

# *Annual Comprehensive Financial Report*

*of the*

*Killeen Independent School District*

*For the Fiscal Year Ended August 31, 2023*

*Issued by:  
Jo Ann Fey Ed. D.  
Superintendent*

*Killeen Independent School District  
200 North W.S. Young Drive  
Killeen, Texas 76543*

**KILLEEN INDEPENDENT SCHOOL DISTRICT**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED AUGUST 31, 2023**

---

**PREPARED BY THE FINANCIAL REPORTING DEPARTMENT**

---

**TERRI D'SPAIN**

Senior Accountant

**CARRIE CAROLL SIMPSON**

Coordinator of Budgetary Services

---

**KRISPIN BLOW**

Director of Financial Reporting

---

**KALLEN VADEN**

Chief Financial Officer

---

**MEGAN BRADLEY**

Deputy Superintendent of District Operations

---

200 N. WS Young Drive

Killeen, TX

KILLEEN INDEPENDENT SCHOOL DISTRICT  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED AUGUST 31,2023

TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page</u>
Certificate of Board	iv
 <b><u>Introductory Section</u></b>	
Letter of Transmittal	I
Principal Officers	XVIII
Organizational Chart	XIX
GFOA Certificate of Achievement for Excellence in Financial Reporting	XX
ASBO Certificate of Excellence in Financial Reporting	XXI
 <b><u>Financial Section</u></b>	
Independent Auditors' Report	1
Management's Discussion and Analysis	5
 <b><u>Basic Financial Statements</u></b>	
Government Wide-Statements:	
A-1 Statement of Net Position	17
B-1 Statement of Activities	19
Governmental Fund Financial Statements:	
C-1 Balance Sheet	20
C-2 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	22
C-3 Statement of Revenues, Expenditures, and Changes in Fund Balance	24
C-4 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	26
C-5 Budgetary Comparison Statement - General Fund	29
D-1 Statement of Net Positions Proprietary Funds	30
D-2 Statement of Revenues, Expenses, and Changes in Fund Net Position Proprietary Funds	31
D-3 Statement of Cash Flows Proprietary Funds	32
Fiduciary Fund Financial Statements:	
E-1 Statement of Fiduciary Net Position	34
E-2 Statement of Changes in Fiduciary Fund Net Position	35
Notes to the Financial Statements	36
 <b><u>Required Supplementary Information</u></b>	
G-1 Schedule of the District's Proportionate Share of the Net Pension Liability	94
G-2 Schedule of the District Contributions for Pensions	96
G-3 Schedule of the District's Proportionate Share of the Net OPEB Liability	98
G-4 Schedule of District's Contribution For Other Postemployment Benefits	100
G-5 Notes to Required Supplementary Information	102
 <b><u>Other Supplementary Information:</u></b>	
<b><u>Combining Statements</u></b>	
Nonmajor Governmental Funds:	
H-1 Combining Balance Sheet	104
H-2 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	110
Custodial Funds:	
H-9 Combining Statement of Changes in Assets and Liabilities	116
H-10 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	117
Private Purpose Trust Funds:	
H-11 Combining Statement of Net Position	118
H-12 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	119

<u>Exhibit</u>	<u>Page</u>
<b><u>Required TEA Schedules</u></b>	
J-1 Schedule of Delinquent Taxes Receivable	122
J-2 Budgetary Comparison Schedule – National Breakfast and Lunch Program	124
J-3 Budgetary Comparison Schedule - Debt Service Fund	125
J-4 State Compensatory Education and Bilingual Education Program Expenditures	126
J-5 Bond Schedule	128
J-6 Mandated Programs Schedule - General Fund	130
<b><u>Statistical Section</u></b>	
Statistical Section – Description of Contents	133
1 Net Position by Component, Last Ten Fiscal Years	134
2 Expenses, Program Revenues, and Net Expense /Revenue, Last Ten Fiscal Years	136
3 General Revenues and Total Change in Net Position, Last Ten Fiscal Years	138
4 Fund Balances, Governmental Funds, Last Ten Fiscal Years	140
5 Governmental Funds Revenues, Last Ten Fiscal Years	142
6 Governmental Funds Expenditures and Debt Service Ratio, Last Ten Fiscal Years	144
7 Other Financing Sources and Uses and Net Change in Fund Balances, Governmental Funds, Last Ten Fiscal Years	146
8 Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	148
9 Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	150
10 Principal Property Tax Payers, Current Year and Nine Years Ago	151
11 Property Tax Levies and Collections, Last Ten Fiscal Years	152
12 Outstanding Debt by Type, Last Ten Fiscal Years	153
13 Direct and Overlapping Governmental Activities Debt, As of August 31, 2023	155
14 Legal Debt Margin Information, Last Ten Fiscal Years	156
15 Demographic and Economic Statistics, Last Ten Calendar Years	158
16 Principal Employers, Current Year and Nine Years Ago	159
17 Full-Time-Equivalent District Employees by Type, Last Ten Fiscal Years	160
18 Operating Statistics, Last Ten Fiscal Years	163
19 Capital Asset Information, Last Ten Fiscal Years	164



CERTIFICATE OF BOARD

Killeen Independent School District  
Name of School District

Bell  
County

014906  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one)  approved \_\_\_\_\_ disapproved for the year ended August 31, 2023 at a meeting of the Board of Trustees of such school district on the 23rd day of January, 2024.

  
\_\_\_\_\_  
Signature of Board Secretary  
Marvin Rainwater

  
\_\_\_\_\_  
Signature of Board President  
Brett E. Williams

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



# **INTRODUCTORY SECTION**





# KILLEEN INDEPENDENT SCHOOL DISTRICT

P.O. Box 967 • 200 North W.S. Young Drive • Killeen, Texas 76540-0967  
254-336-0000

Jo Ann Fey, Ed. D  
Superintendent

January 18, 2024

Board of Trustees  
Killeen Independent School District  
200 North W. S. Young Drive  
Killeen, Texas 76540

To the Members of the Board and Citizens of the Killeen Independent School District:

The Annual Comprehensive Financial Report of the Killeen Independent School District (District) for the fiscal year ended August 31, 2023, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. This is based upon a comprehensive framework of internal control established for this purpose. The cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introductory overview and analysis of the basic financial statements and should be read in conjunction with this letter.

The District includes all funds of its governmental operations that are controlled by or dependent upon the District as determined on a basis of financial accountability. Financial accountability includes appointment of the organization's governing body, imposition of will and fiscal dependency. The District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity". The accompanying financial statements include only those funds of the District, as there are no other organizations for which it has financial accountability.

The District is required to undergo an annual single audit in conformity with the provisions of the Uniform Administrative Requirements issued by U.S. Office of Management and Budget. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report.

## ***ECONOMIC CONDITION AND OUTLOOK***

The economy in Killeen remains strong. Home prices in Killeen were down 0.43 percent compared to the previous year. The unemployment rate as of July 2023 was 4.1 percent according to the Texas Workforce Commission. Jobs are created regularly which encourages people leaving the Army at Fort Cavazos to choose to stay in this area. The area continues to reap the benefits of having Fort Cavazos as an economic neighbor through continued expansion and indirectly through associated professional business services.

Killeen is located on US Highway 190/Interstate 14 in Central Texas. Interstate 14 is a six-lane divided interstate that connects the east side of Copperas Cove to Interstate 35, a NAFTA corridor from Mexico to Canada. The designation of Interstate 14 is part of an overall transportation plan to connect “Forts to Ports”. The continued development of Interstate 14 will connect military installations to US Ports to improve the mobility of military equipment during deployments.

Killeen’s location in central Texas makes it appealing for people looking to live in the area. It is 55 miles north of Austin, 125 miles southwest of Dallas and 125 miles northeast of San Antonio. The proximity of these major metropolitan areas makes it easy to enjoy the “big city advantage” of these areas but still maintain a lifestyle separate from the larger cities.

Low cost of living, excellent schools, regional medical facilities, regional airport, abundant shopping, mild climate, area lakes, and recreational facilities have played a positive role in the rapid growth of the Killeen/Harker Heights area.

Killeen, Texas, is home to Fort Cavazos, the largest active-duty armored post in the United States Armed Forces and the largest single location employer in the state of Texas. Many soldiers who separate from Fort Cavazos each month remain in the area and provide a constant supply of labor-trained personnel in microelectronics, hydro-mechanical devices, and other high-tech fields. Well-trained and educated military spouses and retirees provide an experienced labor force needed by a relocating industry.

Z Modular, a division of Zekelman Industries, currently occupies a 230,000 square-foot building in the Killeen Business Park and has acquired an additional 20 acres of land from the Killeen Economic Development Corporation to expand operations. The current site manufactures American-made steel framed modules for a variety of markets, including hospitality, university student housing and affordable multifamily housing. The company currently employs around 200 people. The expansion will create around 107 new jobs.

The following table indicates the historical change in dollar value of building permits:

VALUATION OF BUILDING PERMITS

Calendar Year	Killeen	Harker Heights	Total	Change
2012	230,451,385	61,222,209	291,673,594	-17%
2013	209,707,964	82,473,469	292,181,433	.2%
2014	280,424,868	93,981,892	374,406,760	28%
2015	255,860,911	48,353,668	304,214,579	-19%
2016	211,454,913	59,269,612	270,724,525	-11%
2017	217,738,954	62,161,744	279,900,698	3%
2018	314,248,946	109,010,490	321,008,047	15%
2019	246,915,084	109,012,000	355,927,084	10%
2020	209,137,798	52,203,759	261,341,557	-27%
2021	170,272,537	95,281,962	265,554,499	2%
2022	207,671,608	91,497,609	299,169,216	13%

***ECONOMIC GROWTH RESULTS IN CONTINUED GROSS SALES INCREASE***

The Killeen-Temple-Fort Cavazos Metropolitan Statistical Area (MSA) experienced a 3% decrease in gross sales during the 2022 calendar year. This decrease is due to a rate increase in local economy and reduced deployments of military forces. Unemployment rates decreased from 4.7% in June of 2022 to 4.1% in July 2023. The Texas Comptroller of Public Accounts, Economic Analysis Center published the following information:

*GROSS RETAIL SALES BY CALENDAR  
YEAR KILLEEN-TEMPLE-FORT  
CAVAZOS  
MSA  
(IN 000's)*

	2018	2019	2020	2021	2022
Motor Vehicle and Parts Dealers	\$1,395,588	\$1,458,642	\$1,564,493	\$1,880,890	\$1,455,586
Furniture and Home Furnishings Stores	118,778	122,119	123,402	\$148,137	\$138,281
Electronics and Appliance Stores	93,482	90,104	80,215	\$100,112	\$95,121
Building Material and Garden Equipment	515,222	507,998	618,444	\$1,702,119	\$1,326,008
Food and Beverage Stores	1,011,994	1,066,694	1,147,863	\$1,337,698	\$1,493,370
Health and Personal Care Stores	213,425	215,618	226,517	\$254,111	\$274,308
Gasoline Stations	567,092	593,480	537,103	\$736,443	\$837,331
Clothing and Accessories Stores	160,029	160,800	146,971	\$196,150	\$184,230
Sporting Goods, Hobby, Book & Movies	82,947	73,391	85,794	\$102,620	\$97,577
General Merchandise Stores	1,077,980	1,106,247	1,202,978	\$1,340,913	\$1,425,119
Miscellaneous Stores	306,484	315,779	349,426	\$432,919	\$473,651
Nonstore Retailers	30,848	29,249	32,088	\$44,044	\$116,920
Food Services and Drinking Places	<u>712,434</u>	<u>760,474</u>	<u>765,896</u>	<u>\$932,468</u>	<u>\$981,721</u>
Total	\$6,286,303	\$6,500,595	\$6,881,190	\$9,208,624	\$8,889,223

## ***FORT CAVAZOS***

Fort Cavazos is the Army's premier maneuver installation and strategic power projection platform, providing facilities and resources to sustain, maintain, train, and deploy combat-ready forces capable of meeting our nation's needs at all points along the ground warfare conflict spectrum. Fort Cavazos's primary mission focus is supporting the training of its assigned units as a mobilization station for Army Reserve and National Guard units, and as a strategic power projection platform.

The training installation contains 214,968 acres of training area, of which 197,000 acres are set aside for maneuvers. The single largest training area is the Western Maneuver Area - this training area stretches 20 miles from north to south and from the western boundary of the installation eastward to the live fire impact area.

Fort Cavazos is home to the largest combat aviation training area in the free world, comprising of 15,900 square miles, permitting both US and allied military helicopter crews to train over a variety of terrain, in a realistic environment that affords the distances and depths required in combat aviation operations.

With approximately 35,814 assigned soldiers and airmen, in addition to approximately 11,282 civilian and contractor employees, Fort Cavazos is the largest single site employer in the state of Texas. The installation also serves a wide variety of tenant organizations and ensures the highest quality of life and support for a diverse military community of soldiers, family members and retirees.

## ***KILLEEN-FORT HOOD REGIONAL AIRPORT***

The Killeen-Fort Hood Regional Airport offers excellent commercial airline service via American Airlines with daily flights to and from Dallas/Fort Worth International Airport (Dallas/Fort Worth, Texas). Centrally located along the Interstate 35 corridor, the Killeen-Fort Hood Regional Airport is only an hour drive from Austin, and less than three hours from Dallas and San Antonio. It is also close to the Killeen Mall and other shopping areas. The Killeen-Fort Hood Regional Airport is the first facility in the United States to feature glass walled aircraft boarding bridges giving a truly one-of-a-kind experience for every passenger.

