee	General Counsel	5	5
R. Mark Youngs	Chief Financial Officer	6	12
Cecil McDaniel	Chief Administrative Officer	0	16
Vicki Burris	Assistant Superintendent, Business	3	32
Charles Carroll	Chief Academic Officer	5	22
Penny Benz	Assistant Superintendent, Human Resources	8	15
Joe Griffin	Chief Technology Officer	16	28
Amanda Barrios-Harris	Director, Assessment and Accountability	13	26
Bob DeJonge	Director, Athletics	22	33
Shellie Johnson	Director, Communications	6	6
Hudson Huff	Director, Construction and Planning	11	16
Lindsay Anderson	Director, Curriculum	10	15
Karin Mehlenkamp	Director, Early Childhood Program	15	15
Kristin Williams, C.P.A.	Director, Finance	11	11
Kimberly Blann	Director, Fine Arts	6	6
Cindy Parsons	Director, Health Services	21	24
Sheri Rich	Director, HR Benefits	8	24
Gary Mantz	Director, Human Resources	6	6
Johjania Najera	Director, Human Resources	4	20
Victoria Miles	Director, General Education Support	5	30
Mary Martin	Director, Language Acquisition	7	18
Dustin Blank	Executive Director, Leadership	8	16
Kevin Hood	Executive Director, Leadership	7	17
Cory Wilson	Executive Director, Leadership	11	15
Vacant	Director, Maintenance		
Frank DiNella	Director, Operations and Distribution	8	8
Michelle Howard-Schwind	Director, Organizational Improvement	2	20
Lori Tudor	Director, Purchasing	7	7
Kevin Kinley	Director, Safety and Security	2	2
Janette Hahn	Director, Special Education	1	27
Casey Stone	Director, Career and Technology	0	13
Chris Maggard	General Manager, Child Nutrition (Sodexo)	4	12
Dana Chandler	General Manager, Transportation (Durham)	10	20

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: EDUCATIONAL EXCELLENCE

Goal 1.1:

Address student needs through innovative educational strategies.

Goal 1.2:

Initiate and support individualized student engagement and learning.

Goal 1.3:

Align instructional processes and educational resources to meet rigorous standards.

Goal 1.4:

Utilize familiar and accessible technologies to transform the teaching/learning process.

GOAL 2: EXCELLENCE IN STUDENT, PARENT AND COMMUNITY RELATIONS

Goal 2.1:

Enhance student, parent, and community outreach opportunities.

Goal 2.2:

Implement effective communication practices throughout the district.

Goal 2.3:

Enhance relationships with students.

GOAL 3: EXCELLENCE IN OPERATIONAL PROCESSES AND SYSTEMS

Goal 3.1:

Embed mission, motive, vision, and values in all operational processes.

Goal 3.2:

Improve methods to provide exceptional customer service.

Goal 3.3:

Create a student-interactive decision making process.

Goal 3.4:

Prioritize technology funding to equalize, automate, and innovate district programs and facilities.

Goal 3.5:

Ensure all facilities are environmentally friendly.

Goal 3.6:

Ensure operational initiatives are sustainable.

GOAL 4: EMPLOYEE EXCELLENCE AND ORGANIZATIONAL IMPROVEMENT

Goal 4.1:

Employ qualified, diverse staff.

Goal 4.2:

Provide an attractive salary and benefits package for all staff.

Goal 4.3:

Create high-quality, innovative professional development plans.

Goal 4.4:

Expand initiatives to create a positive work environment.

Goal 4.5:

Develop a succession management process for all key leadership positions.

GOAL 5: EXCELLENCE IN FINANCIAL STEWARDSHIP

Goal 5.1:

Educate the public on school finance.

Goal 5.2:

Identify added measures for fiscal soundness.

Goal 5.3:

Manage fiscal resources to accommodate growth.

Goal 5.4:

Actively pursue supplemental funding.

Goal 5.5:

Maintain financial efficiency at all levels.

**EXECUTIVE SUMMARY
KELLER INDEPENDENT SCHOOL DISTRICT
FISCAL YEAR 2013-2014**

BUDGET MESSAGE

The following document represents the financial plan for the Keller Independent School District for the 2013-14 fiscal year. The development and review of the 2013-14 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. One time additional revenues received in the prior fiscal year strengthened the KISD general fund balance, allowing for partial reinstatement of some of these cuts in the 2012-13 budget. The 2013-14 budget development process focused largely on determining if any of the remaining items that had been cut could or should be reinstated, and which new programs should be funded.

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 the quality of information provided to the community regarding KISD's financial plan for educational programs and services for the 2013-14 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 2013-14 budgeted revenues are \$288,460,429 and total 2013-14 budgeted expenditures for these funds are \$300,730,538.

TOTAL REVENUES BY FUND COMPARISON

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Amount Increase (Decrease)	Percent Increase (Decrease)
199 GENERAL OPERATING	\$ 217,508,161	\$ 218,023,377	\$ 216,931,748	\$ (1,091,629)	-0.50%
240 CHILD NUTRITION	12,453,372	12,589,998	12,643,736	53,738	0.43%
511 DEBT SERVICE	56,962,355	58,612,125	58,884,945	272,820	0.47%
TOTAL	\$ 286,923,888	\$ 289,225,500	\$ 288,460,429	\$ (765,071)	-0.26%

TOTAL EXPENDITURES BY FUND COMPARISON

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Amount Increase (Decrease)	Percent Increase (Decrease)
199 GENERAL OPERATING	\$ 198,667,346	\$ 217,277,637	\$ 229,811,556	\$ 12,533,919	5.77%
240 CHILD NUTRITION	11,502,527	12,664,450	11,793,736	(870,714)	-6.88%
511 DEBT SERVICE	56,974,733	58,408,156	59,125,246	717,090	1.23%
TOTAL	\$ 267,144,606	\$ 288,350,243	\$ 300,730,538	\$ 12,380,295	4.29%

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 5.3 and 5.5)
- 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 5.5)
- Fund a compensation package that will help attract and retain qualified personnel. (District Goals 4.1 and 4.2)
- Provide the resources to ensure student success in meeting the ever-changing standards of the state’s accountability system. (District Goals 5.3)
- Provide resources to address the differing goals and needs of all students. (District Goal 5.3)

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.

During the 79th Legislature Third Called Special Session, the maintenance and operations (M&O) tax rate was reduced to 66.67 percent of the 2005-06 M&O rate as required by House Bill 1 (HB1). The district's M&O rate for 2013-14 will be compressed to \$1.00 versus the 2005-06 M&O tax rate of \$1.4336.

Districts are allowed to levy \$0.04 of additional pennies without voter approval. KISD has chosen to levy these additional four pennies which will result in a total M&O tax rate of \$1.04. The state equalizes the revenue generated from these four pennies to the Austin ISD yield. The hold harmless provision in HB1 allows the district to earn the same state and local revenue per weighted average daily attendance (WADA) as was generated in the 2006-07 year. This is called target revenue. The estimated adjusted target revenue for 2013-14 is \$4,790. Based upon projected WADA of 38,504, target revenue for KISD in 2013-14 will be \$184,434,160.

The budget process for 2013-14 was undertaken with the knowledge that state funding would increase slightly from 2012-13. Although the target reduction factor increased from .9235 in 2012-2013 to .9263 in 2013-2014, the basic allotment per student in average daily attendance increased from \$4,765 to \$4,950. Additionally, the regular program adjustment factor increased from 98% to 100%. While this increase in state funding is moderate, coupled with an increase in property taxes, the Board of Trustees decided to allow the district to reinstate a portion of the budget cuts enacted during the previous biennium. The Board of Trustees also decided the fund balance of the general fund was healthy enough to use a portion for additional reinstatements and additions that were thought to be critical to the mission of the district. The final result was that the Board of Trustees adopted a budget with a deficit of (\$11,279,808), which would be funded from the general fund balance.

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

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Project Lead The Way Certification – CHS and FRHS Banner Presentations

In June, both Central High School and Fossil Ridge High School received national certification for its *Project Lead The Way* (PLTW) programs after extensive application processes.

PLTW, a nonprofit organization and the nation's leading provider of STEM (science, technology, engineering, and mathematics) education programs, offers a rigorous world-class curriculum that allows students to apply what they are learning in math and science class to real-life engineering and technology projects.

The national PLTW recognition program distinguishes schools for successfully demonstrating a commitment to PLTW's national standards. Additionally, certification as a PLTW school provides students with the opportunity to apply for college credit or receive college-level recognition at PLTW affiliate universities when they successfully complete select PLTW courses in high school. PLTW has more than 40 affiliate college and university partners.

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 fiscal year ending August 2012. Keller ISD has received this honor for the past five 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. The Certificate of Achievement for Excellence in Financial Reporting awards program encourages and assists state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that illustrate the spirit of transparency and full disclosure.

In addition, Keller ISD was also awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials (ASBO) for its Comprehensive Annual Financial Report (CAFR) for fiscal year ending August 2012. This is the fifth consecutive year the district has received this prestigious award. 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. Its Certificate of Excellence in Financial Reporting (COE) awards program reviews the accounting practices and reporting procedures used by school districts in their Comprehensive Annual Financial Reports (CAFRs), and enhances the award winners' credibility among stakeholders.

State High School Marching Band Achievements

Keller ISD sent three bands to the State Marching Band Finals for the first time in district history. Bands from Central High, Fossil Ridge High, and Keller High competed on November 6 at the Alamodome in San Antonio after finishing in the top four at the Area Competition in October. All three bands put forth exceptional performances.

Keller High fell just short of the finals, finishing 11th in the preliminary round. Fossil Ridge High came in 27th place and Central High finished 30th. Of the 38 Class 5A bands that competed at the State competition, Keller ISD had the most bands out of any district its size.

In addition, Timber Creek High, which also had a strong showing at the Area Competition, was named as a State alternate for the first time in the school's history.

TASBO Award of Merit for Purchasing Operations with Recognized Status

Keller ISD has been honored with the Award of Merit for Purchasing Operations with Recognized Status by the Texas Association of School Business Officials (TASBO) for the 4th year in a row. This award recognizes school districts statewide that are committed to following professional standards in the acquisition of goods and services.

In determining Award of Merit designees, TASBO reviewed various procedures and practices including: organization, policies and procedures, contract operations, staff training and certification, warehousing, use of technology, communication and management of co-operative programs.

Gold Leadership Circle Award

For the 2nd 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.

American Diabetes Association District Fundraising Recognition

Keller ISD has been recognized by the American Diabetes Association for being the No. 1 fundraising district in North Texas, as well as placing among the Top Five in the nation after having raised over \$35,000 at the March 31, 2012 Walk. This outstanding effort is a direct result of the hard work and dedication of Keller High School Nurses Debbie Gregor and Debbie Hooker, along with each and every one of the KISD nurses who come together every year to help support this cause.

'National School Bus Safety Week' Art Contest Recognition – Durham School Services

Durham School Services, KISD's transportation partner, held an art contest in October in honor of 'National School Bus Safety Week.' A total of 64 students from Bear Creek Intermediate, South Keller Intermediate, and Trinity Meadows Intermediate participated in the contest. After a gallery walk that included 130 Durham employees, three winners – all of whom are from Bear Creek Intermediate School – were selected for their talented drawings. The winners will each be awarded a Visa gift card and their artwork is currently on display in the training rooms at KISD's Maintenance & Operations Facility.

KISD High School Swimming and Wrestling State Achievements

Keller High School, Timber Creek High School, and Central High School sent 31 athletes to the 2013 Class 5A State Swimming & Diving Meet in Austin on Saturday, February 23.

Keller High swimmer Laura Norman and Timber Creek High swimmer Aaron Greene both took home State Championships.

Norman collected a pair of state titles, winning both the girls 100-yard Backstroke and the 200 Individual Medley events. In the 100 Back, Norman won with a time of 55.79 seconds; while in the 200 IM, she finished the race with a 2:04.46. Greene's win in the boys 100 Back marked the first ever State Championship for the Timber Creek High School Swimming and Diving Team. He finished the race with a time of 49.27 seconds. In addition, Fossil Ridge High School, Keller High School, and Central High School sent 11 wrestlers to the 2013 Class 5A State Wrestling Meet in Austin on Saturday, February 23. FRHS wrestlers Paige Garcia and Dammion Heard both came home as State Champions in their respective divisions.

Garcia claimed the state title in the girls 215-pound division by a 6-4 decision in the championship round, leaving Garcia with a perfect 28-0 record on the season. Heard earned his state title in the boys 113-pound division with an 8-3 decision in the championship round, finishing a perfect 46-0 on the season.

John Gann – 2013 Healthy Schools Hero Inspiring Nominee Recognition

John Gann, Keller ISD's Director of Maintenance and Grounds, has been honored by the Facility Masters Achieving Excellence organization as a 2013 Healthy Schools Hero Inspiring Nominee for his leadership in playground safety.

"When John looks at a playground he evaluates all types of hazards. He doesn't like surfaces from ground up recycled tires. He uses certified clean wood chips not treated with chemicals. He is particularly attentive to equipment design so it is sized right for the specific age group. He has worked with architects to make sure platforms and other features are the appropriate height. He also knows that children will often do things on play equipment that designers don't anticipate."

The Healthy Schools Hero Program was created to mark the anniversary of the tragic March 1937 Texas School Explosion, which changed the way school districts view safety today, including chemical hazards, pest control, playground dangers, and indoor air quality. The program recognizes individuals whose extraordinary sense of responsibility and leadership is dedicated to protecting students and staff from dangerous and unhealthy school conditions.

MATHCOUNTS and TMSCA State Achievements

MATHCOUNTS

Six students from Parkwood Hill Intermediate School and Hillwood Middle School earned a place in the MATHCOUNTS State Competition, held in Austin on March 22-23. The MATHCOUNTS competition program provides the extra incentive and the perfect atmosphere for students to push themselves to achieve more in mathematics. Consisting of fun and creative problems that promote critical-thinking and problem-solving skills, the MATHCOUNTS competitions have written and oral rounds, as well as individual and team components.

TMSCA

Thirteen students from Bear Creek Intermediate School and Keller Middle School earned a place at the Texas Math and Science Coaches Association (TMSCA) State Competition in San Antonio on April 6. 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.

TMEA State Achievement

Keller ISD is proud to announce that 20 students were selected as 2012 Texas All-State Musicians by the Texas Music Educators Association (TMEA). Over 55,000 students initially entered the All-State competitive process, with only one-half of one percent actually earning a place in the All-State group. All-State performances were held in February as part of the annual TMEA Convention, where over 24,000 people from Texas and beyond attended over 290 workshops, 65 concerts and visited over 1,000 exhibit booths.

TCHS National Powerlifting Champion Recognition

Timber Creek High School Senior Heather Heath recently placed 1st at the USA Women's National Powerlifting Meet, breaking the national bench press record at 281 lbs. In addition, she was selected as one of eight members of the Women's USA World Powerlifting Team. Heather's great success this year placed her 1st at the Regional Meet, holding the bench press record at 255 lbs.; 2nd at the State Meet, holding the bench press record at 265 lbs.; and finally, 1st at the USA Texas State Powerlifting Meet, holding the bench press record at 281 lbs., as well as being named 'Outstanding Lifter of the Meet' for both men and women. Heather is coached by TCHS Math teacher and Powerlifting Coach Allen Grimes.

CTE National Achievements

High school students involved in Keller ISD's Career and Technology Education organizations have boasted a number of outstanding achievements this school year. The following students' performances in their respective State Competitions allowed them to advance to their National Leadership Competitions around the country:

BPA National Leadership Conference (May 7-11 in Orlando, FL) Keller High School

Coached by Deannise Allen-Carson.

FBLA National Leadership Conference (June 24-29 in Anaheim, CA) Central High School

Coached by Theresa Dyvig.

FCCLA National Leadership Conference (July 1-6 in Nashville, TN) Keller High School

Coached by Ashley Long.

FBLA National Leadership Conference (June 24-29 in Anaheim, CA) Timber Creek High School

Coached by Rebecca Morrow and Clarissa Marchalk.

HOSA National Leadership Conference (June 25-29 in Nashville, TN) Central High School

Coached by Kelley Kirby. 3

HOSA National Leadership Conference (June 25-29 in Nashville, TN) Fossil Ridge High School

Coached by Havery Saraber.

National Automotive Technology Competition (April 2-3 in New York, NY) Keller High School

Coached by Olin Harrison (BISD).

SkillsUSA National Leadership and Skills Conference (June 24-28 in Kansas City, KS) Fossil Ridge High School

KISD Director of Health Services named American Diabetes Association Administrator of the Year

American Diabetes Association named our Cindy Parsons the Health Services Administrator of the Year for North Texas. The award is given to school personnel who have shown continued dedication and support of the ADA mission.

Special Olympics State Achievement

Keller ISD 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 33 athletes compete in Bowling, 66 in Track and Field, and 54 in Basketball. Keller ISD advanced 48 outstanding athletes – 22 in Basketball and 26 in Track and Field – to the State Special Olympics Track Meet and Basketball Tournament hosted by the University of Texas at Arlington over Memorial Day Weekend.

Award Breakdown

1st place – Gold Medals = 29

2nd place – Silver Medals = 10

3rd place – Bronze Medals = 29

4th place ribbons = 8

5th place ribbons = 6

6th place ribbons = 1

7th place ribbons = 4

8th place ribbons = 1

Participation ribbons = 1 ***Total of 89 awards**

TASBO Certifications

Purchasing Specialist Teresa Hilario has successfully completed the requirements to earn the Certified Texas School Business Specialist (CTSBS) designation by the Texas Association of School Business Officials (TASBO).

In addition, KISD Instructional Resources Specialist Cherie Crews and KISD Staff Accountant Susie Wing have both successfully completed the requirements to earn the Certified Texas School Business Official (CTSBO) 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

GFOA Distinguished Budget Presentation Award Recognition

The Government Finance Officers Association of the United States and Canada (GFOA) recently awarded Keller ISD with the Distinguished Budget Presentation Award for the 2012-13 annual budget. This award is the highest form of recognition in governmental budgeting and represents a significant achievement by Keller ISD.

The GFOA's Distinguished Budget Presentation Award is the only national awards program in governmental budgeting. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America. Keller ISD is one of only 1,328 entities to have received this Award. In order to receive the budget award, Keller ISD had to satisfy nationally recognized guidelines for effective budget presentation.

Keller ISD has earned the Distinguished Budget Presentation Award for the past five consecutive years. GFOA promotes the professional management of governments for the public benefit by identifying and developing financial policies and best practices.

Leadership Development Academy & AP Cohort Recognition

The Keller ISD Leadership Development Academy is a selected group of campus employees aspiring to become educational leaders. This amazing group of educators engaged in a year-long professional development opportunity. Facilitated by the Leadership Function, and with cooperation from other district functions and campus principals, the LDA participated in training sessions in areas such as instructional leadership, campus management, continuous improvement, and communication.

The Keller ISD AP Cohort is a group of assistant principals and counselors who volunteered to work with the Leadership Function to create and design a district-wide anti-bullying and anti-harassment initiative, aptly named "Reaching Out with Character and Kindness," or R.O.C.K. for short. This group of individuals worked diligently to create anti-bullying reporting processes, employee/student training modules, informational brochures, and community outreach opportunities. In addition, they received support from students at SKI, KHS, HMS, TMI and TSMS, staff from multiple campuses including TMI and KHS, as well as the KISD Media Services Department.

Keller ISD is very proud of the progress the members of these two outstanding groups have made. Their dedication and commitment to leadership development has added great value to this district.

TASSP 'Outstanding Middle School Principal of the Year' Recognition

Indian Springs Middle School Principal Sandy Troudt has been selected to represent the Texas Association of Secondary School Principals (TASSP) as the 'Outstanding Middle School Principal of the Year' for Region 11.

TASSP recognizes outstanding principals and assistant principals from the twenty regional education service centers in the state.

As a Region 11 winner, Ms. Troudt is eligible to compete for the state title of Texas Principal of the Year for middle schools. School administrators are nominated and chosen by their peers within their regions. Nominations are based upon exemplary performance and outstanding leadership. Sandy Troudt, a three-year principal, has headed the leadership team at Indian Springs Middle School since 2010.

GENERAL FUND

The General Fund has a budgeted deficit of (\$11,279,808) for the 2013-14 fiscal year. Projected Budgeted Fund Balance at August 31, 2013 is approximately \$83,725,689.

REVENUES

General Fund budgeted revenues are projected to decrease by (\$1) million, or (.50%) from 2012-13 projected actual revenue. The following table provides a comparison of revenues by source for 2012-13 projected actual revenue and 2013-14 budgeted revenue.

GENERAL FUND REVENUE SOURCES COMPARISON

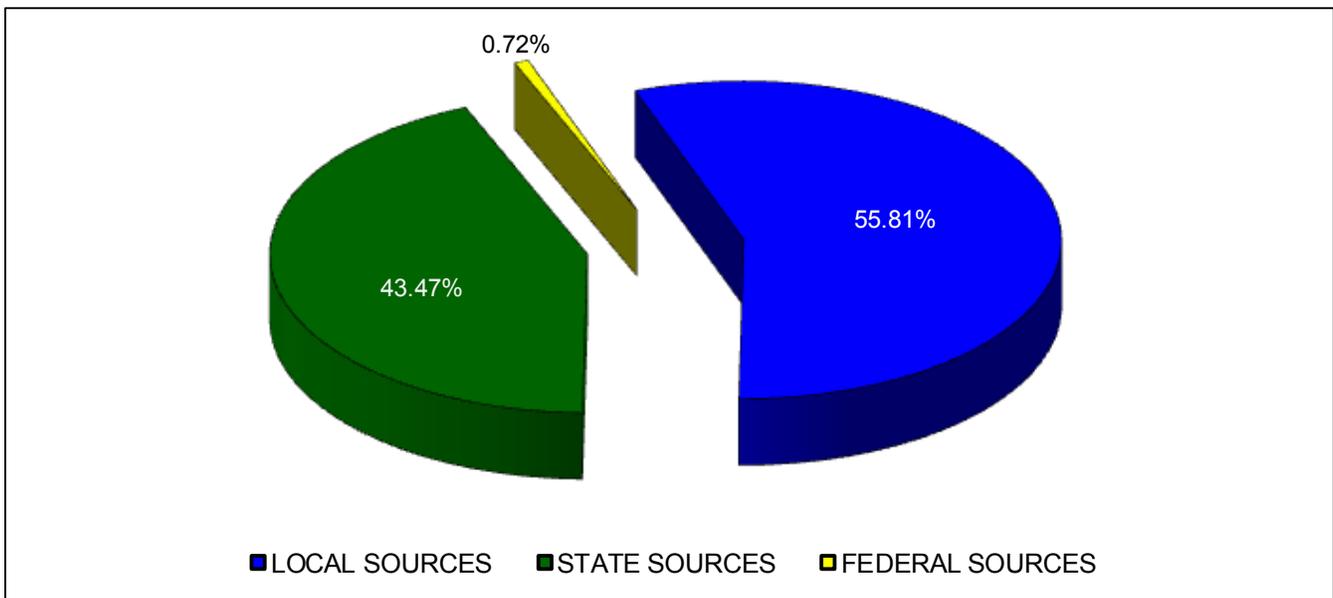
	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Amount Increase (Decrease)	Percent Increase (Decrease)
LOCAL SOURCES	\$ 122,477,457	\$ 120,995,207	\$ 121,065,141	\$ 69,934	0.06%
STATE SOURCES	94,683,993	96,412,387	94,298,607	(2,113,780)	-2.19%
FEDERAL SOURCES	346,711	615,783	1,568,000	952,217	154.64%
	\$ 217,508,161	\$ 218,023,377	\$ 216,931,748	\$ (1,091,629)	-0.50%

Budgeted local revenue for 2013-14 reflects a slight increase from the previous year, mostly due to higher property values. Budgeted state revenue in 2013-14 reflects a decrease from the previous year by (\$2) million or (2.19%). This is basically an artificial decrease, as it is caused by TRS on Behalf expenditures of \$7.3 million included in 2012-13 but not in 2013-14. Not considering TRS on Behalf, state revenues actually increased by \$5.2 million, or 6%. Revenue from federal sources is expected to increase in 2013-14 due to the district's expanded participation in the School Health And Related Services (SHARS) program.

For the 2013-14 fiscal year, approximately 43.47% of the General Fund budgeted revenue will be derived from state sources. Local funding sources are estimated at 55.81%. In 2012-13, the percentage of projected state revenue is 44.27%, while the percentage of projected local revenue is 55.50%

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

2013-2014 REVENUE BY SOURCE

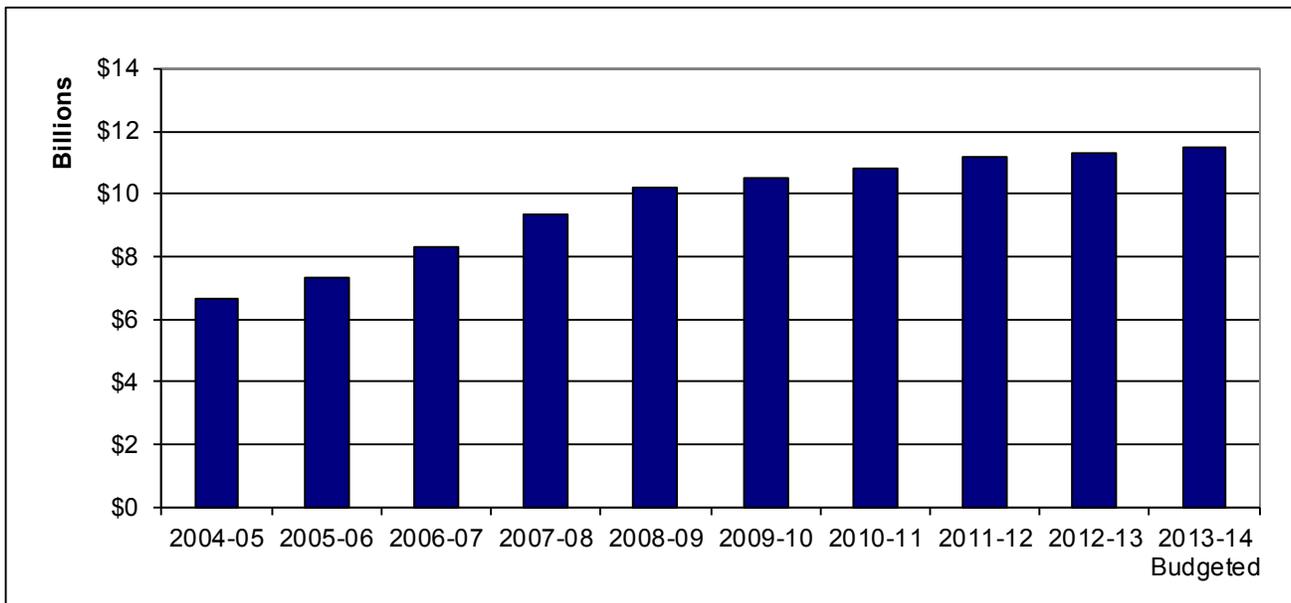


Revenue from property taxes is the district's single largest source of revenue, comprising 53.72% of the total general fund revenue budget. Property values have risen consistently since the 2004-05 fiscal year.

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

TAXABLE PROPERTY VALUES

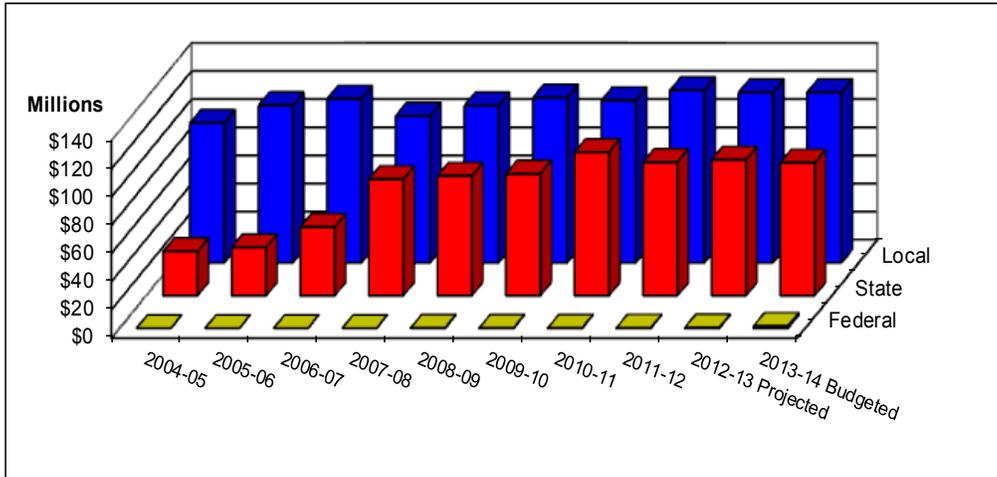
Year	Assessed or Appraised Valuation
2004-05	6,630,965,629
2005-06	7,316,146,304
2006-07	8,327,342,933
2007-08	9,320,666,258
2008-09	10,212,543,961
2009-10	10,518,985,594
2010-11	10,838,009,000
2011-12	11,200,638,123
2012-13	11,303,854,760
2013-14 Budgeted	11,507,076,315



Taxable property values increased by approximately \$203 million in 2013-14. The rate of increase in taxable property values for the 2013-14 year is 1.80%. Property value growth has been as high as 12.44% in 2004-05 and as low as .92% in 2012-13.

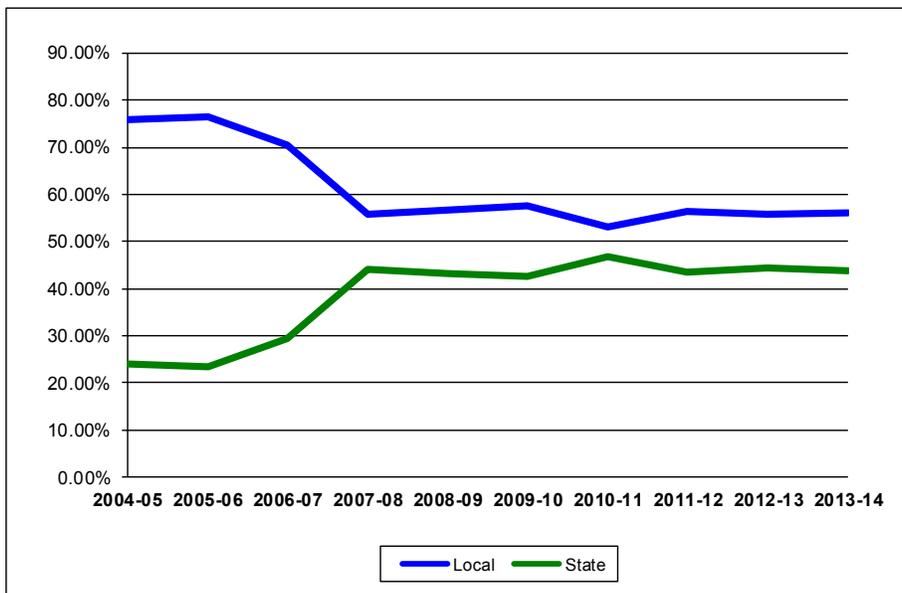
REVENUE SOURCE TRENDS

From fiscal year 2004-05 through the 2005-06, the distribution of revenue had shifted considerably from state sources to local sources. For instance, 24.07% of general fund revenue was from the state and 75.92% was from local sources in 2004-05. By 2005-06, the state portion had dropped to 23.39% and local revenue had climbed to 76.60%. Beginning with the 2007-08 fiscal year, the effect of HB1 changed the distribution dramatically. In 2012-13, state revenue climbed to 44.22% and the local share is reduced to 55.50%. For the 2013-14 budget, state revenue is 43.47% of total budgeted revenue while local revenue is budgeted at 55.81%. The percentage of total revenue by source from 2004-05 to 2013-14 is presented on the following graph.



Year	Local	State	Federal
2004-05	99,299,792	31,482,473	10,293
2005-06	111,878,807	34,166,309	1,677
2006-07	116,475,309	48,662,261	9,386
2007-08	104,365,640	82,621,118	33,815
2008-09	111,660,630	84,944,885	244,835
2009-10	117,182,293	86,473,461	238,831
2010-11	115,342,108	101,741,928	223,961
2011-12	122,477,457	94,683,993	346,711
2012-13 Projected	120,995,207	96,412,387	615,783
2013-14 Budgeted	121,065,141	94,298,607	1,568,000

PERCENTAGE OF LOCAL AND STATE REVENUES



Year	Local	State
2004-05	99,299,792	31,482,473
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	120,995,207	96,412,387
2013-14	121,065,141	94,298,607

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 \$12.5 million or 5.77% over projected actual 2012-13 expenditures.

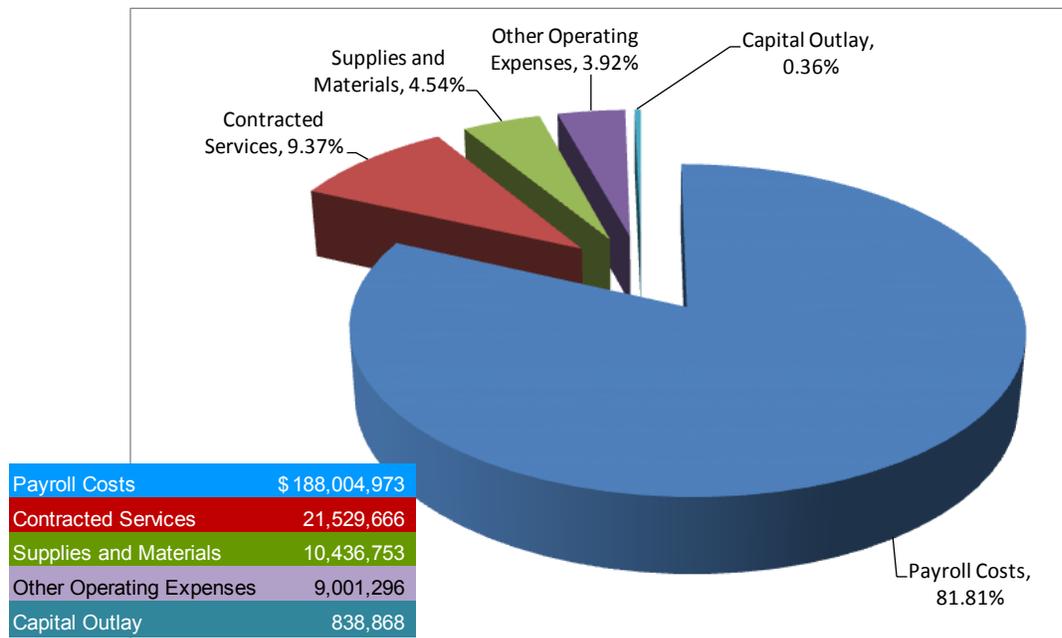
The following table provides a comparison of expenditures by major object for 2012-13 projected actual expenditures and 2013-14 budgeted expenditures.

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

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Amount Increase (Decrease)	Percent Increase (Decrease)	Percent of Total
61XX Payroll Costs	159,311,619	\$ 177,064,926	\$ 188,004,973	\$ 10,940,047	6.18%	81.81%
62XX Contracted Services	18,204,726	18,481,751	21,529,666	3,047,915	16.49%	9.37%
63XX Supplies and Materials	12,012,950	11,156,985	10,436,753	(720,232)	-6.46%	4.54%
64XX Other Operating Expenses	7,722,133	8,393,803	9,001,296	607,493	7.24%	3.92%
65XX Capital Outlay	1,415,918	2,180,172	838,868	(1,341,304)	-61.52%	0.36%
Total Expenditures	\$ 198,667,346	\$ 217,277,637	\$ 229,811,556	\$ 12,533,919	5.77%	100.00%

The chart below reflects 2013-14 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 81.81% 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. For 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. In an effort to approach market salary levels, the Board of Trustees again authorized raises in the 2013-14 budget, at 3% of midpoint and a projected cost of \$5.1 million.

The substitute budget is prepared based on past history. This budget for 2013-14 increased over 2012-13 projected actual by \$651,334.

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 decrease by approximately (\$1,283) million from prior year projected actual expenditures.

Compared to the 2012-13 projected actual expenditures, the 2013-14 budget includes budgeted increases of \$439,631 for Medicare, \$232,174 for workers' compensation, and \$27,768 for TRS.

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 2013-14, 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 2013-14. To offset a portion of the additional costs for district employees, the Board of Trustees appropriated \$1.4 million in the 2013-14 budget to assist the Health Insurance Fund.

KELLER ISD 2013-2014 BUDGET

The Contracted Services budget for 2013-14 is approximately \$3 million more than the 2012-13 projected actual expenditures. This equates to an increase of 16.49%. This increase is predominantly due to a \$1.66 million increase in expenditures for transportation services for additional shuttles for the Biligual, Pre-K and Career Technology programs, 3 camera systems for 75 buses, and the addition of 15 new bus routes.

The 2013-14 Supplies and Materials budget decreased from prior year projected actual expenditures by (6.46%), or (\$720,232). The main decreases were in the technology equipment purchases, (\$486,631), maintenance and operations supplies (\$525,216) and furniture and equipment purchases, (\$511,642).

Other Operating Expenses increased by approximately \$607,493, or 7.24% in 2013-14 from 2012-13 projected actual expenditures. This increase is attributed primarily to a \$401,888 increase in the 2013-14 Fiscal Agents Shared Services expenses, which is actually electric utility costs paid through a shared service agreement.

The Capital Outlay budget includes a (61.52%) decrease or (\$1,341,304) for 2013-14. The prior year included expenditures for \$752,613 roofing repairs completed in 2013 as well as upgrades to security systems and technology server equipment that were not included in the 2013-14 budget.

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 2012 year, Keller ISD earned five stars, the highest rating for the third consecutive year. 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. Keller ISD is one of only 15 districts in the state of Texas to receive this distinction three years in a row.

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 2.74% of the total budget, whereas instructional related expenditures represented 65.13% of the budget.

GENERAL FUND EXPENDITURES BY MAJOR FUNCTION CATEGORY						
COMPARISON TO PRIOR YEAR						
	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Amount Increase (Decrease)	Percent Increase (Decrease)	Percent of Total
10 Instruction Related	\$ 128,110,017	\$ 142,001,473	\$ 149,684,639	\$ 7,683,166	5.41%	65.13%
20 Instructional and School Leadership	14,224,237	15,573,336	16,816,930	1,243,594	7.99%	7.32%
30 Support Service-Pupil	20,983,761	22,910,650	24,121,864	1,211,214	5.29%	10.50%
40 General Administration	5,019,367	5,274,683	6,305,642	1,030,959	19.55%	2.74%
50 Support Services - Non Pupil	23,305,999	25,075,884	26,477,768	1,401,884	5.59%	11.52%
90 Intergovernmental Charges	5,144,822	4,766,337	5,603,853	837,516	17.57%	2.44%
Other	1,879,143	1,675,274	800,860	(874,414)	-52.20%	0.35%
	\$ 198,667,346	\$ 217,277,637	\$ 229,811,556	\$12,533,919	5.77%	100.00%

DEBT SERVICE FUND

The Debt Service Fund for 2013-14 is budgeted using \$240,301 of the Debt Service fund balance. Debt Service budgeted fund balance at August 31, 2014 is projected to be \$5,051,995 million.

Debt Service Fund total revenues are budgeted to increase slightly from projected actual 2012-13 revenues. The following table provides a comparison of revenues by source for the 2012-13 and the 2013-14 year.

DEBT SERVICE FUND REVENUE SOURCES COMPARISON

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Amount Increase (Decrease)	Percent Increase (Decrease)
LOCAL SOURCES	\$ 55,909,666	\$ 56,522,063	\$ 58,349,693	\$ 1,827,630	3.23%
STATE SOURCES	1,052,689	2,090,062	535,252	(1,554,810)	-74.39%
	\$ 56,962,355	\$ 58,612,125	\$ 58,884,945	\$ 272,820	0.47%

Revenues from local sources are comprised of property tax revenue and investment income. Property tax revenue represents 99.9% of total budgeted local revenue. Although the debt service tax rate remained constant at \$0.50 per \$100 valuation, property tax values increased slightly in 2013-14.

State revenue in the debt service fund is expected to decrease by approximately (74%) from 2012-13, mostly due to the elimination of the State Instructional Facilities allotment. The district expects to receive \$535,252 from the State Foundation School fund in 2013-14.

DEBT SERVICE FUND EXPENDITURES COMPARISON

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Amount Increase (Decrease)	Percent Increase (Decrease)
PRINCIPAL	\$ 12,694,742	\$ 14,508,842	23,634,769	\$ 9,125,927	62.90%
INTEREST	44,192,957	42,948,531	35,440,477	(7,508,054)	-17.48%
FEES	87,034	950,783	50,000	(900,783)	-94.74%
TOTAL	\$ 56,974,733	\$ 58,408,156	\$ 59,125,246	\$ 717,090	1.23%

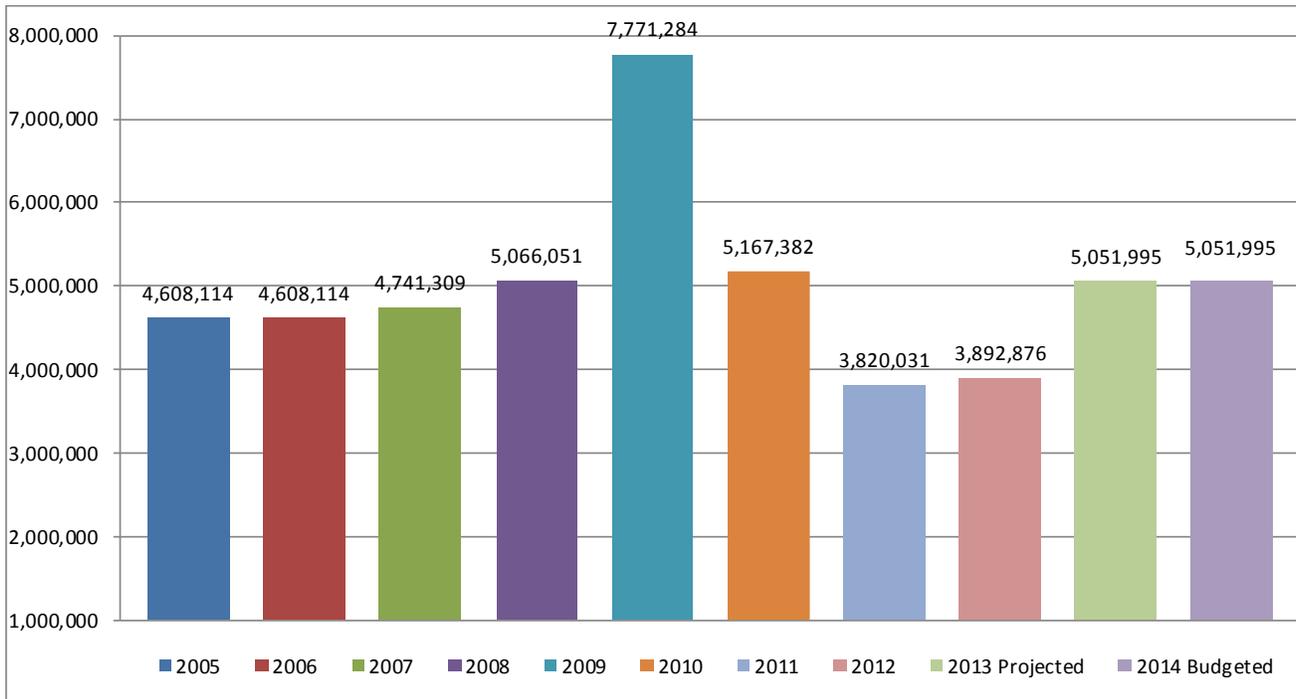
Debt Service Fund expenditures for 2013-14 are budgeted at \$59,125,246, an increase of \$ 717,090, or 1.23% greater than 2012-13 projected actual expenditures. Interest expense decreased and principal costs increased in proportionate amounts due to the effects of recent bond refundings, which resulted in an overall increase of \$1.6 million in these costs. The District's debt service tax rate is at the maximum amount allowed by law.