## ***HEALTH CARE***

The outstanding medical facilities in the area are key attractions of the Killeen community with over 1,340 hospital beds within 20 miles. AdventHealth (formally Metroplex Hospital), Seton Medical Center, Baylor Scott & White Health, McLane Children's Baylor Scott & White and Darnall Army Medical Center provide comprehensive health care to more than 141,000 beneficiaries that include civilians, active-duty military, their family members, and retirees who live within 40 miles of the hospital.

AdventHealth provides 245 beds and more than 300 physicians in 42 specialties and is a modern, acute-care facility with high-end, state-of-the-art technology and equipment. The hospital houses a 24-hour emergency center, advanced diagnostic imaging capabilities, general and same day surgery, a birthing center and the Pavilion, a full-service behavioral health facility offering inpatient and outpatient services for all ages.

Seton Medical Center Harker Heights is a full-service acute care facility that opened in June 2012 with more than 300 employees. Among the services offered at the 83-bed facility are emergency care, women's services, orthopedics, cardiology and imaging and diagnostics, to name a few. Seton Medical Center Harker Heights is a joint venture between the Austin-based Seton Healthcare Family and Nashville-based Ardent Health Services.

Baylor Scott & White Health employs more than 7,800 active physicians in the state of Texas. The Killeen Area Clinics provide primary care and specialty care such as cardiology, oncology, nephrology, obstetrics/gynecology, pediatrics, sports medicine, and dialysis services. Baylor Scott & White Hospital and Darnall Army Medical Center are both teaching hospitals affiliated with the Texas A&M Health Science Center College of Medicine. Darnall is also home to the Robertson Blood Center, the largest blood center in the Department of Defense.

## ***CULTURAL ACTIVITIES***

The Killeen Special Events Center Complex is composed of the Civic and Conference Center, Exhibition Hall, Rodeo Arena, and Vive Les Arts Theatre. The 64,000 square-foot Civic and Conference Center, with a multi-functional ballroom, can house 100 booths and subdivides into three smaller halls. There are six meeting rooms seating 40 each or 80 with partition open. A beautiful Special Events Room seats 125 people, and the Executive Board Room seats 25. As a testament to the flexibility of this facility, numerous events are booked each year to include meetings, banquets, weddings, conventions, workshops, and trade shows. Gallery hanging equipment was added in the hallways providing free space for exhibits of local art and other traveling exhibits. The multiuse complex provides a variety of flexible space for conventions and can host multiple events simultaneously.

The National Mounted Warfare Museum will represent the history of mounted soldiers and construction is currently underway. The state-of-the-art museum will be located just outside the main gate of Fort Cavazos and is expected to open its doors to the public in November of 2023. The museum offers over 12,000 square feet of permanent gallery space, over 1000 square feet of temporary exhibit space, and a 4,900 square foot rotunda. These exhibits will coordinate with education lessons being taught throughout the local school districts. Groundbreaking ceremony for this museum occurred on November 19, 2020.

The Vive Les Arts Societe was founded in July of 1976 to provide a base for cultural activities in the greater Killeen area. Vive Les Arts not only supports both performing and visual arts, but also brings concerts, symphonies, and children's theater productions to the area. In 1991 The Societe opened a center for the performing arts. The center features a 400-seat theater, expansive proscenium stage and a combination gallery/reception area. Vive Les Arts has produced over 40 successful seasons of shows since July 1976 for the community. The 2022-2023 theater season featured seven plays/musicals including The Play That Goes Wrong, She Loves Me, Elf the Musical, James and The Giant Peach Jr., Monty Python Spamalot, Chemical Imbalance: Jerkyll and Hyde Play, The Little Mermaid Jr., and The Wizard of Oz. The theater also offers skill building workshops such as theatre 101, makeup and vocal techniques.

## ***EDUCATION***

### ***KILLEEN INDEPENDENT SCHOOL DISTRICT***

The Killeen Independent School District (KISD) has grown from an enrollment of 41,414 students in 2013-2014 to a peak enrollment of 44,123 in 2022-2023. The projected enrollment for 2023-2024 is 44,542. KISD is the largest school district between Austin and Dallas and the 25th largest in the state of Texas. KISD employs over 7,000 faculty and support personnel to educate and serve more than 44,000 students on 51 separate educational campuses. The District's footprint includes 1414.7 acres of property and 7.04 million square feet of facilities across 356 square miles. Students from Killeen, Harker Heights, Fort Hood, Nolanville and rural West Bell County attend classes at thirty-one elementary schools (PK-5), eleven middle schools (6-8), five traditional high schools (9-12), four alternative schools, including the Career and Technology Education center (Career Center) and the Early College High School. The district's 218 portable buildings, of which 131 are used for instructional purposes, provide flexibility to meet the educational needs of a constantly changing population. The District has schools which vary in age. Six school buildings are over fifty years old, twenty-two are over twenty years old and twenty-three of the school buildings are between one and twenty years old. The District has remodeled and replaced many of the older structures.

The KISD Career Center provides core academic courses and upper level Career & Technical courses in the following career clusters: Agriculture, Food & Natural Resources; Architecture & Construction; Arts, Audio Visual Technology & Communications; Business Management & Administration; Education & Training; Finance; Health Science; Hospitality & Tourism; Human Services; Information Technology; Manufacturing; Marketing; STEM (Science, Technology, Engineering, and Math); and Transportation, Distribution & Logistics. These courses include state & national certifications, hands-on labs, work-based learning, and job site training. Hospitality & Tourism courses are contracted service dual credit courses taught at Central Texas College. The firefighter program is taught through collaboration with the City of Killeen Fire Department. All KISD Career Center programs have co-curricular youth

leadership organizations. Ellison H.S. provides Government and Public Administration courses. All five traditional high schools offer Business Management and Administration, Finance, as well as Law, Public Safety, Corrections, and Security, and STEM education.

In August 2015, Killeen Independent School District and Central Texas College partnered to open the first Early College High School in the Killeen/Ft. Hood area. Early College High School is a designation through the Texas Education Agency for innovative high schools located on or near a college campus that allows students an opportunity to earn a high school diploma while pursuing an associate degree (up to 60 college hours). In 2019, Killeen ISD's Early College High School was named a model College and Career Readiness School by the Educate Texas organization.

Transportation support is provided by the District from two facilities: The Garland D. Sheridan Transportation Facility, located at 9132 Trimmier Road and the satellite Atkinson Transportation Facility, located at 110 North WS Young Drive. Transportation is provided for secondary students who live two or more miles from their designated school, for elementary students who live one or more miles from their designated school, and for any students who live in an area that has been designated as hazardous by school officials. Students in grades pre-kindergarten through 12 board buses at designated bus stops. Students who are assigned to special education transportation are transported between the locations specified by the Individual Education Plan Committee without regard for minimum distance from school. Special program transportation is also provided for students in Alternative Education Programs (AEP). Elementary AEP students who live one or more miles from the supporting campus (Cavazos Elementary) are provided transportation between their residence and school. Secondary AEP students are provided transportation between the supporting campus (Gateway Campus) to bus stops that are within two miles of their residence. Pathways and Early College High School students are provided transportation between the supporting campus (Pathways Academic Campus or Early College High School Campuses, respectively) to bus stops that are within two miles of their residence. The District also provides transportation for extra-curricular and co-curricular student activities.

### ***CENTRAL TEXAS COLLEGE***

Central Texas College (CTC) is a public, two-year community college offering associate degrees, certificates of completion and continuing education courses for personal or professional development. Programs are available in traditional classroom settings, online and multimedia delivery methods for academic, professional, and vocational/technical fields. In 2022-2023 CTC awarded 1,024 associate degrees and 698 certificates of completion at more than 100 locations around the world. In addition to these degrees and certificates CTC had 7051 students enrolled in “non-credit” programs which include programs such as career training, personal enrichment, and college for kids. Outside Texas, CTC offers classes on military installations, ships at sea and correctional institutions. CTC's central campus is situated on 583.9 acres between the cities of Killeen and Copperas Cove. Central Texas College has maintained its accredited status with the Southern Association of Colleges and Schools since first being awarded accreditation in 1969 and was reaffirmed most recently in June 2015. CTC is the third largest employer in the region.

### ***TEXAS A&M UNIVERSITY – CENTRAL TEXAS***

Originating in 2009, Texas A&M University — Central Texas (TAMUCT), a member of The Texas A&M University System, has awarded degrees to over 7,500 students. TAMUCT is an upper-level regional institution that offers junior and senior level courses to its students, so that they may complete baccalaureate degrees, as well as master's and specialist graduate degrees. Currently serving over 2,400 students TAMUCT has been accredited by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) since 2013. In addition to their Killeen campus TAMUCT offers classes in Hutto, TX, Bryan, TX, and virtually worldwide. TAMUCT is also a member of ArmyIgnitED, a program dedicated to helping soldiers reach their postsecondary education goals.

**MAJOR INITIATIVES**

*KISD DIRECTIONAL PLAN FOR SCHOOL YEAR 2022/2023*

**VISION STATEMENT**

Through the implementation of a full, innovative, rigorous, comprehensive education program, Killeen ISD will provide superior learning opportunities so that upon graduation, students are prepared for success in the workforce and/or in higher education.

**MISSION:**

Teach so that students learn to their maximum potential.

**OBJECTIVES:**

Achievement

Responsiveness

Classroom Support

Leadership Development

Financial Accountability

**VALUES:**

Teamwork

Quality

Integrity

Caring Attitude

Maximum Effort

Innovation

**DISTRICT ACCOMPLISHMENTS**

1. **Parent and Community** – The KISD Parent and Community Engagement Program offers a myriad of ways for parents to be involved in the education of their children. Opportunities are provided at the district and campus level. During the 2022-2023 school year, KISD Parent and Community Engagement Program served thirty-two elementary and three middle school Title I school-wide campuses. Local funds provided support and services for families at the district’s non-Title I elementary, middle, and 4 high schools, including Early College High School and special campuses. Killeen ISD’s special campuses include Gateway High, Gateway Middle, KISD Career Center and Pathways Academic Campus. The Parenting-Specialist coordinates events and activities at the district level, supports and provides monthly training for parent liaisons/parent program contacts and coordinates the district’s volunteer services program.
  
2. **Parent Liaisons** – KISD had seventeen parent liaisons in place at elementary campuses during the 2022-2023 school year. Parenting program contacts facilitate parent engagement activities at elementary schools without parent liaison positions. Parent liaisons and program contacts assist campus principals with various parental involvement activities and serve as a primary link between the home and school. They facilitate distribution of parent education materials, offer informative workshop presentations, and provide campus-based orientation sessions for volunteers. They assist in coordinating, scheduling, and leading meetings among parents, teachers, and volunteers. Parent liaisons provide early literacy club activities for families with children 0-4 years of age who are not yet enrolled in school. Literary clubs serve as an early intervention strategy to help prepare children by building a basic learning foundation that is necessary for school success. KISD also provides two Special Education parent educators that host special education parenting workshops, provide monthly newsletters, and help our families navigate the world of special education.

3. **Adult Education** – Members of our community have the option to complete their high school education or increase their English language ability through a collaborative partnership between CTC Adult Education and the KISD Special Programs Department. During the 2022-2023 school year, English as a Second Language and High School Equivalency Certificate classes were offered remotely through CTC due to COVID-19 restrictions. Computer classes were offered face-to-face at JPLC in order to provide consistent opportunities for parents and community members to increase their computer literacy skills. The hands-on instruction provided served to extend access to technology that in turn empowered the use of tools to support student achievement and performance. A mobile unit containing 20 Dell laptops, a charging cart and one printer support this initiative.
4. **Newsletters for Parents** – The Parent and Family Engagement Connection is the parent engagement newsletter shared with families, community, and staff. The newsletter provides informative articles, at home support strategies, and research-based information on many relevant topics. It is translated and made available on the Federal and State Programs Department website in English, Spanish, German, Korean, Tagalog, and Vietnamese. Twenty copies are provided to each campus and a copy is posted on the Federal and State Programs Department website. Newsletters are distributed quarterly throughout the school year and may also be accessed from the Parents and Students tab of the KISD website.
5. **For Kid’s Sake** - “For Kids’ Sake” classes are offered for divorcing parents, potential foster parents or for people who are mandated by a court to attend for other reasons. This four- hour seminar is offered once a month at a cost of forty dollars per person. The focus of “For Kids’ Sake” is to provide parents with effective tools to assist and guide them and their children through the process of divorce with as little trauma as possible. Certified instructor/s, with master’s degree and specialized training, provide instruction. All participants receive a curriculum workbook at the beginning of the seminar and a certificate of completion at the end of the seminar. Participant feedback in the form of post service survey indicates a positive view of the program.
6. **Adopt-A-School Program** – Our Fort Cavazos/KISD Adopt-A-School Program is a partnership between Killeen ISD and the various military units at Fort Hood. Each campus is supported by an adopted military unit. The soldiers serve as campus volunteers, supporting campus activities throughout the school year. The KISD Community Relations and Special Programs Departments work together to facilitate, publicize, and support the Adopt-A-School Program. The Special Programs Department tracks the volunteer service hours, monitoring the number of hours and types of service our military members and parent/community volunteers provide to the district. Traditionally, the district is presented with a “check” representing the number of volunteers and hours of service for that year during the annual volunteer luncheon. Due to COVID-19, the Annual Volunteer Appreciation Luncheon did not occur.
7. **Recurring Activities and Events Serving Parents/Community** – The Federal and State Programs Department offers a variety of district-level events and activities to encourage parent, family, and community engagement.
  - Empowered Parents provides workshops for parents and community members
  - Early Literacy Clubs at elementary campuses meet throughout the year.
  - During the summer, early literacy education continues through the Summer Early Learners program.
  - The Summer Take-Home Backpack Program provides practice materials for students in grades K-8 in the areas of math and reading.
  - The KISD Parent Advisory Council provides parents with leadership opportunities.
  - The KISD Volunteer program is active on all campuses in the district.
  - Parent workshops are offered monthly by the Special Education Parent Educators.
  - Special Education Transition Fair
  - The annual Family Fitness and Wellness Fair is a successful collaborative among the KISD School Nutrition Department, the School Health Advisory Council, Student Services, Special Programs Department, and the City of Killeen’s Celebrate Killeen Committee. This event is a family affair focused on healthy eating and lifestyle choices.
8. **Parenting Program Curriculum** – Practical Parent Education is the research-based curriculum used for parent education workshops. Information provided supports families of the Killeen Independent School District. Sessions are designed to address topics and needs identified through the Parent Advisory Council, parent surveys and input from the KISD team of parent educators. We continue to receive implementation support and updated online curriculum access for each trained parent liaison and parent program contact. This curriculum includes online access, quick-tip handouts for parents/community, continued consultation, and evaluative support.

9. **Student Achievement** – Killeen ISD continues to address many challenges incurred throughout the pandemic. Reading and math support and interventions have been adopted and implemented in both the classroom and as part of HB 4545 (updated to HB 1416). In 2022-2023, Elementary campuses STAAR results in reading declined by 1% and increased in math by 5% respectively. Reading results in grades 6-8 had an increase of 3%-6% over the prior school year, and the district exceeds the state in “Meets Grade Level” in US History.
10. **District-Wide Curriculum** – During the 2022-2023 school year, the district-wide curriculum and instruction focus continued to be on the implementation of the district curriculum (TEKS Resource System) through the districts 3+1 instructional framework. The implementation of the curriculum was supported and monitored through Common Unit Assessments, instructional coaching, and ongoing professional learning. The 2023-2024 school year began with a review of the updated, interactive instructional model, new supplemental resources and intense instruction from Dough Fischer on Leader Credibility. District and campus leaders offer multiple professional development sessions throughout the year to ensure teachers remain abreast of research-based strategies that strengthen the instructional core.
11. **Response-to-Intervention** – The district continues to monitor Response-to-Intervention processes and practices.
- Reading Universal Screens: During the 2022-2023 school year, the Measures of Academic Progress (MAP) were used to diagnose the reading skill and comprehension development of students in kindergarten through 8<sup>th</sup> grade. MAP, a nationally normed assessment, provides the comprehensive diagnostic data that is needed to inform instruction and to guide the RtI problem-solving and decision-making process.
    - Reading Interventions:
      - Kindergarten through 5<sup>th</sup> grade students identified through the RtI process are served through the Fountas and Pinnell Leveled Literacy Intervention System (LLI). LLI is a small-group, supplementary intervention program designed to help teachers provide powerful, daily, small-group instruction for the lowest achieving students.
      - Middle school students identified through STAAR testing and the RtI process are provided an intervention class, Accelerated Reading. During the 2022-2023 school year, middle school Accelerated Reading teachers used Pearson iLit as the literacy intervention at all middle school campuses. Continued support was provided by the Pearson iLit coach and district ELAR specialist.
      - High school students identified through STAAR testing and the RtI process are enrolled in a reading intervention course.
  - Math Universal Screens: During the 2022-2023 school year, the Measures of Academic Progress (MAP) was the universal screening tool used to identify kindergarten through 8<sup>th</sup> grade students who would benefit from math interventions. MAP, a nationally normed assessment, provides the comprehensive diagnostic data that is needed to inform instruction and to guide the RtI problem-solving and decision-making process.
    - Math Interventions:
      - During the 2022-2023 school year, the Do the Math Intervention program was used in elementary classrooms to focus on “rebuilding” the foundations of mathematics – computation, number sense, and problem solving – for those students targeted for math intervention. Third grade teachers are also engaged in learning around the skills and strategies of Guided Math.
      - Students targeted for intervention in grades 6-8 utilized the Imagine Math intervention program.
12. **Induction** – Approximately 450 new professionals participated in comprehensive and differentiated training as part of three induction experiences (summer, fall and spring). Teachers learned concepts through focused conversations around topics such as: planning for and ensuring quality learning experiences for all students, understanding, and using Texas Essential Knowledge and Skills Resource System (TRS- the district’s curriculum management system), classroom management and the importance of establishing and building supportive relationships with students. Additionally, mentors were assigned to all teachers who are new to the profession.

13. **Professional Development** – Elementary and Secondary Curriculum and Professional Development departments as well as the Special Education department, provided on-going professional development opportunities to equip teachers with the best practice instructional strategies and to support the implementation of the TEKS Resource System. Professional development included summer workshops and academies, Saturday learning opportunities, after-school specials, campus learning sessions, and the facilitation of campus PLC's. The quantity and quality of KISD professional development provided extraordinary support for both new and tenured educators. A few examples are listed below:

- District-wide Job Alike learning
- Gradual Release of Responsibility
- Empowering Writers
- Grade Level and Content Specific Curriculum Study Sessions
- Comprehension Toolkit Training
- iLit Implementation and Coaching
- Texas A&M Math Academy
- Elementary and Secondary Blended Learning Collaboratives
- Using Data to Drive Instruction
- Building Depth and Complexity
- Classroom Management
- Connecting Social Studies and Language Arts
- Phonics and Word Study
- Next Generation Balanced Literacy
- Tools and Strategies when working with Autistic Students
- Non-Violent Crisis Prevention Institute
- Texas Behavior Support Initiative
- IEP Goal Development

14. **Teacher Recruiting Program** – The District's recruiting initiative with an annual budget of approximately \$103,125 continues to be effective in recruiting, hiring, and retaining between 400 to 500 teachers each year. The efforts primarily focus inside Texas but extend throughout the nation and include a KISD teacher job fair, multiple external job fairs, alternative teacher certification preparation programs, and numerous internet recruiting sites. KISD employment is profiled at [www.killeenisd.org](http://www.killeenisd.org). The KISD on-line application, Hire Vue and the Gallup Teacher Insight Interview, also on-line, provide immediate information about prospective employees. Additionally, the KISD Board of Trustees fund a bonus of \$2,925 for every new middle school math teacher hired and a \$2,080 sign-on bonus for incoming teachers certified in critical shortage subject areas. Additionally, a recurring stipend of \$3,00 is provided for Bilingual, Spanish and Special Education teachers and a \$3,120 stipend is provided to High School Chemistry, Physics and Mathematics teachers.

Once again, KISD remained consistent in minority hiring this year; nearly 38% of all classroom teachers hired were minorities. At KISD, over 50% of our total staff are minorities. Our goal continues to be a staff that mirrors the rich diversity of our students.

Our critical shortages this year continue reflecting the state-wide critical shortages of secondary math, chemistry, physics, Special Education, Spanish and bilingual certificate holders.

## ***TECHNOLOGY***

KISD follows a Strategic Technology Framework encompassing all aspects of educational and administrative technology services. The framework is designed to align with the District vision and serve as a guide for the school District and campuses to implement and utilize technology as a tool to assist with facilitating engaging student experiences leading to profound student learning. This framework is composed of a Digital Review process, a Campus Lifecycle Replacement Plan (LCRP), and an Operations and Networking Lifecycle Management Plan (LCMP).

The process and framework provide guidance to district leadership in support of the integration of technology into the curriculum. The key areas of framework support include:

- All curriculum areas will have hardware and software that supports the District vision.
- Each curriculum area will integrate technology into content scope and sequence to provide direction and support of the curriculum.
- All faculty and staff will have appropriate initial and ongoing training and support in the use of technology as related to their assignments.
- Access to technology resources will be available for all District staff.
- Access to information for staff, students, and parents will be readily available and easily accessible.
- All District departments will have access to technology resources that enhance departmental objectives.

In the acquisition and implementation of resources, each department or campus will create an action plan that will include an analysis, technology expenditures, and a measurement of student achievement. Campus action plans will be included in their Campus Improvement Plan, or CIP. District initiatives will be included in the District Improvement Plan (DIP) to determine its effectiveness and efficiency in the integration of technology in curriculum, administrative and support services, as well as infrastructure in order to determine resources needed, and their priority in advancing the District's Strategic Technology Framework. All new technologies, systems and resources go through a district Digital Review process.

Killeen ISD has a long history as pioneers of technology integration into daily curriculum. KISD provides teachers with state-of-the-art laptops leveraging content specific subscriptions and instructional software applications. All district staff have access to multiple digital resources and content as well as a comprehensive online curriculum system to enhance the learning opportunities in our classrooms. The district provides around the clock access for students, parents and staff to our digital library and media holdings as well as considerable digital media resources. All classrooms are equipped with digital projectors, document cameras and support peripherals. Killeen ISD supports a six-year lifecycle plan to ensure that instructional resources are up-to-date and equipped for modern learning environments. Killeen ISD continues to strive to be a focused and purposeful leader in the nation in technology services by collaborating with all disciplines and embracing best practices of instruction.

## **SUPPORT**

The role of professional school counselor remains vital in fostering the rich diversity of the Killeen Independent School District. From backgrounds as educators, these men and women bring a focus that is student-centered to academic, career, personal and social areas, understanding that the students of KISD will function and contribute to a changing global society. Whether it is attending to the needs of our military students and families or responding to the issues faced by all students in this changing economy and society, the professional school counselors of KISD bring heart to the climate of each campus and their efforts make a difference in the lives of more than 44,000 students. Soldiers at Fort Cavazos have had multiple deployments around the world. The families at Fort Cavazos feel the stress from having their family members away from home. KISD has addressed this need by providing ongoing professional development and training to ensure that counselors are knowledgeable of best practices and available resources to provide support to the students and families. KISD has also entered into a Memorandum of Agreement with Carl R. Darnall Army Medical Center to establish a School Behavioral Health Program for Military Children and Families to provide consultation and training for school staff and to offer behavior health services to military dependent children at on post schools. KISD has entered into an agreement with Advent Health to gradually extend School Behavioral Health from the 4 campuses currently served to 5 additional off-post campuses. KISD continues a partnership with Texas Health Child Access Through Telemedicine to provide behavior health services for all KISD campuses. Texas Educational Agency has designated a local mental health authority to partner with all school districts in Texas. Central Counties Services is the local mental health authority assigned to KISD. This is intended to help students in school with decreased absences, better student performance and emotional health.

## **INSTRUCTIONAL LEADERSHIP**

The Elementary and Secondary Learning Service Departments are committed to improving instructional and leadership practices by providing support, guidance, growth opportunities, and supervision to 51 campus principals through a collective and collaborative focus on three essential practices. The first essential practice – planning and implementing standards-based, aligned curriculum – is achieved through the Professional Learning Communities (PLC) unit planning process. The second essential practice – delivering, monitoring, and coaching standards-based, aligned curriculum through the Gradual Release of Responsibility (GRR) model – is intended to improve classroom practices through providing individual teachers and PLCs with growth-focused, specific, and actionable feedback. The third essential practice – monitoring progress – encompasses both leaders and teachers monitoring student progress, and students monitoring their own progress.

The departments facilitated the following activities between August 2022 and August 2023:

### **OPERATIONAL SUPPORT**

The Elementary and Secondary Learning Service Departments provided leadership and operational guidance for elementary and secondary campuses and supported principals with the effective and efficient operation of schools, including staffing, scheduling, budget, climate, and building utilization. The Departments provided leadership and assistance to administrators in the areas of district policy, administrative procedures, student discipline procedures, staff issues, informal and formal complaints and grievances, and community/parent involvement.

### **DISTRICT PLANNING**

The Elementary and Secondary Learning Service Departments utilized results from student assessments to determine goals and objectives for elementary and secondary campuses, systematically monitor school improvement, and develop long- and short-range plans that align with district goals. The Departments worked with campus leadership to develop campus plans and ensuring compliance with TEA and federal guidelines. The Executive Directors also assisted with the monitoring of campus improvement plans and the implementation of the District Improvement Plan and District Goals.

### **ASPIRE I & II**

The twelfth cohort of the Aspiring Leader’s Academy met monthly and provided leadership opportunities to assistant principals in the areas of identifying a vision, creating change, empowering staff members, communicating effectively, and mentoring. The fifth cohort of the Aspire II Academy met during the school year to build relationships with central office departments to understand the responsibilities of administrative and instructional leadership which align to the district mission, vision, and values. Aspire II members also shadowed one elementary and secondary principal to observe various leadership styles, increase their instructional knowledge, engage with staff and students, and meet with professional learning communities, etc. The learning experiences gained from the Aspiring Leader’s Academy and the Aspire II Academy equipped participants with an instructional toolbox of best practices including curriculum development, teacher and instructional effectiveness, and staff development.