KELLER ISD 2013-2014 BUDGET

The following graph shows actual Debt Service Fund Balance from 8/31/05 through 8/31/12 and projected fund balances for fiscal years 2013 and 2014. The District strives to maintain a Debt Service Fund Balance of 10% of Debt Service Fund expenditures.

As of August 31, 2013, the Debt Service Fund Balance was projected to be 8.54% of 2013-14 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 September 13, 2012 the District issued \$4,339,998 in unlimited tax refunding bonds, with interest rates between 2.00% and 3.00% to advance refund \$4,340,000 of series 2005 Bonds with original maturities between 2016 and 2026 and interest rates of 5.00%. The refunding was undertaken to reduce the District's total debt service payments over the next 20 years by approximately \$835,354 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$739,035.

On February 28, 2013 the District issued \$81,080,000 in unlimited tax refunding bonds, with interest rates between 1.50% and 5.00% to advance refund \$85,165,000 of series 2005 bonds with original maturities between 2014 and 2030 and interest rates between 4.00% and 5.00%. The refunding was undertaken to reduce the District's total debt service payments over the next 20 years by approximately \$9,580,824 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$8,925,183. As part of this refunding, the District issued \$3,665,000 in unlimited tax refunding bonds to defease \$4,495,000 in bonds then outstanding. Of the \$4,495,000 in bonds originally defeased, \$830,000 remains outstanding at August 31, 2013.

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CHILD NUTRITION FUND

The following table provides a comparison of revenues by source for the 2012-13 year and the 2013-14 budget year. The Child Nutrition Fund revenue is budgeted to increase \$ 53,738 or approximately .43% more than 2012-13 projected actual revenue.

CHILD NUTRITION FUND REVENUE SOURCES COMPARISON

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Amount Increase (Decrease)	Percent Increase (Decrease)
LOCAL SOURCES	\$ 7,715,387	\$ 7,461,105	\$ 7,666,317	\$ 205,212	2.75%
STATE SOURCES	320,154	334,014	66,385	(267,629)	-80.13%
FEDERAL SOURCES	4,417,831	4,794,879	4,911,034	116,155	2.42%
TOTAL	\$ 12,453,372	\$ 12,589,998	\$ 12,643,736	\$ 53,738	0.43%

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 2013-14 are budgeted at \$11.79 million, a decrease of (\$870,714) or (6.88%) less than 2012-13 projected actual expenditures. The decrease is mostly due to kitchen construction costs during 2012-2013. The Contracted Services budget for 2013-14 minimally increased while the supplies and materials budget decreased by \$190,357 due to the purchase of one-time supplies and small wares in the 2013 fiscal year.

CHILD NUTRITION FUND EXPENDITURES BY OBJECT COMPARISON

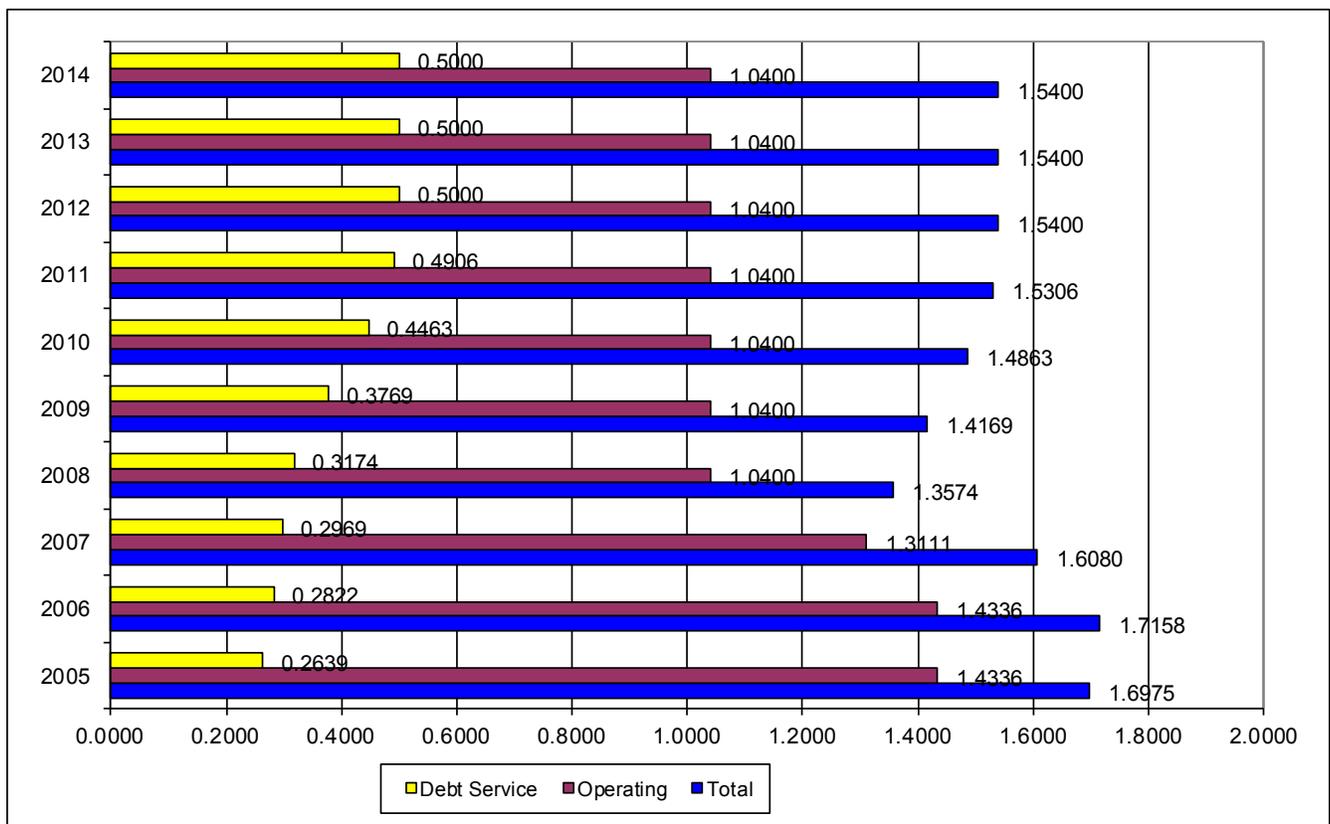
	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Amount Increase (Decrease)	Percent Increase (Decrease)
Payroll Costs	\$ 4,181,315	\$ 4,420,319	\$ 4,478,687	\$ 58,368	1.32%
Contracted Services	1,145,688	7,285,420	7,300,049	14,629	0.20%
Supplies and Materials	5,998,705	192,357	2,000	(190,357)	-98.96%
Other Operating Expenses	8,732	7,762	13,000	5,238	67.48%
Capital Outlay	168,087	758,592	-	(758,592)	-100.00%
	\$ 11,502,527	\$ 12,664,450	\$ 11,793,736	\$ (870,714)	-6.88%

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 2005-2014.

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 target revenue 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 2013-14 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 Finance Department. The Superintendent and his executive team review these requests and make recommendations to the Board for inclusion in the budget.

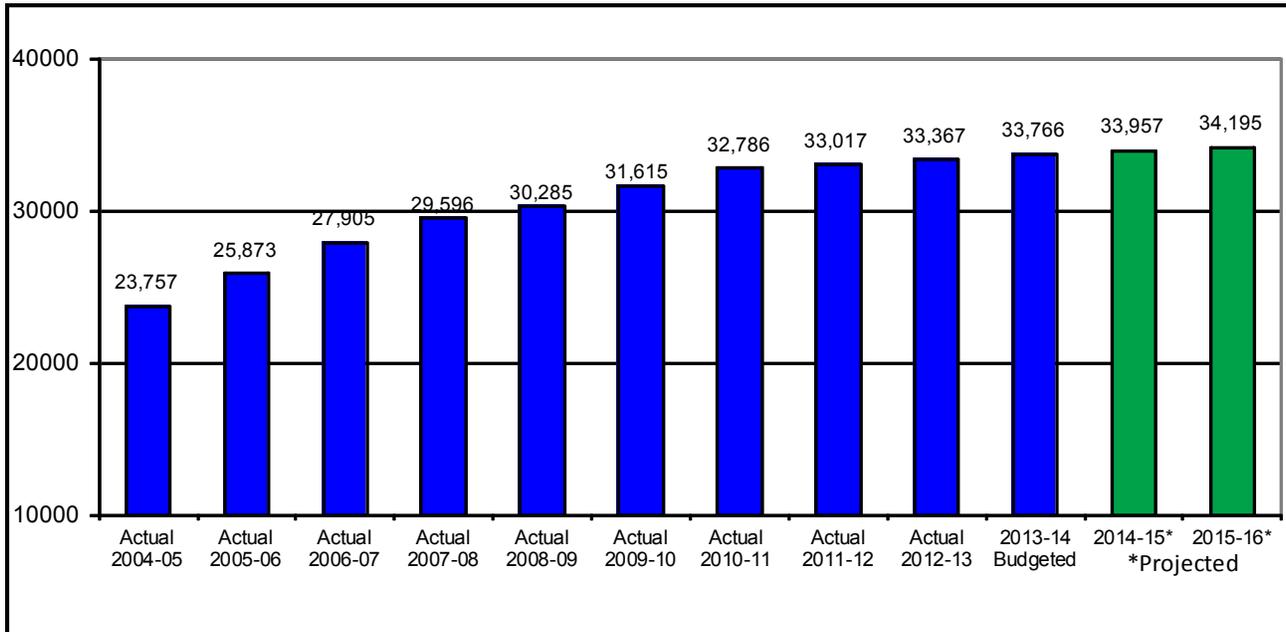
Payroll budgets are developed by applying existing and projected staff to approved payroll schedules. Positions are allocated to each campus based on projected student enrollment which follows state mandated ratios, if applicable. New positions requested are approved by the Board of Trustees prior to 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 2004. 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 2013-14 is 33,766 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. 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 2013-14 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. The District also is in the fifth year of a long-term process of continuous organizational improvement using the Baldrige model of continuous improvement and performance management. The 2013-14 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 are tested using end of course examinations.

The Texas Education Agency has developed a new accountability system based on the STAAR tests as well as other indicators. Keller ISD Met Standard for the 2013 school year.

The grade 3 through 8 STAAR test results and grade 9-10 End of Course examination results compared to the state test results are as follows:

		State	KISD
Grade 3	Reading	81%	91%
	Math	70%	79%
Grade 4	Reading	72%	85%
	Math	69%	77%
	Writing	70%	79%
Grade 5	Reading	77%	88%
	Math	74%	83%
	Science	73%	81%
Grade 6	Reading	72%	88%
	Math	74%	87%
Grade 7	Reading	78%	93%
	Math	72%	87%
	Writing	71%	88%
Grade 8	Reading	83%	93%
	Math	76%	81%
	Science	75%	86%
	Social Studies	64%	76%

	Biology	Algebra I	World Geography	English I Reading	English I Writing
State	84%	78%	75%	69%	55%
Keller ISD	95%	91%	90%	89%	77%
	Chemistry	Geometry	World History	English II Reading	English II Writing
State	84%	85%	71%	79%	92%
Keller ISD	93%	93%	84%	55%	70%
	Physics	Algebra II	US History	English III Reading	English III Writing
State	82%	97%	72%	83%	58%
Keller ISD	100%	100%	58%	75%	100%

Students in the 11th grade were tested using TAKS examinations with the following results compared to the state results for the same tests.

		State	KISD
Grade 11	English Language Arts	95%	99%
	Math	89%	95%
	Social Studies	98%	100%
	Science	95%	99%

Keller ISD SAT and ACT scores outpace the state and national average.

2013 SAT SCORES				
	Critical Reading	Writing	Math	Composite
District	517	496	531	1546
State	471	456	496	1422
Nation	491	480	503	

The District's SAT scores for 2013 were between 35-46 points higher than state scores and between 16-28 points higher than the nation for all subjects tested.

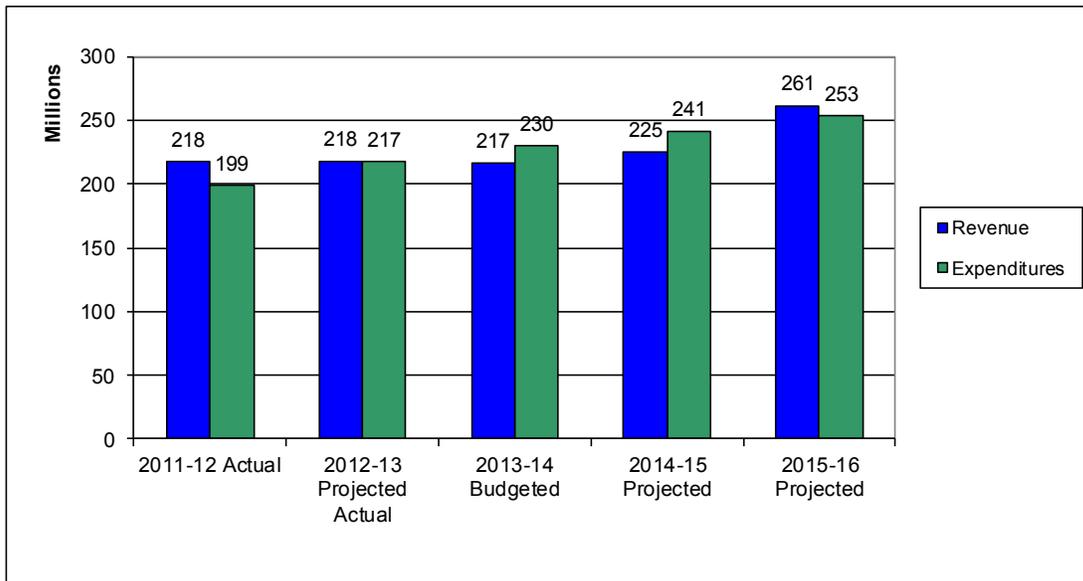
2013 ACT SCORES					
	English	Math	Reading	Science	Composite
District	22.1	23.1	23.0	22.6	22.8
State	19.8	21.5	21	20.9	20.9
Nation	20.2	20.9	21.1	20.7	20.9

The District's composite ACT score was 22.8 as compared to a state average of 20.9 and national average of 20.9.

LONG RANGE FINANCIAL FORECAST

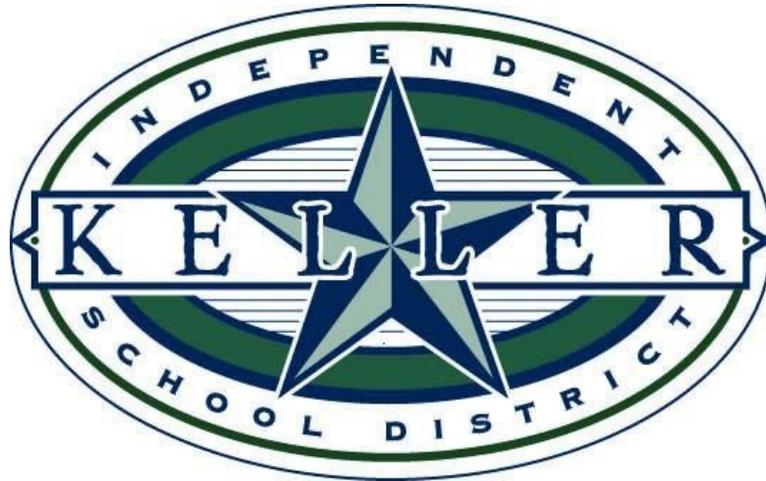
The Informational Section of this budget document contains many charts, graphs and schedules that display trends important to the development of this budget and future years' budgets. Some of these trends include enrollment trends, staffing trends, revenue and expenditure trends, taxable value and tax rate trends. Revenue and expenditure projections through the 2015-16 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



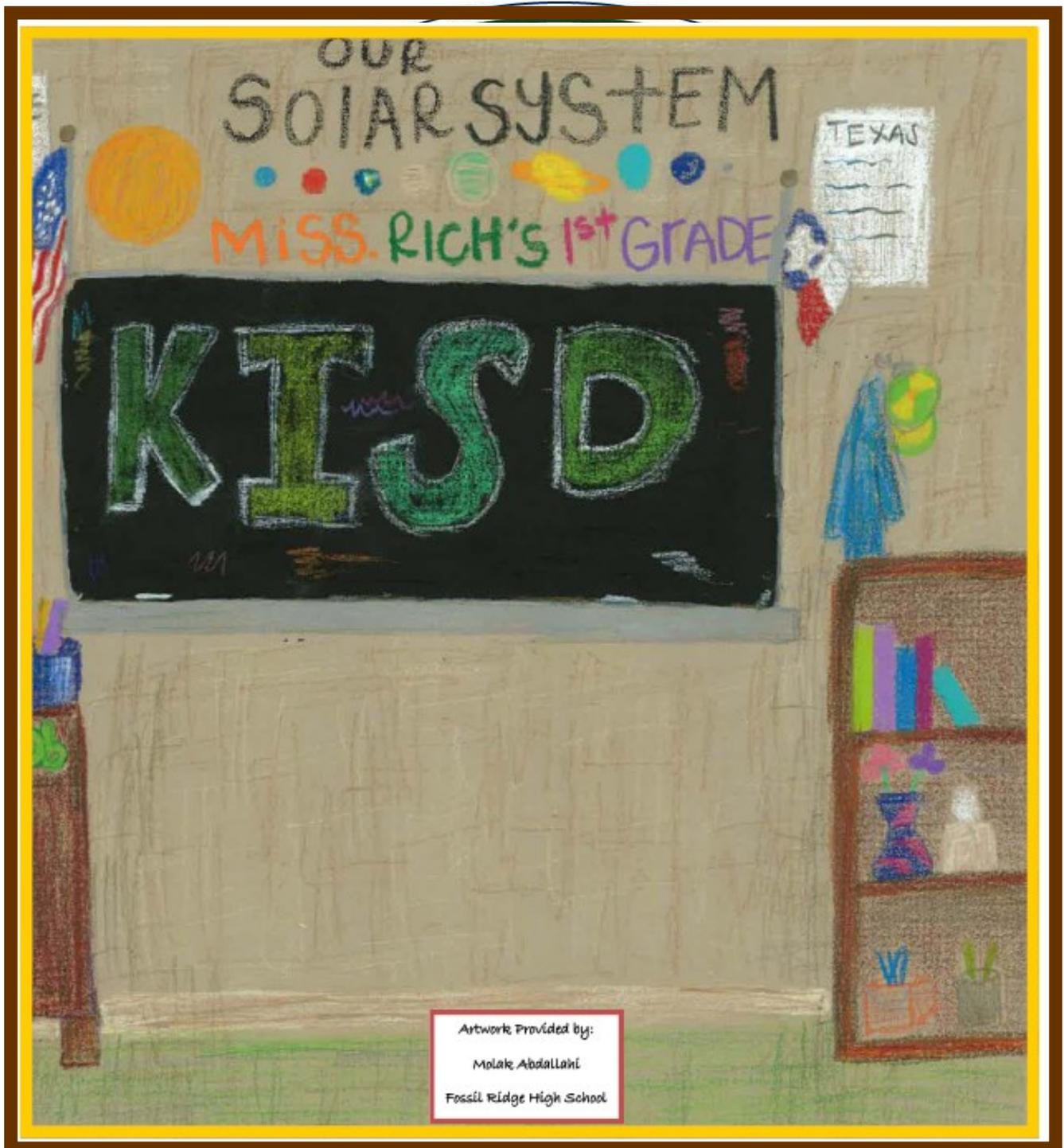
Year	Revenue	Expenditures
2011-12 Actual	217,508,161	198,667,346
2012-13 Projected Actual	218,023,377	217,277,637
2013-14 Budgeted	216,931,748	229,811,556
2014-15 Projected	224,926,830	241,302,134
2015-16 Projected	261,478,027	253,367,241

Revenue calculations for future years rely upon the 2006-07 state and local revenue per Weighted Average Daily Attendance (WADA) as specified by the State of Texas. That rate per WADA is applied to the current year's WADA to determine the target revenue for that year. The target revenue is the total state and property tax revenue for the district. Revenue growth in future years will come only from tax rate increases (which would require voter approval), enrollment growth, or a change in legislation.



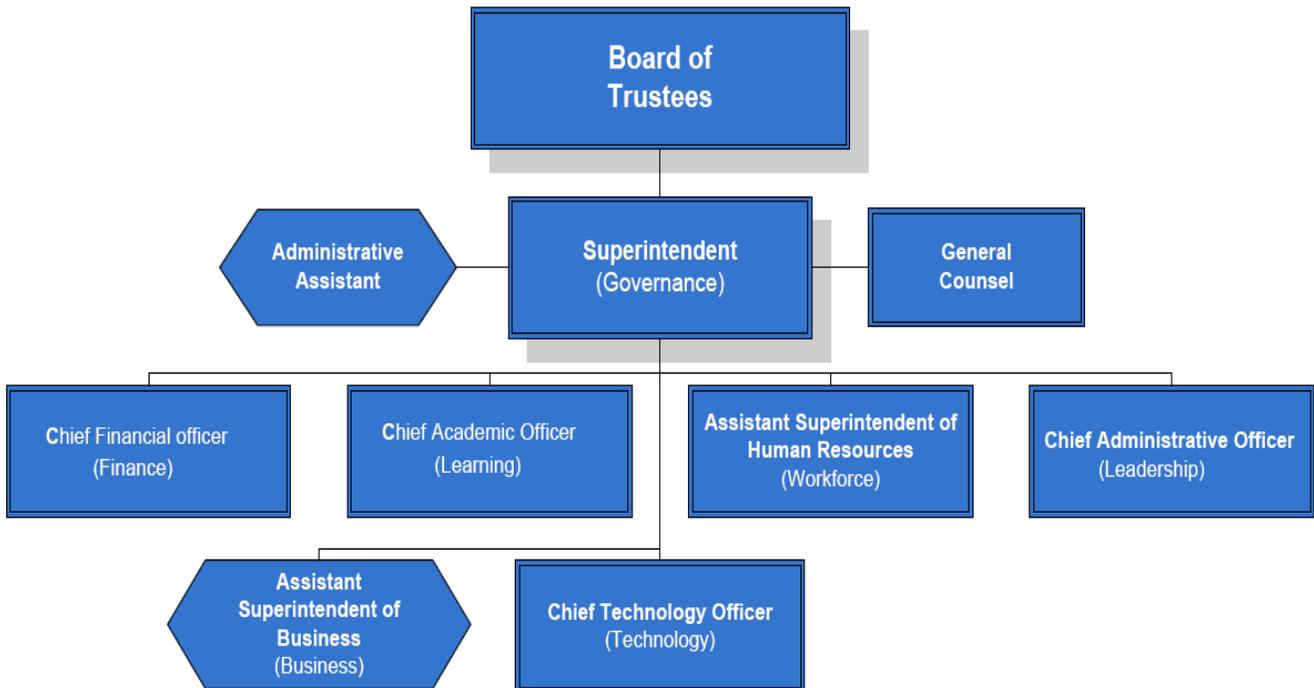
KELLER ISD
Intentionally  Exceptional

Organization Section



Artwork Provided by:
Molake Abdallahi
Fossil Ridge High School

Keller Independent School District 2013-2014 Organizational Chart



Mission Statement

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

Vision

Keller ISD – An exceptional district in which to learn, work and live.

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 : 1.1 Address student needs through innovative educational strategies.

Goal: 1.2 Initiate and support individualized student engagement and learning.

Goal: 1.3 Align instructional processes and educational resources to meet rigorous standards.

Goal: 1.4 Utilize familiar and accessible technologies to transform the teaching/learning process.

Discussion:

The District’s primary goal is to assist all students in achieving educational excellence. For 2013-14, additional priority is given to the development of innovative educational resources, increasing student engagement, aligning all instructional processes and resources and the use of technology to support innovative learning. The District will measure its success in achieving these goals through campus ratings, graduation rates and college readiness indicators in all the core subjects.

Keller ISD is dedicated to improving the achievement of all students – including those in traditionally lower-performing student groups. The following amounts are included in the general fund budget to increase already high achievement levels and to decrease the discrepancy between the high achievers and the lower performing groups.

Special Education (not including grant fund)	\$19,312,450
Compensatory Education	\$ 4,296,345
Bi-lingual/ESL	\$ 4,408,405
Non-Disciplinary Alternative Education Program	\$ 124,225
Disciplinary Alternative Education Program	\$ 536,595
Advanced Academics	\$ 1,007,264
Pre-Kindergarten	\$ 1,195,038
Pre-Kindergarten - Special Education	\$ 1,861,239
Pre-Kindergarten - Compensatory Education	\$ 14,070

Keller ISD is also committed to preparing students for successful post-secondary and job-related experiences. The Career Technology Education department strives to offer varied and relevant courses to ease the transition to the workplace. The 2013-14 budget includes \$4,761,457 for this purpose.

Goal: 2.1 Enhance student, parent and community outreach opportunities.

Goal: 2.2 Implement effective communication practices throughout the district.

Discussion:

Keller ISD considers communication to be paramount to a well-functioning and continuously improving district. This includes communications with staff, students, parents and the community. The District will measure success with its communications endeavors by surveys of stakeholders; student, parent and community feedback, electronic communications and participation in district-wide partnerships.

To assist in this effort, the district added a full-time Web Communications Specialist and a part-time Media Services Function Specialist for 2014.

Goal: 3.1 Embed mission, vision and values in all operational processes.

Goal: 3.2 Develop and improve methods to provide exceptional customer service.

Goal: 3.3 Create and improve a student interactive decision-making process.

Goal: 3.4 Automatic processes using innovative means.

Goal: 3.5 Implement quality practices to ensure safe, secure, environmentally friendly facilities.

Goal: 3.6 Implement quality practices to sustain operational initiative.

Discussion:

Keller ISD believes that we must embed our mission, vision and values in all district functions and activities and focus on those activities which the district has determined to be most important. Priorities for the District include providing the highest level of customer service, dedication to innovative technology, sustainable operational initiatives and provide clean, safe, healthy and environmentally friendly facilities.

The 2013-14 budget includes the addition of the following items to assist in the achievement of these goals:

1. \$115,600 for additional grounds keepers and \$37,600 for grounds equipment
2. \$304,366 for custodians to work and additional 77 days during the year
3. 228,384 for 10 additional custodians and \$58,923 for a custodial supervisor
4. \$700,000 for new teacher laptops (leased)
5. \$60,000 for maintenance of a Bring Your Own Device (BYOD) student network
6. \$185,000 for technology application development
7. \$105,000 for 3 additional security specialists
8. \$40,000 for 2 new security vehicles

Goal: 4.1 Employ a diverse, highly qualified staff that embraces the motto, mission, vision and values of the district.

Goal: 4.2 Provide an attractive salary and benefits package for all staff.

Goal: 4.3 Create high quality, innovative professional development plans.

Goal: 4.4 Expand initiatives to create a positive work environment.

Goal: 4.5 Develop a succession management process for all key leadership positions.

Discussion:

Keller ISD is dedicated to developing a competitive compensation plan, retaining staff (especially first year teachers) and providing a focused professional development plan for instructional staff. Promoting diversity is a major initiative as well.

The 2014 general fund payroll budget includes a 3% of mid-point pay increase for all district employees at a total cost of \$5.1 million. Also included in the budget is \$500,000 for salary adjustments based on the Texas Association of School Board's (TASB) salary survey and \$1.4 million dedicated to reducing a large increase in employee insurance premiums. Additional stipends for athletics and fine arts in the amount of \$450,000 are included as well.

Goal: 5.1 Educate the public on school finance.

Goal: 5.2 Identify added measures for fiscal soundness.

Goal: 5.3 Manage fiscal resources to accommodate growth.

Goal: 5.4 Actively pursue supplemental funding.

Goal: 5.5 Maintain financial efficiency at all levels.

Discussion:

Keller ISD is dedicated to the efficient use of all its resources in the most effective manner possible. Responsible fiscal practices are paramount. All district functions are required to develop long-range organizational plans to identify future needs. Identifying these needs early allows the district to plan for the most efficient and fiscally responsible manner of addressing those needs.

For 2013-14, emphasis is placed on educating the public on school finance, ensuring all business transactions comply with internal controls, accurate forecasting of student growth to allow for equitable distribution of funds, and the pursuit of new sources of revenue.

Funds are not specifically identified in the 2013-14 budget to accomplish these initiatives. The attainment of these goals is embedded within the daily activities and business of the district.

Campus Improvement Plan

Annually, each campus develops a Campus Improvement Plan for the academic year. The Campus Improvement Plans link to the annual District Improvement Plan. Each plan identifies the source of the identified need, and the District Strategic Priority to which it is linked. The Plans also include a description of the strategy to be used and the measurement methods.

Campus Improvement plans address areas of concern that are specific to that campus. Goals and strategies listed in the Campus Improvement Plan might include improving test scores on standardized tests, meeting the needs of various student populations, lowering the dropout rate, or increasing student attendance.

**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 33,766, which is an increase of 10,009 (or a 42% increase) in the last ten years. Besides the 39 regular schools, the district utilizes 19 portable buildings, which provide approximately 40 additional classrooms.

The district employs 3,581 teachers 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). The 2013-14 budget includes a new initiative for behavioral intervention. \$950,000 was budgeted to implement this program.

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. Another innovative program is Ready, Set, Teach. It is offered on the high school campuses to students interested in the teaching profession. Students work in elementary and middle schools to learn effective teaching methods.

These are just a few of the many classes offered by Keller ISD which afford students a head start in life after high school. As a result of collegiate partnerships, Tech Prep degree plans are in place and provide students opportunities to receive degrees in various technical fields while still in high school. Other students may earn college credit for courses taken in high school.

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 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.

KELLER ISD 2013-2014 BUDGET

Non Major Governmental Funds

The District possesses \$5,508,821 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.

		Budget
		2013-2014
211	ESEA Title I, Part A Improving Basic Program	1,619,233
224	IDEA Part B Formula	2,930,189
225	IDEA Part B Preschool	129,434
244	Vocational Education Basic Grant	212,768
255	ESEA Title II, Part A Training and Recruitment	246,741
263	Title III, Part A English Language Acquisition	208,728
385	State Supplemental Visually Impaired	22,800
397	Advanced Placement Incentives	23,745
480	Miscellaneous Local Grants	115,183
	Total	<u>\$ 5,508,821</u>

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

Non Major Governmental Funds

Descriptions and Purpose

- 204 ESEA, Title IV, Part A - Safe and Drug-Free Schools and Communities Act
This fund classification is to be used to account, on a project basis, for funds granted as a result of the NCLB Act of 2001. These funds are to be used to develop age-appropriate comprehensive violence and drug/alcohol education prevention programs.
- 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.
- 226 IDEA - Part B, Discretionary
This fund classification is to be used to account, on a project basis, for funds used to support an Education Service Center (ESC) special education component.
- 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.
- 283 IDEA - Part B, Formula- ARRA (Stimulus)
This fund classification is to be used to account, on a project basis, for funds granted to operate educational programs for children with disabilities.
- 284 IDEA - Part B, Preschool - ARRA (Stimulus)
This fund classification is to be used to account, on a project basis, for funds for preschool children with disabilities.
- 285 ESEA, Title I, Part A - Improving Basic Programs - ARRA (Stimulus)
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.
- 287 Education Jobs Fund
This fund classification is to be used to account, on a project basis, for funds granted to retain, recall, or rehire school-level employees, and to hire new school-level employees, in order to provide early childhood, elementary, or secondary educational and related services.
- 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.

Descriptions and Purpose (continued)

- 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.
- 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
This fund classification is to be used to account, on a project basis, for funds awarded to school districts under the instructional materials allotment.
- 411 Technology Allotment
This fund classification is to be used to account, on a project basis, for funds awarded to school districts to purchase technological software or equipment that contributes to student learning, or to pay for training for educational personnel involved in the used of these materials.
- 425 Teacher Induction and Mentoring Program
This fund classification is to be used to account, on a project basis, for funds granted to schools that assign mentor teachers to classroom teachers who have less than two years of teaching experience.
- 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.

Fiscal Year 2012-13							
Funding By Program	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Internal Service Fund	Child Nutrition Fund	Pupil Activity Fund
Instructional Programs							
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
Support Services							
Attendance & Social Work							
Guidance		X					
Health Services							
Psychological		X					
Improvement of Instruction		X					
Media Services							
Staff Development		X					
Board of Education							
Office of Superintendent							
School Administration							
Fiscal Services					X		
Facilities and Construction				X			
Maintenance & Operations				X			
Transportation		X					
Child Nutrition						X	
School Safety							
Staff Services							
Technology				X			
Supporting Pupil Activity							X
Total Community Services		X					
Total Debt Services	X		X				
Total Intergovernmental	X						

KELLER ISD 2013-2014 BUDGET

KELLER INDEPENDENT SCHOOL DISTRICT

Non Major Governmental Funds

Five Year Summary Expenditures

	Audited 2008-2009	Audited 2009-2010	Audited 2010-2011	Audited 2011-2012	Projected Actual 2012-2013	Projected Budget 2013-2014 *
204 ESEA, Title IV, Part A - Safe and Drug-Free Schools and Communities Act	\$ 35,212	\$ 66,104	\$ -	\$ -	\$ -	\$ -
211 ESEA, Title I, Part A - Improving Basic Program	1,107,145	1,021,208	948,724	1,001,214	1,595,030	1,619,233
224 IDEA Part B Formula	4,760,102	4,829,681	4,784,129	5,691,262	5,087,861	2,930,189
225 IDEA Part B Preschool	88,654	130,823	56,572	16,058	55,033	129,434
226 IDEA Part B Discretionary - High Cost Funds	-	-	23,762	-	-	-
244 Vocational Education Basic Grant	135,756	131,656	144,138	137,491	215,469	212,768
255 ESEA Title II, Part A Training and Recruitment	322,634	475,491	298,902	245,842	329,452	246,741
263 Title III, Part A English Language Acquisition	172,349	179,311	199,125	185,784	234,634	208,728
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	7,721	9,744	10,176	10,457	10,038	-
385 State Supplemental Visually Impaired (SSVI)	18,105	25,241	24,072	24,013	22,980	22,800
397 Advanced Placement Incentives	51,097	52,660	64,838	42,309	19,218	23,745
404 Student Success Initiative	420,120	41,791	85,569	-	62,100	-
411 Technology Allotment	846,908	847,083	894,475	190,800	-	-
425 Beginning Teacher Induction and Mentor Program	259,120	256,034	121,108	-	-	-
428 High School Allotment	2,152,000	-	-	-	-	-
429 Other Special Revenue Funds	-	3,273	349	51,125	422	-
480 Miscellaneous Local Grants	116,377	58,438	140,656	280,146	119,245	115,183
	\$ 10,493,300	\$ 10,235,601	\$ 12,352,004	\$ 12,680,645	\$ 7,751,482	\$ 5,508,821

* Final award amounts will not be available until May 2014.

Projected expenditures for 2012-13 declined significantly from 2011-12 actual expenditures, by (\$4.9) million or (39%). The major cause of this decrease was the loss of grant monies from the Education Jobs Fund, which were available to KISD in 2010-11 and 2011-12 only.

Projected budgeted expenditures for 2013-14 is (\$2.2) million or (29%) less than the 2012-13 the projected actual; however, these funds may increase by between \$1 and \$2 million when the final award amount becomes available in May, 2014.

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.

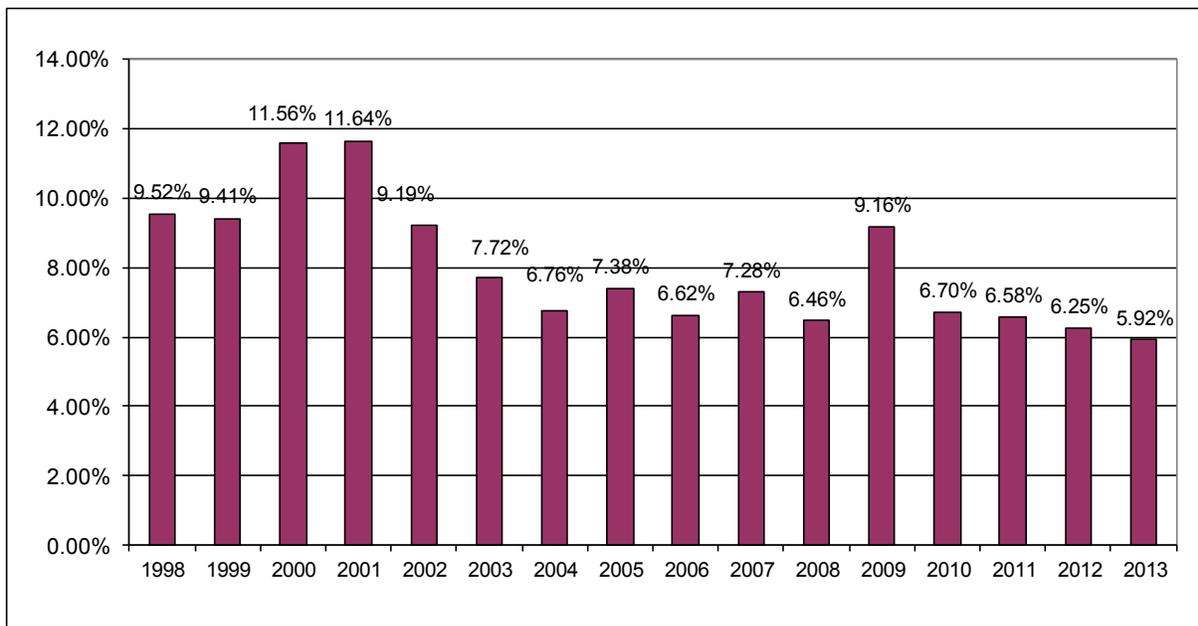
The main goal of the investment program is to ensure its safety, as well as to maximize financial returns within current market conditions in accordance with the District's investment policy. Assets of the District shall be invested in instruments whose maturities do not exceed five years from the time 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, 2013, the ratio of net bonded debt to Assessed Value for the District is anticipated to be 5.92%. 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 general fund balance at 8/31/12 was \$83 million. Optimum fund balance as defined by the state for Keller ISD would have been approximately \$43 million. After much deliberation, the Board of Trustees decided to use some of the excel fund balance to restore some of the budget cuts made in prior years and to initiate necessary new programs. The 2013-2014 General Fund budget was adopted with a deficit of (\$11,279,808).

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 2011-12 year, this amounted to \$42,951,888, while total fund balance was \$82,979,949. The committed amount represented 20% of the 2012-13 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**

	Audited 2009-2010	Audited 2010-2011	Change Amount	Percent of Change
Revenues				
Local Revenues	\$ 117,182,293	\$ 115,342,108	\$ (1,840,185)	-1.57%
State Revenues	86,473,461	101,741,928	15,268,467	17.66%
Federal Revenues	238,831	223,961	(14,870)	-6.23%
Total Revenues	203,894,585	217,307,997	13,413,412	6.58%
Expenditures				
Instruction	121,001,576	124,961,395	3,959,819	3.27%
Media Services (Library)	2,700,478	3,103,390	402,912	14.92%
Curriculum and Staff Development	2,531,915	2,239,102	(292,813)	-11.56%
Instructional Leadership	2,146,478	2,090,475	(56,003)	-2.61%
School Leadership	12,551,986	13,103,572	551,586	4.39%
Guidance,Counseling and Evaluation	7,422,910	8,014,923	592,013	7.98%
Social Work Services	263,532	278,615	15,083	5.72%
Health Services	2,105,862	2,257,066	151,204	7.18%
Student Transportation	6,128,309	6,722,015	593,706	9.69%
Co/Extracurricular Activities	6,182,009	6,689,486	507,477	8.21%
General Administration	5,168,217	5,382,277	214,060	4.14%
Facility Maintenance and Operations	18,752,294	19,274,555	522,261	2.79%
Security and Monitoring Services	1,128,207	1,449,958	321,751	28.52%
Data Processing Services	1,852,169	3,675,083	1,822,914	98.42%
Community Services	740,922	700,459	(40,463)	-5.46%
Facility Acquisition and Construction	1,525,798	472,775	(1,053,023)	-69.01%
Shared Services Arrangements	3,945,201	3,329,680	(615,521)	-15.60%
Juvenile Justice Alternative Education	-	-	-	0.00%
Tax Increment Fund (TIF)	1,925,666	1,750,904	(174,762)	-9.08%
Total Expenditures	198,073,529	205,495,730	7,422,201	3.75%
Excess (Deficiencies) Revenues over Expenditures	5,821,056	11,812,267	5,991,211	102.92%
Total Other Financial Resources (Uses)	-	-	-	0.00%
Excess (Deficiencies) of Revenue and Other Financial Resources Over Expenditures and Other Financial Uses	5,821,056	11,812,267	5,991,211	102.92%
Fund Balance, beginning, 9/1	46,505,811	52,326,867	5,821,056	12.52%
Fund Balance, ending, 8/31	\$ 52,326,867	\$ 64,139,134	\$ 11,812,267	22.57%

KELLER ISD 2013-2014 BUDGET

Audited 2011-2012	Change Amount	Percent of Change	Projected Actual 2012-2013	Change Amount	Percent of Change	Adopted Budget 2013-2014	Change Amount	Percent of Change
\$ 122,477,457	\$ 7,135,349	6.19%	\$ 120,995,207	\$ (1,482,250)	-1.21%	\$ 121,065,141	\$ 69,934	0.06%
94,683,993	(7,057,935)	-6.94%	96,412,387	1,728,394	1.83%	94,298,607	(2,113,780)	-2.19%
346,711	122,750	54.81%	615,783	269,072	77.61%	1,568,000	952,217	154.64%
217,508,161	200,164	0.09%	218,023,377	515,216	0.24%	216,931,748	(1,091,629)	-0.50%
124,322,850	(638,545)	-0.51%	137,172,391	12,849,541	10.34%	142,979,325	5,806,934	4.23%
2,042,530	(1,060,860)	-34.18%	3,003,070	960,540	47.03%	3,332,694	329,624	10.98%
1,744,637	(494,465)	-22.08%	1,826,012	81,375	4.66%	3,372,620	1,546,608	84.70%
1,749,503	(340,972)	-16.31%	1,969,934	220,431	12.60%	2,502,444	532,510	27.03%
12,474,734	(628,838)	-4.80%	13,603,402	1,128,668	9.05%	14,314,486	711,084	5.23%
7,365,218	(649,705)	-8.11%	7,488,505	123,287	1.67%	7,580,222	91,717	1.22%
155,656	(122,959)	-44.13%	202,974	47,318	30.40%	241,086	38,112	18.78%
2,282,194	25,128	1.11%	2,657,883	375,689	16.46%	2,759,844	101,961	3.84%
5,327,277	(1,394,738)	-20.75%	5,684,674	357,397	6.71%	6,709,906	1,025,232	18.04%
5,853,416	(836,070)	-12.50%	6,876,614	1,023,198	17.48%	6,830,806	(45,808)	-0.67%
5,019,367	(362,910)	-6.74%	5,274,683	255,316	5.09%	6,305,642	1,030,959	19.55%
17,671,549	(1,603,006)	-8.32%	19,154,673	1,483,124	8.39%	20,251,005	1,096,332	5.72%
1,046,033	(403,925)	-27.86%	1,573,177	527,144	50.39%	2,084,363	511,186	32.49%
4,588,417	913,334	24.85%	4,348,034	(240,383)	-5.24%	4,142,400	(205,634)	-4.73%
562,344	(138,115)	-19.72%	660,110	97,766	17.39%	671,360	11,250	1.70%
1,316,799	844,024	178.53%	1,015,164	(301,635)	-22.91%	129,500	(885,664)	-87.24%
3,410,020	80,340	2.41%	2,793,150	(616,870)	-18.09%	3,435,038	641,888	22.98%
2,375	2,375	100.00%	-	(2,375)	100.00%	2,307	2,307	100.00%
1,732,427	(18,477)	-1.06%	1,973,187	240,760	13.90%	2,166,508	193,321	9.80%
198,667,346	(6,828,384)	-3.32%	217,277,637	18,610,291	9.37%	229,811,556	12,533,919	5.77%
18,840,815	7,028,548	59.50%	745,740	(18,095,075)	-96.04%	(12,879,808)	(13,625,548)	-1827.12%
-	-	0.00%	-	-	0.00%	1,600,000	1,600,000	0.00%
18,840,815	7,028,548	59.50%	745,740	(18,095,075)	-96.04%	(11,279,808)	(12,025,548)	-1612.57%
64,139,134	11,812,267	22.57%	82,979,949	18,840,815	29.37%	83,725,689	745,740	0.90%
\$ 82,979,949	\$ 18,840,815	29.37%	\$ 83,725,689	\$ 745,740	0.90%	\$ 72,445,881	\$ (11,279,808)	-13.47%

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

	Audited 2009-2010	Audited 2010-2011	Change Amount	Percent of change
Revenues				
Local sources	\$ 7,468,930	\$ 7,839,256	\$ 370,326	4.96%
State sources	326,702	350,514	\$ 23,812	7.29%
Federal sources	3,500,740	4,103,338	\$ 602,598	17.21%
Total Revenues	11,296,372	12,293,108	996,736	8.82%
Expenditures				
Food Services	10,601,047	10,892,691	291,644	2.75%
Total Expenditures	10,601,047	10,892,691	291,644	2.75%
Fund Balance beginning, 9/1	1,717,582	2,412,907	695,325	40.48%
Fund Balance ending, 8/31	\$ 2,412,907	\$ 3,813,324	\$ 1,400,417	58.04%

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 2012-13 projected budgeted fund balance for the Child Nutrition fund is approximately \$4.7 million. Three months of average Child Nutrition expenditures would be \$3.5 million, based on 2013-14 budgeted expenditures.