### **TEACHER OF THE YEAR**

Killeen Independent School District proudly participates in the Texas State Teacher of the Year program. Since 1969, the Texas State Teacher of the Year Program honors excellence in classroom education and provides a forum to showcase outstanding educators whose efforts and example inspire their students, colleagues, and the communities they serve.

Every fall, the Texas State Teacher of the Year Program honors 38 regional Teachers of the Year in each of the 20 Education Service Center regions in Texas and one State Teacher of the year in elementary education and one State Teacher of the year in secondary education.

Candidates should:

- be experts in their field who guide students of all backgrounds and abilities to achieve excellence
- collaborate with colleagues, students, and families to create a school culture of respect and success
- deliberately connect the classroom and key stakeholders to foster a strong community at large
- demonstrate leadership and innovation in and outside of the classroom walls that embodies lifelong learning, and

- express themselves in an engaging and articulate way. KISD Teachers of the Year differentiate instruction, understand the importance of relationships, study their standards, provide rigorous instruction to help all learners become problem-solvers of tomorrow, and maintain high expectations for all students.

### **INSTRUCTIONAL DEVELOPMENT- PRINCIPAL AND ASSISTANT PRINCIPAL PLCS**

Monthly professional development sessions were offered to principals and assistant principals throughout the year. Professional learning sessions emphasize the importance of staying abreast of TEKS, effective instructional strategies, how to use the Texas Teacher Evaluation and Support System to improve classroom instruction, and more.

### **TEXAS TEACHER EVALUATION AND SUPPORT SYSTEM (T-TESS)**

The district implemented Texas Teacher Evaluation and Support System (T-TESS) in the 2017-18 school year which replaced the previous appraisal system. The appraisal system consists of a self-assessment, goal identification, goal setting, a professional development plan, an embedded student growth measure which supports and encourages professional growth, and an evaluation rubric. In addition, teachers establish strengths and areas of professional development needs. The district offers monthly T-TESS orientations to new teachers on the first Tuesday of each month. T-TESS encourages teachers to utilize best practices to improve classroom instruction while setting goals for professional learning.

### **TEXAS PRINCIPAL EVALUATION AND SUPPORT SYSTEM (T-PESS)**

The district implemented the Texas Principal Evaluation and Support System (T-PESS) in the 2018-19 school year. T-PESS clarifies what effective principals should know and be able to do leading to increased consistency and rigor in the evaluation process. The new system consists of self-assessment and goal setting, three conferences (beginning, middle, and end of the year), school site visits, and identification and collection of artifacts and evidence. The Leadership Development Department sponsored and managed all T-PESS training and documentation. Training occurred during Principal Academy and the Executive Directors met with new principals and assistant principals, as needed.

### **MENTORING**

The Killeen ISD Mentoring Program provides support and quality learning experiences for all teachers new to KISD. Every first-year teacher is assigned a mentor, and new to KISD teachers may be assigned a “buddy.” KISD mentors, selected by their principals, are experienced, successful, and knowledgeable teacher leaders. First-time mentors must complete 4-four hours of mentor training (Initial Mentoring and Leadership for Mentors) to serve as a mentor. Experienced mentors maintain their mentor qualification by participating in Mentor Networking every two years. Mentors agree to and sign a KISD Mentor Commitment, agreeing to fulfill the expectations of the mentoring program. Mentorship may be extended for two years if the principal deems it necessary.

### **CAMPUS VISITS**

The Elementary and Secondary Learning Service Departments conducted campus visits a minimum of six times a year. During the visits, the respective Executive Director met with principals to discuss areas of concern, review student achievement data, and conduct coaching and/or PLC walks. Campus visits also supported campus leadership with campus climate, student issues, co-curricular and extracurricular activities, facilities, and other campus operations.

### **EXCEPTIONAL OPPORTUNITIES – DISTRICTWIDE**

- Communities in Schools
- Digital Citizenship
- Parent Education Classes
- Parent Resource Center
- Parent Workshops
- Special Olympics

### **EXCEPTIONAL OPPORTUNITIES – ELEMENTARY**

- Battle of the Books
- Elementary Student 2 Student (ES2S)
- Mobile STEM Lab
- Science Olympiad
- STREAM Camp

### **EXCEPTIONAL OPPORTUNITIES - MIDDLE SCHOOL**

- Academic UIL
- Advancement Via Individual Determination (AVID)
- Battle of the Books
- Junior Student 2 Student (JS2S)
- KISD Middle School STEM Academy
- STREAM Camp

### **EXCEPTIONAL OPPORTUNITIES - HIGH SCHOOL**

- Advancement Via Individual Determination (AVID)
- Career and Technical Education
- Dual Credit, up to an Associate Degree
- Early College High School
- Junior ROTC
- KISD Career Center
- KISD STEM Academy
- Pre-Advanced Placement and Advanced Placement courses
- Student 2 Student(S2S)
- Student Advisory Committee
- Texas Bioscience Institute

## STRATEGIC PLANNING

The District utilizes a Strategic Facility Plan (SFP) capital projects fund to plan future facility needs based on growth and programmatic changes. This plan typically spans approximately ten years and is a living document that is adjusted as needed.

During the summer of 2017, the District hosted four community meetings to discuss future academic programing needs. The committee meetings resulted in recommendations to expand efforts to communicate current student opportunities, expand the Pathways Academic Campus, and expand STEM programming with a partnership with Central Texas College as well as expanding the Career Center.

These meetings led to the formation of a bond steering committee to discuss future construction needs in the district. During four community meetings, held at schools in the district, the committee reviewed current academic programs, current instructional facilities, historical and projected growth, financial strength, funding sources, construction costs and related escalation costs.

Currently, the Strategic Facility Plan is being utilized to add on to the Sheridan Transportation Facility. These funds are also being used to build a new middle school and renovate an existing high school. The new middle school should be completed in time to open in August 2024.

In addition, the Strategic Facility Plan was used in FY23 on several smaller projects. Leo Buckley Stadium repairs to hand rails, adding concrete access ramps and artificial turf replacement. Weapon screeners were installed at several campuses. Killeen Learning Support Services (KLSS) building renovation.

## **FINANCIAL INFORMATION**

### SINGLE AUDIT

As a recipient of federal and state financial assistance, the District is responsible for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the accounting staff of the District.

As a part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended August 31, 2023, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

### BUDGETARY CONTROLS

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Every school District in Texas is required by law to prepare and file a budget with the Texas Education Agency. Activities of the general, school nutrition (special revenue) and debt service funds are included in the District's budget. Budgetary control (the level at which expenditures cannot legally exceed appropriations) is maintained at the functional category level within each fund. These functional categories are defined by the Texas Education Agency and identify the purpose of transactions. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end. However, encumbrances generally are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

## **OTHER INFORMATION**

### **INDEPENDENT AUDIT**

The Texas Education Code requires an annual audit of all public schools. This audit must be on an organization-wide basis and includes all fund types and account groups that are the accounting responsibility of the District. The audit is performed by a certified public accountant selected by the District's Board of Trustees. The auditor's opinion has been included in this report.

### **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Killeen Independent School District for its annual comprehensive financial report for the fiscal year ended August 31, 2022. This was the thirty-second consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for School Systems to the Killeen Independent School District for its annual comprehensive financial report for the fiscal year ended August 31, 2022. This award certifies that the annual comprehensive financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of the ACFR by an expert panel of certified public accountants and practicing school business officials.

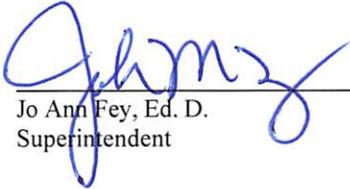
ASBO's Certificate of Excellence in Financial Reporting is valid for one year only. Killeen Independent School District has received a Certificate of Excellence in Financial Reporting for the past thirty-one consecutive years (fiscal years 1991-2022). We believe that our current ACFR continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO.

### **ACKNOWLEDGMENTS**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the financial services office and other administrative staff of the District. In addition, the Board of Trustees should be commended for its continued support and leadership in the planning and operations of the financial service area of the District. Their concern for the business of the District and that it be conducted efficiently and responsibly, as well as their recognition of the importance of such services, makes such tasks rewarding for the staff as a whole.

I would like to extend a special thanks to the independent auditors from Lott, Vernon and Company, P.C., for their technical assistance in the preparation of the Killeen Independent School District annual comprehensive financial report.

Respectfully submitted,

  
Jo Ann Fey, Ed. D.  
Superintendent

  
Kallen Vaden  
Chief Financial Officer



# Killeen Independent School District

## PRINCIPAL OFFICERS

### *BOARD OF TRUSTEES*

Brett Williams -- *President*

Susan Jones -- *Vice President*

Marvin Rainwater -- *Secretary*

JoAnn Purser -- *Board Member*

Cullen Mills -- *Board Member*

Brenda Adams -- *Board Member*

Oliver Mintz -- *Board Member*

COL Lakicia Stokes -- *Garrison Commander*

### *School District Administration*

Jo Ann Fey, Ed. D.

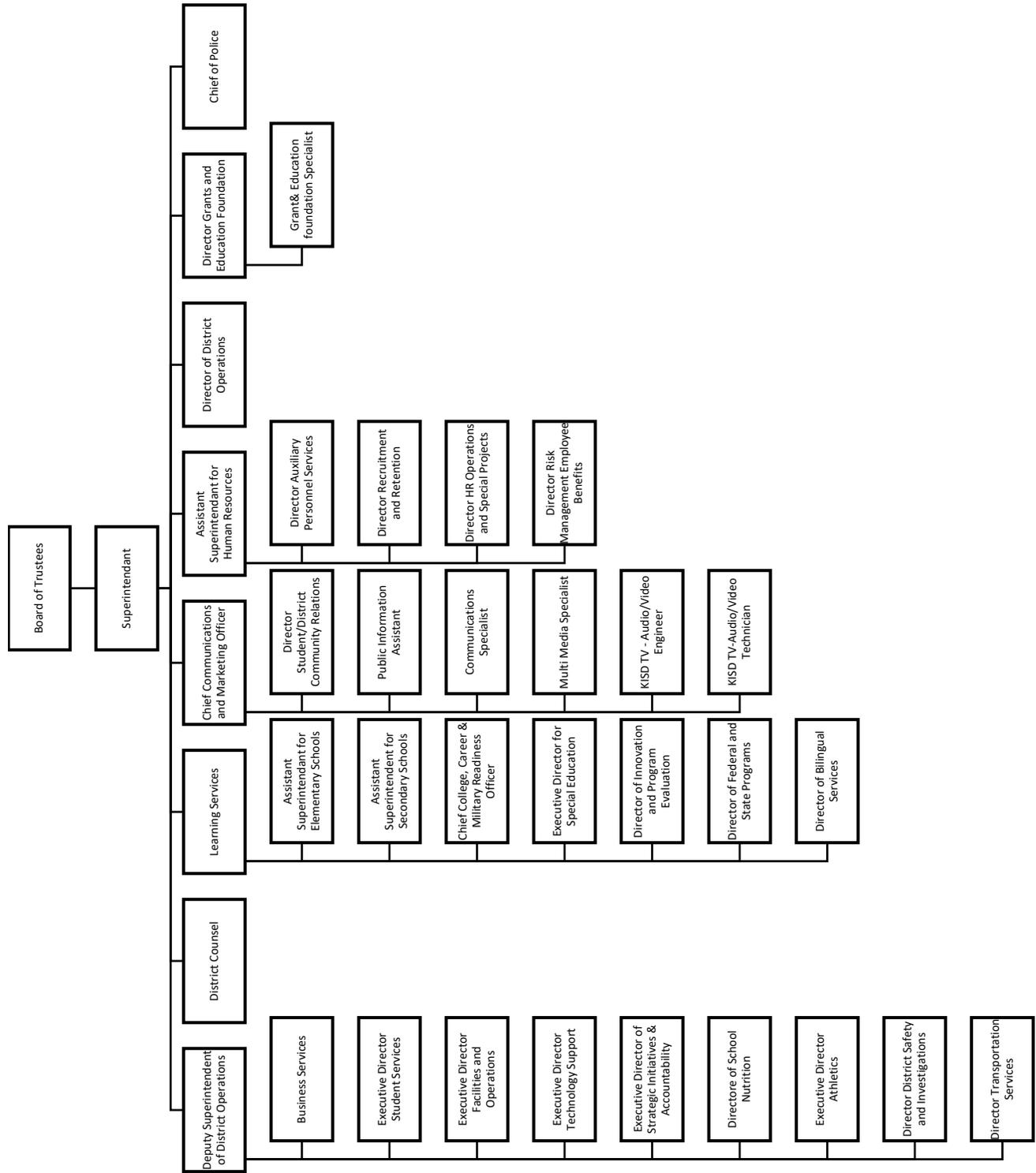
*Superintendent*

Megan Bradley

*Deputy Superintendent of Operations*



# Killeen ISD Organizational Leadership Support





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Killeen Independent School District  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2022

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Killeen Independent School District

for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended August 31, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style and is positioned above a horizontal line.

John W. Hutchison  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style and is positioned above a horizontal line.

Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim Executive Director





**LOTT, VERNON & COMPANY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

20 SOUTH FOURTH STREET 254/778/4783  
POST OFFICE BOX 160 800/460/4783  
TEMPLE, TEXAS 76503 FAX 254/778/4792

KILLEEN • COPPERAS COVE • TEMPLE

Member of  
American Institute & Texas Society of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Killeen Independent School District  
200 North, W.S. Young Drive  
Killeen, Texas 76543

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Killeen Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Killeen Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Killeen Independent School District, as of August 31, 2023, the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Change in Accounting Principle**

As described in Note T to the financial statements, in 2023, the District adopted new accounting guidance, GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Killeen Independent School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Killeen Independent School District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District's Contributions for Pensions, Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of District's Contributions for Other Postemployment Benefits (OPEB), and the notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Killeen Independent School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and required TEA schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and required TEA schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2024, on our consideration of the Killeen Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Killeen Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Killeen Independent School District's internal control over financial reporting and compliance.



Killeen, Texas  
January 18, 2024



# MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Killeen Independent School District annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District’s financial statements, which follow this section.

## FINANCIAL HIGHLIGHTS

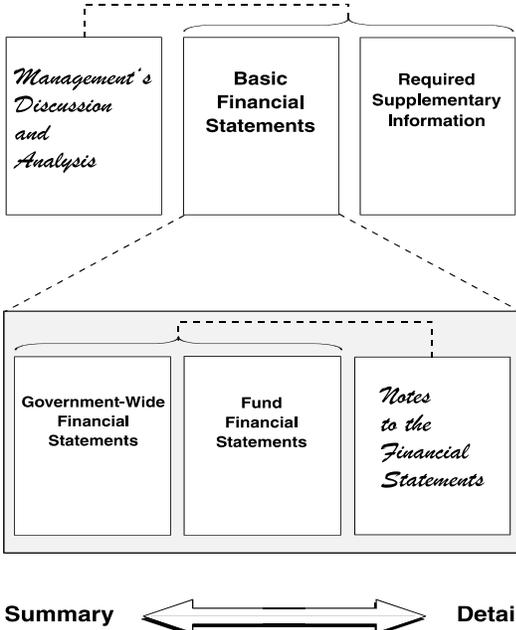
- The District’s total combined net position was \$486.6 million at August 31, 2023, compared to \$439.9 million at August 31, 2022 (see Table A-1). This is due to an increase in assets primarily arising from an increase in the amount of capital assets.
- The District transferred an additional \$40 million from the General fund to the School Building Projects fund to fund future construction needs and improvement projects and to decrease the General fund unassigned fund balance to three month’s operating expenditures in accordance with board policy CE (Local).

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—*management’s discussion and analysis* (this section), the *basic financial statements*, *required supplementary information* and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in *more detail* than the government-wide statements.
  - The *governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
  - *Proprietary fund* statements offer *short-term* and *long-term* financial information about the activities the government operates *like businesses*. The District began a partially self-funded insurance plan on January 1, 2022.
  - *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others to whom the resources in question belong.

**Figure A-1. Required Components of the District’s Annual Financial Report**



The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary*

information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

<b>Figure A-2 Major Features of the District's Government-Wide and Fund Financial Statements</b>				
Fund Statements				
<i>Type of Statements</i>	Government-Wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
<i>Scope</i>	<i>Entire Agency's government (except fiduciary funds) and the Agency's component units</i>	<i>The activities of the district that are not proprietary or fiduciary</i>	<i>Activities the district operates similar to private businesses: self-insurance</i>	<i>Instances in which the district is the trustee or agent for someone else's resources</i>
<i>Required financial statements</i>	<i>Statement of net position</i>	<i>Balance sheet</i>	<i>Statement of net position</i>	<i>Statement of changes in fiduciary net position</i>
	<i>Statement of activities</i>	<i>Statement of revenues, expenditures &amp; changes in fund balance</i>	<i>Statement of revenues, expenses and changes in fund net position</i>	
			<i>Statement of cash flows</i>	
<i>Accounting basis and measurement focus</i>	<i>Accrual accounting and economic resources focus</i>	<i>Modified accrual accounting and current financial resources focus</i>	<i>Accrual accounting and economic resources focus</i>	<i>Accrual accounting and economic resources focus</i>
<i>Type of asset/liability information</i>	<i>All assets and liabilities, both financial and capital, short-term and long-term</i>	<i>Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included</i>	<i>All assets and liabilities, both financial and capital, and short-term and long-term</i>	<i>All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can</i>
<i>Type of deferred outflows/deferred inflows</i>	<i>A consumption or acquisition of net position applicable to a future period.</i>	<i>A consumption or acquisition of fund balance applicable to a future period.</i>	<i>A consumption or acquisition of net assets applicable to a future period.</i>	<i>A consumption or acquisition of net assets applicable to a future period.</i>
<i>Type of inflow/outflow information</i>	<i>All revenues and expenses during year, regardless of when cash is received or paid</i>	<i>Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter</i>	<i>All revenues and expenses during year, regardless of when cash is received or paid</i>	<i>All revenues and expenses during year, regardless of when cash is received or paid</i>

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

## Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how it has changed. Net position—the difference between the District's assets and deferred outflows of resources less liabilities and deferred inflows of resources—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are indicators of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base and the condition of school buildings and other facilities.

The government-wide financial statements of the District are divided into two categories:

- *Governmental activities* - Most of the District's basic services are included here, such as instruction, transportation, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes, Impact Aid, and grants finance most of these activities.
- *Business-type activities* – The District began a partially self-funded insurance plan on January 1, 2022.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues.

The District has two kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds* – The District began a partially self-funded health plan on January 2022.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the

assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

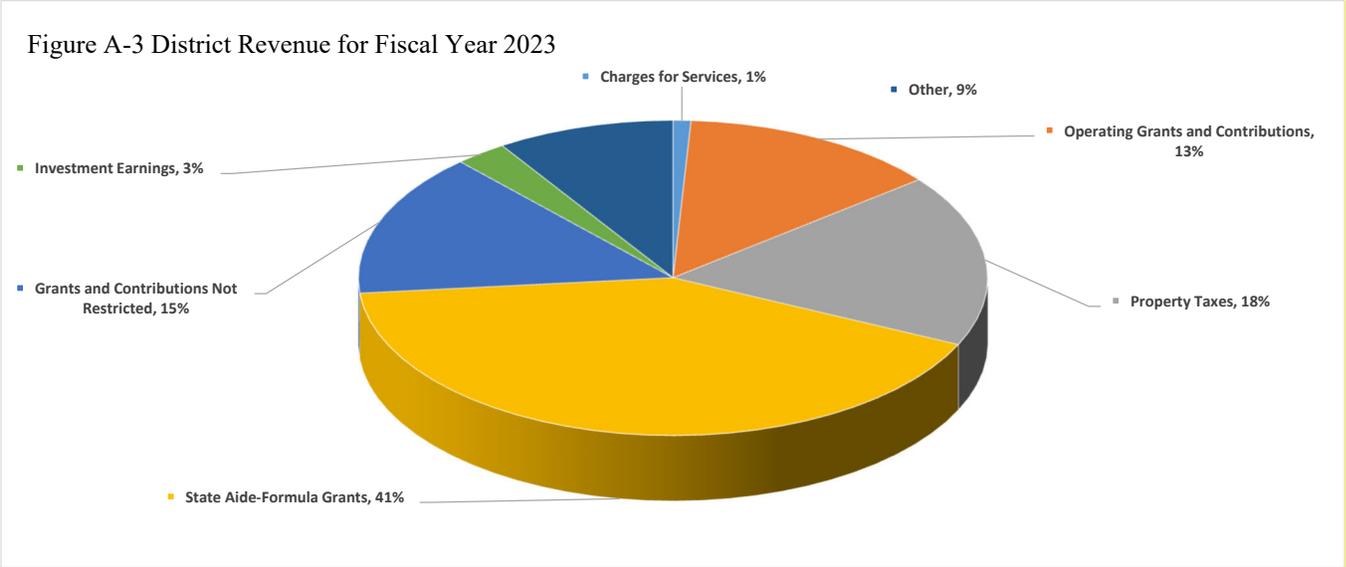
## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position** – The District’s net position increased by \$46.7 million from the previous fiscal year. This is a result of an increase of capital assets due to the increase of construction related to the bond passed in 2018 and a reduction in deferred inflows of resources related to TRS Pension and a decrease in the District’s share of OPEB liability. The District’s *combined* net position after the current year changes is \$486.6 million on August 31, 2023 (See Table A-1). The \$65.3 million of the District’s restricted net position represents fund balance that is restricted for federal and state programs (\$62.8 million), retirement of Long-Term Debt (\$2 million), and prepaid expenditures (\$0.5 million). The General and Capital Projects Funds unrestricted net position balance is \$8.5 million. Total Assets increased \$40.8 million due primarily to an increase in capital assets (land, buildings, and furniture/equipment). Additionally, long term liabilities increased by \$53.4 million primarily due to the increase in SBITA liability and in net pension liability.

**Table A-1**  
**The District's Net Position**  
*(in millions of dollars)*

	<b>Governmental Activities</b>		<b>Percentage Change</b>
	<b>2023</b>	<b>2022</b>	
Current and Other Assets	\$ 410.4	\$ 431.9	-5.0%
Capital Assets	839.5	777.2	8.0%
<b>Total Assets</b>	<b>1,249.9</b>	<b>1,209.1</b>	<b>3.4%</b>
<b>Deferred Outflows of Resources</b>	114.6	71.0	
Current Liabilities	74.8	64.2	16.5%
Long Term Liabilities	645.3	602.5	7.1%
<b>Total Liabilities</b>	<b>720.1</b>	<b>666.7</b>	<b>8.0%</b>
<b>Deferred Inflows of Resources</b>	157.8	173.5	
Net Position			
Net Investment in Capital Assets	412.8	396.2	4.2%
Restricted	65.3	56.3	15.8%
Unrestricted	8.5	(12.6)	-167.5%
<b>Total Net Position</b>	<b>\$ 486.6</b>	<b>\$ 439.9</b>	<b>10.6%</b>

A significant portion, approximately forty one percent, of the District’s revenue comes from state aid. (See Figure A-3.) Eighteen percent comes from property taxes, while one percent relates to charges for services. The total cost of all programs and services was approximately \$597.1 million; seventy percent of these costs are for instructional and student services.



**Governmental Activities**

- The District continues to build new instructional facilities with the bond proceeds from years 2017 and 2018. Construction continues on a new middle school, renovations on an existing high school, transportation facility expansion, Joseph Searles, III, Stadium and Leo Buckley Stadium.
- Property values grew by approximately \$1.8 billion. Central Texas continues to see growth and rising property values.
- Student enrollment increased in 2023. The peak enrollment went up from 44,109 in 2022 to 44,123 in 2023.

**Table A-2**  
**Changes in the District's Net**  
**Position**  
*(in millions of dollars)*

	<b>Governmental</b>		<b>Total %</b>
	<b>Activities</b>		
	<b><u>2023</u></b>	<b><u>2022</u></b>	
<b>Revenues</b>			
<u>Program Revenues</u>			
Charges for Services	\$ 5.9	\$ 2.9	103.4%
Operating Grants and Contributions	100.1	89.3	12.1%
<u>General Revenues</u>			
Property Taxes	113.8	98.2	15.9%
State Aid - Formula Grants	267.0	273.7	-2.4%
Grants and Contributions Not Restricted	94.9	68.4	38.7%
Investment Earnings	17.2	1.7	917.6%
Miscellaneous Revenues and Transfers	58.9	18.9	211.6%
On-Behalf Accrual for GASB 75	-14.0	-5.9	137.3%
<b>Total Revenues</b>	<b><u>643.8</u></b>	<b><u>547.2</u></b>	<b><u>17.7%</u></b>
<b>Expenses</b>			
Instruction and instructional related	330.5	292.4	13.0%
Instructional leadership/school administration	36.6	32.7	11.9%
Guidance, social work, health, transportation	51.1	45.3	12.8%
Food services	30.2	26.1	15.7%
Extracurricular activities	17.1	13.9	23.0%
General administration	48.7	30.3	60.7%
Plant maintenance and security	58.7	60.1	-2.3%
Data processing services	5.9	6.6	-10.6%
Community services	1.5	1.3	15.4%
Debt service	16.0	15.7	1.9%
Other intergovernmental charges	0.8	0.9	-11.1%
<b>Total Expenses</b>	<b><u>597.1</u></b>	<b><u>525.3</u></b>	<b><u>13.7%</u></b>
<b>Increase in Net Position</b>	<b>46.7</b>	<b>22.1</b>	
<b>Beginning Net Position</b>	<b><u>439.9</u></b>	<b><u>417.8</u></b>	
<b>Ending Net Position</b>	<b><u>\$ 486.6</u></b>	<b><u>\$ 439.9</u></b>	

Program Revenues – Operating grants increased by \$10.8 million. This is due to a decrease of \$8.1 million in the On-behalf accrual. Property taxes increased \$15.6 million due to an increase in property values. State Aid formula funds decreased \$6.7 million due to reduced revenue from Foundation School and Available School Fund. This occurred because of a decrease in student numbers and average daily attendance (ADA). Investment earnings increased by \$15.6 million due to an increase in interest rates. Miscellaneous revenues increased by \$40 million due to implementing a partially self-funded insurance plan on January 1, 2022, and receiving a gift of \$18 million from philanthropist Makenzie Scott. The On-behalf accrual decreased by \$8.1 million due to a decrease in plan pension expense associated with the District.