KELLER ISD 2013-2014 BUDGET

Audited 2011-2012	Change Amount	Percent of change	Projected			Adopted		
			Actual 2012-2013	Change Amount	Percent of change	Budget 2013-2014	Change Amount	Percent of change
\$7,715,387	\$ (123,869)	-1.58%	\$7,461,105	\$ (254,282)	-3.30%	\$7,666,317	\$ 205,212	2.75%
320,154	(30,360)	-8.66%	334,014	13,860	4.33%	66,385	(267,629)	-80.13%
4,417,831	314,493	7.66%	4,794,879	377,048	8.53%	4,911,034	116,155	2.42%
12,453,372	160,264	1.30%	12,589,998	136,626	1.10%	12,643,736	53,738	0.43%
11,502,527	609,836	5.60%	12,664,450	1,161,923	10.10%	11,793,736	(870,714)	-6.88%
11,502,527	609,836	5.60%	12,664,450	1,161,923	10.10%	11,793,736	(870,714)	-6.88%
3,813,324	1,400,417	58.04%	4,764,169	950,845	24.93%	4,689,717	(74,452)	-1.56%
\$4,764,169	\$ 950,845	24.93%	\$4,689,717	\$ (74,452)	-1.56%	\$5,539,717	\$ 850,000	18.12%

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

	Audited 2009-10	Audited 2010-11	Change Amount	Percent of Change
Revenue				
Local Sources	\$ 48,779,858	\$ 53,214,975	\$ 4,435,117	9.09%
State Sources	261,674	638,097	376,423	143.85%
Total Revenues	49,041,532	53,853,072	4,811,540	9.81%
Expenditures				
Debt Service	52,109,811	58,371,826	6,262,015	12.02%
Total Expenditures	52,109,811	58,371,826	6,262,015	12.02%
Other Financing Resources (Uses)				
Other Resources	31,969,812	9,975,449	(21,994,363)	-68.80%
Other Uses	(31,505,435)	9,804,046	41,309,481	-131.12%
Total Other Financing Resources (Uses)	464,377	19,779,495	19,315,118	4159.36%
Beginning Fund Balance, 9/1	7,771,284	5,167,382	(2,603,902)	-33.51%
Ending Fund Balance, 8/31	\$ 5,167,382	\$ 3,820,031	\$ (1,347,351)	-26.07%

The District is working towards a Debt Service Fund balance of 10% of Debt Service Fund expenditures. Budgeted Fund Balance at August 31, 2014 is projected to be approximately \$5 million, or 8.54% of 2013-14 Debt Service Fund expenditures.

KELLER ISD 2013-2014 BUDGET

Audited 2011-12	Change Amount	Percent of Change	Projected Actual 2012-13	Change Amount	Percent of Change	Adopted Budget 2013-14	Change Amount	Percent of Change
\$ 55,909,665	\$ 2,694,690	5.06%	\$ 56,522,063	\$ 612,398	1.10%	\$ 58,349,693	\$ 1,827,630	3.23%
1,052,689	414,592	64.97%	2,090,062	1,037,373	98.55%	535,252	(1,554,810)	-74.39%
56,962,354	3,109,282	5.77%	58,612,125	1,649,771	2.90%	58,884,945	272,820	0.47%
56,974,733	(1,397,093)	-2.39%	58,408,156	1,433,423	2.52%	59,125,246	717,090	1.23%
56,974,733	(1,397,093)	-2.39%	58,408,156	1,433,423	2.52%	59,125,246	717,090	1.23%
2,910,974	(7,064,475)	-70.82%	100,689,802	97,778,828	3358.97%	240,301	(100,449,501)	-99.76%
(2,825,750)	(12,629,796)	-128.82%	(99,734,652)	(96,908,902)	3429.49%	-	99,734,652	-100.00%
85,224	(19,694,271)	-99.57%	955,150	869,926	1020.75%	240,301	(714,849)	-74.84%
3,820,031	(1,347,351)	-26.07%	3,892,876	72,845	1.91%	5,051,995	1,159,119	29.78%
\$ 3,892,876	\$ 72,845	1.91%	\$ 5,051,995	\$ 1,159,119	29.78%	\$ 5,051,995	\$ -	0.00%

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 two years. 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 92 vehicles and 28 trailers, and 19 district owned portable buildings, as well as all permanent campus structures and facilities. Property is insured up to a maximum loss amount of approximately \$850 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 \$198,750 for the 403(b) plan and \$10,500 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 have the option to extend the contract for a period of two additional two year terms through August 2019. The district will be required to go out for bid for the two years beginning September 1, 2019.

Banking fees for the 2013-14 fiscal year will be approximately \$ 4,000 less than the previous year due to the September and October 2013 fees being waived as an incentive offering.

The district's primary investment pools, LOGIC, TexPool, and TexSTAR, earned averages of 0.153%, 0.0437%, and 0.0474% respectively in the month of August 2013. The total KISD investment portfolio yield (excluding cash in bank) from September 2012 through August 2013 was 0.1227%.

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 budget process begins with the development of the Long-Range Plan that is presented to the Board of Trustees. The enrollment projections contained in this plan form the basis for significant budgetary decisions including per pupil allotments to each campus, instructional staffing allocations, and other required service levels. Once the Long-Range Plan is presented, the Board of Trustees can begin discussions concerning budget strategies and priorities, and establish the budget calendar.

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 81.81% of the 2013-14 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.

For the 2013-14 budget, the district implemented a modified form of Zero Based Budgeting. Every year 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 Leadership function (including Leadership, Fine Arts, Athletics, Safety and Security and Health Services) and Timber Creek High School and Fossil Hill Middle schools prepared Zero Based budgets for the 2013-14 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 2012-13 requiring on-going general funds for operation or maintenance.

**KELLER ISD
2013-2014 Budget Calendar**

- March – Revise and update Budget Chart of Accounts
- March 28 – Approved Staffing Projections from HR
- March 28 – Work calendars received from HR
- March 28 – Requests for additional budget considerations to Chief Financial Officer
- April 8 – Initialization of Budget Preparation System
- April 12 – Establish campus and department allotments
- April 12 - Send description of budget process to campuses and departments.
- April 19 – Salary/Min-Mid-Max schedules from HR.
- April 19 – Determination of any salary increases and step increases by HR/Finance.
- April 20 - Initial reconciliation of Finance Position Control to Human Resources Position Control complete. Ongoing until June 15.
- April 23 – Completion date of data entry by Finance of all budgets. Send to campuses and departments for review and any changes.
- April 23 – Complete Zero Based Budgeting tools for selected campuses and departments. Orientation meeting for those campuses and departments.
- April 23– Initialization of Personnel Budgeting
- April 30 – HR Position Control updated for all staffing projections (allocation additions and deletions)
- 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 stipends to be budgeted received from HR
- April 26 – Receive Certified estimated property values from the Tarrant County Appraisal District.
- May 6 – Initial calculation of salary and benefits
- May 8 – Campuses and departments return to Finance all requested changes to their budgets. Zero Based Budgets to Finance for initial review.

**KELLER ISD
2013-2014 Budget Calendar (continued)**

- May 10 – All manual payroll projections completed by Finance (TRS Stat Min, subs, stipends, longevity, etc)
- May 10 – List of federally funded positions from Workforce/Learning functions
- May 22 – All requested changes to budgets completed by Finance.
- May 16 – Citizen Budget Committee Meeting
- May 22 – All requested changes to budgets completed by Finance.
- May 31 - Preliminary total budget projections.
- June 15 – Receive second round of preliminary valuations given by Tarrant County Appraisal District.
- June 21 – Recalculate effects of updated property values
- June 30 – All Personnel Budgeting must be finalized prior to Payroll new year rollover.
- July 13 – Certification of anticipated collection rate by tax collector
- July 18 - Citizen Budget Committee Meeting
- July 25 – Receive certified appraisal roll from Tarrant County Appraisal District for final calculation of revenue.
- July 25 – Refine budget with certified appraisal roll from TAD and compute rollback tax rate.
- July 29 –Budget Workshop
- August 15 – “NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE” published in paper
- August 20 - Citizen Budget Committee Meeting
- August 29 – 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. If the board waits to adopt the tax rate, continue with the next step. Budget must be adopted by August 31.
- September 12 – Regular Board Meeting – meeting to adopt tax rate if not adopted in August. School district must adopt tax rate by September 30, or within 60 days of receiving the certified appraisal roll.

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.

Financial Plan



Artwork Provided by:

Sierra

Timber Creek High School

KELLER ISD 2013-2014 BUDGET

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

2013-2014

GENERAL FUND, DEBT SERVICE FUND, AND CHILD NUTRITION FUND

Local Revenues	General Fund	Debt Service	Child Nutrition	Memo Total
5711 Current Taxes	\$ 115,113,614	\$ 57,949,693	\$ -	\$ 173,063,307
5719 Delinquent Taxes and Penalties/Interest	1,424,800	370,000	-	1,794,800
5739 Tuition and Fees	107,000	-	-	107,000
5742 Investment Earnings	325,000	30,000	-	355,000
5743 Facility Rental	562,952	-	-	562,952
5749 Other Revenue from Local Sources	3,030,275	-	-	3,030,275
5751 Cafeteria Sales	-	-	7,666,317	7,666,317
5752 Athletic Activities	501,500	-	-	501,500
Total Local Revenues	121,065,141	58,349,693	7,666,317	187,081,151
State Revenues				
5759 SALE OF KISD LOGO	-	-	-	-
5811 Per Capita Apportionment	8,875,392	-	-	8,875,392
5812 Foundation School Fund	85,423,215	-	-	85,423,215
5829 State Revenue - TEA	-	535,252	-	535,252
5829 TEA State Matching Funds	-	-	66,385	66,385
Total State Revenues	94,298,607	535,252	66,385	94,900,244
Federal Revenues				
5831 TRS On-Behalf	-	-	-	-
5921 Breakfast Sales	-	-	586,223	586,223
5922 Lunch Sales	-	-	3,615,411	3,615,411
5923 Value of Donated Commodities	-	-	709,400	709,400
5929 Federal Revenue Distributed by TEA	268,000	-	-	268,000
5932 Federal Revenue Distributed by Other Agencies	1,300,000	-	-	1,300,000
Total Federal Revenues	1,568,000	-	4,911,034	6,479,034
Total Revenues	\$ 216,931,748	\$ 58,884,945	\$ 12,643,736	\$ 288,460,429

KELLER ISD 2013-2014 BUDGET

**KELLER INDEPENDENT SCHOOL DISTRICT
COMBINED BUDGET SUMMARY-EXPENDITURES
2013-2014**

GENERAL FUND, DEBT SERVICE FUND, AND CHILD NUTRITION FUND

Expenditures	General Fund	Debt Service	Child Nutrition	Memo Total
11 Instruction	\$ 142,979,325	\$ -	\$ -	\$ 142,979,325
12 Media Services (Library)	3,332,694	-	-	3,332,694
13 Curriculum and Staff Development	3,372,620	-	-	3,372,620
21 Instructional Leadership	2,502,444	-	-	2,502,444
23 School Leadership	14,314,486	-	-	14,314,486
31 Guidance,Counseling and Evaluation	7,580,222	-	-	7,580,222
32 Social Work Services	241,086	-	-	241,086
33 Health Services	2,759,844	-	-	2,759,844
34 Student Transportation	6,709,906	-	-	6,709,906
35 Food Services	-	-	11,793,736	11,793,736
36 Co/Extracurricular Activities	6,830,806	-	-	6,830,806
41 General Administration	6,305,642	-	-	6,305,642
51 Facility Maintenance and Operations	20,251,005	-	-	20,251,005
52 Security and Monitoring Services	2,084,363	-	-	2,084,363
53 Data Processing Services	4,142,400	-	-	4,142,400
61 Community Services	671,360	-	-	671,360
71 Debt Service	-	59,125,246	-	59,125,246
81 Facility Acquisition and Construction	129,500	-	-	129,500
93 Shared Services Arrangements	3,435,038	-	-	3,435,038
95 Juvenile Justice Alternative Education Programs	2,307	-	-	2,307
97 Tax Increment Fund (TIF)	2,166,508	-	-	2,166,508
Total Expenditures	229,811,556	59,125,246	11,793,736	300,730,538
Other Financial Resources (Uses)				
Other Resources	1,600,000	240,301	-	1,840,301
Other Uses	-	-	-	-
Total Other Financing Resources (Uses)	1,600,000	240,301	-	1,840,301
Excess (Deficiency) of Revenues and Financial Resources Over (Under) Expenditures and Other Financial Uses	(11,279,808)	-	850,000	(10,429,808)
Fund Balance (Deficit), 08/31/13 - Projected	83,725,689	5,051,995	4,689,712	93,467,396
Fund Balance (Deficit), 08/31/14 - budgeted	\$ 72,445,881	\$ 5,051,995	\$ 5,539,712	\$ 83,037,588

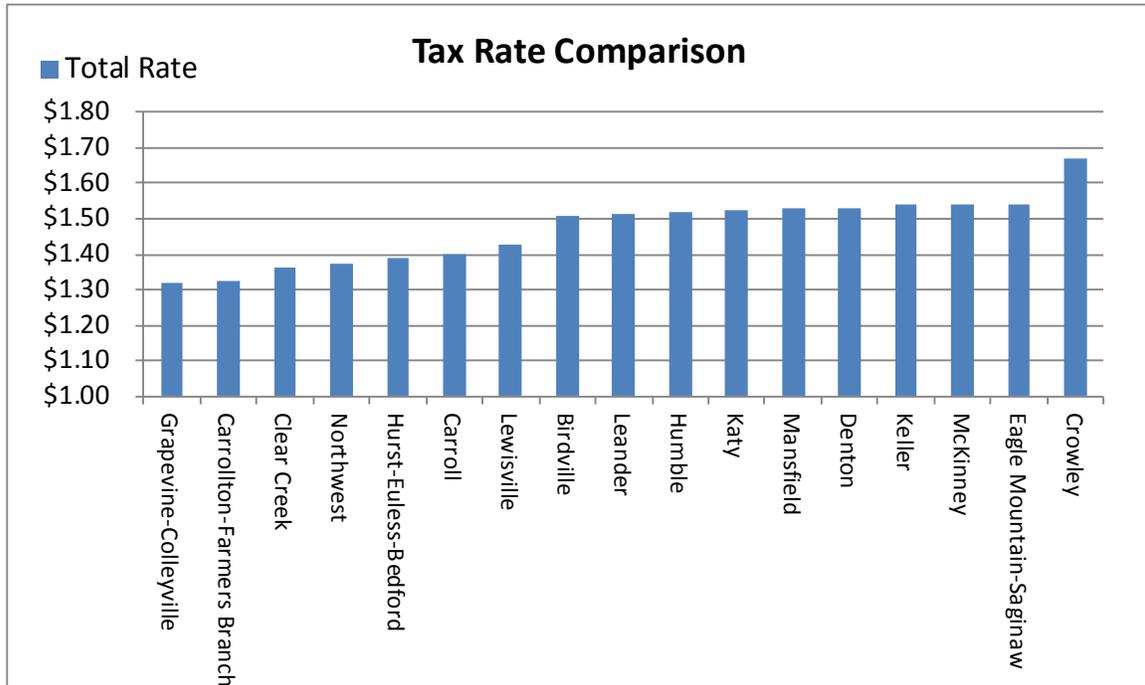
KELLER ISD 2013-2014 BUDGET

**KELLER INDEPENDENT SCHOOL DISTRICT
 COMBINED BUDGET SUMMARY - REVENUES AND EXPENDITURES
 YEARS ENDED AUGUST 31, 2011-AUGUST 31, 2014 (BUDGETED)
 GENERAL FUND, DEBT SERVICE FUND, AND CHILD NUTRITION FUND**

	Audited 2010-11	Audited 2011-12	Projected Actual 2012-13	Adopted Budget 2013-14
Revenues				
Local Revenues	\$ 176,396,338	\$ 186,102,510	\$ 184,978,375	\$ 187,081,151
State Revenues	102,730,539	96,056,836	98,836,463	94,900,244
Federal Revenues	4,327,300	4,764,542	5,410,662	6,479,034
Total Revenues	283,454,177	286,923,888	289,225,500	288,460,429
Expenditures				
Instruction	124,961,395	124,322,850	137,172,391	142,979,325
Media Services (Library)	3,103,390	2,042,530	3,003,070	3,332,694
Curriculum and Staff Development	2,239,102	1,744,637	1,826,012	3,372,620
Instructional Leadership	2,090,475	1,749,503	1,969,934	2,502,444
School Leadership	13,103,572	12,474,734	13,603,402	14,314,486
Guidance,Counseling and Evaluation	8,014,923	7,365,218	7,488,505	7,580,222
Social Work Services	278,615	155,656	202,974	241,086
Health Services	2,257,066	2,282,194	2,657,883	2,759,844
Student Transportation	6,722,015	5,327,277	5,684,674	6,709,906
Food Services	10,892,691	11,502,527	12,181,028	11,793,736
Co/Extracurricular Activities	6,689,486	5,853,416	6,876,614	6,830,806
General Administration	5,382,277	5,019,367	5,274,683	6,305,642
Facility Maintenance and Operations	19,274,555	17,671,549	19,154,673	20,251,005
Security and Monitoring Services	1,449,958	1,046,033	1,573,177	2,084,363
Data Processing Services	3,675,083	4,588,417	4,348,034	4,142,400
Community Services	700,459	562,344	660,110	671,360
Debt Service	55,371,826	56,974,733	58,408,156	59,125,246
Facility Acquisition and Construction	472,775	1,316,799	1,498,586	129,500
Shared Services Arrangements	3,329,680	3,410,020	2,793,150	3,435,038
Juvenile Justice Alternative Education Programs	-	2,375	-	2,307
Tax Increment Fund (TIF)	1,750,904	1,732,427	1,973,187	2,166,508
Total Expenditures	271,760,247	267,144,606	288,350,243	300,730,538
Excess (Deficiencies) Revenue over Expenditures	11,693,930	19,779,282	875,257	(12,270,109)
Other Financial Resources (Uses)				
Other Resources	9,975,449	2,910,974	100,689,802	1,840,301
Other (Uses)	(9,804,046)	(2,825,750)	(99,734,652)	-
Total Other Financing Resources (Uses)	171,403	85,224	955,150	1,840,301
Excess (Deficiencies) of Revenue and Other Financial Resources Over (Under) Expenditures and Other Financial Uses	11,865,333	19,864,506	1,830,407	(10,429,808)
Fund Balance, beginning, 9/1	59,907,156	71,772,489	91,636,995	93,467,402
Fund Balance, ending 8/31	\$ 71,772,489	\$ 91,636,995	\$ 93,467,402	\$ 83,037,594

**2013-2014 TOTAL TAX RATE RANKING
COMPARABLE DISTRICTS - REGIONAL AND STATE**

<u>District</u>	<u>M & O</u>	<u>I & S</u>	<u>Total Rate</u>
Grapevine-Colleyville	\$1.0400	\$0.2801	\$1.3201
Carrollton-Farmers Branch	\$1.0400	\$0.2835	\$1.3235
Clear Creek	\$1.0400	\$0.3200	\$1.3600
Northwest	\$1.0400	\$0.3350	\$1.3750
Hurst-Eules-Bedford	\$1.0400	\$0.3475	\$1.3875
Carroll	\$1.0400	\$0.3600	\$1.4000
Lewisville	\$1.0400	\$0.3860	\$1.4260
Birdville	\$1.0400	\$0.4700	\$1.5100
Leander	\$1.0400	\$0.4719	\$1.5119
Humble	\$1.1700	\$0.3500	\$1.5200
Katy	\$1.1266	\$0.4000	\$1.5266
Mansfield	\$1.0400	\$0.4871	\$1.5271
Denton	\$1.0400	\$0.4900	\$1.5300
Keller	\$1.0400	\$0.5000	\$1.5400
McKinney	\$1.0400	\$0.5000	\$1.5400
Eagle Mountain-Saginaw	\$1.1700	\$0.3700	\$1.5400
Crowley	\$1.1700	\$0.5000	\$1.6700



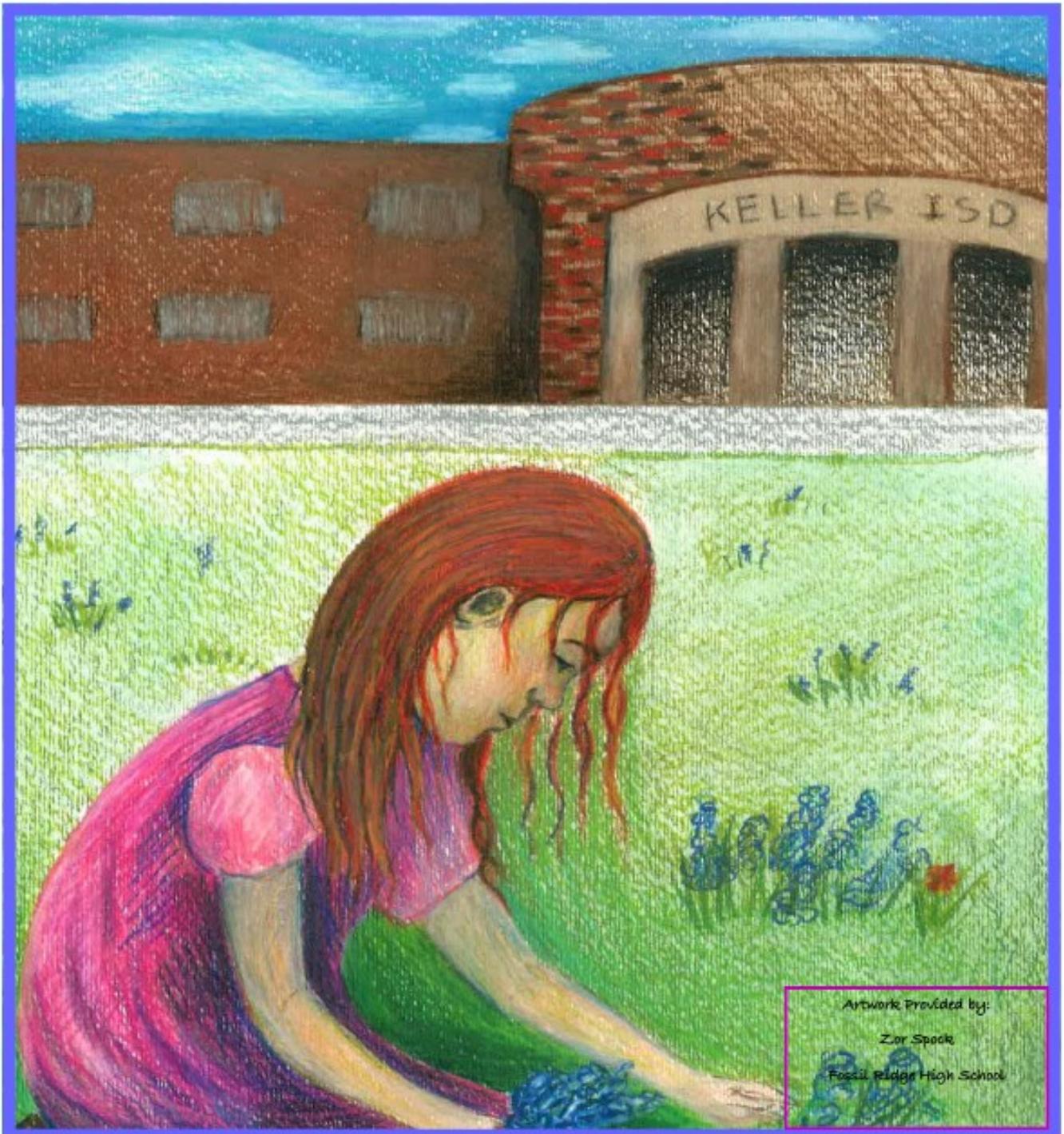
KELLER INDEPENDENT SCHOOL DISTRICT
 COMPARISON OF TAX RATES
 LAST 25 FISCAL YEARS

Comparison of Tax Rates
 Last 25 Fiscal Years

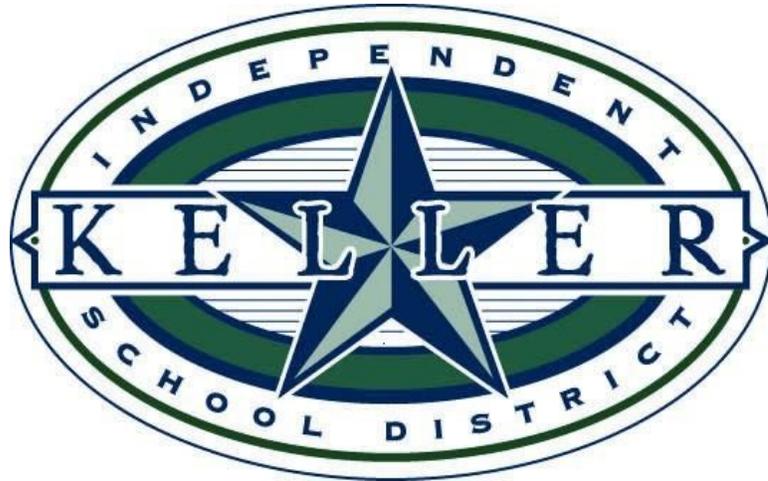
<u>Tax Year</u>	<u>School Year</u>	<u>Maintenance & Operations</u>	<u>Debt Service</u>	<u>CED*</u>	<u>Total</u>
1989	1989-90	0.7900	0.3800		1.1700
1990	1990-91	0.8300	0.4200		1.2500
1991	1991-92	0.0850	0.4100	0.8350	1.3300
1992	1992-93	0.0700	0.4150	0.9650	1.4500
1993	1993-94	1.0600	0.4000		1.4600
1994	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

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

General Fund



Artwork Provided by:
Zor Speck
Fossil Ridge High School



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 55.81% 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 43.47%, which is (2.19%) less than the prior year. The District expects to receive \$1,568,000 in federal revenue for 2013-14, which is 0.72% of total revenues. Federal revenue includes eRate revenue and Student Health and Related Services (SHARS) revenue. Federal revenue increased 154.64% 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 \$1.00 for 2007-08 through 2013-14. 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

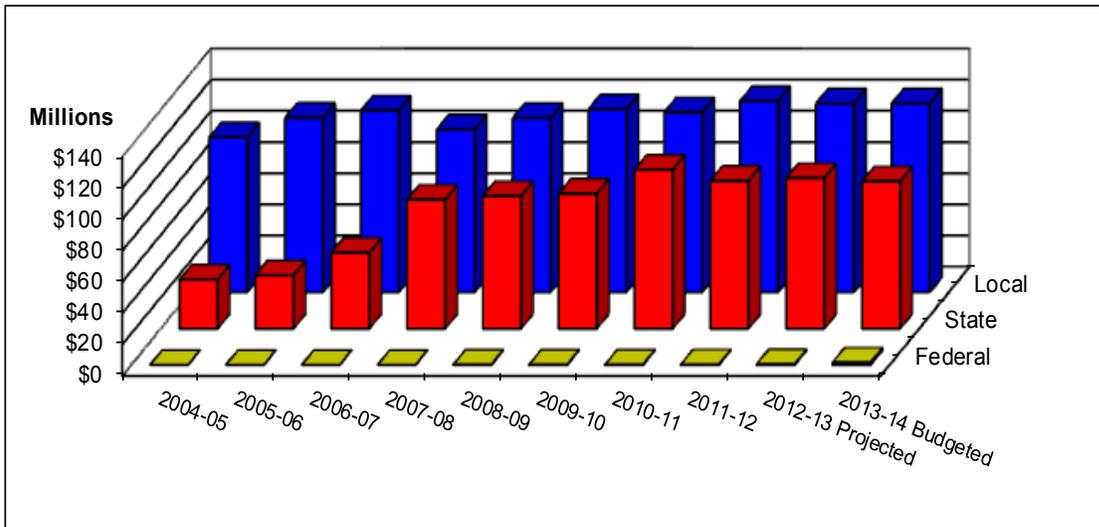
The calculations of state revenue are based on the current funding formula. Three of the most critical factors in estimating General Fund state aid are Average Daily Attendance (ADA) projections, Full Time Equivalent (FTE's) for special populations of students such as bilingual, gifted and talented,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

The hold harmless provision in HB1 allows the district to earn the same state and local revenue per weighted average daily attendance (WADA) as was generated in the 2006-07 year. This is called target revenue. The estimated adjusted target revenue for 2013-14 is \$4,790. Based upon projected WADA of 38,504, target revenue for KISD in 2013-14 will be \$184,434,160.

KELLER ISD 2013-2014 BUDGET

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

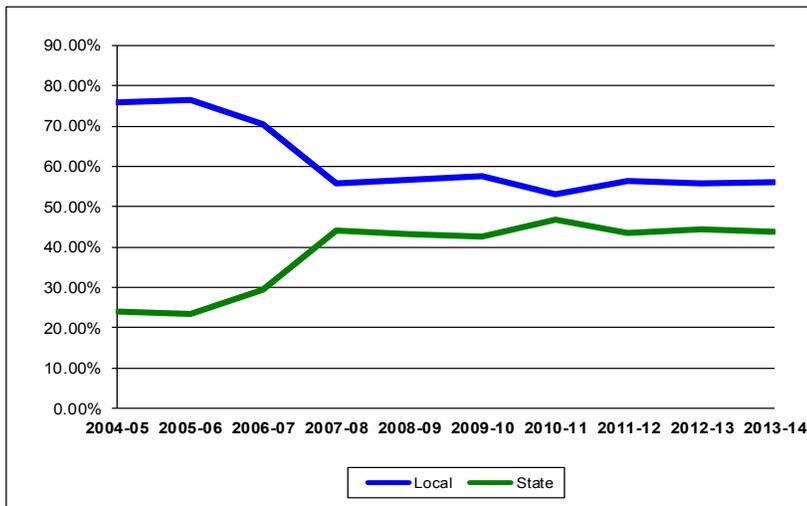
GENERAL FUND REVENUE SOURCE TRENDS



Year	Local	State	Federal	Total Revenue
2004-05	99,299,792	31,482,473	10,293	130,792,558
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 Projected	120,995,207	96,412,387	615,783	218,023,377
2013-14 Budgeted	121,065,141	94,298,607	1,568,000	216,931,748

The following graph depicts local and state revenue as a percentage of total revenue from 2005-2014. The local share of the total revenue has increased slightly in 2013-14 from the previous year, up by only \$69,934. State aid has decreased more significantly from 2012-13, by \$2.1 million or (2.19%). 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 has hovered around the same amount to date.

PERCENTAGE OF LOCAL AND STATE REVENUE



Year	Local	State
2004-05	99,299,792	31,482,473
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	120,995,207	96,412,387
2013-14	121,065,141	94,298,607

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 \$5,508,821 in Special Revenue Funds for 2013-2014 (some award amounts are still unavailable at press time).

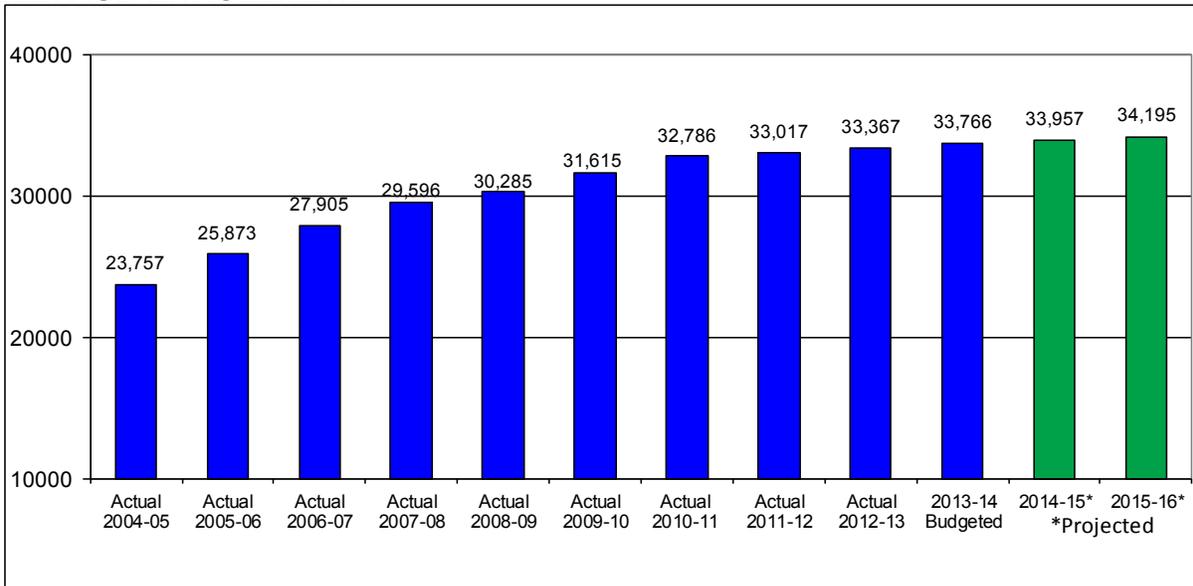
Enrollment

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 Director of Construction and Planning.

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 2011-12 year, enrollment growth was projected to be 3.7%, but has hovered around 1% since then. Enrollment growth for the next two years is anticipated to be approximately 191 additional students in 2014-15 and 238 additional students in 2015-16. 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 2016.

KELLER ISD ENROLLMENT



EXPENDITURE SUMMARY

The total General Fund expenditure budget for 2013-14 is \$229,811,556. This is an increase of \$12.5 million or 5.77% more than projected actual 2012-13 expenditures. As always, the majority of a school district's expenditures are for personnel costs, 81.81%.

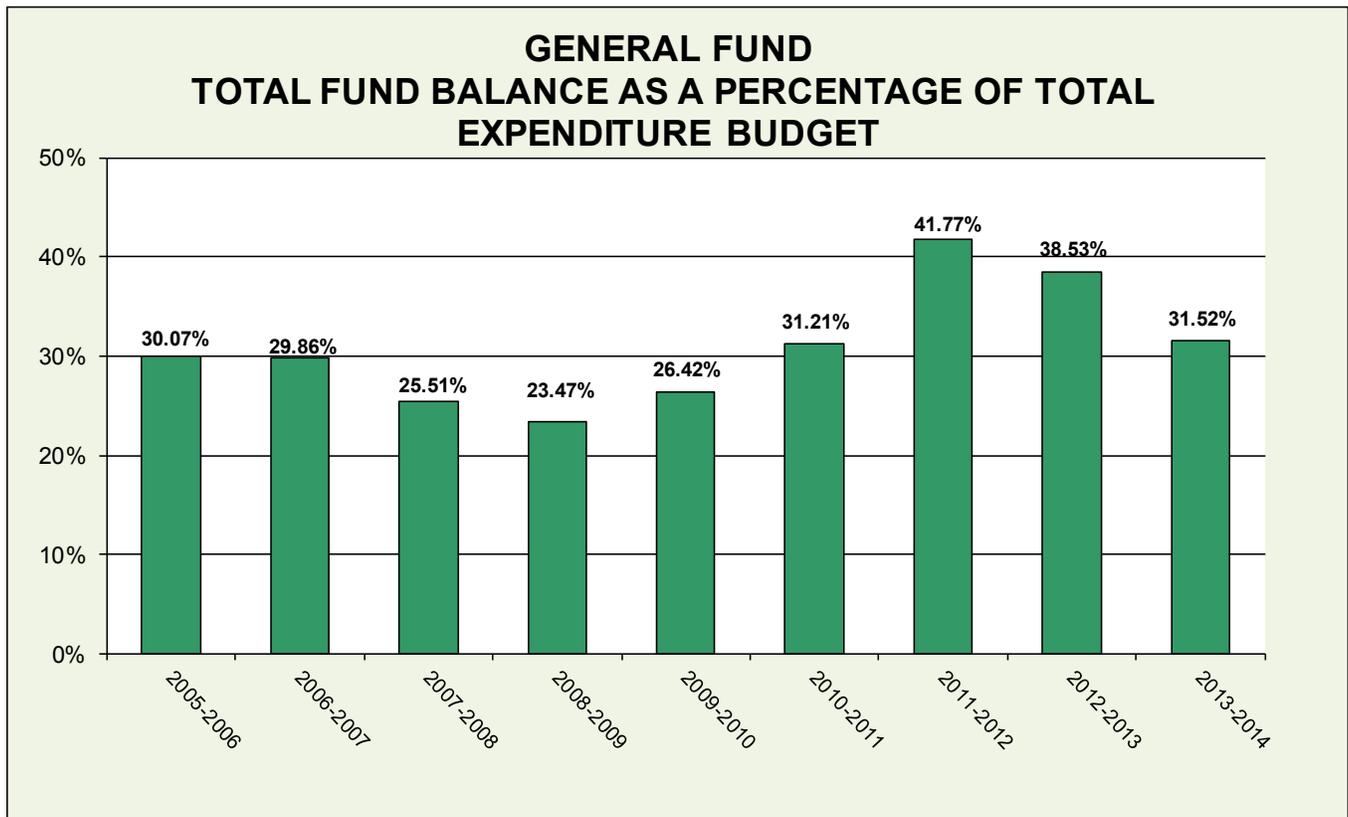
After reducing the general fund budget by \$12 million in 2011-12 in response to the state cutting billions from the education budget, the district has slowly been reinstating some necessary programs and adding new initiatives. During the 2012-13 budget process, district administrators studied the effect of the budget cuts and solicited input from district stakeholders. Various options were presented to the Board of Trustees for their approval. In the final determination, approximately \$10.6 million in items were added or reinstated to the budget. The 2013-14 budget includes a 3% of midpoint pay increase for all staff and \$1.4 million to partially relieve the large increase in employee health insurance premiums. Also included are new items deemed necessary to support educational goals for the 2013-14 year. These additional and reinstated items include:

Additional grounds, custodial and warehouse personnel	805,726
Planning and demographic services	43,600
Additional student shuttle transportation	726,000
Legal personnel and program upgrades	72,000
Extra curricular stipends and athletic personnel	617,260
Program personnel and stipends	283,040
Health services AED supplies	10,000
Student intervention and security	527,800
Curriculum and special programs	871,100
Positions moved to general fund due to sequestration	872,500
Communications services	69,658
Technology upgrades	1,045,000
Additional teaching and support personnel	3,980,000
Accounting support personnel	30,000
Purchasing system upgrade	20,700
Payroll personnel and systems upgrades	124,800
	\$ 10,099,184

IMPACT ON FUND BALANCE

A deficit of (\$11,279,808) is budgeted for the 2013-14 year. Projected budgeted fund balance at 8/31/13 was \$83,725,689. After considering the 2014 budgeted deficit, the general fund budgeted fund balance is projected to be approximately \$72 million at 8/31/2014.

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 \$46 million. This amount may be used if necessary by the Board of Trustees for use in future years to stabilize state funding deficiencies.