The expense variances from Table A-2 that exceed \$1,000,000 from the prior year occurred due to the following:

- (a) Instruction and instructional related services increased \$38.1 million due to an increase in salaries and supplemental pay to include a general pay increase (8% teachers/6% all others) and to opening Chaparral HS.
- (b) Instructional leadership/school administration increased by \$3.9 due to an increase in salaries to include a general pay increase of (8% teachers/6% all others) and opening Chaparral HS.
- (c) Guidance services increased \$3.3 million due to an increase in salaries and supplemental pay to include a general pay increase of (8% teachers/6% all others) and opening Chaparral HS; transportation increased \$1.1 million due to high schools traveling farther for district games and opening Chaparral HS; social work and health services increased \$1.4 million due to opening Chaparral HS.
- (d) Food Services increased \$4.1 million due to an increase in food costs and the opening of Chaparral HS.
- (e) Extracurricular activities increased \$3.2 million due to increases in substitutes and temporary employees as well as increased student travel.
- (f) General administration increased by \$18.4 million due to a full fiscal year with the partially self-funded insurance plan that began on January 1, 2022.
- (g) Plant maintenance and security decreased \$1.4 million due to various life cycle repairs and replacement projects that occurred in FY22. Furthermore, purchases for supplies and furniture decreased.

Table A-3 presents costs of some of the District's largest functions as well as each function's *net cost* (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$597.1 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$113.8 million (which is approximately 19%).
- Most of the cost was paid by federal grants and State Aid (TEA foundation payments).
- Some of the cost was paid by those who directly benefited from the programs (\$5.9 million).

**Table A-3**  
**Net Cost of Selected District Functions**  
*(in millions of dollars)*

	<b>Total Cost of Services</b>		<b>% Change</b>	<b>Net Cost of Services</b>		<b>% Change</b>
	<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>	
Instruction	\$ 303.9	\$ 267.6	13.6%	\$ 264.5	\$ 231.9	14.1%
School Leadership	29.5	26.0	13.5%	28.3	24.7	14.6%
Guidance and Counseling	27.4	24.1	13.7%	24.0	19.8	21.2%
Food Services	30.2	26.1	15.7%	0.6	5.9	-89.8%
Facilities Maintenance & Operations	53.1	54.8	-3.1%	48.4	52.7	-8.2%

**Fiduciary Funds**

Fiduciary Funds (trust and custodial funds) are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District accounts for scholarship funds that are received by a school that is to be awarded to current and former students for post-secondary education purposes as private-purpose trust funds. The District accounts for student activity funds as custodial funds. These funds have no equity and do not include revenues and expenditures of the District.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

General fund local revenue increased by \$20.4 million from the prior year. State program revenues increased \$2.3 million while Federal program revenues increased \$7.5 million. General fund expenditures increased by \$57.3 million due to several factors. One, implementation of GASB 96 caused an increase in debt service. Two, increase in instruction and all other functions due to general pay increase for salaries (8% teachers and 6% all others). Three, a new high school was opened during 2022-2023 school year. There was \$21 million in revenue and expenditures in the ESSER II grant. The school building projects expenditures increased by \$6.3 million related to construction in progress for several projects.

**General Fund Budgetary Highlights**

An additional budget consideration was approved during the year to amend the original budget. This additional consideration included the following:

- Accrued expenditures for outstanding purchase orders, and approved capital improvement and construction projects not yet completed at year end.
- \$40 million was transferred to the school building projects funds to decrease the general fund balance to 3 months of operating expenditures and fund future construction needs and capital improvement projects in accordance with CE (Local).

Table A-4 summarizes fiscal year 2023 significant budget amendments as well as actual expenditures made relating to eight affected functional categories. Budget amendments are presented to the Board of Trustees at regularly scheduled meetings. Each budget amendment must be approved by the Board and reflected in the official minutes of the Board before overspending in any functional category. The explanations for these budget amendments are detailed in the footnotes to the financial statements.

General Fund	Original Budget	Final Amended Budget	Amendment Increase (Decrease)	Actual Expenses	Actual vs Final Amended Budget
199-00-57XX	\$100.7	\$104.7	\$4	\$107.8	\$3.1
199-00-58XX	307.3	289	(18.3)	294.5	5.5
199-00-59XX	56	68	12	68	0.0
199-11-6XXX	274.6	247.1	(27.5)	264.7	17.6
199-12-6XXX	13.2	12.1	(1.1)	12.9	0.80
199-31-6XXX	25.2	23.6	(1.6)	25.8	2.2
199-51-6XXX	43.4	48.6	5.2	46.5	(2.1)
199-52-6XXX	4.8	5.9	1.1	5.8	(0.1)
199-7X-6XXX	0	1.5	1.5	2.3	0.8
199-00-7XXX	0.1	6.2	6.1	7.8	1.6
199-00-89XX	(0.6)	(41)	40.4	(41)	0

### **Fund Balances**

Fund balance is the accumulated excess of revenues over expenditures during the life of a school District. At any given point, the amount in fund balance represents the difference between governmental fund assets and liabilities. Although fund balances may change drastically during the business cycle of a school District, the standard measuring point is at the fiscal year end.

The amount maintained in fund balance is critical. First, such balances indicate financial stability. This is especially important when the District issues bonds. Second, by maintaining this balance at August 31, operations can continue without requiring debt until state funds and taxes are received. State funds are generally received proportionately each month.

Local property taxes are received primarily from early October through the end of January. The Board of Trustees has approved a resolution initiating discounts for prompt payments. The Appraisal District mails tax statements in early October. Payments received by October 31 receive a 3% discount; those received by November 30 receive a 2% discount; and those received by December 31 receive a 1% discount.

The District records five types of fund balance categories. The non-spendable portion of general fund balance is comprised of inventories, prepaid items, and permanent fund principal that cannot be converted to cash and spent. Restricted fund balance is the amount that is restricted to a specific purpose. The

constraint on the use of these funds is externally imposed by creditors, grantors, contributors, laws, and regulations. Committed fund balance is the amount that can only be used for specific purposes that the Board of Trustees determines through formal action. Assigned fund balance is the amount that the District intends to use on a specific purpose. The Superintendent has the authority to assign fund balance and does not need formal Board approval. The remaining fund balance is unassigned and may be used for any purpose without constraints.

Fund balance in the General Fund at year-end was \$163,260,983. This is a \$27 million decrease from the prior year. This decrease is largely due from a transfer out to school building projects through strategic facilities planning.

The General Fund unassigned fund balance as of August 31, 2023, is \$121,101,213. The decrease in the unassigned fund balance of \$31.4 million is primarily due to an increase in expenditures. The unassigned fund balance minimizes the likelihood that the District would be required to enter the short-term debt market to pay for current operating expenditures. In addition, \$39,821,420 of restricted fund balance is the amount remaining from state & federal grants.

The fund balances in the bond funds continue to decrease as the funds are expended on the bond projects. Bond proposition A fund balance decreased by \$43,905,178. Bond proposition B fund balance decreased by \$4,516,210 which zeroes out the fund. The only new income for these funds is interest income and other revenue from local sources. Therefore, the difference between the interest earned and the expenditures results in the decrease in fund balance. These funds will continue to decrease as the bond projects are completed.

The School Building Projects fund accounts for funds transferred from the general fund to use in constructing future building needs due to student growth. Fund balance in the School Building Projects fund increased by \$22,633,240. This increase is due primarily from the transfer in of \$40 million from the general fund. Fund balance at year end is \$129,168,745 and is comprised of \$32,563,076 committed by the board of trustees to pay for approved projects on the strategic facilities plan and fulfill uncompleted construction contracts currently in progress, and \$96,605,669 assigned for future facilities needs identified by the board in the strategic facilities plan.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2023, the District had invested approximately \$831.8 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-5.) This amount represents a net increase (including additions and deductions) of \$55.7 million over last year. More detailed information about the district's capital assets activity is presented in Note E of the Notes to the Financial Statements.

**Table A-5**  
**District's Capital Assets**  
*(in millions of dollars)*

	<b>Governmental Activities</b>		<b>Total % Change</b>
	<u>2023</u>	<u>2022</u>	
Land	\$ 15.7	\$ 13.7	14.6%
Buildings and Improvements	920.9	792.7	16.2%
Furniture and Equipment	81.4	74.9	8.7%
Construction in Progress	208.4	269.1	-22.6%
Totals at historical cost	<u>1,226.4</u>	<u>1,150.4</u>	6.6%
Total accumulated depreciation	<u>(394.6)</u>	<u>(374.3)</u>	5.4%
Net capital assets	<u>\$ 831.8</u>	<u>\$ 776.1</u>	7.2%

### Long-Term Debt

Debt Service requirements for the general obligation bonds outstanding on August 31, 2023, totaled \$420,621,053. The ratios of the District's net bonded debt to assessed valuation and the amount of net bonded debt per capita are disclosed in Schedule 12 of the Statistical Section. The outstanding general obligation bonds are for school construction purposes.

As of the end of the fiscal year, the District requires \$578,196,788 (including principal, interest due and accrued interest) through 2044 to retire its outstanding general long-term bonds. The debt service fund has \$2,041,767 restricted in fund balance for retirement of funded indebtedness.

The District levied a debt service tax rate of \$0.1620 during the 2023 fiscal year to fund a portion of the principal and interest payments on our bonded indebtedness. Due to legislation to assist school Districts with school construction, a significant share (approximately 50%) of the District's debt service is paid by the state. The District's local share of debt service is covered by Interest & Sinking taxes or local revenue as outlined above. More detailed information about the District's debt is presented in Note F of the Notes to the Financial Statements.

## **Bond Ratings**

The District's bonds presently carry an "Aa2" rating with Moody's Investor Service and an "AA-" rating with Standard & Poor's.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND TAX RATES**

The District expects student enrollment to increase in the 2024 fiscal year. While COVID-19 is still a factor in the economy, the central Texas area continues to grow. As more people locate here and more students return to in person learning, the projected student enrollment for 2024 is 44,542.

The District maintains a healthy fund balance both for operational purposes and for funding future facilities. With additional ESSER funding, the District is optimistic that we will be able to provide the facilities and instructional support for our students in the coming years. Additionally, the district's debt service fund is generated through the interest and sinking rate. The district has taken steps to decrease the amount of debt service owed for future years by refunding higher interest bonds. The maintenance and operations tax rate decreased and the interest and sinking rate increased for 2024. The Board approved the maintenance and operations tax rate for the 2024 fiscal year of \$0.6692 and a debt service rate of \$0.1809 for a total of \$0.8501.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Services Department.

KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2023

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 63,452,594
1120 Current Investments	304,849,760
1220 Property Taxes - Delinquent	3,686,587
1230 Allowance for Uncollectible Taxes	(552,988)
1240 Due from Other Governments	17,436,511
1290 Other Receivables, Net	2,277,216
1300 Inventories	2,180,832
1410 Prepayments	1,832,442
Capital Assets:	
1510 Land	15,673,544
1520 Buildings, Net	586,591,274
1530 Furniture and Equipment, Net	21,109,339
1550 Right-to-Use Leased Assets, Net	1,140,167
1553 SBITA Assets, Net	6,576,969
1580 Construction in Progress	208,394,826
1990 Other Assets	15,193,507
1000 Total Assets	1,249,842,580
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1701 Deferred Charge for Refunding	303,246
1705 Deferred Outflow Related to TRS Pension	70,753,440
1706 Deferred Outflow Related to TRS OPEB	43,519,767
1700 Total Deferred Outflows of Resources	114,576,453
<b>LIABILITIES</b>	
2110 Accounts Payable	22,531,677
2120 Short Term Debt Payable	5,395,916
2130 Short Term Right-to-Use Leases Payable	354,949
2131 SBITA Liability Payable - Current	1,838,165
2150 Payroll Deductions and Withholdings	4,595,246
2160 Accrued Wages Payable	20,932,077
2180 Due to Other Governments	678,823
2300 Unearned Revenue	4,240,433
2400 Payable from Restricted Assets	191,902
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	14,062,792
2502 Due in More than One Year:	
Bonds, Notes, Loans, Leases, etc.	415,077,359
2540 Net Pension Liability (District's Share)	149,164,086
2545 Net OPEB Liability (District's Share)	81,010,761
2000 Total Liabilities	720,074,186
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflow Related to TRS Pension	18,793,612
2606 Deferred Inflow Related to TRS OPEB	138,977,259
2600 Total Deferred Inflows of Resources	157,770,871
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	412,798,443
Restricted:	
3820 Restricted for Federal and State Programs	62,740,251
3850 Restricted for Debt Service	2,041,767
3890 Restricted for Other Purposes	515,892
3900 Unrestricted	8,477,623
3000 Total Net Position	\$ 486,573,976