	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	Projected 2012-2013	Budgeted 2013-2014
Total Budget	140,268,250	159,675,578	187,382,466	198,150,292	198,073,529	205,495,730	198,667,346	217,277,637	229,811,556
Fund Balance	42,180,348	47,676,919	47,805,753	46,505,811	52,326,867	64,139,134	82,979,949	83,725,689	72,445,881
	30.07%	29.86%	25.51%	23.47%	26.42%	31.21%	41.77%	38.53%	31.52%

KELLER ISD 2013-2014 BUDGET

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

	Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Percent Increase (Decrease)	Percent of Total
Revenues					
5711 Current Taxes	\$ 112,537,261	\$ 114,980,368	\$ 115,113,614	0.12%	53.06%
5719 Delinquent Taxes and Penalties/Interest	2,305,361	1,302,809	1,424,800	9.36%	0.66%
5739 Tuition and Fees	198,842	131,243	107,000	-18.47%	0.05%
5742 Investment Earnings	254,987	389,841	325,000	-16.63%	0.15%
5743 Facility Rental	588,805	689,453	562,952	-18.35%	0.26%
5749 Other Revenue from Local Sources	6,063,243	2,893,406	3,030,275	4.73%	1.40%
5752 Athletic Activities	528,958	607,587	501,500	-17.46%	0.23%
5759 SALE OF KISD LOGO	-	500	-	-100.00%	0.00%
Total Local Revenue	122,477,457	120,995,207	121,065,141	0.06%	55.81%
5811 Per Capita Apportionment	7,833,122	14,758,659	8,875,392	-39.86%	4.09%
5812 Foundation School Fund	80,374,991	74,273,497	85,423,215	15.01%	39.38%
5829 TEA State Matching Funds	-	200	-	-100.00%	0.00%
5831 TRS On-Behalf	6,475,880	7,380,031	-	-100.00%	0.00%
Total State Revenue	94,683,993	96,412,387	94,298,607	-2.19%	43.47%
5929 Federal Revenue Distributed by TEA	185,346	253,235	268,000	5.83%	0.12%
5932 Federal Revenue Distributed by Other Agencies	161,365	362,548	1,300,000	258.57%	0.60%
Total Federal Revenue	346,711	615,783	1,568,000	154.64%	0.72%
Revenues Grand Total	217,508,161	218,023,377	216,931,748	-0.50%	100.00%
Expenditures					
11 Instruction	124,322,850	137,172,391	142,979,325	4.23%	62.23%
12 Media Services (Library)	2,042,530	3,003,070	3,332,694	10.98%	1.45%
13 Curriculum and Staff Development	1,744,637	1,826,012	3,372,620	84.70%	1.47%
21 Instructional Leadership	1,749,503	1,969,934	2,502,444	27.03%	1.09%
23 School Leadership	12,474,734	13,603,402	14,314,486	5.23%	6.23%
31 Guidance, Counseling and Evaluation	7,365,218	7,488,505	7,580,222	1.22%	3.30%
32 Social Work Services	155,656	202,974	241,086	18.78%	0.10%
33 Health Services	2,282,194	2,657,883	2,759,844	3.84%	1.20%
34 Student Transportation	5,327,277	5,684,674	6,709,906	18.04%	2.92%
36 Co/Extracurricular Activities	5,853,416	6,876,614	6,830,806	-0.67%	2.97%
41 General Administration	5,019,367	5,274,683	6,305,642	19.55%	2.74%
51 Facility Maintenance and Operations	17,671,549	19,154,673	20,251,005	5.72%	8.81%
52 Security and Monitoring Services	1,046,033	1,573,177	2,084,363	32.49%	0.91%
53 Data Processing Services	4,588,417	4,348,034	4,142,400	-4.73%	1.80%
61 Community Services	562,344	660,110	671,360	1.70%	0.29%
81 Facility Acquisition and Construction	1,316,799	1,015,164	129,500	-87.24%	0.06%
93 Shared Services Arrangements	3,410,020	2,793,150	3,435,038	22.98%	1.49%
95 Juvenile Justice Alternative Education Programs	2,375	-	2,307	100.00%	0.00%
97 Tax Increment Fund (TIF)	1,732,427	1,973,187	2,166,508	9.80%	0.94%
Expenditures Grand Total	198,667,346	217,277,637	229,811,556	5.77%	100.01%
Other Financial Resources (Uses)	-	-	1,600,000	100.00%	100.00%
Other Resources	-	-	1,600,000	100.00%	100.00%
Other Financial Resources (Uses) Grand Total	-	-	1,600,000	100.00%	100.00%
Excess (Deficit) of Revenue and other Financial Resources Over (Under) Expenditures and other Financial Uses	\$ 18,840,815	\$ 745,740	\$ (11,279,808)	-1612.57%	

KELLER ISD 2013-2014 BUDGET

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

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Percent Increase (Decrease)	Percent of Total
6112 Substitute Teachers	\$ 3,221,245	\$ 2,881,002	\$ 3,470,382	20.46%	1.51%
6118 Extra Duty/Stipends Professional	3,237,241	3,784,877	4,424,822	16.91%	1.93%
6119 Professional Salaries	115,783,219	126,813,922	142,434,427	12.32%	61.99%
6121 Overtime	96,683	199,465	9,500	-95.24%	0.00%
6122 Support Personnel Substitutes	318,532	382,361	444,315	16.20%	0.19%
6127 Student Workers	15,576	15,079	9,873	-34.52%	0.00%
6128 Extra Duty Pay Support Personnel	205,508	265,657	175,963	-33.76%	0.08%
6129 Support Salaries	16,478,624	17,648,612	20,733,294	17.48%	9.02%
6131 Contract Buyout	-	45,750	-	-100.00%	0.00%
6139 Employee Allowances	109	(109)	-	-100.00%	0.00%
6141 FIMM/FICA	1,920,143	2,121,487	2,561,118	20.72%	1.12%
6142 Group Health Insurance	7,615,774	11,067,659	9,085,107	-17.91%	3.95%
6143 Workers Compensation	1,098,212	1,222,657	1,454,831	18.99%	0.63%
6144 TRS On-Behalf	6,475,878	7,380,030	-	-100.00%	0.00%
6145 Unemployment Payments	281,946	62,904	-	-100.00%	0.00%
6146 TRS	2,562,929	3,173,573	3,201,341	0.87%	1.39%
Total Payroll Costs	159,311,619	177,064,926	188,004,973	6.18%	81.81%
6211 Legal Services	490,828	92,025	148,950	61.86%	0.06%
6212 Audit Services	74,000	80,860	82,000	1.41%	0.04%
6213 Tarrant Appraisal District	1,072,276	1,102,027	1,141,000	3.54%	0.50%
6219 Contract Services	118,470	258,241	173,838	-32.68%	0.08%
6222 Student Tuition	194,671	143,760	375,000	160.85%	0.16%
6223 JJAEP Contract Services	2,375	-	2,307	100.00%	0.00%
6239 ESC Contract	138,071	114,778	132,631	15.55%	0.06%
6244 Contract Maintenance	745,617	986,805	906,148	-8.17%	0.39%
6245 Contract Repair	-	7,788	6,426	-17.49%	0.00%
6246 Contract Services-Copier	1,003,428	1,250,008	951,660	-23.87%	0.41%
6247 Contract Services-Technical	397,255	52,530	181,647	245.80%	0.08%
6249 Contract M&R	3,271,414	3,372,186	3,299,222	-2.16%	1.45%
6255 Utilities Water and Sewer	1,288,117	1,282,406	1,440,937	12.36%	0.63%
6256 Telecommunications	420,871	459,218	463,624	0.96%	0.20%
6257 Utilities (Electricity)	1,967,903	1,672,135	2,169,840	29.76%	0.94%
6258 Utilities (Gas)	374,588	406,822	510,542	25.50%	0.22%
6259 Utilities (Garbage)	265,040	295,822	299,707	1.31%	0.13%
6269 Equipment Rental	123,678	198,306	860,638	333.99%	0.37%
6291 Consulting Services	12,900	13,975	29,225	109.12%	0.02%
6298 Royalty Fees	6,082	8,739	12,525	43.32%	0.01%
6299 Misc. Contracted Service	6,237,142	6,683,320	8,341,799	24.82%	3.62%
Total Contracted Services	18,204,726	18,481,751	21,529,666	16.49%	9.37%

KELLER ISD 2013-2014 BUDGET

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

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Percent Increase (Decrease)	Percent of Total
6311 Fuel	725,506	702,190	804,376	14.55%	0.35%
6315 Supplies Operations	631,028	644,844	661,664	2.61%	0.29%
6316 Supplies MNT Operations	811,239	1,133,930	608,714	-46.32%	0.26%
6317 Supplies-Grounds	249,221	292,028	394,641	35.14%	0.17%
6321 Textbooks	80,787	28,164	68,405	142.89%	0.03%
6325 Reading Materials	7,000	25,954	25,103	-3.28%	0.01%
6326 Magazines/Periodicals	16,168	13,357	25,634	91.91%	0.01%
6329 Subscriptions	423,245	505,711	725,355	43.43%	0.32%
6334 Testing Supplies	122,611	62,815	204,959	226.29%	0.09%
6395 Supplies	3,761,206	3,632,907	3,755,473	3.37%	1.64%
6396 Technology Equipment	4,526,958	2,856,398	2,369,767	-17.04%	1.03%
6397 Furniture/Equipment	571,673	1,187,372	675,730	-43.09%	0.29%
6398 Mid-Year Adjustment	-	-	11,170	100.00%	0.00%
6399 Postage	86,308	71,315	105,762	48.30%	0.05%
Total Supplies and Materials	12,012,950	11,156,985	10,436,753	-6.46%	4.54%
6411 Employee Travel	445,216	665,296	840,793	26.38%	0.37%
6412 Student Travel	415,670	631,411	350,227	-44.53%	0.15%
6419 Non Employee Travel	14,010	43,758	21,495	-50.88%	0.01%
6425 Liability Insurance	1,102,245	1,208,528	1,267,368	4.87%	0.55%
6427 Bonding Expense	-	-	350	100.00%	0.00%
6434 Election Expense	85,771	32,784	46,750	42.60%	0.02%
6492 Fiscal Agents Shared Services	3,088,020	2,793,150	3,195,038	14.39%	1.39%
6493 Member District Shared Services	6,000	6,000	6,000	0.00%	0.00%
6494 Student Transportation	347,339	447,373	384,493	-14.06%	0.17%
6495 Membership Fees	104,503	122,066	172,188	41.06%	0.07%
6497 Awards	35,617	31,535	38,543	22.22%	0.02%
6498 Food	33,158	42,239	50,169	18.77%	0.03%
6499 Fees and Dues	2,044,584	2,369,663	2,627,882	10.90%	1.14%
Total Other Operating Expenses	7,722,133	8,393,803	9,001,296	7.24%	3.92%
6619 Land	21,500	139,746	-	-100.00%	0.00%
6626 Architect/Engineering Services	73,607	19,619	-	-100.00%	0.00%
6629 Construction/Renovation	997,009	752,613	10,398	-98.62%	0.00%
6631 Vehicle	-	106,761	80,000	-25.07%	0.03%
6639 Equipment >5000	323,802	1,161,433	731,470	-37.02%	0.32%
6669 Library Books	-	-	17,000	100.00%	0.01%
Total Capital Outlay	1,415,918	2,180,172	838,868	-61.52%	0.36%
Total Expenditures	\$ 198,667,346	\$ 217,277,637	\$ 229,811,556	5.77%	100.00%

KELLER ISD 2013-2014 BUDGET

KELLER INDEPENDENT SCHOOL DISTRICT

GENERAL FUND

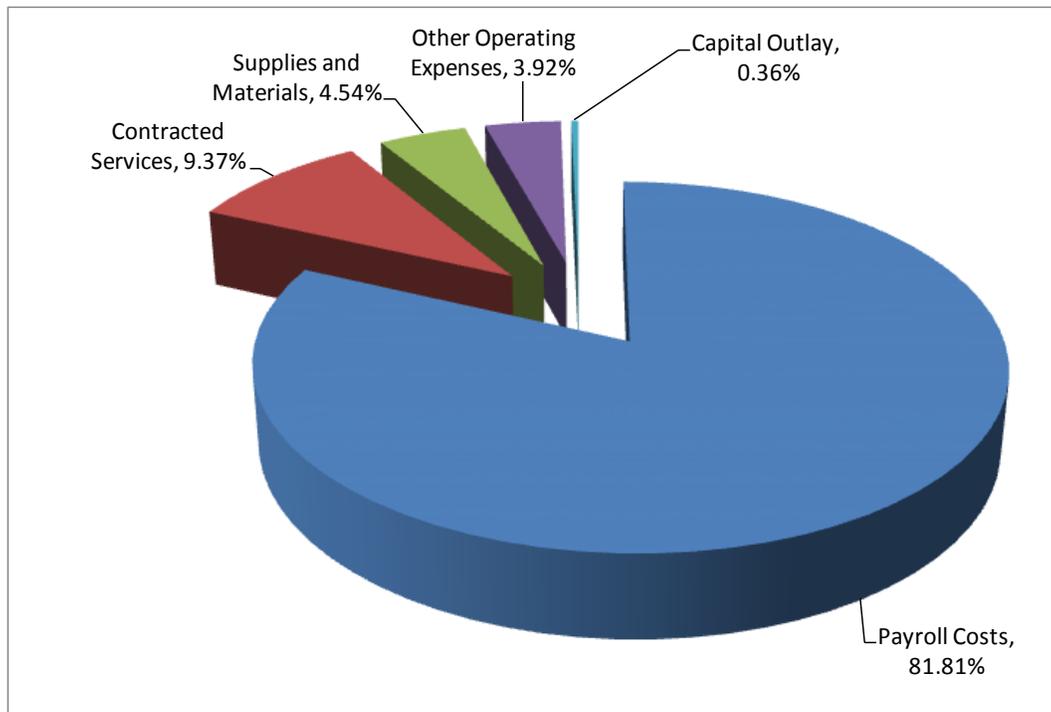
BUDGET SUMMARY: 2013-2014

EXPENDITURE SUMMARY BY MAJOR OBJECT

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Percent Increase (Decrease)	Percent of Total
61XX Payroll Costs	\$ 159,311,619	\$ 177,064,926	\$ 188,004,973	6.18%	81.81%
62XX Contracted Services	18,204,726	18,481,751	21,529,666	16.49%	9.37%
63XX Supplies and Materials	12,012,950	11,156,985	10,436,753	-6.46%	4.54%
64XX Other Operating Expenses	7,722,133	8,393,803	9,001,296	7.24%	3.92%
66XX Capital Outlay	1,415,918	2,180,172	838,868	-61.52%	0.36%
Total Expenditures	\$ 198,667,346	\$ 217,277,637	\$ 229,811,556	5.77%	100.00%

The graph below depicts the 2013-14 General Fund Expenditure Budget by Major Object.

**GENERAL FUND
EXPENDITURES BY MAJOR OBJECT FOR 2013-14**



Payroll Costs	\$ 188,004,973
Contracted Services	21,529,666
Supplies and Materials	10,436,753
Other Operating Expenses	9,001,296
Capital Outlay	838,868

KELLER ISD 2013-2014 BUDGET

**KELLER INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
BUDGET SUMMARY: 2013-2014
EXPENDITURE SUMMARY BY MAJOR OBJECT WITHIN FUNCTION**

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Percent Increase (Decrease)	Percent of Total
11 Instruction					
61 Payroll Costs	\$ 116,827,280	\$ 130,013,405	\$ 136,353,125	4.88%	59.35%
62 Contracted Services	1,517,774	1,796,025	2,353,522	31.04%	1.02%
63 Supplies and Materials	5,738,875	4,809,186	3,891,883	-19.07%	1.69%
64 Other Operating Expenses	198,737	197,868	283,025	43.04%	0.12%
66 Capital Outlay	40,184	355,907	97,770	-72.53%	0.05%
Total Function 11	124,322,850	137,172,391	142,979,325	4.23%	62.23%
12 Media Services (Library)					
61 Payroll Costs	1,558,529	2,435,243	2,490,795	2.28%	1.08%
62 Contracted Services	80,522	80,563	79,994	-0.71%	0.03%
63 Supplies and Materials	398,967	472,459	726,777	53.83%	0.32%
64 Other Operating Expenses	4,512	14,805	18,128	22.45%	0.01%
66 Capital Outlay	-	-	17,000	100.00%	0.01%
Total Function 12	2,042,530	3,003,070	3,332,694	10.98%	1.45%
13 Curriculum and Staff Development					
61 Payroll Costs	780,663	885,733	1,758,791	98.57%	0.78%
62 Contracted Services	252,339	362,647	353,492	-2.52%	0.15%
63 Supplies and Materials	519,219	302,219	951,507	214.84%	0.41%
64 Other Operating Expenses	192,416	275,413	308,830	12.13%	0.13%
Total Function 13	1,744,637	1,826,012	3,372,620	84.70%	1.47%
21 Instructional Leadership					
61 Payroll Costs	1,568,432	1,749,836	2,263,186	29.34%	0.99%
62 Contracted Services	54,938	51,092	45,454	-11.03%	0.02%
63 Supplies and Materials	81,304	102,578	114,071	11.20%	0.05%
64 Other Operating Expenses	44,829	66,428	79,733	20.03%	0.03%
Total Function 21	1,749,503	1,969,934	2,502,444	27.03%	1.09%
23 School Leadership					
61 Payroll Costs	12,181,232	13,247,813	13,928,063	5.13%	6.05%
62 Contracted Services	26,775	10,382	15,240	46.79%	0.01%
63 Supplies and Materials	176,196	199,860	197,902	-0.98%	0.09%
64 Other Operating Expenses	90,531	145,347	173,281	19.22%	0.08%
Total Function 23	12,474,734	13,603,402	14,314,486	5.23%	6.23%
31 Guidance, Counseling and Evaluation					
61 Payroll Costs	7,170,726	7,229,759	7,246,714	0.23%	3.15%
62 Contracted Services	8,013	21,367	39,749	86.03%	0.02%
63 Supplies and Materials	147,810	183,151	209,219	14.23%	0.09%
64 Other Operating Expenses	38,669	54,228	84,540	55.90%	0.04%
Total Function 31	7,365,218	7,488,505	7,580,222	1.22%	3.30%

KELLER ISD 2013-2014 BUDGET

**KELLER INDEPENDENT SCHOOL DISTRICT
GENERAL FUND**

BUDGET SUMMARY: 2013-2014

EXPENDITURE SUMMARY BY MAJOR OBJECT WITHIN FUNCTION—Continued

	Actual Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Percent Increase (Decrease)	Percent of Total
32 Social Work Services					
61 Payroll Costs	112,585	112,024	177,329	58.30%	0.07%
62 Contracted Services	40,352	88,196	59,000	-33.10%	0.03%
63 Supplies and Materials	411	433	1,000	130.95%	0.00%
64 Other Operating Expenses	2,308	2,321	3,757	61.87%	0.00%
Total Function 32	155,656	202,974	241,086	18.78%	0.10%
33 Health Services					
61 Payroll Costs	2,195,454	2,541,169	2,616,384	2.96%	1.14%
62 Contracted Services	2,859	3,082	8,000	159.57%	0.00%
63 Supplies and Materials	73,769	99,883	107,460	7.59%	0.05%
64 Other Operating Expenses	10,112	13,749	28,000	103.65%	0.01%
Total Function 33	2,282,194	2,657,883	2,759,844	3.84%	1.20%
34 Student Transportation					
62 Contracted Services	4,601,771	4,901,035	5,731,335	16.94%	2.49%
63 Supplies and Materials	725,506	702,190	803,571	14.44%	0.35%
64 Other Operating Expenses	-	81,449	-	-100.00%	0.00%
66 Capital Outlay	-	-	175,000	100.00%	0.08%
Total Function 34	5,327,277	5,684,674	6,709,906	18.04%	2.92%
36 Co/Extracurricular Activities					
61 Payroll Costs	3,459,414	3,994,298	4,441,378	11.19%	1.93%
62 Contracted Services	305,276	442,119	688,440	55.71%	0.30%
63 Supplies and Materials	1,108,358	1,038,294	758,676	-26.93%	0.33%
64 Other Operating Expenses	910,703	1,187,559	942,312	-20.65%	0.41%
66 Capital Outlay	69,665	214,344	-	-100.00%	0.00%
Total Function 36	5,853,416	6,876,614	6,830,806	-0.67%	2.97%
41 General Administration					
61 Payroll Costs	2,892,934	3,197,662	3,720,298	16.34%	1.62%
62 Contracted Services	1,755,388	1,576,433	2,029,497	28.74%	0.88%
63 Supplies and Materials	128,541	183,584	223,368	21.67%	0.10%
64 Other Operating Expenses	242,504	267,788	332,479	24.16%	0.14%
66 Capital Outlay	-	49,216	-	-100.00%	0.00%
Total Function 41	5,019,367	5,274,683	6,305,642	19.55%	2.74%
51 Facility Maintenance and Operations					
61 Payroll Costs	8,680,850	9,517,851	10,426,639	9.55%	4.53%
62 Contracted Services	5,668,642	5,556,110	6,383,922	14.90%	2.78%
63 Supplies and Materials	2,045,088	2,517,062	1,925,080	-23.52%	0.84%
64 Other Operating Expenses	1,131,167	1,256,235	1,321,684	5.21%	0.58%
66 Capital Outlay	145,802	307,415	193,680	-37.00%	0.08%
Total Function 51	17,671,549	19,154,673	20,251,005	5.72%	8.81%

KELLER ISD 2013-2014 BUDGET

**KELLER INDEPENDENT SCHOOL DISTRICT
GENERAL FUND**

BUDGET SUMMARY: 2013-2014

EXPENDITURE SUMMARY BY MAJOR OBJECT WITHIN FUNCTION-Continued

	<u>Actual Audited 2011-2012</u>	<u>Projected Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Percent Increase (Decrease)</u>	<u>Percent of Total</u>
52 Security and Monitoring Services					
61 Payroll Costs	636,315	699,878	914,648	30.69%	0.39%
62 Contracted Services	340,232	494,584	701,791	41.90%	0.31%
63 Supplies and Materials	45,616	97,885	197,998	102.28%	0.09%
64 Other Operating Expenses	25	9,538	19,926	108.91%	0.01%
66 Capital Outlay	23,845	271,292	250,000	-7.85%	0.11%
Total Function 52	1,046,033	1,573,177	2,084,363	32.49%	0.91%
53 Data Processing Services					
61 Payroll Costs	886,620	1,066,557	1,242,620	16.51%	0.54%
62 Contracted Services	2,867,115	2,894,370	2,630,269	-9.12%	1.14%
63 Supplies and Materials	762,732	324,884	175,940	-45.85%	0.08%
64 Other Operating Expenses	16,029	38,203	31,551	-17.41%	0.01%
66 Capital Outlay	55,921	24,020	62,020	158.20%	0.03%
Total Function 53	4,588,417	4,348,034	4,142,400	-4.73%	1.80%
61 Community Services					
61 Payroll Costs	360,239	373,698	425,003	13.73%	0.18%
62 Contracted Services	142,772	147,520	156,800	6.29%	0.07%
63 Supplies and Materials	40,189	76,357	69,053	-9.57%	0.03%
64 Other Operating Expenses	19,144	16,535	12,504	-24.38%	0.01%
66 Capital Outlay	-	46,000	8,000	100.00%	0.00%
Total Function 61	562,344	660,110	671,360	1.70%	0.29%
81 Facility Acquisition and Construction					
61 Payroll Costs	346	-	-	0.00%	0.00%
62 Contracted Services	215,583	56,226	10,854	-80.70%	0.00%
63 Supplies and Materials	20,369	46,960	83,248	77.27%	0.04%
66 Capital Outlay	1,080,501	911,978	35,398	-96.12%	0.02%
Total Function 81	1,316,799	1,015,164	129,500	-87.24%	0.06%
93 Shared Services Arrangement					
62 Contracted Services	322,000	-	240,000	100.00%	0.10%
64 Other Operating Expenses	3,088,020	2,793,150	3,195,038	14.39%	1.39%
Total Function 93	3,410,020	2,793,150	3,435,038	22.98%	1.49%
95 Juvenile Justice Alternative Education Programs					
62 Contracted Services	2,375	-	2,307	100.00%	0.00%
Total Function 95	2,375	-	2,307	100.00%	0.00%
97 Tax Increment Fund (TIF)					
64 Other Operating Expenses	1,732,427	1,973,187	2,166,508	9.80%	0.94%
Total Function 97	1,732,427	1,973,187	2,166,508	9.80%	0.94%
Total Expenditures	\$ 198,667,346	\$ 217,277,637	\$ 229,811,556	5.77%	100.00%

KELLER ISD 2013-2014 BUDGET

**KELLER INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
2013-2014 BUDGET
MAJOR OBJECT SUMMARY BY CAMPUS**

Organization	Payroll 6100	Contracted Services 6200	Supplies and Materials 6300	Other Operating Expenses 6400	Capital Outlay 6600
001 Keller High	\$ 10,939,590	\$ 32,975	\$ 142,740	\$ 69,193	\$ -
002 Fossil Ridge High	9,936,514	9,710	132,049	74,323	-
004 Central High	10,610,328	9,400	154,701	81,510	-
005 Timber Creek High	10,794,072	5,800	165,044	79,460	-
039 Learning Center	1,571,866	14,655	38,002	20,340	-
Total High Schools	43,852,370	72,540	632,536	324,826	-
041 Keller Middle	3,667,049	488	61,575	13,386	-
042 Fossil Hill Middle	4,499,171	2,300	65,952	14,550	-
043 Hillwood Middle	5,029,642	-	77,498	19,325	-
044 Indian Springs Middle	4,251,799	250	67,913	13,600	-
045 Trinity Springs Middle	4,276,574	1,660	79,858	9,206	-
046 Timberview Middle	4,978,594	900	60,880	27,528	-
Total Middle Schools	26,702,829	5,598	413,676	97,595	-
104 Bear Creek Intermediate	3,454,841	4,285	47,272	13,245	-
107 Chisholm Trail Intermediate	4,465,791	950	59,394	14,830	-
114 Parkwood Hill Intermediate	4,158,703	5,529	66,937	16,535	-
115 South Keller Intermediate	3,653,321	939	51,848	13,689	-
123 Trinity Meadows Intermediate	4,247,320	690	65,470	5,514	-
Total Intermediate Schools	19,979,976	12,393	290,921	63,813	-
101 Keller-Harvel Elementary	2,821,984	-	33,268	1,350	-
102 Florence Elementary	2,364,167	1,370	30,125	3,509	-
103 Parkview Elementary	3,473,635	2,155	44,352	5,588	-
105 Whitley Road Elementary	2,832,840	-	34,001	4,345	-
106 Heritage Elementary	2,869,770	1,200	34,149	11,253	-
108 Shady Grove Elementary	2,468,425	2,196	23,934	5,150	-
109 Park Glen Elementary	2,808,528	90	37,688	9,262	-
110 Willis Lane Elementary	2,483,416	1,285	31,401	3,800	-
111 North Riverside Elementary	2,963,916	1,040	33,528	5,679	-
112 Hidden Lakes Elementary	2,722,763	450	33,213	2,910	-
113 Lone Star Elementary	2,956,560	760	46,451	6,840	-
116 Bluebonnet Elementary	2,853,134	2,000	45,568	3,153	-
117 Freedom Elementary	2,386,203	253	35,179	5,239	-
118 Bette Perot Elementary	2,969,986	735	42,390	9,360	-
119 Woodland Springs Elementary	2,785,972	-	34,775	3,932	-
120 Liberty Elementary	2,306,674	200	29,064	4,905	-
121 Independence Elementary	2,489,915	830	31,608	4,199	-
122 Friendship Elementary	3,020,209	1,717	36,767	6,318	-
124 Eagle Ridge Elementary	3,198,711	2,902	54,274	6,642	-
125 Caprock Elementary	3,358,813	664	51,441	8,291	-
126 Basswood Elementary	2,590,189	200	33,945	2,624	-
128 Early Learning Center	3,221,926	558	22,119	4,393	-
129 Ridgeview Elementary	2,493,107	70	31,300	4,725	-
Total Elementary Schools	64,440,843	20,675	830,540	123,467	-
Total Campus Costs	\$ 154,976,018	\$ 111,206	\$ 2,167,673	\$ 609,701	\$ -

KELLER ISD 2013-2014 BUDGET

GENERAL FUND

**FIVE YEAR SUMMARY OF REVENUES AND EXPENDITURES
YEARS ENDED AUGUST 31, 2010-AUGUST 31, 2014 (BUDGETED)**

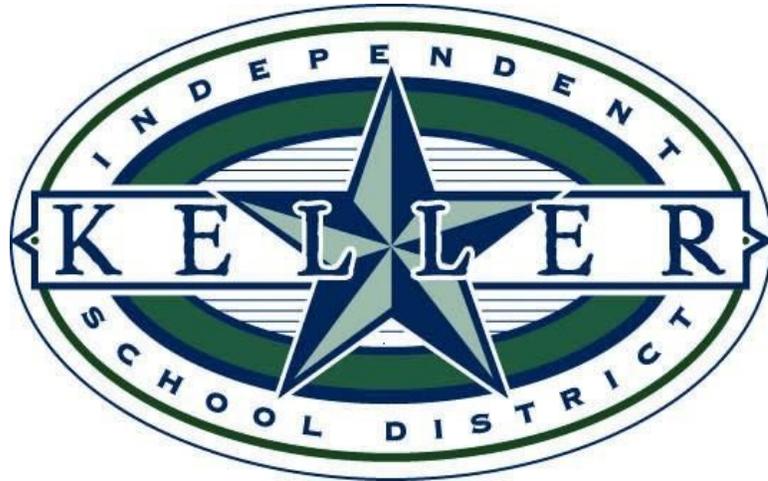
	Audited
	2009-2010
Revenues	
Local Revenues	\$ 117,182,293
State Revenues	86,473,461
Federal Revenues	238,831
Total Revenues	203,894,585
Expenditures	
Instruction	121,001,576
Media Services (Library)	2,700,478
Curriculum and Staff Development	2,531,915
Instructional Leadership	2,146,478
School Leadership	12,551,986
Guidance, Counseling and Evaluation	7,422,910
Social Work Services	263,532
Health Services	2,105,862
Student Transportation	6,128,309
Co/Extracurricular Activities	6,182,009
General Administration	5,168,217
Facility Maintenance and Operations	18,752,294
Security and Monitoring Services	1,128,207
Data Processing Services	1,852,169
Community Services	740,922
Facility Acquisition and Construction	1,525,798
Shared Services Arrangements	3,945,201
Juvenile Justice Alternative Education Programs	-
Tax Increment Fund (TIF)	1,925,666
Total Expenditures	198,073,529
Excess (Deficiencies) Revenue over	
Other Resources	-
Other Uses	-
Total Other Financing Resources (Uses)	-
Excess (Deficiencies) of Revenue and Other Financial Resources Over Expenditures and Other Financial Uses	5,821,056
Fund Balance, beginning, 9/1	46,505,811
Fund Balance, ending, 8/31	\$ 52,326,867

KELLER ISD 2013-2014 BUDGET

GENERAL FUND

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

Audited 2010-2011	Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014
\$ 115,342,108	\$ 122,477,457	\$ 120,995,207	\$ 121,065,141
101,741,928	94,683,993	96,412,387	94,298,607
223,961	346,711	615,783	1,568,000
217,307,997	217,508,161	218,023,377	216,931,748
124,961,395	124,322,850	137,172,391	142,979,325
3,103,390	2,042,530	3,003,070	3,332,694
2,239,102	1,744,637	1,826,012	3,372,620
2,090,475	1,749,503	1,969,934	2,502,444
13,103,572	12,474,734	13,603,402	14,314,486
8,014,923	7,365,218	7,488,505	7,580,222
278,615	155,656	202,974	241,086
2,257,066	2,282,194	2,657,883	2,759,844
6,722,015	5,327,277	5,684,674	6,709,906
6,689,486	5,853,416	6,876,614	6,830,806
5,382,277	5,019,367	5,274,683	6,305,642
19,274,555	17,671,549	19,154,673	20,251,005
1,449,958	1,046,033	1,573,177	2,084,363
3,675,083	4,588,417	4,348,034	4,142,400
700,459	562,344	660,110	671,360
472,775	1,316,799	1,015,164	129,500
3,329,680	3,410,020	2,793,150	3,435,038
-	2,375	-	2,307
1,750,904	1,732,427	1,973,187	2,166,508
205,495,730	198,667,346	217,277,637	229,811,556
-	-	-	1,600,000
-	-	-	-
-	-	-	1,600,000
11,812,267	18,840,815	745,740	(11,279,808)
52,326,867	64,139,134	82,979,949	83,725,689
\$ 64,139,134	\$ 82,979,949	\$ 83,725,689	\$ 72,445,881

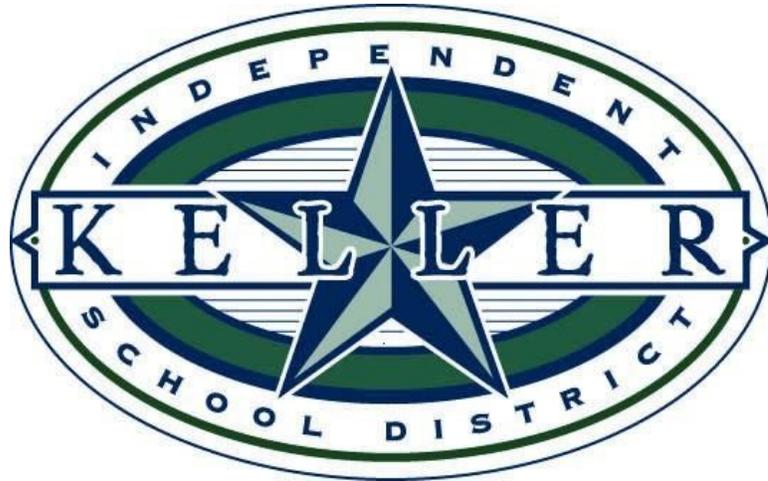


KELLER ISD
Intentionally  Exceptional

Keller ISD Organizations



Artwork Provided by:
Sydney Lopez
Fossil Ridge High School



KELLER ISD
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KELLER ISD 2013-2014 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
738 Payroll
739 Legal
740 Assistant Superintendent Operations
741 Planning
742 Communications
743 Chief Financial Officer
744 Purchasing
746 Risk Management and Facility Rentals
747 Instructional Materials
748 Human Resources
749 Finance
896 Natatorium
934 Transportation
935 Special Services
936 Special Education
937 Language Acquisition
938 Dyslexia
939 Fine Arts
942 Assessment
943 Guidance and Counseling
945 General Education
946 Organizational Improvement
948 Chief Academic Officer
949 Technology
951 Maintenance
952 Operations
953 Health Services
954 Child Nutrition
955 Library/Media Services
956 Career and Technology
957 Social Studies
958 Math
960 Science
961 General Support
964 Elementary Language Arts
965 Distribution Center
966 Records Management
967 Advanced Academics
970 Media Production
971 Leadership
973 PEIMS
975 Safety and Security
997 High School Allotment
999 District Wide

KELLER ISD 2013-2014 BUDGET

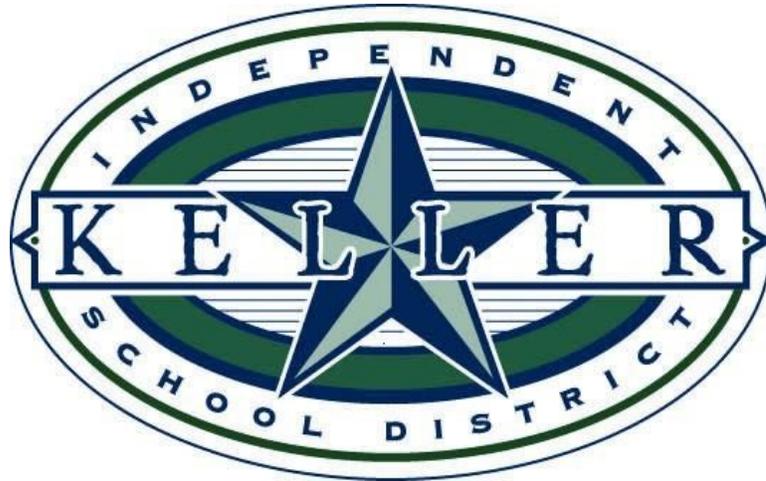
General Fund Budgets by Organization

Organization Name	Payroll 6100	Contracted Services 6200	Supplies and Materials 6300	Other Operating Expenses 6400	Capital Outlay 6600	Total 2013-2014 Budget
1 Keller High	10,939,590	32,975	142,740	69,193	0	11,184,498
2 Fossil Ridge High	9,936,514	9,710	132,049	74,323	0	10,152,596
4 Central High	10,610,328	9,400	154,701	81,510	0	10,855,939
5 Timber Creek High	10,794,072	5,800	165,044	79,460	0	11,044,376
36 Athletics	509,168	412,500	691,544	492,771	0	2,105,983
39 Keller Learning Center	1,571,866	14,655	38,002	20,340	0	1,644,863
41 Keller Middle	3,667,049	488	61,575	13,386	0	3,742,498
42 Fossil Hill Middle	4,499,171	2,300	65,952	14,550	0	4,581,973
43 Hillwood Middle	5,029,642	0	77,498	19,325	0	5,126,465
44 Indian Springs Middle	4,251,799	250	67,913	13,600	0	4,333,562
45 Trinity Springs Middle	4,276,574	1,660	79,858	9,206	0	4,367,298
46 Timberview Middle	4,978,594	900	60,880	27,528	0	5,067,902
101 Keller-Havel Elementary	2,821,984	0	33,268	1,350	0	2,856,602
102 Florence Elementary	2,364,167	1,370	30,125	3,509	0	2,399,171
103 Parkview Elementary	3,473,635	2,155	44,352	5,588	0	3,525,730
104 Bear Creek Intermediate	3,454,841	4,285	47,272	13,245	0	3,519,643
105 Whitley Road Elementary	2,832,840	0	34,001	4,345	0	2,871,186
106 Heritage Elementary	2,869,770	1,200	34,149	11,253	0	2,916,372
107 Chisholm Trail Intermediate	4,465,791	950	59,394	14,830	0	4,540,965
108 Shady Grove Elementary	2,468,425	2,196	23,934	5,150	0	2,499,705
109 Park Glen Elementary	2,808,528	90	37,688	9,262	0	2,855,568
110 Willis Lane Elementary	2,483,416	1,285	31,401	3,800	0	2,519,902
111 North Riverside Elementary	2,963,916	1,040	33,528	5,679	0	3,004,163
112 Hidden Lakes Elementary	2,722,763	450	33,213	2,910	0	2,759,336
113 Lone Star Elementary	2,956,560	760	46,451	6,840	0	3,010,611
114 Parkwood Hill Intermediate	4,158,703	5,529	66,937	16,535	0	4,247,704
115 South Keller Intermediate	3,653,321	939	51,848	13,689	0	3,719,797
116 Bluebonnet Elementary	2,853,134	2,000	45,568	3,153	0	2,903,855
117 Freedom Elementary	2,386,203	253	35,179	5,239	0	2,426,874
118 Bette Perot Elementary	2,969,986	735	42,390	9,360	0	3,022,471
119 Woodland Springs	2,785,972	0	34,775	3,932	0	2,824,679
120 Liberty Elementary	2,306,674	200	29,064	4,905	0	2,340,843
121 Independence Elementary	2,489,915	830	31,608	4,199	0	2,526,552
122 Friendship Elementary	3,020,209	1,717	36,767	6,318	0	3,065,011
123 Trinity Meadows Intermediate	4,247,320	690	65,470	5,514	0	4,318,994
124 Eagle Ridge Elementary	3,198,711	2,902	54,274	6,642	0	3,262,529
125 Caprock Elementary	3,358,813	664	51,441	8,291	0	3,419,209
126 Basswood Elementary	2,590,189	200	33,945	2,624	0	2,626,958
128 Keller Early Learning Center	3,221,926	558	22,119	4,393	0	3,248,996
129 Ridgeview Elementary	2,493,107	70	31,300	4,725	0	2,529,202

KELLER ISD 2013-2014 BUDGET

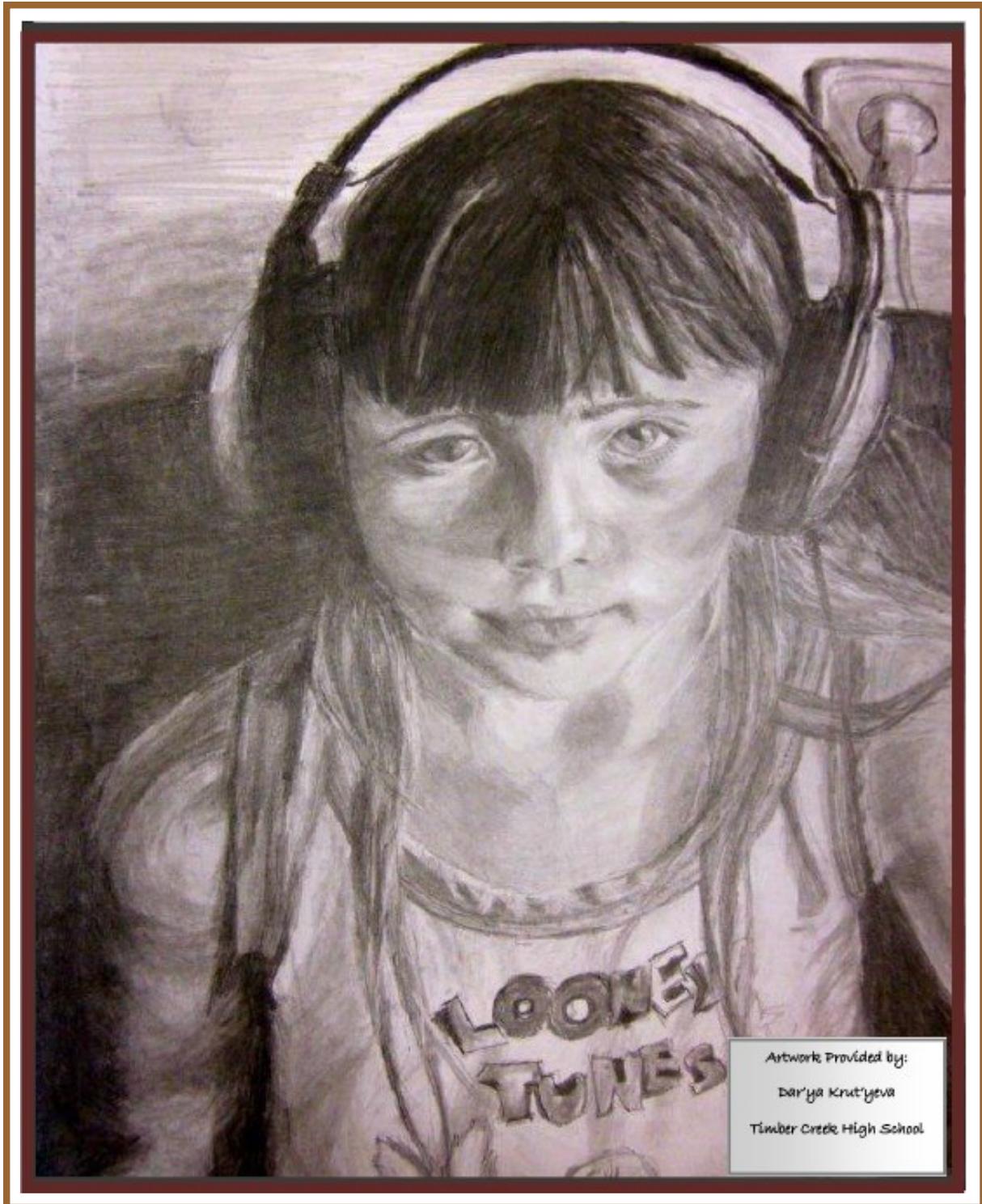
Budgets by Organization (continued)

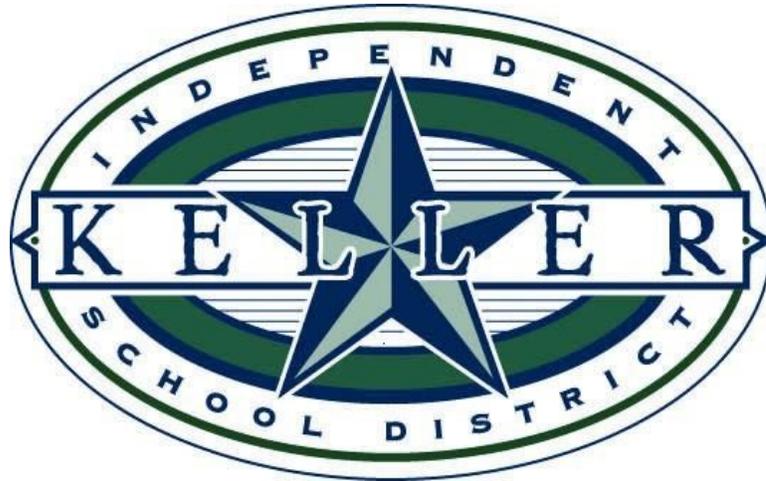
Organization Name	Payroll 6100	Contracted Services 6200	Supplies and Materials 6300	Other Operating Expenses 6400	Capital Outlay 6600	Total 2013-2014 Budget
701 Superintendent	353,194	144,355	19,879	49,017	0	566,445
702 Board of Trustees	0	150	203	53,062	0	53,415
738 Payroll Department	357,278	51,871	54,686	9,533	0	473,368
739 Legal	250,689	159,450	3,856	3,500	0	417,495
740 Assistant Superintendent Operations	47,990	91,304	146,659	8,325	35,398	329,676
741 Planning	36,180	40,000	13,863	3,909	0	93,952
742 Communications	322,064	5,675	18,611	18,277	0	364,627
743 Chief Financial Officer	192,600	2,134	7,155	25,135	0	227,024
744 Purchasing	319,766	21,750	4,198	14,100	0	359,814
746 Risk Management\Facility Rentals	49,685	0	0	1,258,538	0	1,308,223
747 Instructional Materials	36,820	13,963	13,420	2,445	0	66,648
748 Human Resources	765,059	62,836	20,580	72,893	0	921,368
749 Finance	828,727	1,265,602	47,468	267,495	0	2,409,292
896 Natatorium	323,588	85,500	59,350	135,882	8,000	612,320
934 Transportation	0	5,671,335	803,571	0	175,000	6,649,906
935 Special Services	0	2,000	49,921	12,000	0	63,921
936 Special Education	2,011,809	253,200	7,830	59,436	0	2,332,275
937 Language Acquisition	236,427	13,300	263,565	35,640	0	548,932
938 Dyslexia	39,804	38,000	118,088	12,100	0	207,992
939 Fine Arts	199,026	373,400	509,750	98,356	0	1,180,532
942 Assessment	425,954	55,493	266,362	6,604	0	754,413
943 Guidance and Counseling	1,383,523	19,500	52,500	31,700	0	1,487,223
945 General Education	640,076	146,500	54,150	17,800	0	858,526
946 Organizational Improvement	416,149	218,400	33,600	35,206	0	703,355
948 Chief Academic Officer	752,227	30,310	840,025	13,078	0	1,635,640
949 Technology	1,042,542	4,900,221	1,123,653	28,561	159,790	7,254,767
951 Maintenance	3,195,447	5,128,458	1,080,341	3,104,671	45,000	12,553,917
952 Operations	6,882,598	397,886	819,298	12,455	108,680	8,220,917
953 Health Services	2,613,968	8,000	104,005	28,000	0	2,753,973
955 Library/Media Services	42,846	0	98,366	15,600	17,000	173,812
956 Career and Technology	244,383	419,300	329,106	122,500	0	1,115,289
957 Social Studies	84,307	0	30,167	2,447	0	116,921
958 Math	250,611	0	62,599	2,100	0	315,310
960 Science	95,425	22,000	150	2,850	0	120,425
961 General Support	81,246	0	675	2,000	0	83,921
964 Elementary Language Arts	110,930	19,200	31,450	17,050	0	178,630
965 Distribution Center	297,029	54,100	16,241	1,851	0	369,221
966 Records Management	6,159	3,941	6,038	2,130	0	18,268
967 Advanced Academics	117,084	0	42,225	3,900	0	163,209
970 Media Production	120,426	200	6,763	3,804	0	131,193
971 Leadership	809,372	213,357	31,575	62,866	0	1,117,170
973 PEIMS	118,609	4,500	1,050	2,990	0	127,149
975 Safety and Security	299,498	957,769	180,843	24,490	290,000	1,752,600
997 High School Allotment	69,700	111,000	203,701	48,020	0	432,421
999 District Wide	6,048,972	0	0	2,166,508	0	8,215,480
	188,004,973	21,529,666	10,436,753	9,001,296	838,868	229,811,556



KELLER ISD
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Debt Service Fund





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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.

As of August 31, 2013, the District had \$681,493,166 in outstanding long-term debt. On September 13, 2012 the District issued \$4,339,998 in unlimited tax refunding bonds, with interest rates between 2.00% and 3.00% to advance refund \$4,340,000 of series 2005 Bonds with original maturities between 2016 and 2026 and interest rates of 5.00%. The refunding was undertaken to reduce the District's total debt service payments over the next 20 years by approximately \$835,354 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$739,035.

On February 28, 2013 the District issued \$81,080,000 in unlimited tax refunding bonds, with interest rates between 1.50% and 5.00% to advance refund \$85,165,000 of series 2005 bonds with original maturities between 2014 and 2030 and interest rates between 4.00% and 5.00%. The refunding was undertaken to reduce the District's total debt service payments over the next 20 years by approximately \$9,580,824 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$8,925,183. As part of this refunding, the District issued \$3,665,000 in unlimited tax refunding bonds to defease \$4,495,000 in bonds then outstanding. Of the \$4,495,000 in bonds originally defeased, \$830,000 remains outstanding at August 31, 2013.

The District has no authorized but unissued bonds.

DEBT SERVICE EXPENDITURES

The debt service budget consists of the following amounts: \$23,634,769 for bond principal payments, \$35,440,477 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.

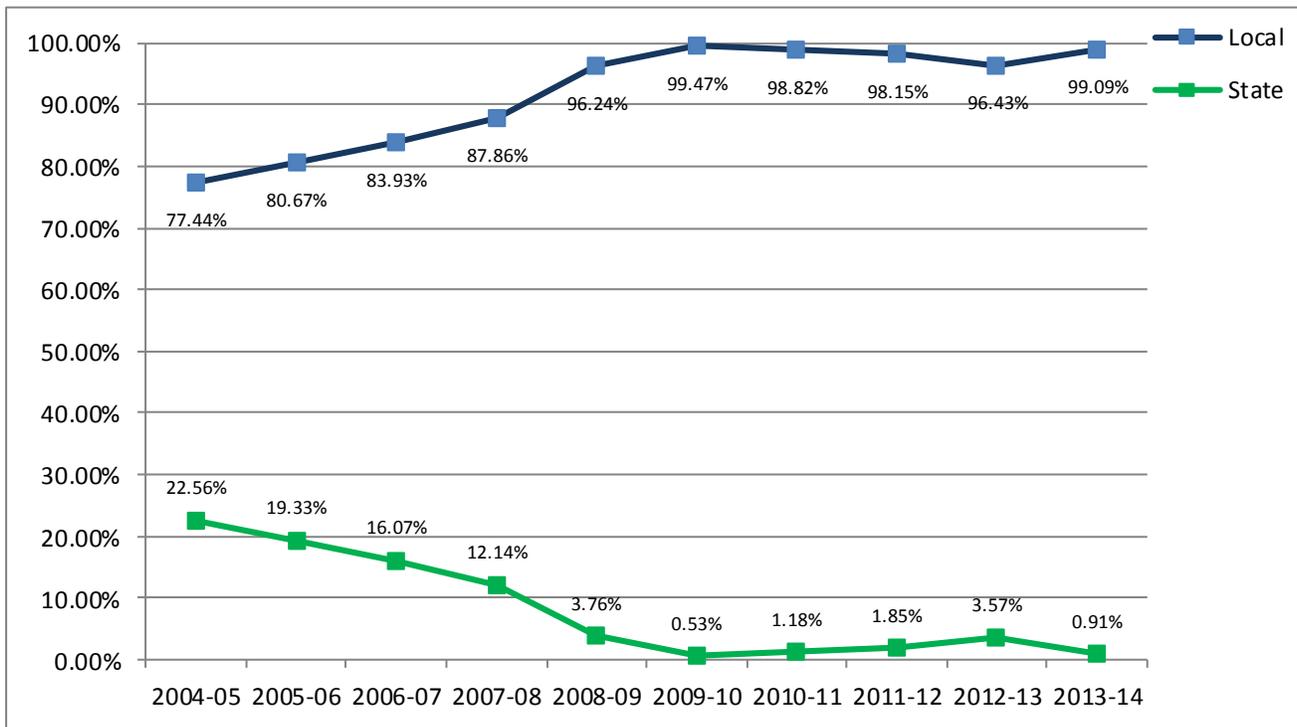
For 2013-14, the Debt Service remains at \$0.500 per \$100 valuation for the third consecutive year.

KELLER ISD 2013-2014 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 5.92% at August 31, 2013.

The following graph depicts the change in Keller ISD's Debt Service Fund revenue sources, 2005-2014. The district has derived increasing amounts of revenue from local sources as state revenue declines.

DEBT SERVICE REVENUE SOURCES

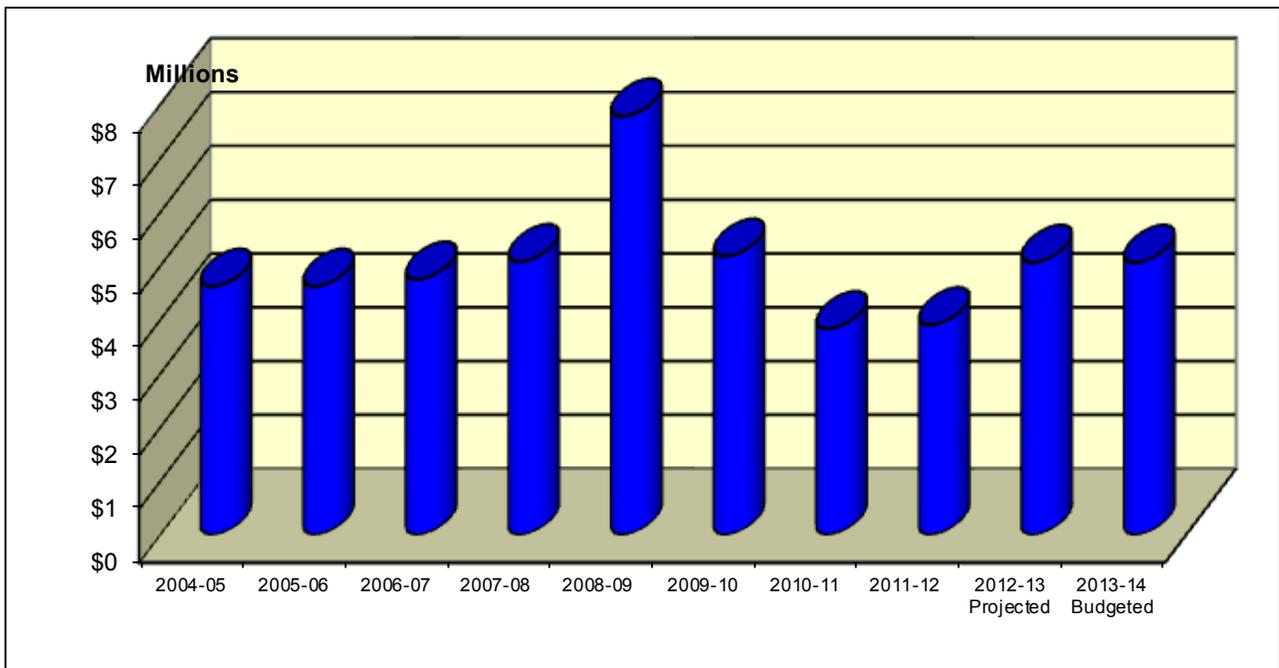


<u>Year</u>	<u>Local</u>	<u>State</u>	<u>Federal</u>
2004-05	18,086,452	5,270,178	0
2005-06	21,710,060	5,201,057	0
2006-07	25,867,344	4,953,187	0
2007-08	30,869,545	4,264,854	0
2008-09	39,442,048	1,542,827	0
2009-10	48,779,858	261,674	0
2010-11	53,214,975	638,097	0
2011-12	55,909,665	1,052,689	0
2012-13	56,522,063	2,090,062	0
2013-14	58,349,693	535,252	0

KELLER ISD 2013-2014 BUDGET

The graph below indicates the Debt Service budgeted fund balance at the end of each fiscal year from 2004-05 to 2011-12 and a projection of the budgeted fund balance for the 2012-13 and the 2013-14 budget years.

DEBT SERVICE FUND BALANCE



Year	Budgeted Fund Balance
2004-05	4,608,114
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 Projected	5,051,995
2013-14 Budgeted	5,051,995

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KELLER ISD 2013-2014 BUDGET

**KELLER INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND**

**FIVE YEAR SUMMARY OF REVENUES AND EXPENDITURES
YEARS ENDED AUGUST 31, 2010 - AUGUST 31, 2014 (BUDGETED)**

	Audited 2009-10	Audited 2010-11	Audited 2011-12	Projected Actual 2012-13	Adopted Budget 2013-14
Revenue					
Local Sources	\$ 48,779,858	\$ 53,214,975	\$ 55,909,665	\$ 56,522,063	\$ 58,349,693
State Sources	261,674	638,097	1,052,689	2,090,062	535,252
Total Revenues	49,041,532	53,853,072	56,962,354	58,612,125	58,884,945
Expenditures					
Debt Service	52,109,811	55,371,826	56,974,733	58,408,156	59,125,246
Total Expenditures	52,109,811	55,371,826	56,974,733	58,408,156	59,125,246
Revenue Over (Under) Expenditures	(3,068,279)	(1,518,754)	(12,379)	203,969	(240,301)
Other Financing Resources (Uses)					
Other Resources	31,969,812	9,975,449	2,910,974	100,689,802	240,301
Other Uses	(31,505,435)	(9,804,046)	(2,825,750)	(99,734,652)	-
Total Other Financing Resources (Uses)	464,377	171,403	85,224	955,150	240,301
Revenues and Other Resources Over (Under) Expenditures	(2,603,902)	(1,347,351)	72,845	1,159,119	-
Beginning Fund Balance, 9/1	7,771,284	5,167,382	3,820,031	3,892,876	5,051,995
Ending Fund Balance, 8/31	\$ 5,167,382	\$ 3,820,031	\$ 3,892,876	\$ 5,051,995	\$ 5,051,995

KELLER ISD 2013-2014 BUDGET

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

Description	Interest Rate Payable	Amounts Original Issue	Amount Outstanding 9/1/2012	Issued Current Year	Retired Current Year
Refunding and School Building Bonds	5.625% to 6.25%	\$ 29,245,000	\$ 163,664	\$ -	\$ 163,664
Series 1992 & 1992A					
Refunding and School Building Bonds	3.50% to 6.25%	31,065,000	315,000	-	197,346
Series 1993 & 1993A					
Unlimited Tax School Building Bonds	3.60% to 5.90%	59,539,931	13,864,646	-	701,390
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	130,002	-	45,000
Bonds Series 1999					
Unlimited Tax School Building Bonds	5.25% to 5.50%	117,068,480	1,436,523	*	1,436,523
Bonds Series 2001					
Unlimited Tax Refunding Bonds	3.00% to 4.20%	7,184,997	315,000	-	315,000
Bonds Series 2002					
Unlimited Tax Refunding Bonds	4.75% to 5.00%	98,339,961	91,664,961	-	1,979,962
Bonds Series 2005					
Unlimited Tax School Building and Refunding B	4.00% to 5.00%	117,165,000	112,545,000	-	90,580,000
Bonds Series 2005A					
Unlimited Tax School Refunding Bonds	4.00% to 5.00%	89,844,973	88,049,973	-	310,000
Bonds Series 2006					
Unlimited Tax School Refunding Bonds	4.00% to 4.60%	64,749,980	63,935,745	-	4,654
Bonds Series 2006A					
Unlimited Tax School Refunding Bonds	4.00% to 5.00%	136,470,000	133,470,000	-	-
Bonds Series 2007					
Unlimited Tax School Refunding Bonds	4.39% to 5.00%	142,299,951	137,594,951	-	6,285,000
Bonds Series 2009					
Unlimited Tax School Refunding Bonds	3.00% to 4.63%	11,199,999	10,360,000	-	1,515,000
Bonds Series 2009					
Unlimited Tax School Refunding Bonds	3.50% to 4.50%	22,419,992	22,366,552	-	5,305
Bonds Series 2009A					
Unlimited Tax School Refunding Bonds	2.00% to 4.125%	8,389,999	7,840,000	-	140,000
Bonds Series 2010					
Unlimited Tax School Refunding Bonds	2.00% to 4.00%	9,370,000	9,305,000	-	335,000
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
Bonds Series 2012A					
Unlimited Tax School Refunding Bonds	1.50% to 5.00%			-	81,080,000
Bonds Series 2013					
Total Bonded Indebtedness			\$ 700,087,012	\$ 85,419,998	\$ 104,013,844

KELLER ISD 2013-2014 BUDGET

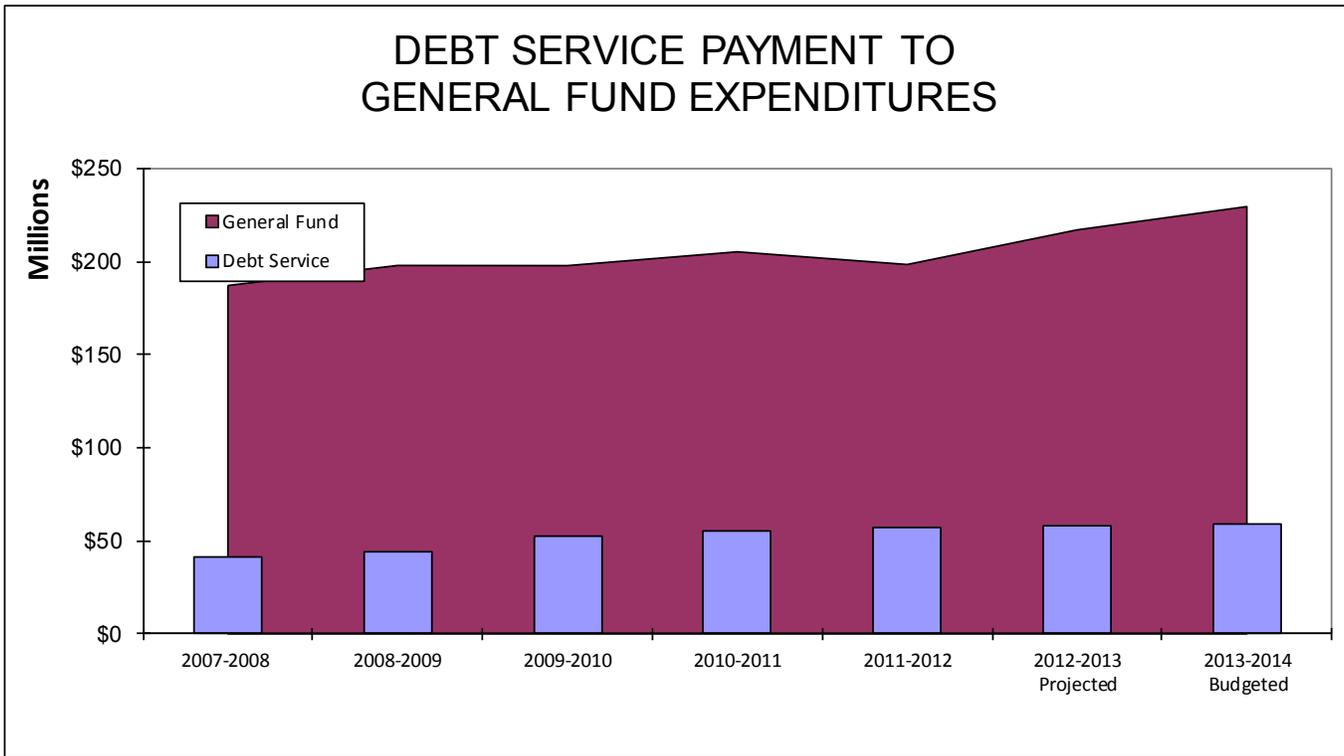
DEBT SERVICE FUND BOND SCHEDULE

Amount Outstanding 8/31/2013	Requirements		Requirements		9/1/2013 To Maturity Interest
	Year Ending 8/31/2014 Principal	Year Ending 8/31/2014 Interest	Year Ending 8/31/2015 Principal	Year Ending 8/31/2015 Interest	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 117,654	117,654	987,346	-	-	987,346
\$ 13,163,256	1,129,314	2,075,686	319,242	4,625,758	46,451,743
\$ 4,019,995	-	120,600	-	120,600	1,966,200
\$ 85,002	45,000	735,000	40,000	750,000	1,485,000
\$ -	-	-	-	-	-
\$ -	-	-	-	-	-
\$ 89,684,999	8,205,000	4,399,663	8,130,000	3,989,413	40,365,797
\$ 21,965,000	330,000	981,428	500,000	964,928	10,974,643
\$ 87,739,973	320,000	4,205,094	335,000	4,192,294	56,091,230
\$ 63,931,091	2,701	3,022,962	1,567	3,024,097	42,360,793
\$ 133,470,000	1,425,000	6,515,025	2,970,000	6,458,025	87,917,375
\$ 131,309,951	9,240,000	6,591,806	64,413	10,506,393	112,907,408
\$ 8,845,000	1,970,000	296,737	1,975,000	232,631	1,372,575
\$ 22,361,247	5,100	1,023,110	4,846	1,023,364	14,846,244
\$ 7,700,000	230,000	287,643	180,000	283,043	3,389,985
\$ 8,970,000	615,000	327,550	580,000	315,250	2,687,600
\$ 2,710,000	-	94,850	-	94,850	1,594,950
\$ 4,339,998	-	128,550	-	128,550	1,934,652
\$ 81,080,000	-	3,529,125	-	3,529,125	39,114,663
\$ 681,493,166	\$ 23,634,769	\$ 35,322,175	\$ 15,100,068	\$ 40,238,321	\$ 466,448,204

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 in 2012-13 and projected to be greater in 2013-14 as well. No campuses were opened during these years, but general fund expenditures increased mainly due to pay raises given for the first time in several years.

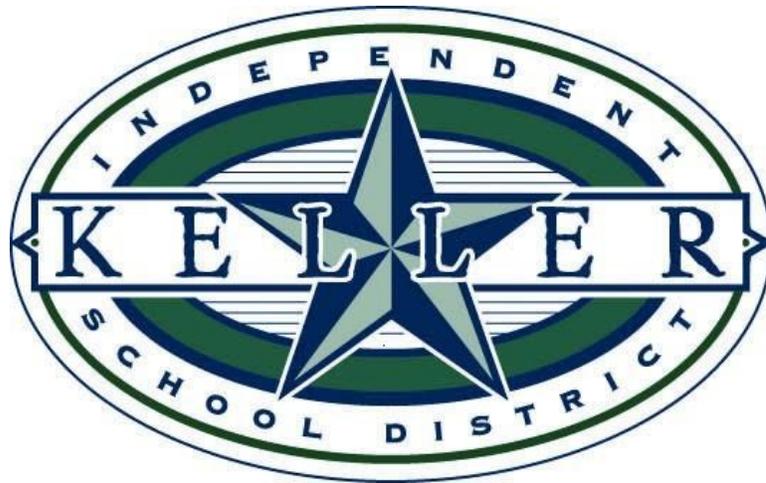


Year	General Fund		Debt Service Fund	
	General Fund	% Increase Over Prior Year	Debt Service	% Increase Over Prior Year
2007-2008	187,382,466	17.35%	41,412,463	11.48%
2008-2009	198,150,292	5.75%	44,610,580	7.72%
2009-2010	198,073,529	-0.04%	52,109,811	16.81%
2010-2011	205,495,730	3.75%	55,371,826	6.26%
2011-2012	198,667,346	-3.32%	56,974,733	2.89%
2012-2013 Projected	217,277,637	9.37%	58,408,156	2.52%
2013-2014 Budgeted	229,811,556	5.77%	59,125,246	1.23%

Child Nutrition Fund



Artwork Provided by:
Zu Zu Verle
Timber Creek High School



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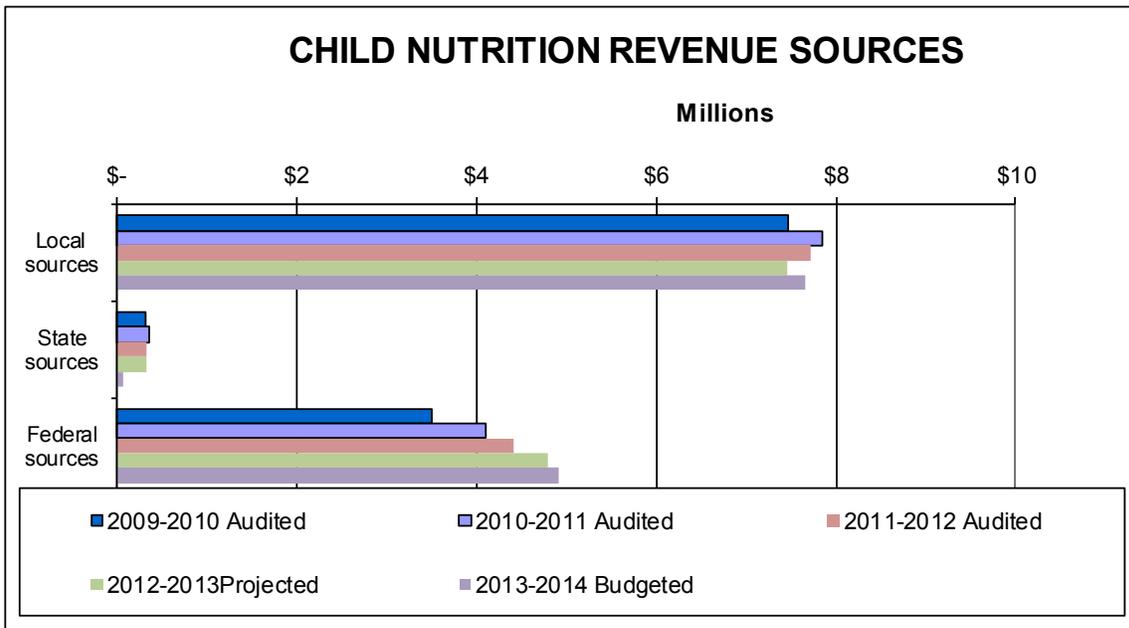
CHILD NUTRITION SPECIAL REVENUE FUND OVERVIEW

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 38.84% of the projected 2013-14 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 (60.63%) is primarily generated from user fees – i.e. student payments for meals.

Child Nutrition expenditures for 2013-14 consist of payroll (37.98%), contracted services (61.90%), and other operating expenditures (.11%). Contracted services and Supplies and materials minimally increased in 2013-14 compared to 2012-13. Capital Outlay decreased by 100% due to the installation of a new kitchen installation during the 2012-13 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 \$4,689,717 at August 31, 2013, an increase of \$3,382,814.

The budgeted ending fund balance for 2013-14 is projected to be \$5,539,717, which is an increase from 2012-13 of \$850,000. This increase is due to guaranteed income from the District’s food service management company.



Year	Local	State	Federal
2009-2010 Audited	7,468,930	326,702	3,500,740
2010-2011 Audited	7,839,256	350,514	4,103,338
2011-2012 Audited	7,715,387	320,154	4,417,831
2012-2013 Projected	\$ 7,461,105	334,014	4,794,879
2013-2014 Budgeted	\$ 7,666,317	66,385	4,911,034

KELLER ISD 2013-2014 BUDGET

**KELLER INDEPENDENT SCHOOL DISTRICT
CHILD NUTRITION FUND**

**FIVE YEAR SUMMARY OF REVENUES AND EXPENDITURES
YEARS ENDED AUGUST 31, 2010—AUGUST 31, 2014 (ADOPTED BUDGET)**

	Audited 2009-2010	Audited 2010-2011	Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014
Revenues					
Local sources	\$ 7,468,930	\$ 7,839,256	\$ 7,715,387	\$ 7,461,105	\$ 7,666,317
State sources	326,702	350,514	320,154	334,014	66,385
Federal sources	3,500,740	4,103,338	4,417,831	4,794,879	4,911,034
Total Revenues	11,296,372	12,293,108	12,453,372	12,589,998	12,643,736
Expenditures					
Food Services	10,601,047	10,892,691	11,502,527	12,664,450	11,793,736
Total Expenditures	10,601,047	10,892,691	11,502,527	12,664,450	11,793,736
Revenues Over Expenditures	695,325	1,400,417	950,845	(74,452)	850,000
Fund Balance beginning, 9/1	1,717,582	2,412,907	3,813,324	4,764,169	4,689,717
Fund Balance ending, 8/31	\$ 2,412,907	\$ 3,813,324	\$ 4,764,169	\$ 4,689,717	\$ 5,539,717

KELLER ISD 2013-2014 BUDGET

**KELLER INDEPENDENT SCHOOL DISTRICT
CHILD NUTRITION FUND**

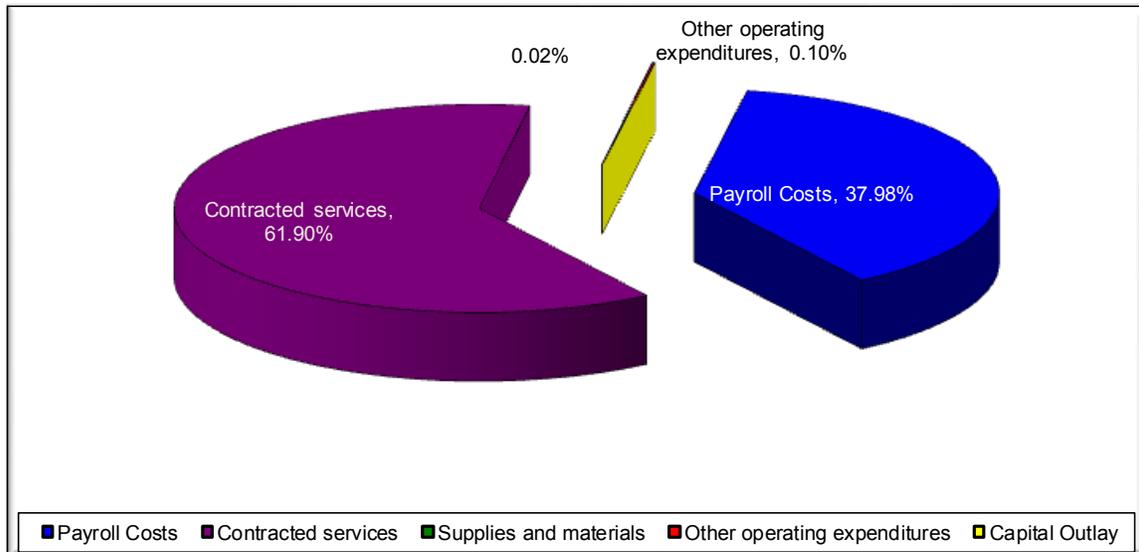
BUDGET SUMMARY: 2013-2014

REVENUE AND EXPENDITURE SUMMARY BY MAJOR OBJECT

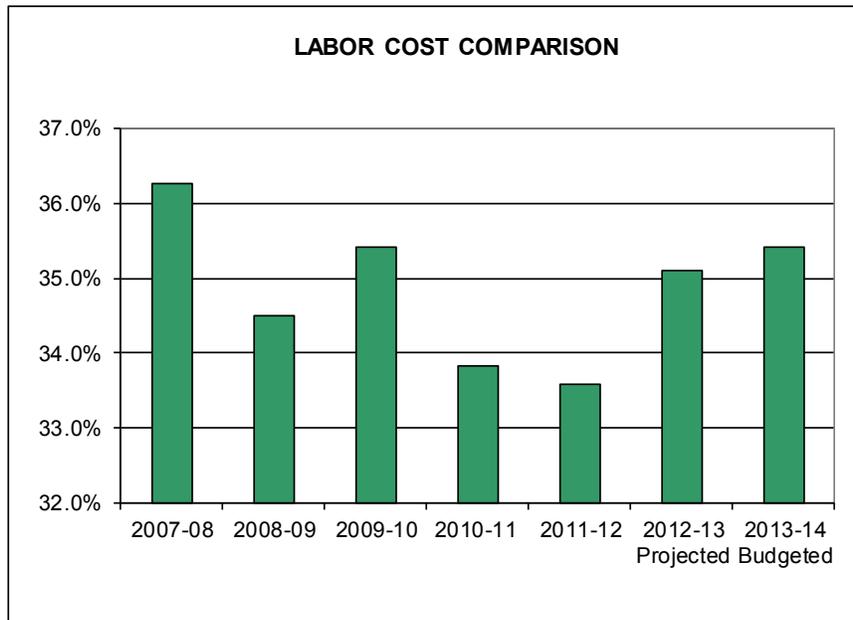
	<u>Audited 2010-2011</u>	<u>Audited 2011-2012</u>	<u>Projected Actual 2012-2013</u>	<u>Adopted Budget 2013-2014</u>	<u>Percent of Total</u>
Revenues					
Local sources	\$ 7,839,256	\$ 7,715,387	\$ 7,461,105	\$ 7,666,317	60.63%
State sources	350,514	320,154	334,014	66,385	0.53%
Federal sources	4,103,338	4,417,831	4,794,879	4,911,034	38.84%
Total Revenues	12,293,108	12,453,372	12,589,998	12,643,736	100.00%
Expenditures by object					
Payroll Costs	4,157,042	4,181,315	4,420,319	4,478,687	37.98%
Contracted services	789,262	1,145,688	7,285,420	7,300,049	61.90%
Supplies and materials	5,867,013	5,998,705	192,357	2,000	0.02%
Other operating expenditures	10,975	8,732	7,762	13,000	0.10%
Capital Outlay	68,399	168,087	758,592	-	0.00%
Total Expenditures	10,892,691	11,502,527	12,664,450	11,793,736	100.00%
Excess of Revenues Over Expenditures	\$ 1,400,417	\$ 950,845	\$ (74,452)	\$ 850,000	

The graph below depicts the Child Nutrition expenditure budget for 2013-2014 by Major Object.

CHILD NUTRITION BUDGET EXPENDITURE SUMMARY



CHILD NUTRITION FUND
Labor Cost COMPARISON



Year	Revenue	Labor Costs	Percentage
2007-08	9,677,098	3,508,674	36.3%
2008-09	10,425,609	3,597,123	34.5%
2009-10	11,296,372	4,000,245	35.4%
2010-11	12,292,108	4,157,042	33.8%
2011-12	12,453,372	4,181,315	33.6%
2012-13 Projected	12,589,998	4,420,319	35.1%
2013-14 Budgeted	12,643,736	4,478,687	35.4%

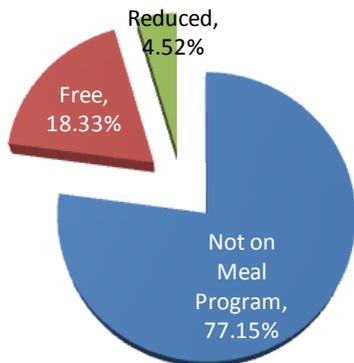
The above graph illustrates the labor costs over seven years as a percentage of revenue. As demonstrated by the graph, 2013-14 labor costs are projected to be approximately 35.4% of total budgeted revenue. Labor costs are increasing faster than revenue at this point, mainly due to salary increases in 2012-13 and 2013-14. Revenue is projected to increase in 2013-2014 from the prior year by .43%, due mainly to higher program participation, while labor costs will increase by 1.3%.

KELLER ISD 2013-2014 BUDGET

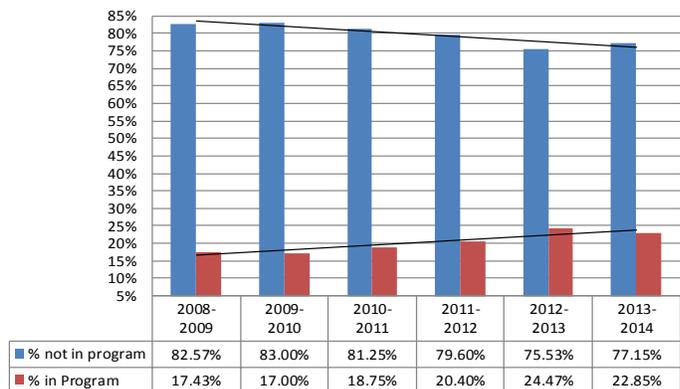
Child Nutrition Fund Meal Program Students by Campus

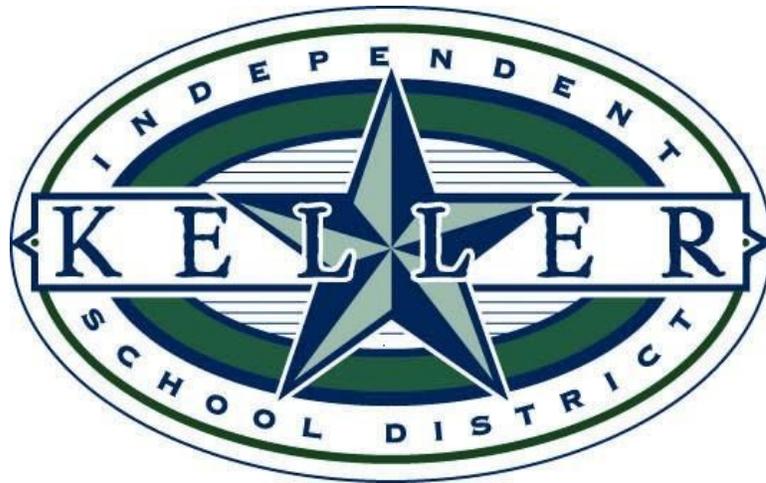
Campus	Free	Reduced	Number in Program	Percent Meal Program Students
126 Basswood Elementary	207	49	256	49.61%
104 Bear Creek Intermediate	34	16	50	6.21%
118 Bette Perot Elementary	55	23	78	11.32%
116 Bluebonnet Elementary	178	50	228	35.40%
125 Caprock Elementary	282	41	323	46.61%
4 Central High	392	97	489	19.28%
107 Chisholm Trail Intermediate	353	78	431	50.41%
124 Eagle Ridge Elementary	68	16	84	10.73%
102 Florence Elementary	24	6	30	5.84%
42 Fossil Hill Middle	331	103	434	44.02%
2 Fossil Ridge High	695	187	882	39.23%
117 Freedom Elementary	83	22	105	21.17%
122 Friendship Elementary	159	23	182	32.62%
106 Heritage Elementary	204	47	251	39.22%
112 Hidden Lakes Elementary	5	2	7	1.41%
43 Hillwood Middle	245	59	304	25.55%
121 Independence Elementary	42	11	53	10.39%
44 Indian Springs Middle	95	23	118	13.61%
128 Keller Early Learning Center	148	32	180	31.86%
1 Keller High	106	22	128	4.90%
39 Keller Learning Center	11	0	11	18.97%
41 Keller Middle	46	9	55	6.46%
101 Keller-Harvel Elementary	70	16	86	18.49%
120 Liberty Elementary	18	0	18	4.52%
113 Lone Star Elementary	72	15	87	11.87%
111 North Riverside Elementary	225	32	257	54.11%
109 Park Glen Elementary	79	24	103	17.11%
103 Parkview Elementary	277	78	355	52.67%
114 Parkwood Hill Intermediate	233	61	294	27.55%
129 Ridgeview Elementary	53	24	77	13.95%
108 Shady Grove Elementary	21	2	23	4.67%
115 South Keller Intermediate	91	25	116	15.14%
5 Timber Creek High	457	138	595	21.29%
46 Timberview Middle	100	34	134	12.08%
123 Trinity Meadows Intermediate	228	47	275	26.91%
45 Trinity Springs Middle	183	48	231	22.94%
105 Whitley Road Elementary	221	41	262	55.27%
110 Willis Lane Elementary	45	12	57	10.96%
119 Woodland Springs	62	14	76	13.87%
2013-2014 Totals	6198	1527	7725	22.85%

Students Receiving Free or Reduced Meals



Historical Meal Program Utilization





KELLER ISD
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Informational Section

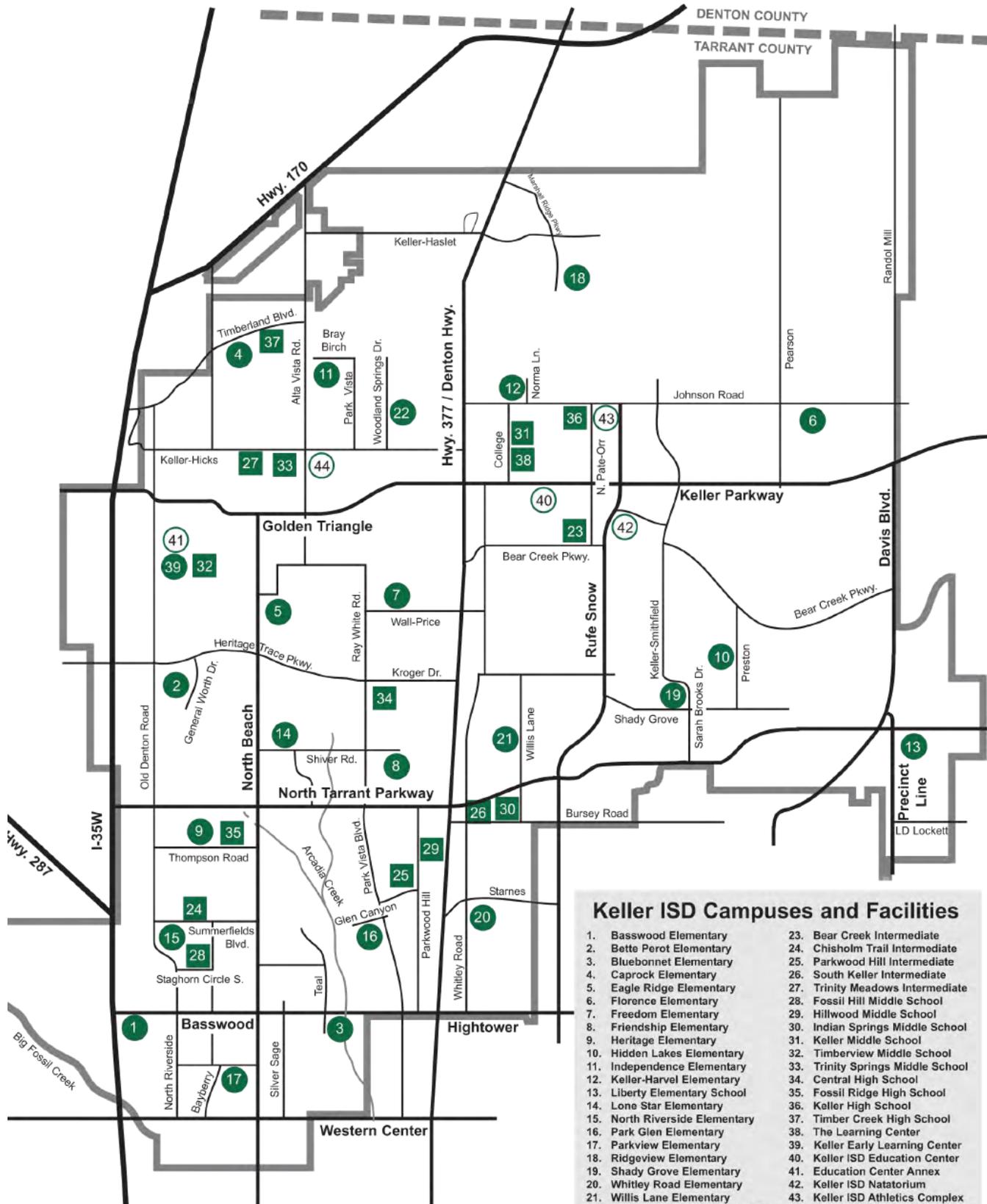


Artwork Provided by:

Sarah Jones

Keller High School

2013-14 KISD Campus Locator Map



Keller ISD Campuses and Facilities

- | | |
|---------------------------------|-----------------------------------|
| 1. Basswood Elementary | 23. Bear Creek Intermediate |
| 2. Bette Perot Elementary | 24. Chisholm Trail Intermediate |
| 3. Bluebonnet Elementary | 25. Parkwood Hill Intermediate |
| 4. Caprock Elementary | 26. South Keller Intermediate |
| 5. Eagle Ridge Elementary | 27. Trinity Meadows Intermediate |
| 6. Florence Elementary | 28. Fossil Hill Middle School |
| 7. Freedom Elementary | 29. Hillwood Middle School |
| 8. Friendship Elementary | 30. Indian Springs Middle School |
| 9. Heritage Elementary | 31. Keller Middle School |
| 10. Hidden Lakes Elementary | 32. Timberview Middle School |
| 11. Independence Elementary | 33. Trinity Springs Middle School |
| 12. Keller-Harvel Elementary | 34. Central High School |
| 13. Liberty Elementary School | 35. Fossil Ridge High School |
| 14. Lone Star Elementary | 36. Keller High School |
| 15. North Riverside Elementary | 37. Timber Creek High School |
| 16. Park Glen Elementary | 38. The Learning Center |
| 17. Parkview Elementary | 39. Keller Early Learning Center |
| 18. Ridgeview Elementary | 40. Keller ISD Education Center |
| 19. Shady Grove Elementary | 41. Education Center Annex |
| 20. Whitley Road Elementary | 42. Keller ISD Natatorium |
| 21. Willis Lane Elementary | 43. Keller ISD Athletics Complex |
| 22. Woodland Springs Elementary | 44. Maintenance and Operations |

www.KellerISD.net

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

Keller ISD Schools

Grades 9 - 12 (High School)

<p>Central High 9450 Ray White Rd. Keller, TX 76248 817-744-2000 Fax 817-744-2252</p>	<p>Fossil Ridge High 4101 Thompson Rd. Keller, TX 76248 817-744-1700 Fax 817-337-3407</p>	<p>Keller High School 601 N. Pate-Orr Rd. Keller, TX 76248 817-744-1400 Fax 817-337-3362</p>	<p>Timber Creek High School 12350 Timberland Blvd. Fort Worth, TX 76248 817-744-2300</p>	<p>The Learning Center 250 College St. Keller, TX 76248 817-744-4465 Fax 817-744-4464</p>
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Grades 7 - 8 (Middle School)

<p>Fossil Hill 3821 Slaghorn Circle S. Fort Worth, TX 76137 817-744-3050 Fax 817-847-6990</p>	<p>Hillwood 8250 Parkwood Hill Blvd. Fort Worth, TX 76137 817-744-3350 Fax 817-581-1810</p>	<p>Indian Springs 305 Burse Rd. Keller, TX 76248 817-744-3200 Fax 817-431-4432</p>	<p>Keller Middle 300 N. College Keller, TX 76248 817-744-2900 Fax 817-337-3512</p>	<p>Timberview Middle (5-8) 10300 Old Denton Rd. Fort Worth, TX 76248 817-744-2600</p>	<p>Trinity Springs 3550 Keller-Hicks Rd. Keller, TX 76248 817-744-3500 Fax 817-741-6353</p>
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Grades 5 - 6 (Intermediate School)

<p>Bear Creek 801 Bear Creek Pkwy. Keller, TX 76248 817-744-3650 Fax 817-337-5200</p>	<p>Chisholm Trail 3901 Summerfields Blvd. Fort Worth, TX 76137 817-744-3800 Fax 817-306-8393</p>	<p>Parkwood Hill 8201 Parkwood Hill Blvd. Fort Worth, TX 76137 817-744-4000 Fax 817-581-0085</p>	<p>South Keller 201 Burse Rd. Keller, TX 76248 817-744-4150 Fax 817-431-6616</p>	<p>Timberview Middle (5-8) 10300 Old Denton Rd. Fort Worth, TX 76248 817-744-2600</p>	<p>Trinity Meadows 3500 Keller-Hicks Rd. Keller, TX 76248 817-744-4300 817-741-6923</p>
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Grades K - 4 (Elementary School)

<p>Basswood 3100 Clay Mountain Trail Fort Worth, TX 76137 817-744-6500 Fax 817-750-5168</p>	<p>Bette Perot 9345 General Worth Dr. Fort Worth, TX 76244 817-744-4600 Fax 817-741-3659</p>	<p>Bluebonnet 7000 Teal Dr. Fort Worth, TX 76137 817-744-4500 Fax 817-581-3441</p>	<p>Caprock 12301 Grey Twig Dr. Fort Worth, TX 76244 817-744-6400 Fax 817-741-5803</p>	<p>Eagle Ridge 4600 Alta Vista Road Fort Worth, TX 76244 817-744-6300 Fax 817-741-2856</p>
<p>Florence 3095 Johnson Road Southlake, TX 76092 817-744-4700 Fax 817-337-3607</p>	<p>Freedom 5401 Wall-Price Fort Worth, TX 76244 817-744-4800 Fax 817-741-9913</p>	<p>Friendship 5400 Shiver Rd. Fort Worth, TX 76244 817-744-6200 Fax 817-741-5853</p>	<p>Heritage 4001 Thompson Rd. Fort Worth, TX 76244 817-744-4900 Fax 817-337-3656</p>	<p>Hidden Lakes 900 Preston Lane Keller, TX 76248 817-744-5000 Fax 817-741-1260</p>
<p>Independence 11773 Bray Birch Lane Fort Worth, TX 76244 817-744-6100 Fax 817-744-6138</p>	<p>Keller-Harvel 635 Norma Lane Keller, TX 76248 817-744-5100 Fax 817-337-3551</p>	<p>Liberty 1101 McDonwell School Rd. Colleyville, TX 76034 817-744-6000 Fax 817-743-0314</p>	<p>Lone Star 4647 Shiver Rd. Fort Worth, TX 76244 817-744-5200 Fax 817-379-6231</p>	<p>North Riverside 7900 N. Riverside Dr. Fort Worth, TX 76137 817-744-5300 Fax 817-306-1474</p>
<p>Park Glen 5100 Glen Canyon Rd. Fort Worth, TX 76137 817-744-5400 Fax 817-485-2067</p>	<p>Parkview 6900 Bayberry Fort Worth, TX 76137 817-744-5500 Fax 817-232-8693</p>	<p>Ridgeview 1601 Marshall Ridge Pkwy. Keller, TX 76248 817-744-6600</p>	<p>Shady Grove 1400 Sarah Brocks Dr. Keller, TX 76248 817-744-5600 Fax 817-428-2895</p>	<p>Whitley Road 7600 Whitley Rd. Watauga, TX 76148 817-744-5800 Fax 817-281-4023</p>
<p>Willis Lane 1620 Willis Lane Keller, TX 76248 817-744-5700 Fax 817-337-3830</p>	<p>Woodland Springs 12120 Woodland Springs Dr. Fort Worth, TX 76244 817-744-5900 Fax 817-741-0354</p>	<p>Keller ISD Early Learning Center 10310 Old Denton Rd. Fort Worth, TX 76244 817-744-6700</p>		

District Facilities

<p>Keller ISD Education Center 350 Keller Pkwy. Keller, TX 76248 817-744-1000 Fax 817-337-3261</p>	<p>Keller ISD Athletic Complex 500 N. Pate-Orr Rd. Keller, TX 76248 817-744-1325</p>	<p>Maintenance and Operations 11300 Alta Vista Keller, TX 76248 817-744-3950 Fax 817-337-3728</p>
<p>Education Center Annex 10310 Old Denton Rd Fort Worth, TX 76244 817-744-6900</p>	<p>Keller ISD Natatorium 1000 Bear Creek Pkwy. Keller, TX 76248 817-744-1350 Fax 817-745-1707</p>	<p>Durham School Services (Transportation) 11300 Alta Vista Keller, TX 76248 817-744-1300 Fax 817-337-1762</p>

2013

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
11	New Teacher week					17
18	Teacher Prep/PD Week					24
25	PD	[27	28	29	30	31

September						
S	M	T	W	Th	F	S
1	H	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	3	ER	5
6	[7	8	9	10	11	12
13	PD	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	PD	9
10	11	12	13	14	15	16
17	18	19	20	21	ER	23
24	H	H	H	H	H	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	H	H	H	H	H	28
29	H	H				

2014

January						
S	M	T	W	Th	F	S
			H	H	H	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	H	21	ER	ER	ER	25
26	PD	[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
16	PD	18	19	20	21	22
23	24	25	26	27	28	

March						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	ER	8
9	H	H	H	H	H	15
16	[17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

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

May						
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	H	27	28	29	30	GD

June						
S	M	T	W	Th	F	S
1	2	ER	ER	ER		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 District Holidays
- PD Student Holiday/Teacher PD
- ER Pre K-8 Early Release
- ER 9-12 Early Release
- ER End of Semester/Pre K-12 Early Release
- ☀ Student Holiday/Teacher Prep Day/Bad Weather Day
- GD Graduation Day

2013-2014 Dates at a Glance

Important Dates

Aug. 12-16	New Teacher Week
Aug. 19-23	Campus Teacher/Staff Return
Aug. 26	Teacher PD Day
Aug. 27	Start 1st Semester
Sept. 2	Labor Day

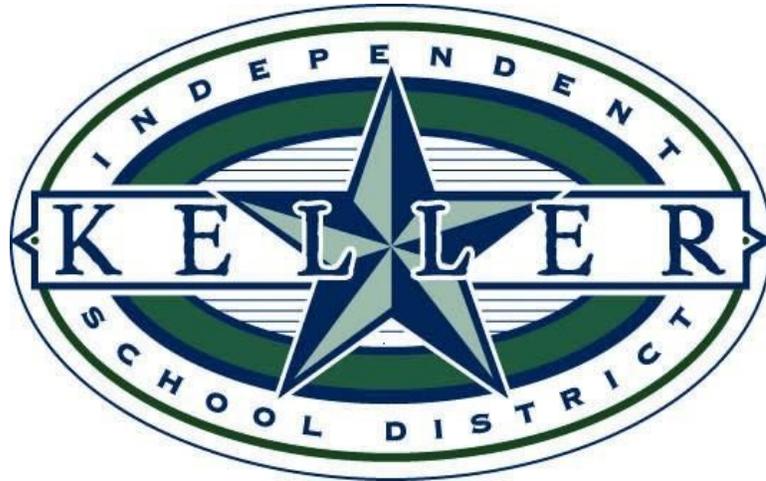
Oct. 4	Pre K-8 Early Release
Oct. 14	Student Holiday/Teacher PD
Nov. 8	Student Holiday/Teacher PD
Nov. 22	Pre K-8 Early Release
Nov. 25-29	Thanksgiving Break
Dec. 23-Jan. 3	Winter Break

Jan. 20	MLK Day - Student/Staff Holiday
Jan. 22-23	9-12 High School Early Release
Jan. 24	End of 1st Semester/Pre K-12 Early Release
Jan. 27	Student Holiday/Teacher PD
Jan. 28	Start of 2nd Semester
Feb. 17	President's Day - Student Holiday/Teacher PD
Mar. 7	Pre K-8 Early Release
Mar. 10-14	Spring Break

Apr. 18	Student Holiday/Teacher Prep Day
Apr. 25	Pre K-8 Early Release
May 26	Memorial Day
May 31	Senior Graduation Day
Jun. 3-4	9-12 Early Release
Jun. 5	Last Day of School/Pre K-12 Early Release
Jun. 6	Teacher Prep Day

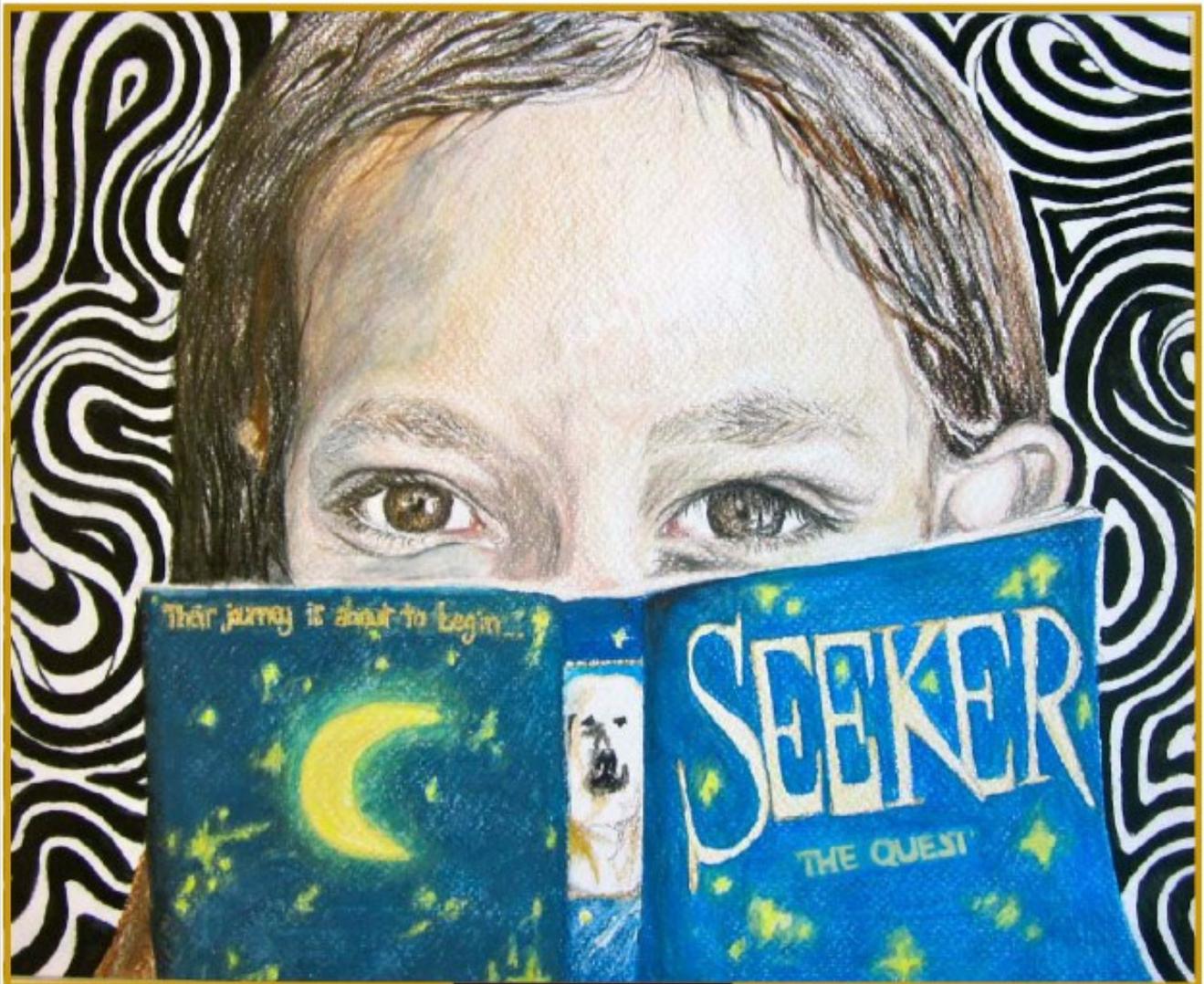
Grading Periods

Aug. 27-Oct. 4	First Grading Period
Oct. 7-Nov. 22	Second Grading Period
Dec. 2-Jan. 24	Third Grading Period
Jan. 28-Mar. 7	Fourth Grading Period
Mar. 17-Apr. 25	Fifth Grading Period
Apr. 28-Jun. 5	Sixth Grading Period



KELLER ISD
Intentionally  Exceptional

Long Range Financial Forecasts



Artwork Provided by:
Mary Massonova
Timber Creek High School

KELLER ISD 2013-2014 BUDGET

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

	Actual 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Projected Budget 2014-2015	Projected Budget 2015-2016
General Fund					
Estimated Revenues	\$ 217,508,161	\$ 218,023,377	\$ 216,931,748	\$ 224,926,830	\$ 261,478,027
Estimated Expenditures	198,667,346	217,277,637	229,811,556	241,302,134	253,367,241
Revenue & Other Resources Over (Under) Expenditures	18,840,815	745,740	(12,879,808)	(16,375,304)	8,110,786
Other Resources	-	-	1,600,000	-	-
Over (Under) Expenditures	18,840,815	745,740	(11,279,808)	(16,375,304)	8,110,786
Beginning Fund Balance, 9/1	64,139,134	82,979,949	83,725,689	72,445,881	56,070,577
Ending Fund Balance, 8/31	\$ 82,979,949	\$ 83,725,689	\$ 72,445,881	\$ 56,070,577	\$ 64,181,363
General Fund Tax Rate	1.04	1.04	1.04	1.04	1.04
Debt Service					
Estimated Revenues	\$ 56,962,354	\$ 58,612,125	\$ 58,884,945	\$ 58,496,214	\$ 60,238,501
Estimated Expenditures	56,974,733	58,408,156	59,125,246	59,075,245	55,456,964
Revenue & Other Resources Over (Under) Expenditures	(12,379)	203,969	(240,301)	(579,031)	4,781,537
Other Financing Resources (Uses)					
Other Resources	2,910,974	-	240,301	579,031	-
Other (Uses)	(2,825,750)	-	-	-	-
Revenues and Other Resources Over (Under) Expenditures	72,845	203,969	-	-	4,781,537
Beginning Fund Balance, 9/1	3,820,031	3,892,876	4,096,845	4,096,845	4,096,845
Ending Fund Balance, 8/31	\$ 3,892,876	\$ 4,096,845	\$ 4,096,845	\$ 4,096,845	\$ 8,878,382
Debt Service Tax Rate	0.500	0.500	0.500	0.500	0.500
Total Tax Rate	\$ 1.5400	\$ 1.5400	\$ 1.5400	\$ 1.5400	\$ 1.5400

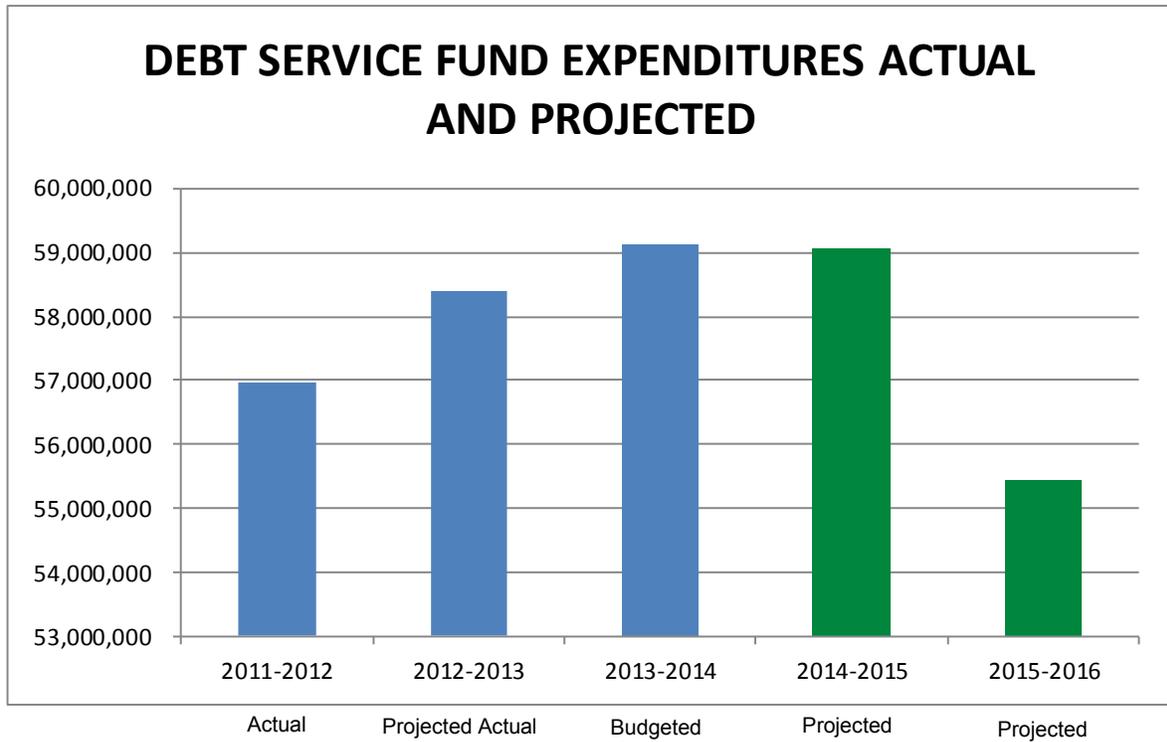
KELLER ISD 2013-2014 BUDGET

GENERAL FUND AND DEBT SERVICE FUND

PROJECTED REVENUES

	Actual 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014	Projected Budget 2014-2015	Projected Budget 2015-2016
General Fund Local Revenues					
Current Taxes	\$ 112,537,261	\$ 114,980,368	\$ 115,113,614	\$ 120,798,526	\$ 124,422,481
Delinquent Taxes and Penalties/Interest	2,305,361	1,302,809	1,424,800	1,425,000	1,425,000
Tuition and Fees	198,842	131,243	107,000	100,000	100,000
Investment Earnings	254,987	389,841	325,000	350,000	350,000
Facility Rental	588,805	689,453	562,952	600,000	600,000
Other Revenue from Local Sources	6,063,243	2,893,406	3,030,275	3,900,000	39,000,000
Athletic Activities	528,958	608,087	501,500	525,000	525,000
Total General Fund Local Revenues	122,477,457	120,995,207	121,065,141	127,698,526	166,422,481
General Fund State Revenues					
Per Capita Apportionment	7,833,122	14,758,659	8,875,392	12,155,760	7,334,712
Foundation School Fund	80,374,991	74,273,697	85,423,215	84,647,544	87,295,834
TRS On-Behalf	6,475,880	7,380,031	-	-	-
Total General Fund State Revenues	94,683,993	96,412,387	94,298,607	96,803,304	94,630,546
General Fund Federal Revenues					
Federal Revenue Distributed by TEA	185,346	253,235	268,000	175,000	175,000
Federal Revenue Distributed by Other	161,365	362,548	1,300,000	250,000	250,000
Total Federal Revenues	346,711	615,783	1,568,000	425,000	425,000
Total General Fund Revenues	\$ 217,508,161	\$ 218,023,377	\$ 216,931,748	\$ 224,926,830	\$ 261,478,027
Debt Service Local Revenues					
Current Taxes	\$ 54,937,349	\$ 56,122,063	\$ 57,949,693	\$ 58,076,214	\$ 59,818,501
Delinquent Taxes and Penalties/Interest	909,724	370,000	370,000	370,000	370,000
Investment Earnings	62,592	30,000	30,000	50,000	50,000
Other Revenue from Local Sources	-	-	-	-	-
Total Debt Service Local Revenues	55,909,665	56,522,063	58,349,693	58,496,214	60,238,501
Debt Service State Revenues					
State Revenue - TEA	1,052,689	2,090,062	535,252	-	-
Total Debt Service State Revenues	1,052,689	2,090,062	535,252	-	-
Total Debt Service Revenues	\$ 56,962,354	\$ 58,612,125	\$ 58,884,945	\$ 58,496,214	\$ 60,238,501

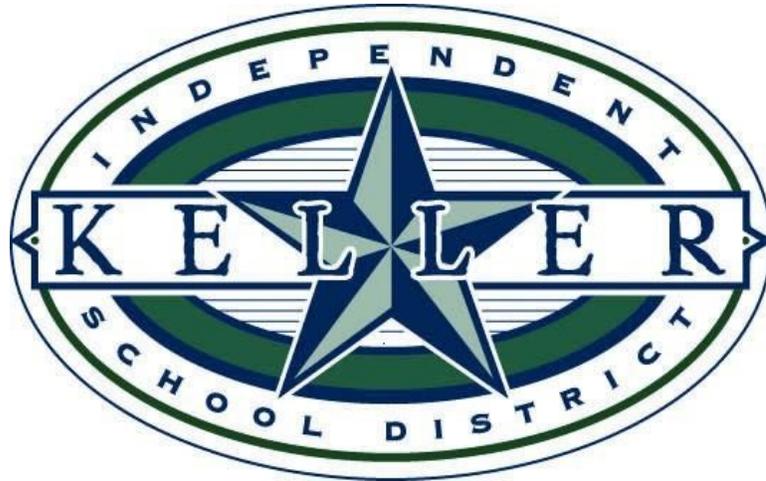
The graph shown below depicts the actual debt services fund expenditures for 2011-12, the projected actual expenditures for 2012-2013, the budgeted expenditures for 2013-14, and projected expenditures for future budget years 2014-2015 and 2015-2016. Debt Service expenditures are expected to increase by 1.22% during 2013-2014 over the previous school year.



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

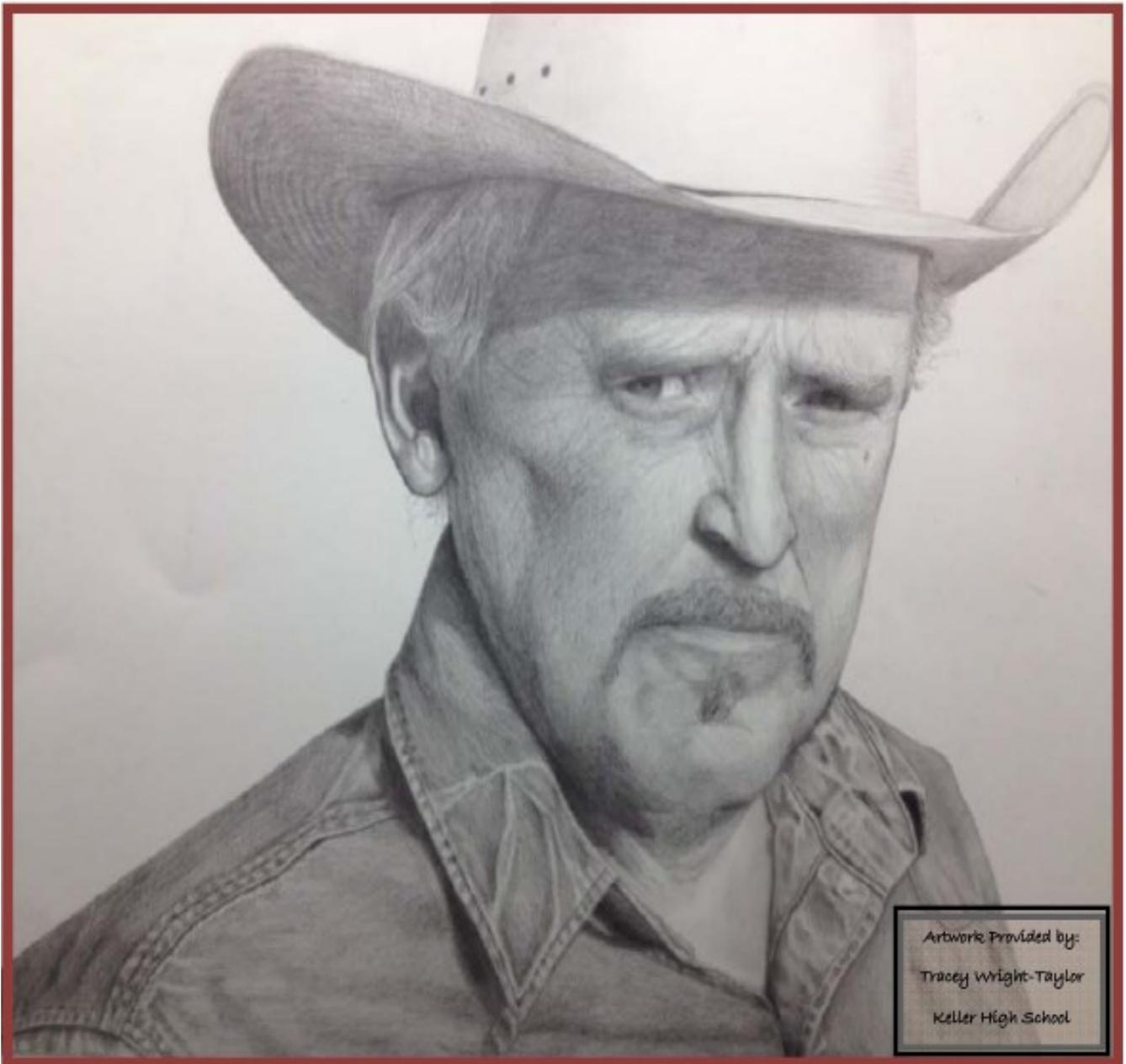
**KELLER INDEPENDENT SCHOOL DISTRICT
DEBT SERVICE FUND
DEBT RETIREMENT SCHEDULE**

Fiscal Year Ended 31-Aug	Principal	Interest	Total	Percent Retired
2014	23,634,768	35,440,477	59,075,245	0.0347
2015	15,100,068	40,356,895	55,456,963	0.0568
2016	12,047,087	41,405,164	53,452,251	0.0745
2017	15,682,171	38,855,699	54,537,870	0.0975
2018	20,514,817	35,191,509	55,706,326	0.1276
2019	18,387,528	38,393,742	56,781,270	0.1546
2020	23,787,656	33,786,998	57,574,654	0.1895
2021	25,309,071	32,851,361	58,160,432	0.2267
2022	33,645,000	25,098,225	58,743,225	0.2760
2023	35,880,000	23,456,639	59,336,639	0.3287
2024	38,305,000	21,703,745	60,008,745	0.3849
2025	40,805,000	19,812,134	60,617,134	0.4448
2026	43,355,000	17,786,883	61,141,883	0.5084
2027	46,020,000	15,785,004	61,805,004	0.5759
2028	48,795,000	13,626,616	62,421,616	0.6475
2029	51,135,000	11,387,993	62,522,993	0.7225
2030	53,485,000	9,037,631	62,522,631	0.8010
2031	52,400,000	6,487,763	58,887,763	0.8779
2032	39,570,000	3,958,106	43,528,106	0.9360
2033	13,765,000	2,004,181	15,769,181	0.9562
2034	14,525,000	1,243,412	15,768,412	0.9775
2035	15,345,000	421,988	15,766,988	1.0000
	681,493,166	468,092,165	1,149,585,331	



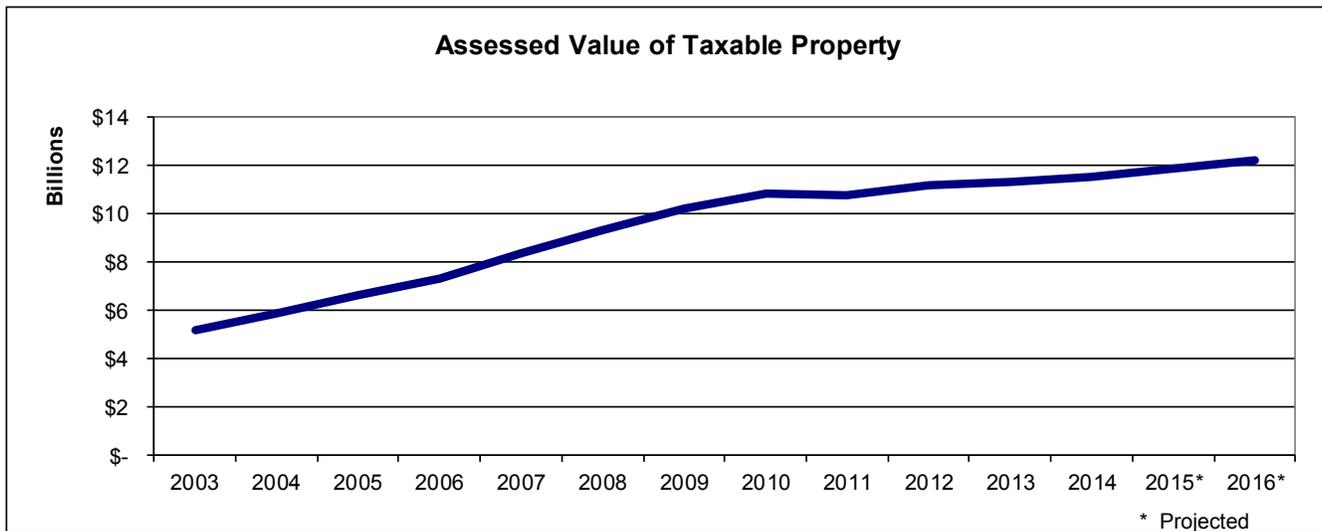
KELLER ISD
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Property Tax Information



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

Fiscal Year Ended August 31	Freeze Adjusted Taxable Value	Change over Previous Years in Dollars	Change over Previous Year
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	\$ 11,507,076,315	\$ 203,221,555	1.80%
2015*	\$ 11,852,288,604	\$ 345,212,289	3.00%
2016*	\$ 12,207,857,262	\$ 355,568,658	3.00%

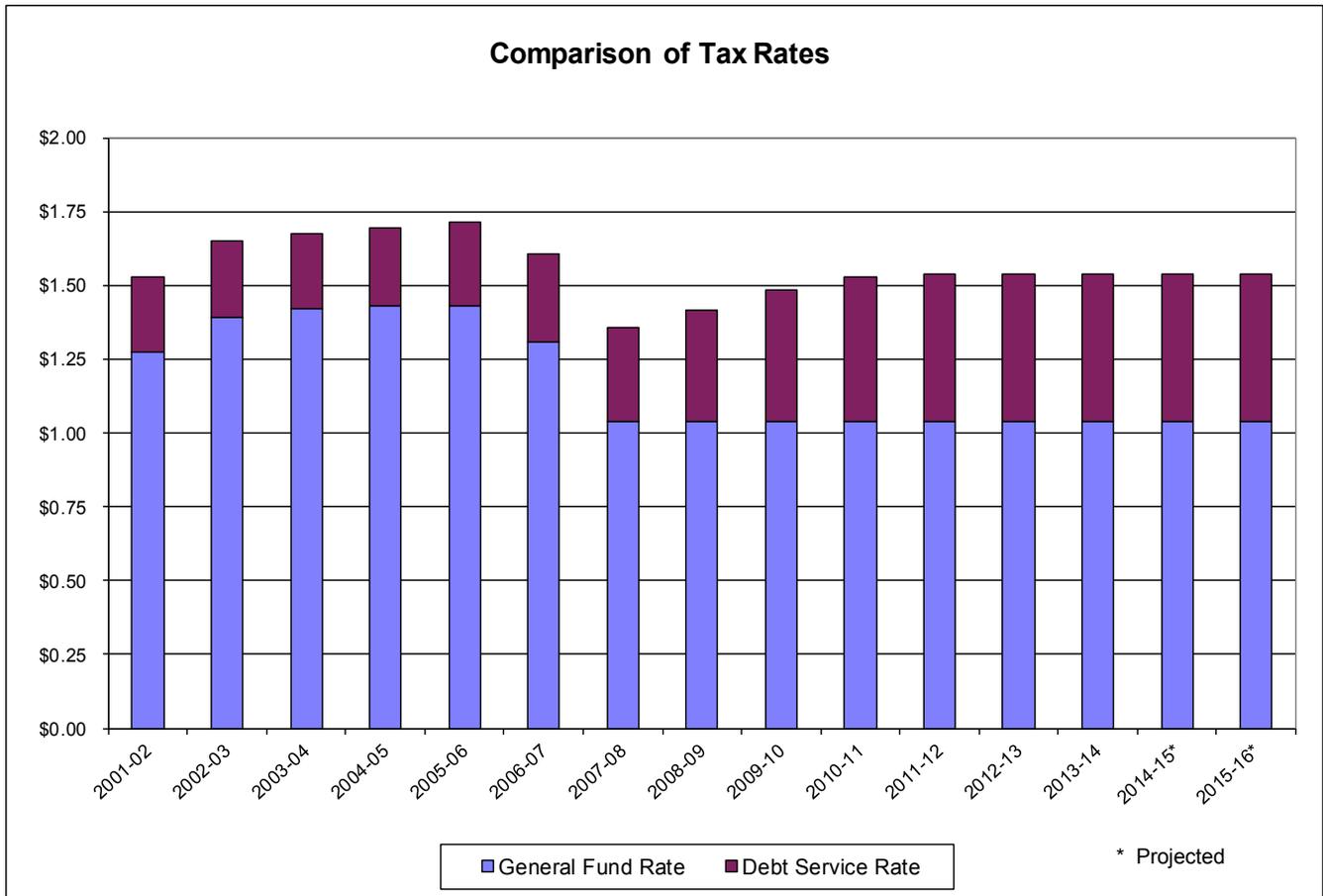


**Keller ISD
Comparison of Tax Rates**

<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
2015-16*	1.0400	0.5000	1.5400

* Projected

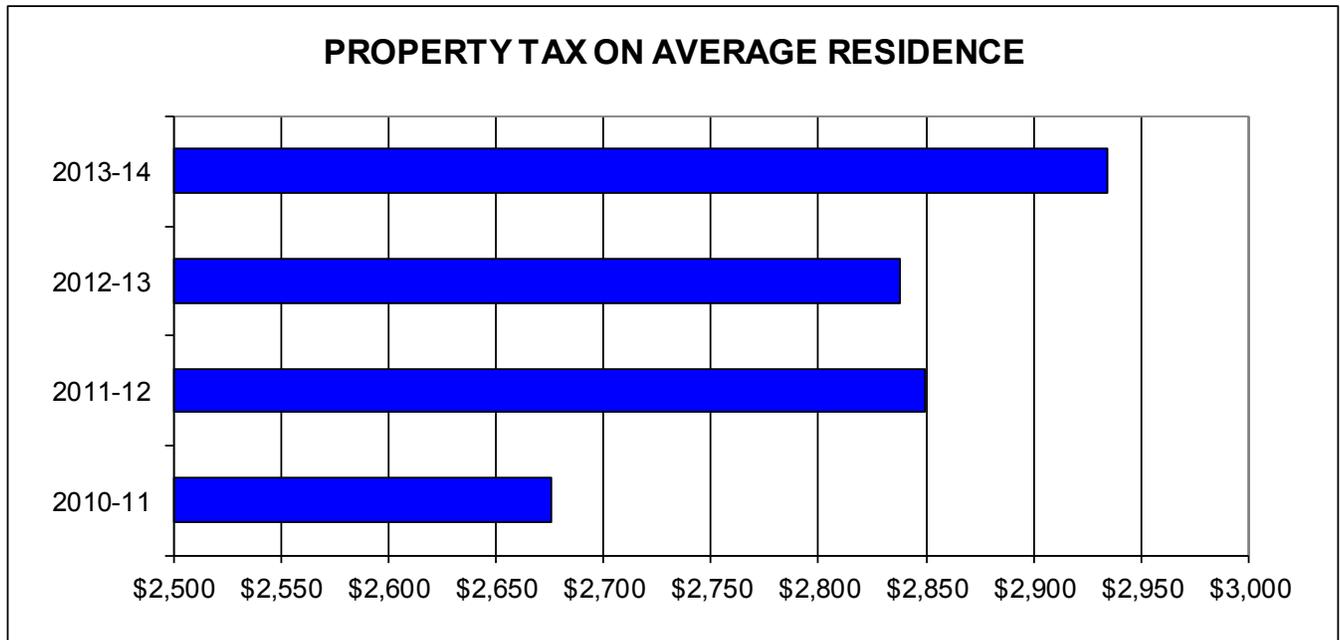
Note: Tax rates are per \$100 of assessed valuation.