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



KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2023

Net (Expense)  
Revenue and  
Changes in Net  
Position

Data Control Codes	1	Program Revenues		6
Codes	Expenses	3 Charges for Services	4 Operating Grants and Contributions	Primary Gov. Governmental Activities
<b>Primary Government:</b>				
GOVERNMENTAL ACTIVITIES:				
11 Instruction	\$ 303,892,343	\$ 1,255,872	\$ 38,145,377	\$ (264,491,094)
12 Instructional Resources and Media Services	12,505,031	-	380,096	(12,124,935)
13 Curriculum and Instructional Staff Development	14,142,641	-	5,494,158	(8,648,483)
21 Instructional Leadership	7,072,369	-	101,873	(6,970,496)
23 School Leadership	29,497,526	475,084	709,996	(28,312,446)
31 Guidance, Counseling, and Evaluation Services	27,403,392	-	3,491,403	(23,911,989)
32 Social Work Services	3,112,551	-	1,316,309	(1,796,242)
33 Health Services	5,654,793	-	161,106	(5,493,687)
34 Student (Pupil) Transportation	14,978,158	-	2,805,933	(12,172,225)
35 Food Services	30,184,641	2,930,713	26,685,184	(568,744)
36 Extracurricular Activities	17,171,431	1,083,544	37,190	(16,050,697)
41 General Administration	48,683,944	-	141,646	(48,542,298)
51 Facilities Maintenance and Operations	53,061,120	-	4,688,143	(48,372,977)
52 Security and Monitoring Services	5,606,625	-	219,612	(5,387,013)
53 Data Processing Services	5,903,482	-	1,082,534	(4,820,948)
61 Community Services	1,509,600	142,448	664,682	(702,470)
72 Debt Service - Interest on Long-Term Debt	15,955,477	-	-	(15,955,477)
73 Debt Service - Bond Issuance Cost and Fees	8,100	-	-	(8,100)
99 Other Intergovernmental Charges	803,686	-	-	(803,686)
[TP] TOTAL PRIMARY GOVERNMENT:	<u>\$ 597,146,910</u>	<u>\$ 5,887,661</u>	<u>\$ 86,125,242</u>	<u>(505,134,007)</u>

Data Control Codes	General Revenues:		
Codes	Taxes:		
MT	Property Taxes, Levied for General Purposes		95,674,969
DT	Property Taxes, Levied for Debt Service		18,138,162
SF	State Aid - Formula Grants		266,974,245
GC	Grants and Contributions not Restricted		94,884,616
IE	Investment Earnings		17,274,202
MI	Miscellaneous Local and Intermediate Revenue		58,888,532
TR	Total General Revenues		<u>551,834,726</u>
CN	Change in Net Position		46,700,719
NB	Net Position - Beginning		<u>439,873,257</u>
NE	Net Position - Ending		<u>\$ 486,573,976</u>

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

KILLEEN INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2023

Data Control Codes	General Fund	ESSER II	School Building Projects
<b>ASSETS</b>			
1110 Cash and Cash Equivalents	\$ 35,659,097	\$ 13,991,137	\$ 482,513
1120 Investments - Current	118,299,469	-	128,795,006
1220 Property Taxes - Delinquent	3,138,844	-	-
1230 Allowance for Uncollectible Taxes	(470,827)	-	-
1240 Due from Other Governments	-	-	-
1260 Due from Other Funds	26,290,048	-	1,697,406
1290 Other Receivables	2,275,277	-	-
1300 Inventories	1,822,458	-	-
1410 Prepayments	515,892	-	635,060
1900 Other Assets	10,000,000	-	5,000,000
1000 Total Assets	<u>\$ 197,530,258</u>	<u>\$ 13,991,137</u>	<u>\$ 136,609,985</u>
<b>LIABILITIES</b>			
2110 Accounts Payable	\$ 6,422,042	\$ -	\$ 7,441,240
2120 Short Term Debt Payable - Current	51,479	-	-
2150 Payroll Deductions and Withholdings Payable	4,595,246	-	-
2160 Accrued Wages Payable	20,073,750	-	-
2170 Due to Other Funds	55,321	13,737,575	-
2180 Due to Other Governments	5,092	253,562	-
2300 Unearned Revenue	206,426	-	-
2400 Payable from Restricted Assets	191,902	-	-
2000 Total Liabilities	<u>31,601,258</u>	<u>13,991,137</u>	<u>7,441,240</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601 Unavailable Revenue - Property Taxes	2,668,017	-	-
2600 Total Deferred Inflows of Resources	<u>2,668,017</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable Fund Balance:			
3410 Inventories	1,822,458	-	-
3425 Endowment Principal	-	-	-
3430 Prepaid Items	515,892	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	39,821,420	-	-
3480 Retirement of Long-Term Debt	-	-	-
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3510 Construction	-	-	32,563,076
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3550 Construction	-	-	96,605,669
3600 Unassigned Fund Balance	121,101,213	-	-
3000 Total Fund Balances	<u>163,260,983</u>	<u>-</u>	<u>129,168,745</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 197,530,258</u>	<u>\$ 13,991,137</u>	<u>\$ 136,609,985</u>

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

	Other Funds	Total Governmental Funds
\$	10,952,516	\$ 61,085,263
	53,104,151	300,198,626
	547,743	3,686,587
	(82,161)	(552,988)
	17,436,511	17,436,511
	711,672	28,699,126
	1,939	2,277,216
	358,374	2,180,832
	15,490	1,166,442
	193,507	15,193,507
<u>\$</u>	<u>83,239,742</u>	<u>\$ 431,371,122</u>
\$	8,668,395	\$ 22,531,677
	761	52,240
	-	4,595,246
	858,327	20,932,077
	14,903,638	28,696,534
	420,169	678,823
	4,034,007	4,240,433
	-	191,902
<u>\$</u>	<u>28,885,297</u>	<u>81,918,932</u>
	465,582	3,133,599
<u>\$</u>	<u>465,582</u>	<u>3,133,599</u>
	358,374	2,180,832
	189,715	189,715
	-	515,892
	22,918,831	62,740,251
	2,041,767	2,041,767
	7,532	7,532
	5,223,642	37,786,718
	1,438,523	1,438,523
	2,977,874	99,583,543
	18,732,605	139,833,818
<u>\$</u>	<u>53,888,863</u>	<u>346,318,591</u>
<u>\$</u>	<u>83,239,742</u>	<u>\$ 431,371,122</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2023

EXHIBIT C-2

<b>Total Fund Balances - Governmental Funds</b>	\$	346,318,591
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		2,338,197
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$1,150,385,565 and the accumulated depreciation was (\$374,315,277). In addition, long-term liabilities, including bonds payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) \$776,070,288 and long-term debt in the governmental activities of \$432,950,496 is to increase net position.		343,119,792
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2023 capital outlays of \$80,894,588 and debt principal payments of \$9,990,000 is to increase net position.		90,884,588
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$70,753,440, a deferred resource inflow in the amount of (\$18,793,612), and a net pension liability in the amount of (\$149,164,086). This resulted in a decrease in net position.		(97,204,258)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$43,519,767, a deferred resource inflow in the amount of (\$138,977,259), and a net OPEB liability in the amount of (\$81,010,761). This resulted in a decrease in net position.		(176,468,253)
6 The 2023 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(25,132,314)
7 The District has six, multiple years right-to-use leases and thirteen subscription based information technology arrangements (SBITAs) that are shown as other financing sources in the fund financial statements. Current payments are viewed as expenditures in the governmental funds, but are treated as reductions of right-to-use leases/SBITAs on the Statement of Net Position. The net effect of the new leases/SBITAs and current payments towards these leases/SBITAs is to increase net position.		1,190,753
8 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the		2,374,917

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

KILLEEN INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2023

---

EXHIBIT C-2

proceeds of bond sales as an increase in bonds payable, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.

- 9 Arbitrage rebate liabilities, as regulated by the Internal Revenue Service (IRS), are liabilities to the U.S. Department of Treasury created when a tax-exempt entity receives proceeds on tax-exempt bonds and invests those proceeds at a higher interest rate, also known as yield to maturity. This has no effect on the governmental activities but must be recorded in the government wide statements as an interest expense and liability. This resulted in a decrease in net position. (848,037)

**19 Net Position of Governmental Activities**

\$ 486,573,976

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

KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31,2023

Data Control Codes	General Fund	ESSER II	School Building Projects
<b>REVENUES:</b>			
5700 Total Local and Intermediate Sources	\$ 107,841,890	\$ -	\$ 4,114,571
5800 State Program Revenues	294,547,379	-	-
5900 Federal Program Revenues	68,087,796	20,997,431	4,336,074
5020 Total Revenues	<u>470,477,065</u>	<u>20,997,431</u>	<u>8,450,645</u>
<b>EXPENDITURES:</b>			
Current:			
0011 Instruction	264,653,194	12,405,412	-
0012 Instructional Resources and Media Services	12,911,952	312,093	-
0013 Curriculum and Instructional Staff Development	8,327,902	426,950	-
0021 Instructional Leadership	5,652,286	69,400	-
0023 School Leadership	29,133,051	699,393	-
0031 Guidance, Counseling, and Evaluation Services	25,767,384	2,505,502	-
0032 Social Work Services	2,028,325	28,330	-
0033 Health Services	5,830,157	146,433	-
0034 Student (Pupil) Transportation	14,538,335	2,205,672	95,687
0035 Food Services	1,310,814	-	-
0036 Extracurricular Activities	14,923,320	37,191	257,654
0041 General Administration	13,038,603	140,971	16,034
0051 Facilities Maintenance and Operations	46,483,968	811,875	5,141,103
0052 Security and Monitoring Services	5,782,543	114,370	1,375,277
0053 Data Processing Services	10,211,712	1,082,543	-
0061 Community Services	946,136	11,296	-
Debt Service:			
0071 Principal on Long-Term Liabilities	2,304,648	-	149,573
0072 Interest on Long-Term Liabilities	42,173	-	-
0073 Bond Issuance Cost and Fees	-	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	19,477,033
Intergovernmental:			
0099 Other Intergovernmental Charges	803,686	-	-
6030 Total Expenditures	<u>464,690,189</u>	<u>20,997,431</u>	<u>26,512,361</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,786,876</u>	<u>-</u>	<u>(18,061,716)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
7912 Sale of Real and Personal Property	509,658	-	-
7913 Proceeds of Right-to-Use Lease	341,258	-	-
7915 Transfers In	-	-	40,000,010
7949 Proceeds of SBITAs and Other Resources	7,326,256	-	694,946
8911 Transfers Out (Use)	(40,967,805)	-	-
7080 Total Other Financing Sources (Uses)	<u>(32,790,633)</u>	<u>-</u>	<u>40,694,956</u>
1200 Net Change in Fund Balances	(27,003,757)	-	22,633,240
0100 Fund Balance - September 1 (Beginning)	<u>190,264,740</u>	<u>-</u>	<u>106,535,505</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 163,260,983</u>	<u>\$ -</u>	<u>\$ 129,168,745</u>

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

	Other Funds	Total Governmental Funds
\$	45,690,504	\$ 157,646,965
	14,210,597	308,757,976
	62,407,858	155,829,159
	122,308,959	622,234,100
	28,989,522	306,048,128
	621,467	13,845,512
	5,067,442	13,822,294
	32,473	5,754,159
	540,035	30,372,479
	1,005,210	29,278,096
	1,287,979	3,344,634
	14,673	5,991,263
	601,916	17,441,610
	28,138,400	29,449,214
	1,676,396	16,894,561
	815	13,196,423
	6,934,813	59,371,759
	105,241	7,377,431
	-	11,294,255
	653,386	1,610,818
	10,062,245	12,516,466
	17,113,038	17,155,211
	8,100	8,100
	46,528,415	66,005,448
	-	803,686
	149,381,566	661,581,547
	(27,072,607)	(39,347,447)
	16,897	526,555
	12,116	353,374
	1,326,955	41,326,965
	133,006	8,154,208
	(359,160)	(41,326,965)
	1,129,814	9,034,137
	(25,942,793)	(30,313,310)
	79,831,656	376,631,901
\$	53,888,863	\$ 346,318,591

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT C-4

---

**Total Net Change in Fund Balances - Governmental Funds** \$ (30,313,310)

The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position. 667

Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2023 capital outlays of \$80,894,588 and debt principal payments of \$9,990,000 is to increase net position. 90,884,588

Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position. (25,132,314)

The District has six, multiple years right-to-use leases and thirteen subscription based information technology arrangements (SBITAs) that are shown as other financing sources in the fund financial statements. Current payments are viewed as expenditures in the governmental funds, but are treated as reductions of right-to-use leases/SBITAs on the Statement of Net Position. The net effect of the new leases/SBITAs and current payments towards these leases/SBITAs is to increase net position. 1,207,759

Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position. 3,116,986

GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$14,101,619. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling (\$11,724,337). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense increased the change in net position by (\$6,565,524). The net result is an decrease in the change in net position. (4,188,242)

GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in net position to increase by \$2,991,927. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net OPEB liability. This caused a decrease in the change in net position totaling (\$2,778,877). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$11,759,572. The net result is an increase in net position. 11,972,622

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

KILLEEN INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT C-4

---

Arbitrage rebate liabilities, as regulated by the Internal Revenue Service (IRS), are liabilities to the U.S. Department of Treasury created when a tax-exempt entity receives proceeds on tax-exempt bonds and invests those proceeds at a higher interest rate, also known as yield to maturity. This has no effect on the governmental activities but must be recorded in the government wide statements as an interest expense and liability. This resulted in a decrease in net position.	(848,037)
<b>Change in Net Position of Governmental Activities</b>	<u>\$ 46,700,719</u>