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

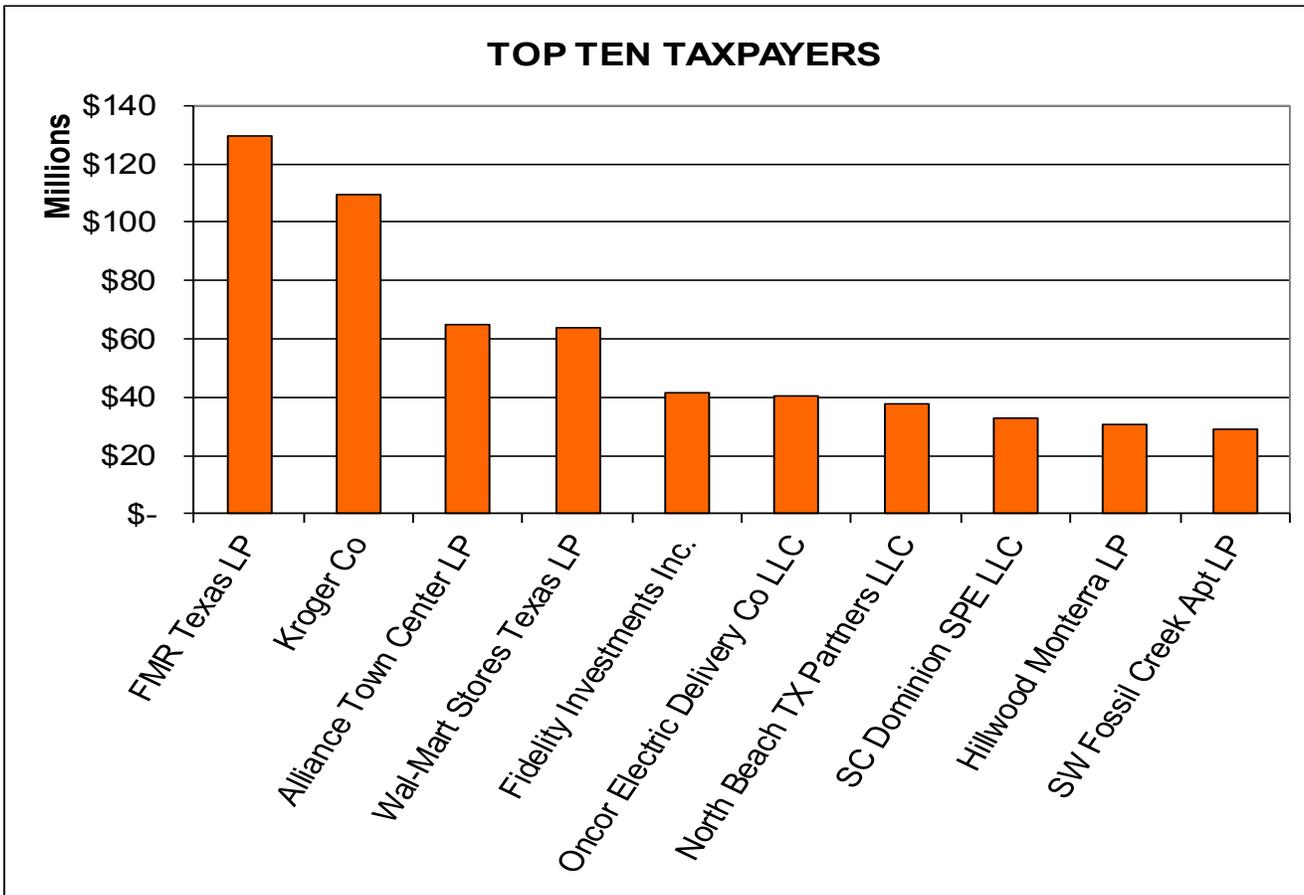
**KELLER INDEPENDENT SCHOOL DISTRICT
PROPERTY TAXES ON AVERAGE RESIDENCES**

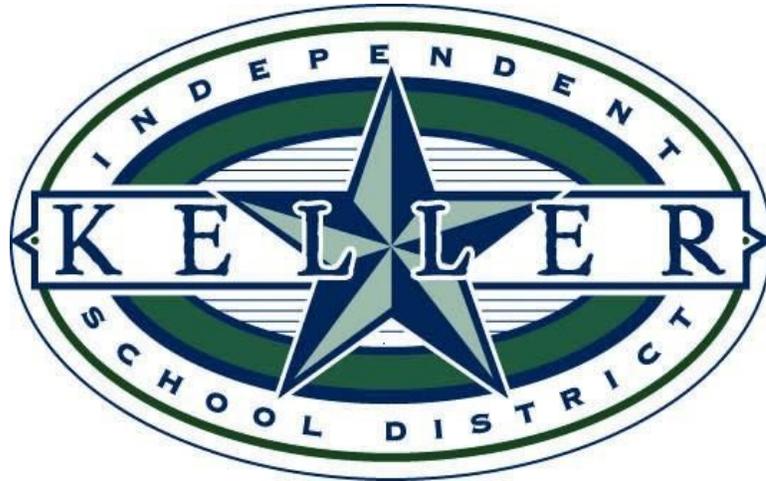
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Average Market Value of Residences	\$ 199,270	\$ 200,060	\$ 199,252	\$ 205,047
Homestead Exemption	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Average Taxable Value of Residences	\$ 184,270	\$ 185,060	\$ 184,252	\$ 190,544
Total Property Tax Rate	\$ 1.5306	\$ 1.5400	\$ 1.5400	\$ 1.5400
Taxes Due on Average Residence	\$ 2,820	\$ 2,850	\$ 2,837	\$ 2,934
Property Tax Percent Increase (Decrease) From Prior Year	1.29%	1.06%	-0.46%	3.41%



**TOP TEN TAXPAYERS
2013-14**

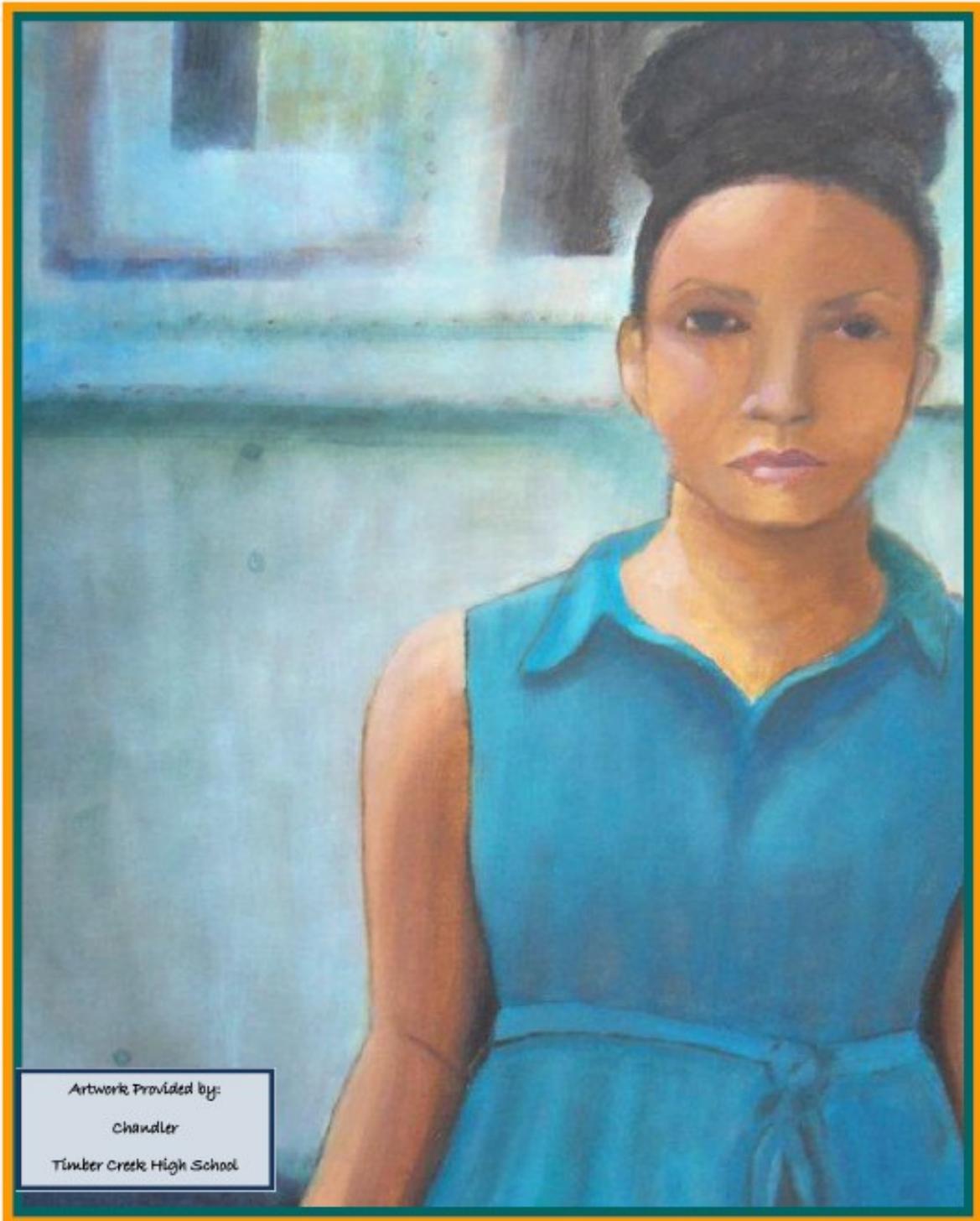
<u>Taxpayer's Name</u>	<u>Total Taxable Value</u>
FMR Texas LP	\$ 129,645,077
Kroger Co	109,359,229
Alliance Town Center LP	65,002,200
Wal-Mart Stores Texas LP	64,066,207
Fidelity Investments Inc.	41,552,790
Oncor Electric Delivery Co LLC	40,613,188
North Beach TX Partners LLC	37,900,000
SC Dominion SPE LLC	32,680,000
Hillwood Monterra LP	30,556,922
SW Fossil Creek Apt LP	29,000,000
Total	<u>\$ 580,375,613</u>





KELLER ISD
Intentionally  Exceptional

Personnel



KELLER ISD 2013-2014 BUDGET

PERSONNEL

Salary Increase 2013-2014

The budgeted compensation package for 2013-14 included a pay increase for all district staff. For many district employees, this was only the second 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 2013-14, the Board of Trustees authorized a pay increase of 3% of mid-point for all employees.

New Positions 2013-2014

137 positions were added district wide for 2013-14. The schedule below displays the changes in staffing from 2008-09 through 2013-14 years.

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Percentage Change 2009- 2014</u>
Supervisory							
Instructional administrators	14	15.5	15.5	12.5	12.5	13.5	-3.6%
Noninstructional administrators	40	46.5	46.5	39.5	43.5	49.5	23.8%
Consultants/supervisors of instruction	12	19.5	19.5	9.5	8.5	12	0.0%
Principals	35	36	39	39	39	39	11.4%
Assistant Principals	66	62	65	66	66	66	0.0%
Total supervisory	167.00	179.50	185.50	166.50	169.50	180.00	7.8%
Instruction							
Elementary classroom teachers	1092	1130	1120	1097	1117.33	1134.25	3.9%
Secondary classroom teachers	752	822	884	798	787.44	800.75	6.5%
Other teachers (adult)	-	-	-	-	-	-	0.0%
Other professionals (instructional)	95	85	83	73	79	81	-14.7%
Aides	260	301.75	303.5	277.5	283	307	18.1%
Total Instruction	2,199.00	2,338.75	2,390.50	2,245.50	2,266.77	2,323.00	5.6%
Student Services							
Guidance counselors	74.5	74.5	78.5	78	82	98	31.5%
Visiting teacher/social workers	1	2	2	2	2	2	100.0%
Psychologists	7	7	8	8	8	8	14.3%
Librarians	35	36	37	38	38	38	8.6%
Other professionals (noninstructional)	53	69.5	78	78.5	83.5	83.5	57.5%
Technicians	31	30	30	0	0	0	-100.0%
Total student services	201.50	219.00	233.50	204.50	213.50	229.50	13.9%
Support and Administration							
Clerical/secretarial	281	262	297	203.5	205.5	245	-12.8%
Service workers	290	250	256	271	271	270	-6.9%
Skilled crafts	N/A						
Unskilled Laborers	275	271	318	318	318	333	21.1%
Total support and administration	846.00	783.00	871.00	792.50	794.50	848.00	0.2%
Total	3,413.50	3,520.25	3,680.50	3,409.00	3,444.27	3,580.50	4.9%

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 decreased slightly by 7.62% in 2013-14 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 \$4 million to \$1.4 million.

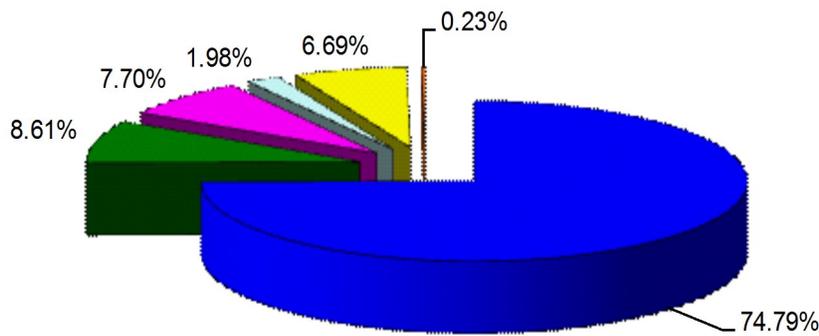
**KELLER INDEPENDENT SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF PAYROLL EXPENDITURES BY OBJECT**

	Audited	Audited	Audited	Projected	Adopted
	2009-2010	2010-2011	2011-2012	Actual	Budget
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
6112 Substitute Teachers	\$ 2,768,814	\$ 2,628,845	\$ 3,221,245	\$ 2,881,002	\$ 3,470,382
6118 Extra Duty/Stipends Professional	3,825,654	3,951,321	3,237,241	3,784,877	4,424,822
6119 Professional Salaries	115,769,160	118,353,585	115,783,219	126,813,922	142,434,427
6121 Overtime	92,433	122,180	96,683	199,465	9,500
6122 Support Personnel Substitutes	88,820	108,849	318,532	382,361	444,315
6127 Student Workers	-	5,192	15,576	15,079	9,873
6128 Extra Duty Pay Support Personnel	155,030	170,109	205,508	265,657	175,963
6129 Support Salaries	17,686,981	18,083,308	16,478,624	17,648,612	20,733,294
6131 Contract Buyout	-	150,250	-	45,750	-
6139 Employee Allowances	-	-	109	(109)	-
6141 FIMM/FICA	1,933,403	1,974,959	1,920,143	2,121,487	2,561,118
6142 Group Health Insurance	5,902,916	6,545,354	7,615,774	11,067,659	9,085,107
6143 Workers Compensation	1,103,641	1,142,856	1,098,212	1,222,657	1,454,831
6144 TRS On-Behalf	7,692,075	8,836,472	6,475,878	7,380,030	-
6145 Unemployment Payments	79,628	307,219	281,946	62,904	-
6146 TRS	3,122,890	3,321,972	2,562,929	3,173,573	3,201,341
	\$ 160,221,445	\$ 165,702,471	\$ 159,311,619	\$ 177,064,926	\$ 188,004,973

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

	Audited 2009-2010	Audited 2010-2011	Audited 2011-2012	Projected Actual 2012-2013	Adopted Budget 2013-2014
11 Instruction	\$ 114,181,344	\$ 118,064,941	\$ 116,827,280	\$ 130,013,405	\$ 136,353,125
12 Media Services (Library)	2,428,739	2,391,724	1,558,529	2,435,243	2,490,795
13 Curriculum and Staff Development	1,709,217	1,521,757	780,663	885,733	1,758,791
21 Instructional Leadership	1,975,903	1,882,174	1,568,432	1,749,836	2,263,186
23 School Leadership	12,207,521	12,767,011	12,181,232	13,247,813	13,928,063
31 Guidance, Counseling and Evaluation	7,163,855	7,739,421	7,170,726	7,229,759	7,246,714
32 Social Work Services	100,433	112,599	112,585	112,024	177,329
33 Health Services	2,041,941	2,165,383	2,195,454	2,541,169	2,616,384
36 Co/Extracurricular Activities	4,288,671	4,382,230	3,459,414	3,994,298	4,441,378
41 General Administration	3,447,356	3,383,629	2,892,934	3,197,662	3,720,298
51 Facility Maintenance and Operations	8,779,819	9,336,520	8,680,850	9,517,851	10,426,639
52 Security and Monitoring Services	126,322	298,998	636,315	699,878	914,648
53 Data Processing Services	1,243,562	1,167,966	886,620	1,066,557	1,242,620
61 Community Services	515,567	488,118	360,239	373,698	425,003
81 Facility Acquisition and Construction	11,195	-	346	-	-
	\$ 160,221,445	\$ 165,702,471	\$ 159,311,619	\$ 177,064,926	\$ 188,004,973

2013-2014 PAYROLL BUDGET BY FUNCTIONAL CATEGORY



■ Instruction	■ School Leadership	■ Student Support
■ Administrative Support	■ Non Student Support	■ Community Support

2013-14 New Hire Schedule for Teachers, Librarians, and Nurses (BSRN)*

Board Approved -- June 6, 2013

Years Experience	Bachelor's Degree	
	Daily Rate	187 Days Salary
0	\$259.36	\$48,500
1	\$260.70	\$48,750
2	\$263.94	\$49,356
3	\$264.70	\$49,499
4	\$267.64	\$50,049
5	\$270.88	\$50,654
6	\$274.14	\$51,264
7	\$276.25	\$51,659
8	\$279.01	\$52,175
9	\$281.92	\$52,719
10	\$283.52	\$53,019
11	\$285.13	\$53,319
12	\$286.73	\$53,619
13	\$288.34	\$53,919
14	\$289.94	\$54,219
15	\$291.81	\$54,569
16	\$293.49	\$54,883
17	\$295.10	\$55,183
18	\$299.30	\$55,969
19	\$300.90	\$56,269
20	\$304.11	\$56,869
21	\$305.98	\$57,219
22	\$308.79	\$57,744
23	\$313.47	\$58,619
24	\$318.15	\$59,494
25	\$319.89	\$59,819
26	\$323.63	\$60,519
27	\$328.68	\$61,463
28	\$332.26	\$62,133
29	\$333.96	\$62,451
30+	\$337.54	\$63,120

Master's Degree	
Daily Rate	187 Days Salary
\$264.71	\$49,500
\$266.04	\$49,750
\$269.28	\$50,356
\$270.05	\$50,499
\$272.99	\$51,049
\$276.22	\$51,654
\$279.49	\$52,264
\$281.60	\$52,659
\$284.36	\$53,175
\$287.27	\$53,719
\$288.87	\$54,019
\$290.48	\$54,319
\$292.08	\$54,619
\$293.68	\$54,919
\$295.29	\$55,219
\$297.16	\$55,569
\$298.84	\$55,883
\$300.44	\$56,183
\$304.65	\$56,969
\$306.25	\$57,269
\$309.46	\$57,869
\$311.33	\$58,219
\$314.14	\$58,744
\$318.82	\$59,619
\$323.50	\$60,494
\$325.24	\$60,819
\$328.98	\$61,519
\$334.03	\$62,463
\$337.61	\$63,133
\$339.31	\$63,451
\$342.89	\$64,120

Doctorate	
Daily Rate	187 Days Salary
\$267.38	\$50,000
\$268.72	\$50,250
\$271.96	\$50,856
\$272.72	\$50,999
\$275.66	\$51,549
\$278.90	\$52,154
\$282.16	\$52,764
\$284.27	\$53,159
\$287.03	\$53,675
\$289.94	\$54,219
\$291.55	\$54,519
\$293.15	\$54,819
\$294.75	\$55,119
\$296.36	\$55,419
\$297.96	\$55,719
\$299.83	\$56,069
\$301.51	\$56,383
\$303.12	\$56,683
\$307.32	\$57,469
\$308.93	\$57,769
\$312.13	\$58,369
\$314.01	\$58,719
\$316.81	\$59,244
\$321.49	\$60,119
\$326.17	\$60,994
\$327.91	\$61,319
\$331.65	\$62,019
\$336.70	\$62,963
\$340.28	\$63,633
\$341.98	\$63,951
\$345.56	\$64,620

*Includes Library Media/Technology Specialists, Athletic Trainers, O & M Specialist

*^Experience based on TEA approved creditable years of service

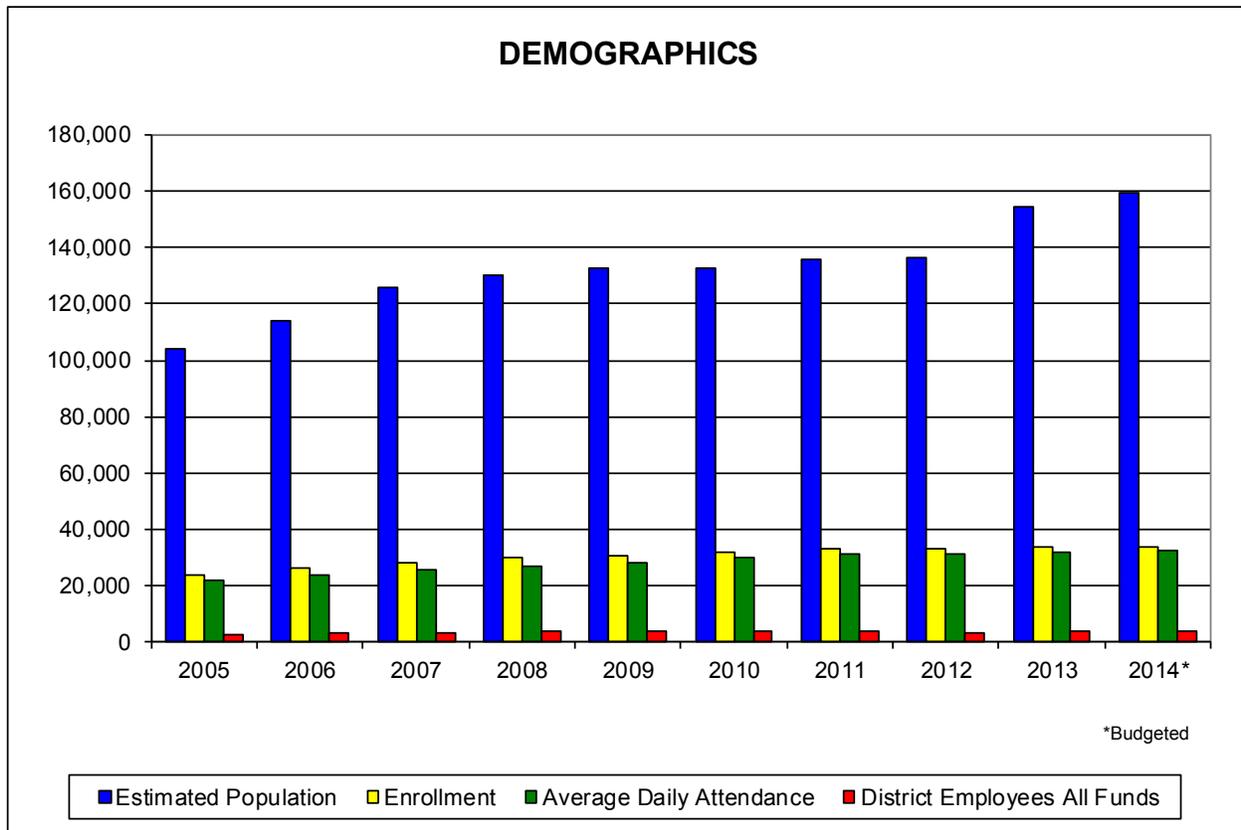
^Base pay does not include any stipends or other salary supplements

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

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

Fiscal Year Ended August 31	Estimated Population	Enrollment	Average Daily Attendance	District Employees All Funds
2005	104,074	23,757	21,862	2,512
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*	159,500	33,766	32,415	3,581

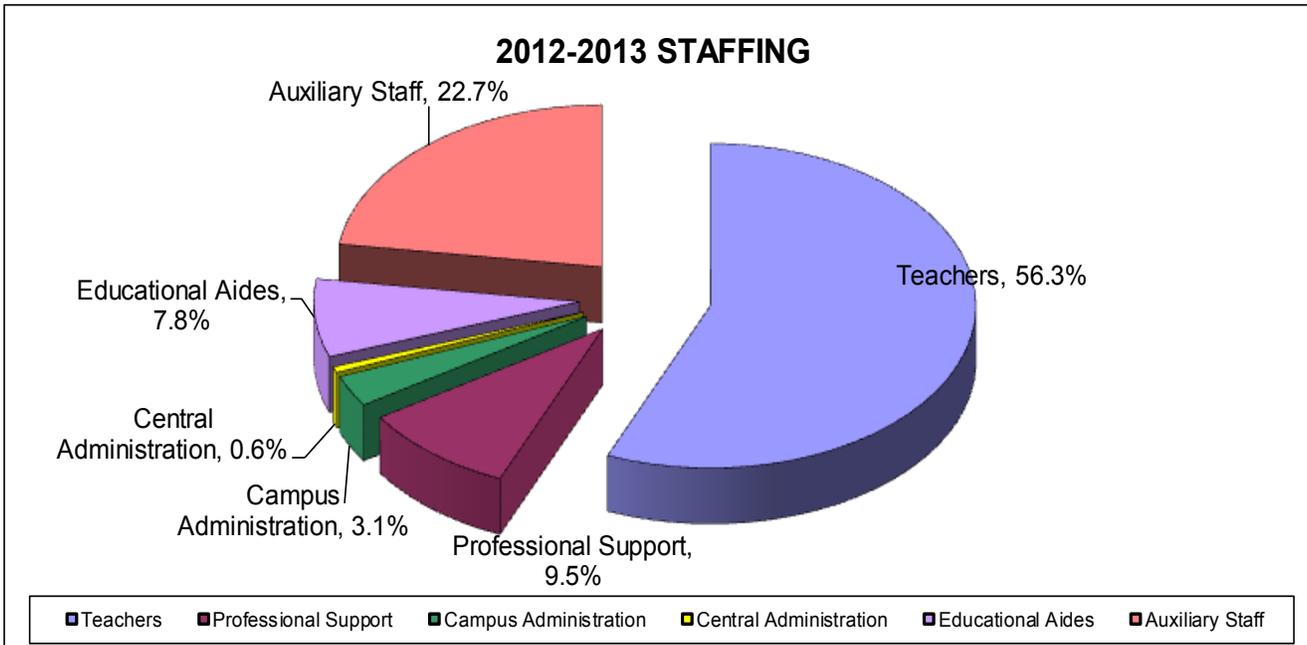
*Budgeted



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

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

	2010-2011	2011-12	2012-13	Percent
Teachers	1,981.7	1,870.7	1,940.6	56.3%
Professional Support	394.0	338.8	327.0	9.5%
Campus Administration	111.8	109.1	107.6	3.1%
Central Administration	30.0	21.0	19.6	0.6%
Educational Aides	291.7	258.4	267.3	7.8%
Auxiliary Staff	823.5	722.9	783.5	22.7%
Total Staff	3,632.7	3,320.9	3,445.6	100.0%

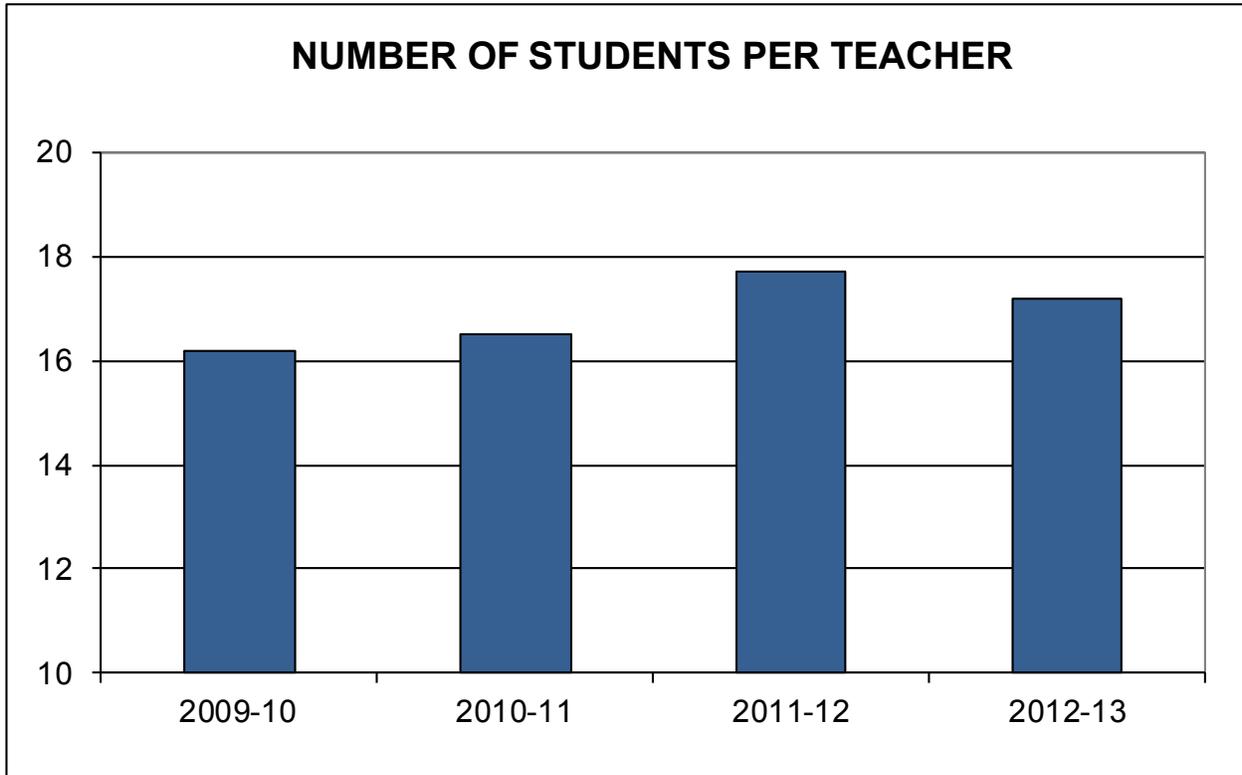


Summary of staffing information for the 2013-14 year is not available at the time of publication.

Source of Information: AEIS Reports, PEIMS Reports

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

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Keller ISD	16.2	16.5	17.7	17.2

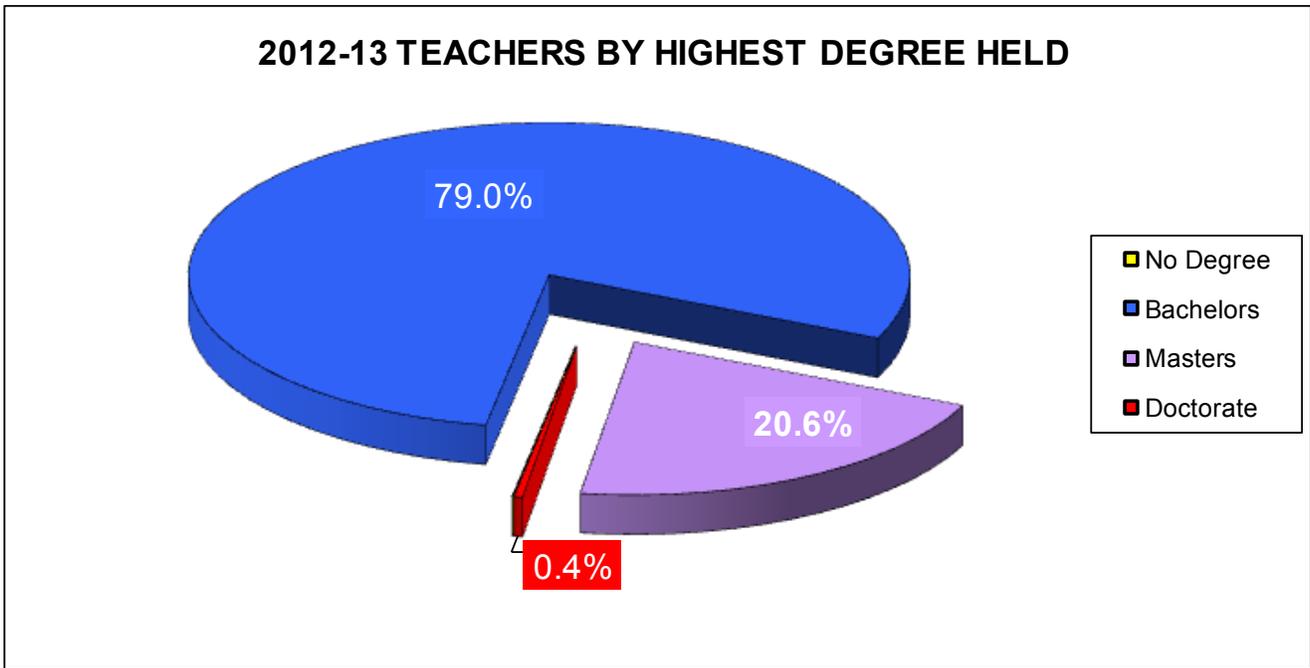


Source of Information: AEIS Reports, PEIMS Reports

Students per teacher information for the 2013-14 year is not available at the time of publication.

KELLER INDEPENDENT SCHOOL DISTRICT TEACHERS BY HIGHEST DEGREE HELD

	2010-11	2011-12	2012-13
No Degree	1.0	1.0	1.3
Bachelors	1,583.3	1,482.3	1,532.5
Masters	388.9	380.7	399.3
Doctorate	8.5	6.7	7.5

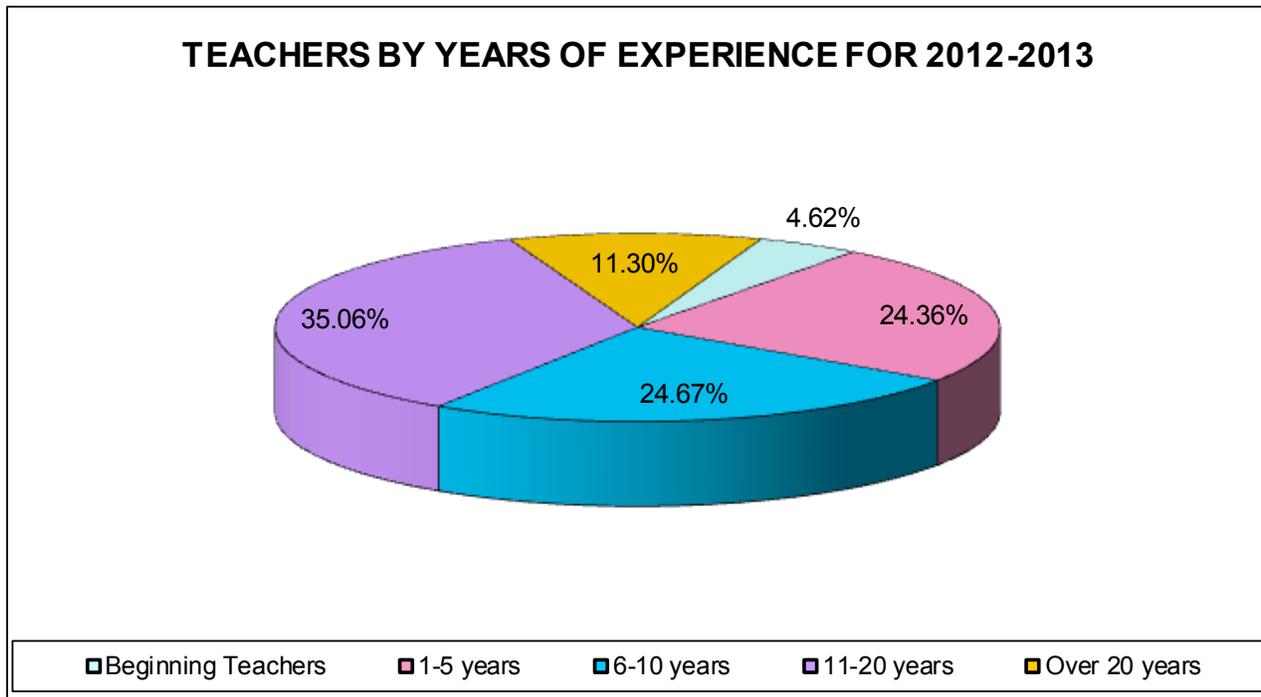


Source of Information: AEIS Reports, PEIMS Reports

Teachers by highest degree held information for the 2013-14 year is not available at the time of publication.

**KELLER INDEPENDENT SCHOOL DISTRICT
TEACHERS BY YEARS OF EXPERIENCE**

	2010-11	2011-12	2012-13
Beginning Teachers	75.9	37.4	89.6
1-5 years	609.9	496.7	472.7
6-10 years	527.4	507.0	478.8
11-20 years	570.0	612.5	680.3
Over 20 years	198.5	217.1	219.2



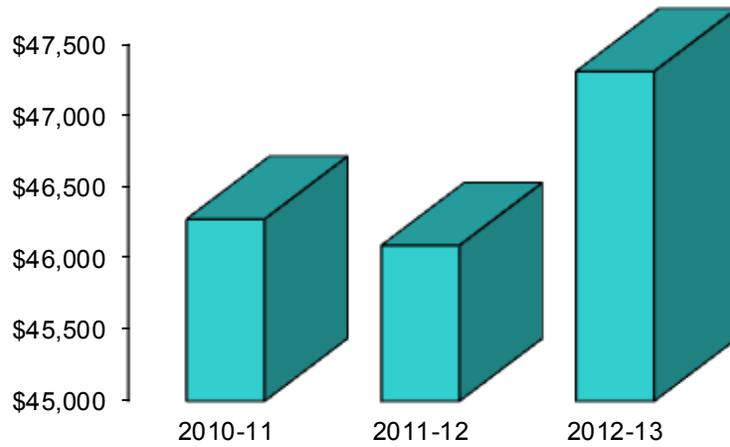
Source of Information: AEIS Reports, PEIMS Reports

Teachers by years of experience information for the 2013-14 year is not available at the time of publication.

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

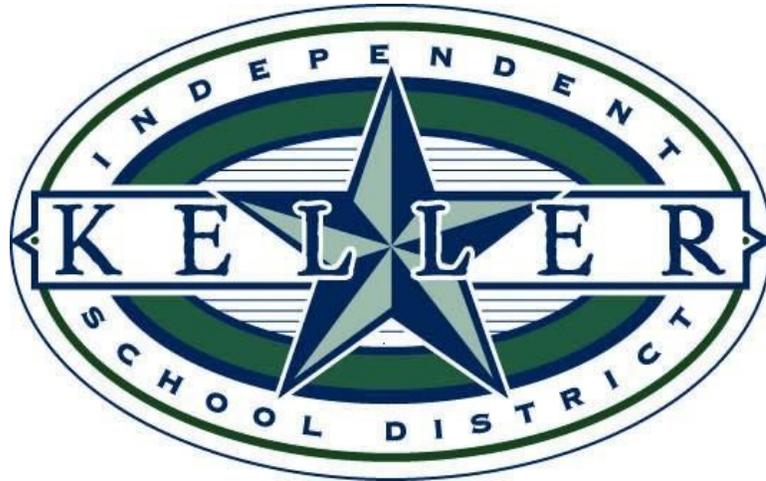
	2010-11	2011-12	2012-13
Beginning Teachers	46,277	46,092	47,314
1-5 years	47,672	47,198	47,546
6-10 years	49,944	49,558	49,619
11-20 years	52,563	52,136	52,275
Over 20 years	60,509	59,769	59,479

AVERAGE SALARY OF BEGINNING TEACHERS



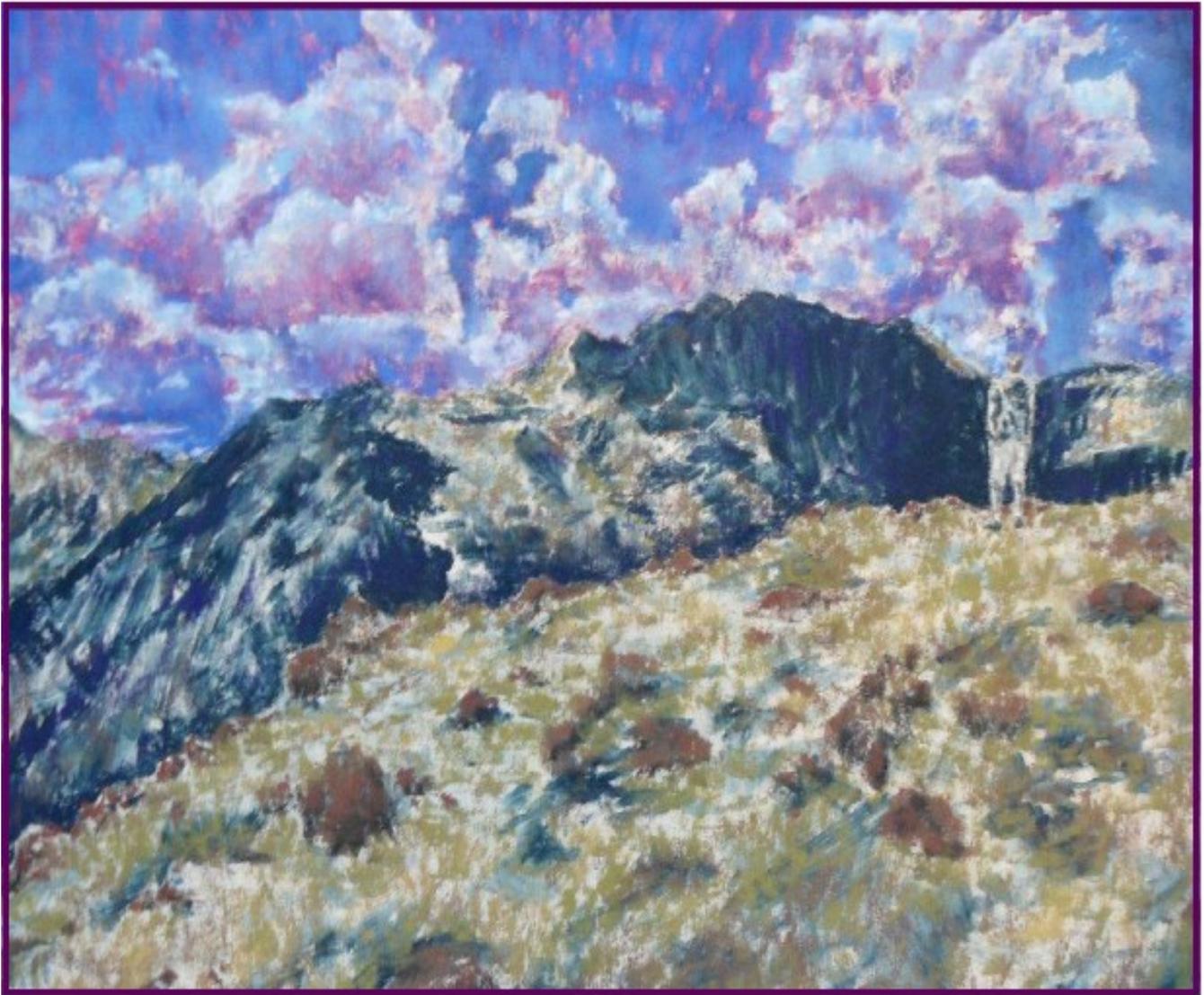
Source of Information: AEIS Reports, PEIMS Reports

Average teacher salary by years of experience information for the 2013-14 year is not available at the time of publication.



KELLER ISD
Intentionally  Exceptional

Economic/ Demographic Conditions



Artwork Provided by:

Briana

Timber Creek High School

KELLER ISD 2013-2014 BUDGET

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 2012</u>	<u>August 2013</u>	<u>August 2012</u>	<u>August 2013</u>
Total Civilian				
Labor Force	950,554	979,292	12,625,940	12,833,728
Total Employment	884,804	920,630	11,738,210	12,024,405
Total Unemployment	65,750	58,662	887,730	809,323

UNEMPLOYMENT RATES

	<u>August 2012</u>	<u>August 2013</u>
Tarrant County**	6.9%	6.0%
State of Texas*	7.0%	6.3%
United States*	8.1%	7.3%

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	3,825
Fidelity Investments	3,700
Keller ISD	3,794
ATC Logistics	3,315
BNSF Railway	3,250
Sabre Corporation	2,532
Dallas/Fort Worth Airport	1,600
HealthmMarkets	1,600
Gaylord Texan Resort	1,500
	<u>50,006</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 2013-2014 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

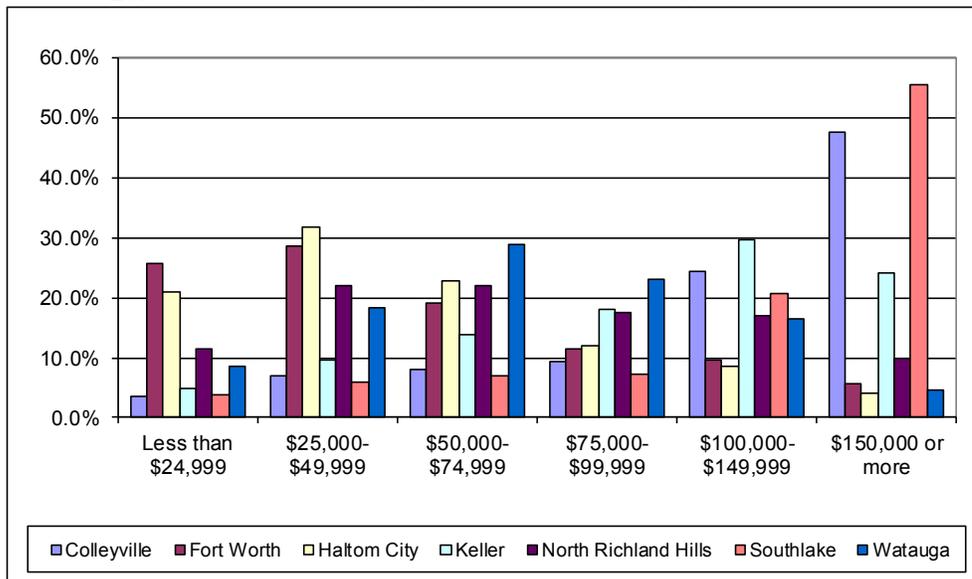
Household Income	Colleyville	Fort Worth	Haltom City
Less than \$24,999	6.20%	24.70%	25.60%
\$25,000-\$49,999	8.90%	27.00%	35.90%
\$50,000-\$74,999	7.30%	19.20%	20.20%
\$75,000-\$99,999	9.70%	12.40%	8.90%
\$100,000-\$149,999	19.90%	10.90%	7.40%
\$150,000 or more	48.00%	5.80%	2.00%

KELLER ISD 2013-2014 BUDGET

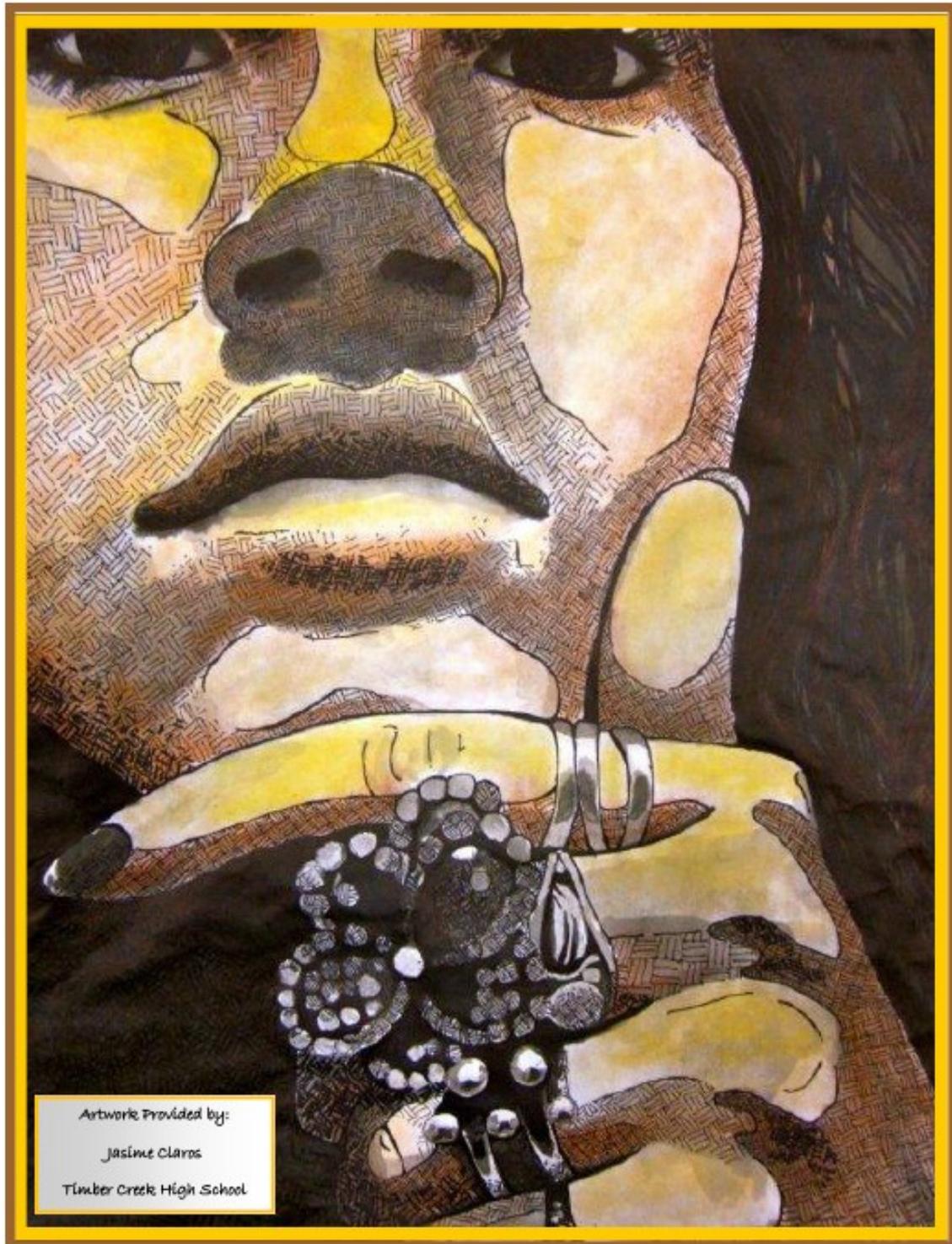
Keller		North Richland Hills		Southlake		Watauga	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
13,420	32.90%	17,116	26.90%	9,965	36.70%	7,304	30.80%
1,428	3.50%	4,009	6.30%	652	2.40%	1,375	5.80%
2,896	7.10%	8,335	13.10%	1,059	3.90%	3,510	14.80%
14,971	36.70%	18,706	29.40%	10,562	38.90%	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

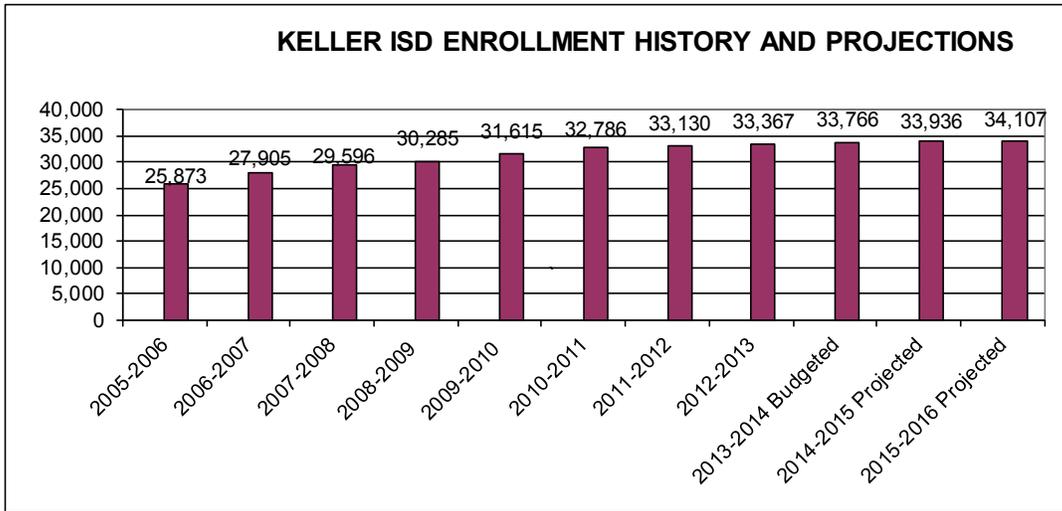


Artwork Provided by:
Jasmine Claros
Timber Creek High School

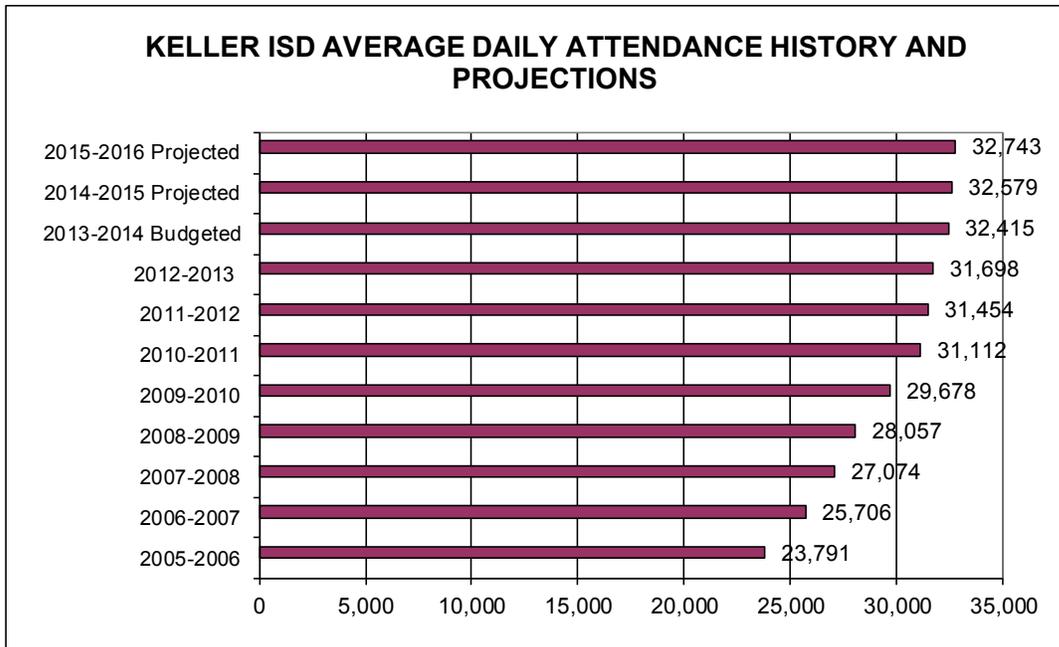
KELLER ISD 2013-2014 BUDGET

ENROLLMENT PROJECTIONS AND AVERAGE DAILY ATTENDANCE

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

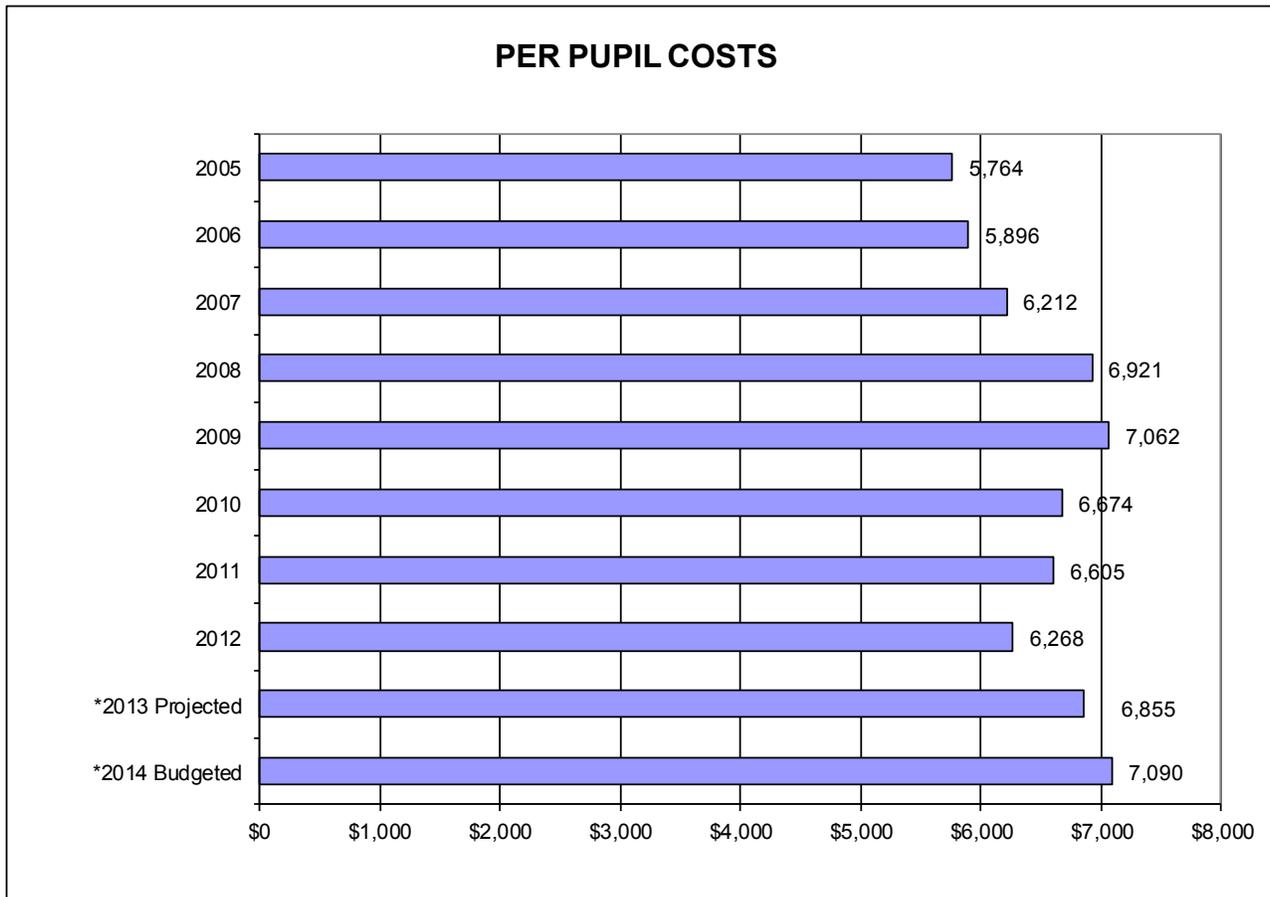


The graph below depicts the District's Average Daily Attendance.



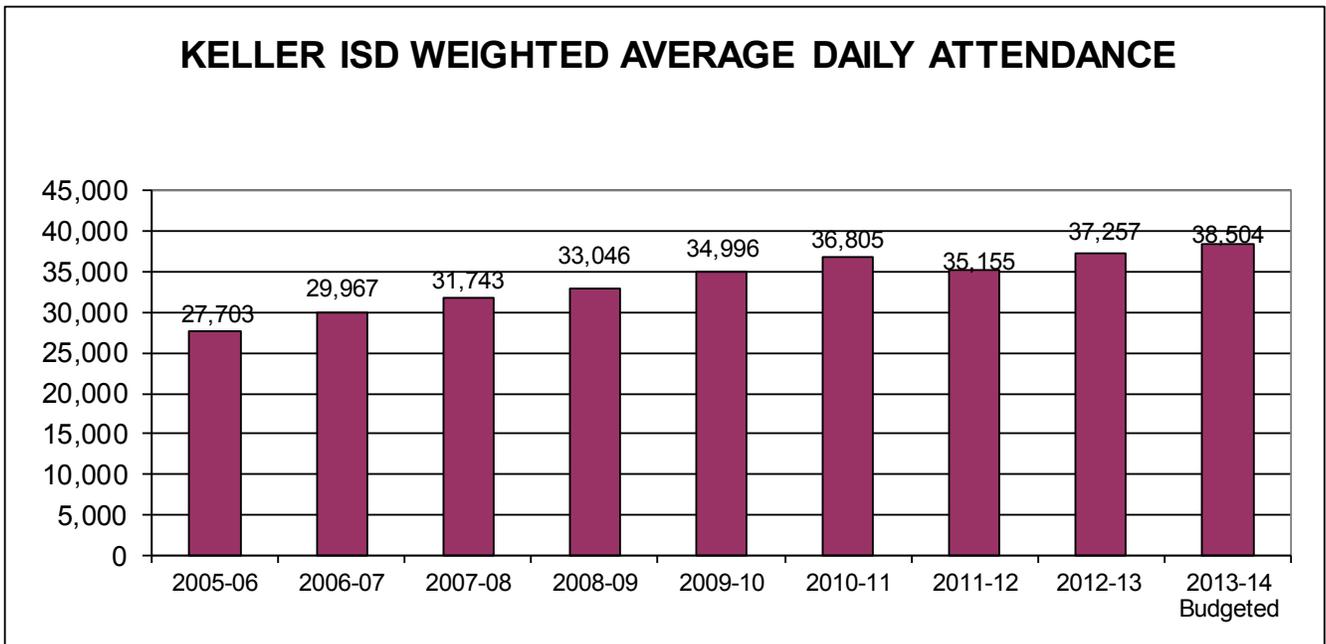
**KELLER ISD
GENERAL FUND EXPENDITURES, AVERAGE DAILY ATTENDANCE
AND GENERAL FUND PER PUPIL COST**

<u>Fiscal Year Ended August 31</u>	<u>General Fund Expenditures</u>	<u>Average Daily Attendance</u>	<u>Per Pupil Cost</u>
*2014 Budgeted	229,811,556	32,415	7,090
*2013 Projected	217,277,637	31,698	6,855
2012	198,667,346	31,698	6,268
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
2005	126,023,363	21,862	5,764



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.



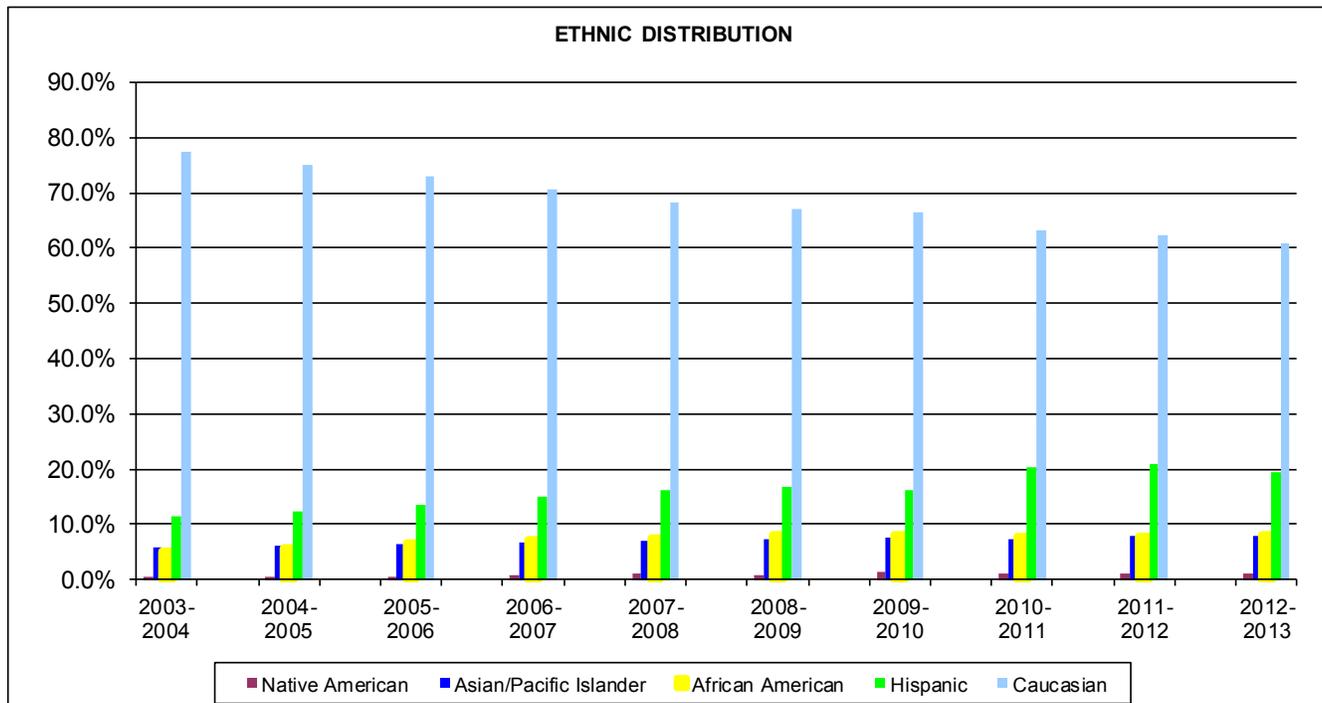
KELLER ISD 2013-2014 BUDGET

STUDENT POPULATION STUDENT POPULATION BY GRADE LEVEL

Grade	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-12	2012-13
Early Education	0	1	0	0	0	193	197	225	232	233
Pre-Kindergarten	170	206	247	260	284	348	381	339	365	386
Kindergarten	1,525	1,641	1,807	1,883	1,852	1910	2269	2482	2275	2367
Grade 1	1,744	1,827	1,971	2,124	2,271	2375	2301	2455	2567	2386
Grade 2	1,613	1,843	1,946	2,084	2,197	2489	2467	2410	2489	2610
Grade 3	1,583	1,681	1,958	2,129	2,188	2471	2585	2524	2421	2528
Grade 4	1,555	1,717	1,828	2,106	2,224	2477	2544	2668	2591	2475
Grade 5	1,575	1,668	1,837	2,045	2,249	2479	2544	2573	2720	2532
Grade 6	1,593	1,735	1,813	2,003	2,198	2466	2535	2637	2600	2732
Grade 7	1,606	1,720	1,866	1,955	2,140	2480	2512	2590	2677	2627
Grade 8	1,606	1,691	1,829	1,986	2,058	2345	2532	2572	2586	2673
Grade 9	1,676	1,854	1,927	2,045	2,290	2439	2606	2716	2738	2731
Grade 10	1,450	1,572	1,815	1,892	1,973	2169	2245	2434	2561	2593
Grade 11	1,237	1,424	1,547	1,701	1,735	1904	2048	2111	2237	2379
Grade 12	1,179	1,264	1,425	1,554	1,645	1754	1803	2010	2071	2108

ETHNIC DISTRIBUTION

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Native American	0.4%	0.6%	0.6%	0.8%	1.0%	0.9%	1.4%	1.2%	1.1%	1.0%
Asian/Pacific Islander	5.9%	6.2%	6.4%	6.7%	7.1%	7.4%	7.7%	7.4%	7.8%	7.9%
African American	5.1%	5.6%	6.4%	7.0%	7.5%	7.9%	8.1%	7.7%	7.7%	7.9%
Hispanic	11.3%	12.4%	13.5%	15.0%	16.2%	16.7%	16.2%	20.4%	21.0%	19.4%
Caucasian	77.3%	75.2%	73.1%	70.5%	68.2%	67.1%	66.6%	63.4%	62.4%	60.9%



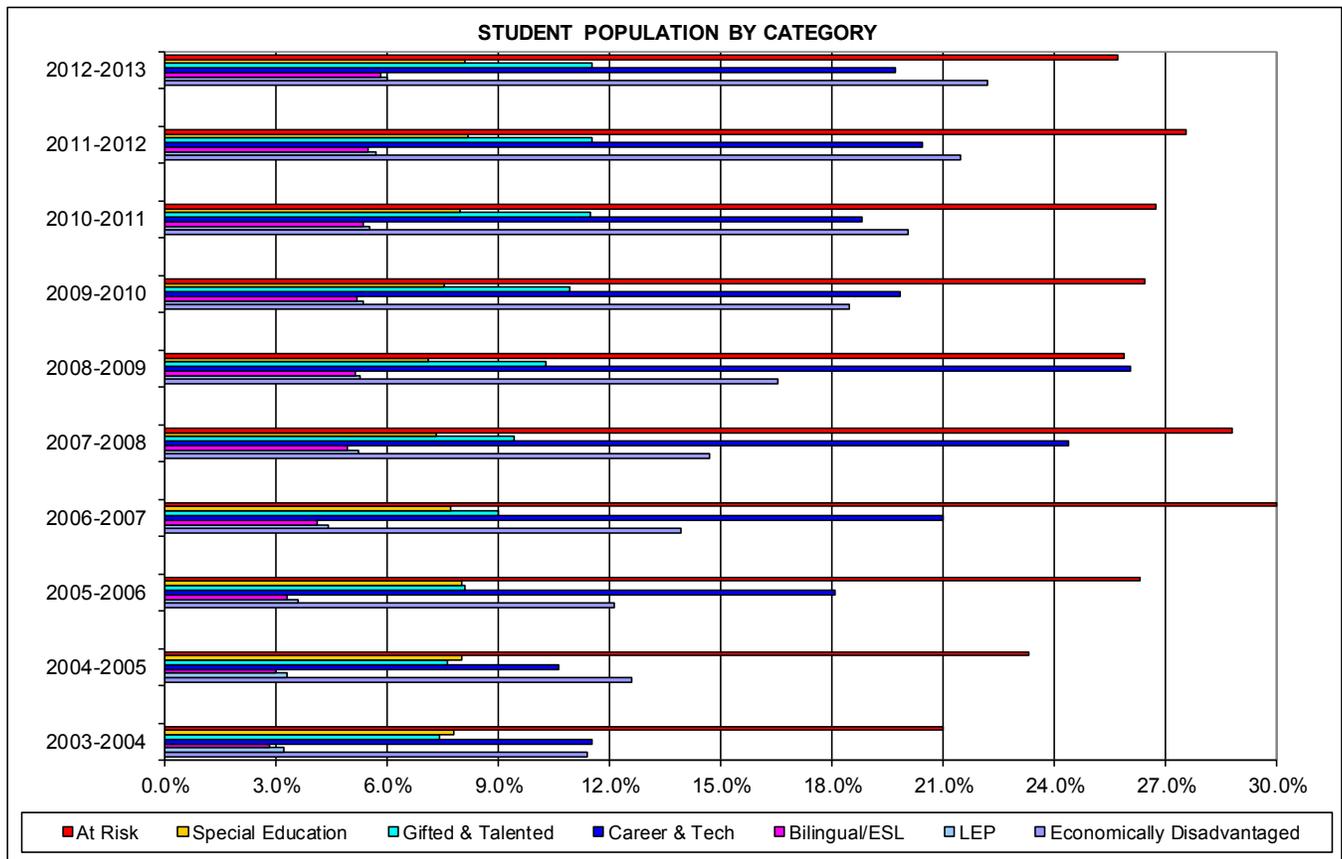
KELLER ISD 2013-2014 BUDGET

SPECIAL POPULATION BY CATEGORY STUDENT COUNT

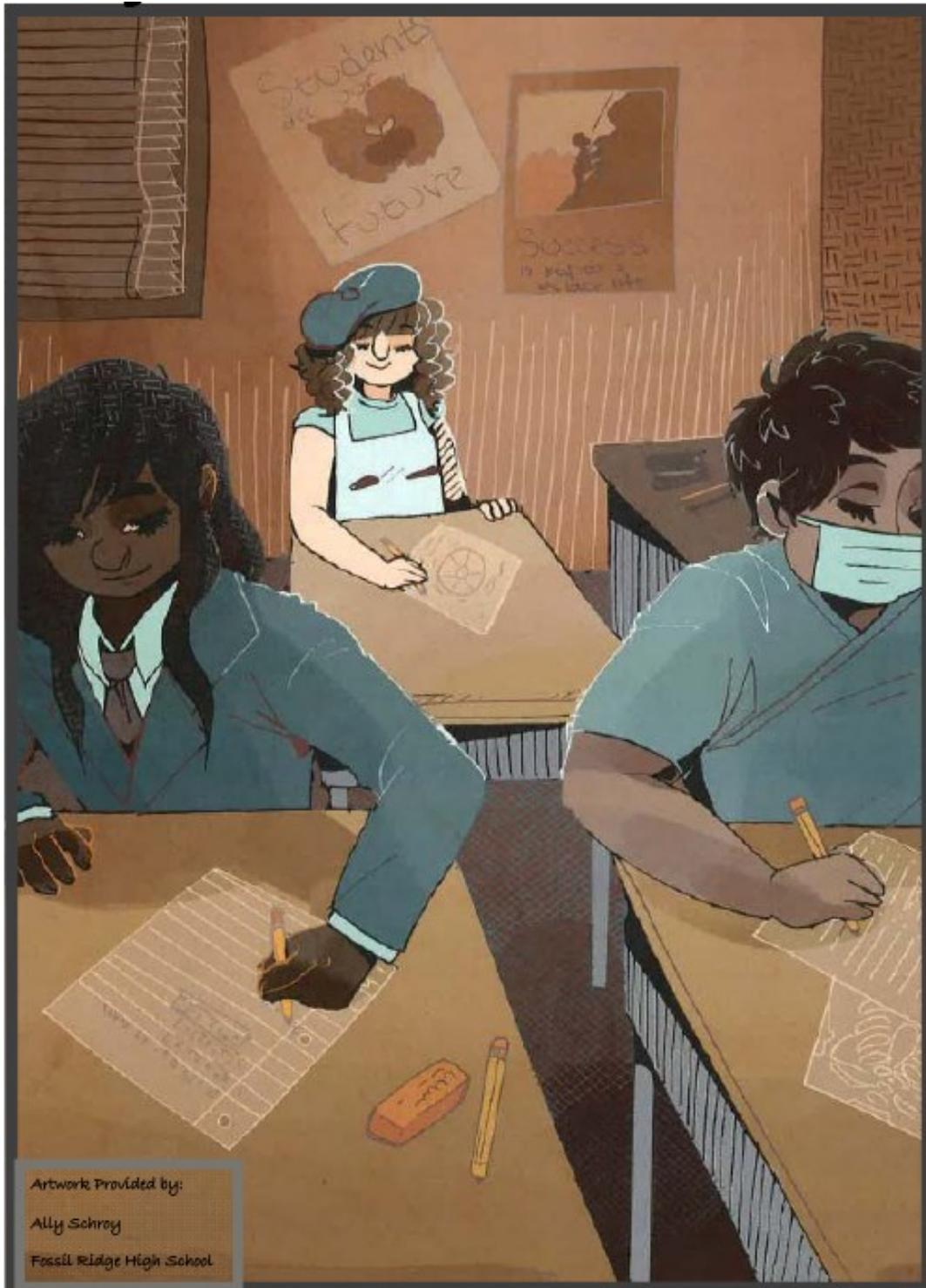
	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Economically Disadvantaged	2,494	3,002	3,143	3,887	4,339	5,009	5,834	6,562	7,113	7,398
LEP	705	778	943	1,222	1,519	1,590	1,686	1,809	1,888	2,006
Bilingual/ESL	604	705	844	1,144	1,445	1,557	1,633	1,748	1,815	1,923
Career & Tech	2,505	2,530	4,686	5,850	7,198	7,890	6,261	6,153	6,766	6,550
Gifted & Talented	1,613	1,813	2,102	2,503	2,761	3,115	3,443	3,763	3,823	3,815
Special Education	1,691	1,912	2,057	2,138	2,154	2,156	2,382	2,609	2,703	2,679
At Risk	4,584	5,533	6,798	8,382	8,491	7,841	8,343	8,757	9,123	8,537

PERCENTAGES

	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Economically Disadvantaged	11.4%	12.6%	12.1%	13.9%	14.7%	16.5%	18.5%	20.0%	21.5%	22.2%
LEP	3.2%	3.3%	3.6%	4.4%	5.2%	5.3%	5.3%	5.5%	5.7%	6.0%
Bilingual/ESL	2.8%	3.0%	3.3%	4.1%	4.9%	5.1%	5.2%	5.3%	5.5%	5.8%
Career & Tech	11.5%	10.6%	18.1%	21.0%	24.4%	26.0%	19.8%	18.8%	20.4%	19.7%
Gifted & Talented	7.4%	7.6%	8.1%	9.0%	9.4%	10.3%	10.9%	11.5%	11.5%	11.5%
Special Education	7.8%	8.0%	8.0%	7.7%	7.3%	7.1%	7.6%	8.0%	8.2%	8.1%
At Risk	21.0%	23.3%	26.3%	30.0%	28.8%	25.9%	26.4%	26.7%	27.5%	25.7%



Performance Indicators



Artwork Provided by:
Ally Schroy
Fossil Ridge High School

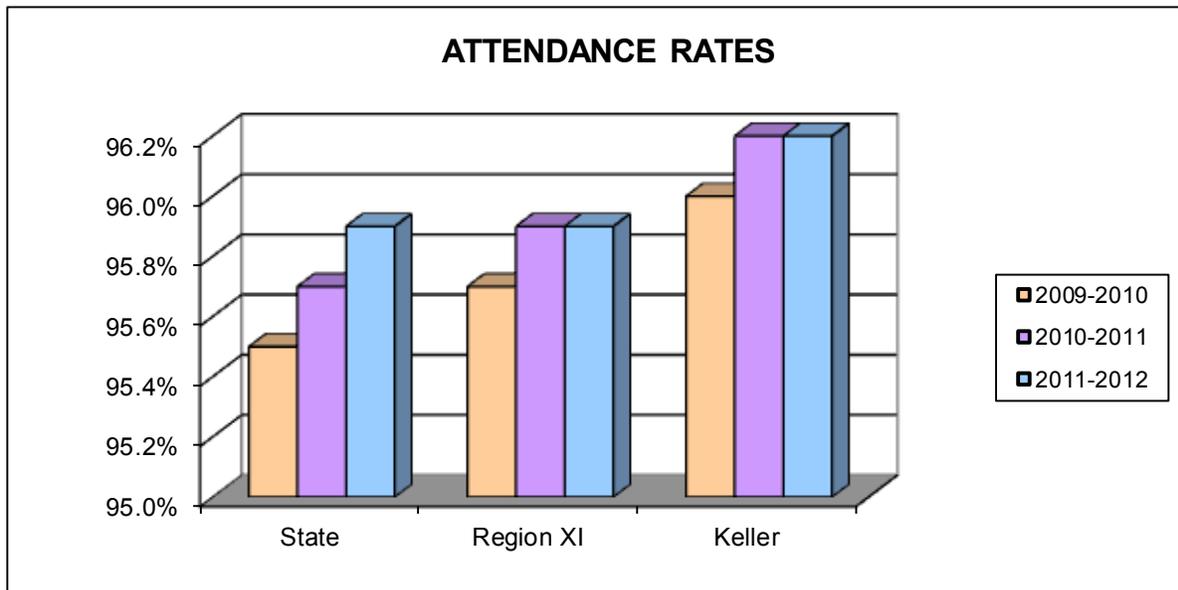
ATTENDANCE RATES

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: Drop-out rates are provided by AEIS and 2012-13 information is not available at the time of publication.

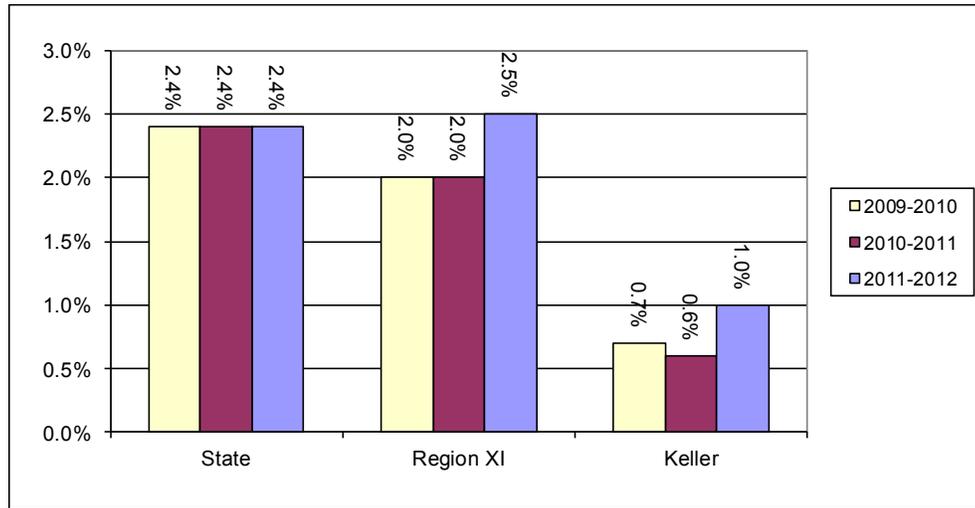
KELLER ISD ATTENDANCE RATES

<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

<u>Year</u>	<u>State</u>	<u>Region XI</u>	<u>Keller</u>
2011-2012	2.4%	2.5%	1.0%
2010-2011	2.4%	2.0%	0.6%
2009-2010	2.4%	2.0%	0.7%
2008-2009	2.0%	1.9%	0.8%



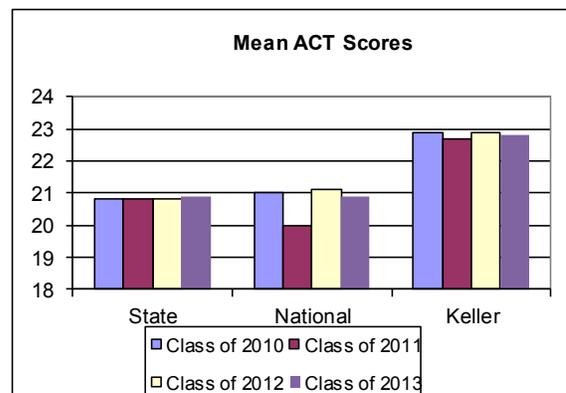
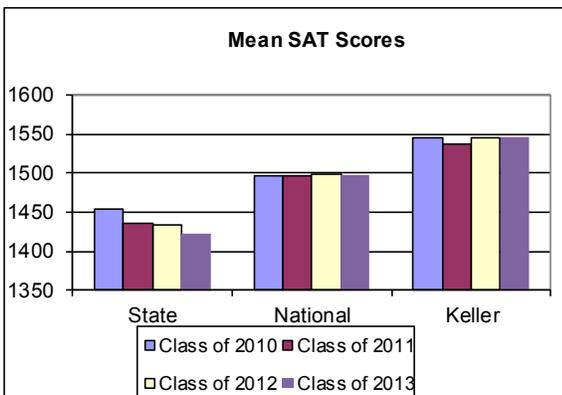
SAT / ACT RESULTS

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



Accountability Rating

Following a statewide curriculum update in 1997, the process began to develop a new assessment, the Texas Assessment of Knowledge and Skill (TAKS). This assessment included more subjects and grades, and was more difficult than the previous statewide assessment. With such fundamental changes, the accountability system also needed to be redesigned. Because of the increased level of difficulty of the new tests, the State Board of Education approved a transition plan for 2003 and 2004 to allow school districts time to adjust to the increased level of test difficulty and the implementation of new testing requirements at the high school level.

The academic year of 2011-12 introduced the newest state assessment program, State of Texas Assessments of Academic Readiness (STAAR) which replaces the TAKS assessments. This new rigorous program is designed to focus on readiness for success in subsequent grades and courses and, ultimately, for college and career.

Over the course of their public school career, students will be tested in the core subject areas; reading, writing, mathematics, science, and social studies. The number of tests taken each year will vary from two to four depending on the grade level. The STAAR tests for elementary and middle school grades cover the same subjects and grades as the previous testing program the Texas Assessment of Knowledge and Skills (TAKS). At the high school level, end of course (EOC) assessments replace grade specific tests.

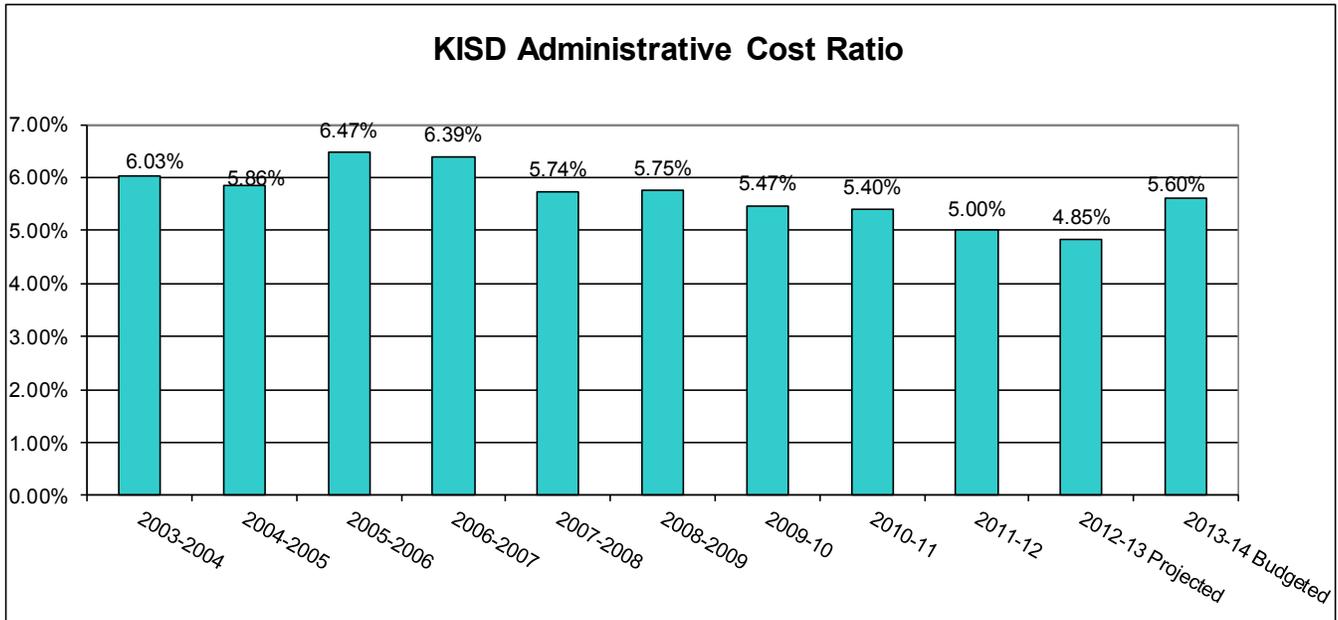
In addition to the increased rigor of the STAAR tests over the TAKS tests, these assessments contains more test questions at most grade levels. Also, for the first time since the state began its standardized testing program, the tests have time limits. Unless a student is eligible for accommodation, each student will have four hours to complete each assessment.

The changes in the testing program are most apparent at the high school level. Under the TAKS program, student took two tests in ninth grade and four tests in both 10th and 11th grade. A student was required to pass the four exit-level tests given at 11th grade in order to graduate. The STAAR system replaced this method of testing and now incorporates 12 end of course assessments, which students take whenever they take the corresponding course. These EOC assessment scores account for 15% of a student's final grade in the associated course.

The Texas Education Agency is developing a new accountability system based on the new STAAR assessments as well as other indicators. Keller ISD was assigned a rating of met standard on state accountability ratings for the 2012-2013 school year.

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 77th 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 tenth 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/.

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.

Glossary



Artwork Provided by:
Megan Schroeder
Fossil Ridge High School

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.

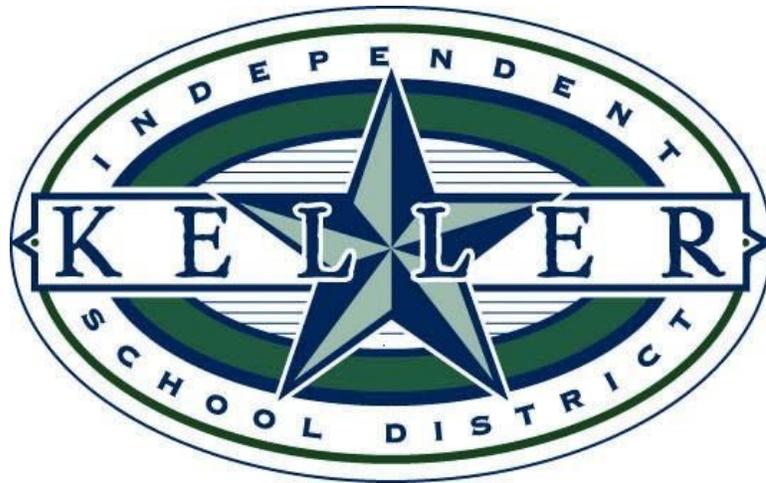
Unit Cost – Expenditures for a function, activity, or service divided by the total number of units for which the function, activity, or service was provided.

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.



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