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



KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 100,713,917	\$ 104,724,554	\$ 107,841,890	\$ 3,117,336
5800 State Program Revenues	307,290,029	289,004,133	294,547,379	5,543,246
5900 Federal Program Revenues	55,990,000	67,993,432	68,087,796	94,364
5020 Total Revenues	463,993,946	461,722,119	470,477,065	8,754,946
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	274,569,319	247,052,663	264,653,194	(17,600,531)
0012 Instructional Resources and Media Services	13,236,862	12,111,201	12,911,952	(800,751)
0013 Curriculum and Instructional Staff Development	7,832,319	7,934,668	8,327,902	(393,234)
0021 Instructional Leadership	5,375,759	5,630,969	5,652,286	(21,317)
0023 School Leadership	28,830,243	28,846,668	29,133,051	(286,383)
0031 Guidance, Counseling, and Evaluation Services	25,157,950	23,601,209	25,767,384	(2,166,175)
0032 Social Work Services	1,904,181	1,979,747	2,028,325	(48,578)
0033 Health Services	6,035,161	5,276,401	5,830,157	(553,756)
0034 Student (Pupil) Transportation	14,591,795	13,799,789	14,538,335	(738,546)
0035 Food Services	660,352	594,017	1,310,814	(716,797)
0036 Extracurricular Activities	13,766,246	14,608,627	14,923,320	(314,693)
0041 General Administration	13,088,626	12,809,647	13,038,603	(228,956)
0051 Facilities Maintenance and Operations	43,415,144	48,590,689	46,483,968	2,106,721
0052 Security and Monitoring Services	4,846,168	5,917,032	5,782,543	134,489
0053 Data Processing Services	8,218,528	8,358,308	10,211,712	(1,853,404)
0061 Community Services	1,051,293	868,705	946,136	(77,431)
Debt Service:				
0071 Principal on Long-Term Liabilities	-	1,319,826	2,304,648	(984,822)
0072 Interest on Long-Term Liabilities	-	140,897	42,173	98,724
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	4,000	4,000	-	4,000
0099 Other Intergovernmental Charges	935,000	906,110	803,686	102,424
6030 Total Expenditures	463,518,946	440,351,173	464,690,189	(24,339,016)
1100 Excess of Revenues Over Expenditures	475,000	21,370,946	5,786,876	(15,584,070)
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	125,000	508,854	509,658	804
7913 Proceeds of Right-to-Use Lease	-	1,556,495	341,258	(1,215,237)
7949 Proceeds of SBITAs and Other Resources	-	4,122,984	7,326,256	3,203,272
8911 Transfers Out (Use)	(600,000)	(40,967,905)	(40,967,805)	100
7080 Total Other Financing Sources (Uses)	(475,000)	(34,779,572)	(32,790,633)	1,988,939
1200 Net Change in Fund Balances	-	(13,408,626)	(27,003,757)	(13,595,131)
0100 Fund Balance - September 1 (Beginning)	-	190,264,740	190,264,740	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 176,856,114	\$ 163,260,983	\$ (13,595,131)

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

KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2023

	Governmental Activities -
	Total Internal Service Funds
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,367,331
Investments - Current	4,651,132
Prepayments	666,000
Total Assets	7,684,463
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	5,311,915
Short Term Debt Payable	31,761
Due to Other Funds	2,590
Total Liabilities	5,346,266
<b>NET POSITION</b>	
Unrestricted Net Position	2,338,197
Total Net Position	\$ 2,338,197

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

KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2023

	Governmental Activities -
	Total Internal Service Funds
OPERATING REVENUES:	
Insurance Premiums	\$ 36,462,233
Total Operating Revenues	<u>36,462,233</u>
OPERATING EXPENSES:	
Insurance and Bonding Costs	36,626,899
Miscellaneous Operating Costs	<u>14,077</u>
Total Operating Expenses	<u>36,640,976</u>
Operating Income (Loss)	<u>(178,743)</u>
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	<u>179,410</u>
Total Nonoperating Revenues (Expenses)	<u>179,410</u>
Change in Net Position	667
Total Net Position - September 1 (Beginning)	<u>2,337,530</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 2,338,197</u></u>

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

KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT D-3

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Premium Payments	\$ 32,564,861
Cash Payments for Insurance Claims	(28,123,689)
Cash Payments for Other Operating Expenses	(2,365,714)
	2,075,458
<u>Cash Flows from Investing Activities:</u>	
Purchase of Investment Securities	(5,000,000)
Proceeds from Sale & Maturities of Securities	2,635,000
Interest and Dividends on Investments	5,190
	(2,359,810)
Net Decrease in Cash and Cash Equivalents	(284,352)
Cash and Cash Equivalents at Beginning of Year	2,651,683
Cash and Cash Equivalents at End of Year	\$ 2,367,331
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income (Loss):	\$ (178,743)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	255
Decrease (increase) in Prepaid Expenses	(178,000)
Increase (decrease) in Accounts Payable	2,431,946
Net Cash Provided by Operating Activities	\$ 2,075,458
<u>Reconciliation of Total Cash and Cash Equivalents:</u>	
Cash and Cash Equivalents on Balance Sheet	\$ 2,367,331

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



KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2023

	Private Purpose Trust Funds	Total Custodial Funds
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 16,934	\$ 727,453
Investments - Current	1,389	46,599
Other Receivables	-	16,592
Long Term Investments	<u>2,716,796</u>	<u>-</u>
Total Assets	<u>2,735,119</u>	<u>\$ 790,644</u>
<b>LIABILITIES</b>		
Accounts Payable	-	2,700
Payable from Restricted Assets	<u>-</u>	<u>309,371</u>
Total Liabilities	<u>-</u>	<u>312,071</u>
<b>NET POSITION</b>		
Restricted for Student Clubs	-	478,573
Unrestricted Net Position	<u>2,735,119</u>	<u>-</u>
Total Net Position	<u>\$ 2,735,119</u>	<u>\$ 478,573</u>

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

KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2023

	Private Purpose Trust Funds	Total Custodial Funds
<b>ADDITIONS:</b>		
Contributions and Donations	\$ -	\$ 29,666
Dues	-	63,603
Fundraising	-	343,984
Other	-	93,924
Earnings from Endowments	266,372	-
Earnings from Temporary Deposits	122	-
Miscellaneous Additions	3,500	-
Total Additions	269,994	531,177
<b>DEDUCTIONS:</b>		
Professional and Contracted Services	-	18,795
Other Deductions	105,351	364,112
Donations	-	7,848
Dues	-	337
Scholarships	-	1,000
Supplies	-	251,590
Travel	-	86,400
Total Deductions	105,351	730,082
Change in Fiduciary Net Position	164,643	(198,905)
Total Net Position - September 1 (Beginning)	2,570,476	677,478
Total Net Position - August 31 (Ending)	\$ 2,735,119	\$ 478,573

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

**I. Summary of Significant Accounting Policies**

Killeen Independent School District (the "District") is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the "Board") elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants and it complies with the requirements of the appropriate version of Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide") and the requirements of contracts and grants of agencies from which it receives funds.

**A. Reporting Entity**

The Board of Trustees (the "Board") is elected by the public and it has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board ("GASB") in its Statement No. 14, "The Financial Reporting Entity" as amended by Statements 36, 61 and 90. There are no component units included within the reporting entity.

**B. Government-Wide and Fund Financial Statements**

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Killeen Independent School District's nonfiduciary activities with most of the interfund activities removed. *Governmental activities* include programs supported primarily by taxes, state foundation funds, grants, and other intergovernmental revenues.

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of the direct costs. The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the district, school lunch charges, etc. The "operating grants and contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act. If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Taxes are always general revenues.

Interfund activities within governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. All interfund transactions within governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and proprietary funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as due to/due from on the government-wide Statement of Activities. Certain indirect costs are included in the program expense reported for individual functions and activities.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues and expenses are non-operating.

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

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences, claims and judgments are recognized when the respective liability has been applied for and is payable as of the fiscal year end. The District considers all revenues available if they are collectible within 60 days after year-end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept, that is, when they are both measurable and available. The District considers them "available" if they will be collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Recognition of grant revenues is dependent upon the related criteria established in the grant's eligibility requirements.

Grant funds are considered earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

Custodial funds use the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

**D. Fund Accounting**

The District's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. Fund accounting segregates funds according to their internal purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which include each fund's assets, liabilities, fund equity, revenues and expenditures or expenses.

The District reports the following major governmental funds:

**General Fund** is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. This is a budgeted fund and any fund balances are considered as resources available for use.

**Elementary and Secondary School Emergency Relief Fund II (ESSER II)** are funds granted to LEAs through the CRRSA Act to support an LEA's ability to operate, instruct its students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.

**School Building Projects** is a Capital Projects Fund that accounts for construction projects financed through transfers from the General Fund and supplemental federal funds (Department of Defense Impact Aid and Impact Aid Construction funds).

Additionally, the District reports the following fund types:

Governmental Fund Types:

**Special Revenue Funds** account for resources restricted to, or designated for, specific purposes by the District or a grantor. Most Federal and some State financial assistance is accounted for in a Special Revenue Fund and sometimes unused balances must be returned to the grantor at the close of specified project periods. The National Breakfast and Lunch Program fund is the only required budgeted special revenue fund. For all other funds in this fund type, project accounting is employed to maintain integrity for the various sources of funds. The following is a list of non-major Special Revenue funds used by the district:

Title X Part C Education for Homeless Children – Funds granted for a variety of staff development and supplemental services, including in service training, counseling, psychological services and tutoring for homeless students.

Title I – Improving Basic Programs – Used to account for funds allocated to improve the teaching of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families.

IDEA B Formula – Used to account, on a project basis, for funds granted to operate educational programs for children with disabilities.

IDEA B Preschool – Used to account, on a project basis, for funds granted for preschool children with disabilities.

National Breakfast and Lunch Program – Used to account for funds granted by the National School Lunch Program, the National School Breakfast Program and donated commodities received for the Food Distribution Program.

Summer Feeding Program – Used to account, on a project basis, for funds received from the Department of Human Services that are awarded for meals provided to the community based on the average number of daily participants.

Career and Technical Basic Grant – Used to account for PL94-142 funds provided for purposes of vocational-technical education.

Title II Part A Teacher and Principal Training and Recruiting – 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.

Title III Part A English Language Acquisition – 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.

Elementary and Secondary School Emergency Relief – The ESSER Grant Program, part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides funds to help LEAs respond to changes in student needs due to COVID-19 (CARES Act, Section 18003).

ESSER III of the American Rescue Plan Act of 2021 – These funds are granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of COVID-19, and to enable homeless children and youth to attend school and participate fully in school activities.

Support for Student Achievement at Military Connected Schools – To enhance student learning opportunities, student achievement, educator professional development, and to ease the challenges military students face due to military station transfers or deployments.

COVID-19 School Health Support Grant – Used to provide resources to Texas K-12 school systems with access to needed funds to further support COVID mitigation/prevention resources and activities in addition to testing resources necessary to curtail the spread of the virus.

IDEA-Part B, Formula—American Rescue Plan (ARP) Act – These are federal stimulus funds granted under the ARP Act to operate educational programs for children with disabilities.

Mobilizing National Educator Talent – Used to account for funds designated to encourage the development and expansion of alternative routes to full State teacher certification, as well as the recruitment and retention of highly qualified mid-career professionals and recent college graduates.

Title IV SSAEP - Title IV, Part A, Student Support and Academic Enrichment (SSAE) grants are intended to improve students' academic achievement by increasing the capacity of States, LEAs, schools, and local communities to provide all students with access to a well-rounded education, improve school conditions for student learning and improve the use of technology in order to improve the academic achievement and digital literacy of all students.

2022 Clean School Bus Rebates Program – Used to purchase clean and zero-emission school buses.

Regional Day School for the Deaf – Used to account for funds allocated for staff and activities of the Regional Day School Program for the Deaf.

Advanced Placement Incentives – Used to account for funds designated to assist districts and schools with enhancing their programs for advanced level students.

Instructional Materials Allotment Fund – Used to account, on a project basis, for funds awarded to schools under the textbook allotment.

SH-Bullet Resistant Shield Grant – Used to purchase bullet-resistant shields.

School Safety and Security Grant – Used for additional safety and security equipment.

Read to Succeed – The purpose of these funds is to provide educational materials for the school library.

Campus Activity Funds – Used to account for funds for transactions related to a principal's activity fund if the monies generated are subject to recall by the District's Board of Trustees.

National Philanthropic Trust – a gift of \$18 million was received in November 2022 from philanthropist MacKenzie Scott. The District and Board of Trustees are working together on a spending and investing plan that will have the greatest positive student impact.

Music Enrichment Program - Used to provide onsite tutoring for the school's music programs.

Gaining Early Awareness and Readiness for Undergraduate Programs – Designed to help more young Americans stay in school, develop good study skills, and take the right courses to go to college. A partnership funded by the U.S. Department of Education, the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) college link is administered in Central Texas by ESC Region 12 to give qualifying students the skills, encouragement, and preparation to pursue a college education. Focusing on early intervention beginning in middle school, the program serves students as they progress through middle school and high school.

**Debt Service Fund** accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds. This is a budgeted fund.

**Capital Projects Funds** (non-major, unbudgeted funds) account for proceeds from long-term debt financing and revenues and expenditures related to authorized construction and other capital asset acquisition. The following is a list of the District's non-major Capital Project Funds:

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

2017-2018 Bond Proposition A accounts for the funds received from the passage of the school bonds and are to be expended for the purposes stated in the bond propositions.

2017-2018 Bond Proposition B accounts for the funds received from the passage of the school bonds and are to be expended for the purposes stated in the bond propositions.

Capital Improvement Projects – Used to account for costs associated with the care and maintenance of existing district properties.

Impact Aid Section 8007 – Used to account for projects financed through proceeds from Impact Aid Section 8007.

New Schools Furniture & Equipment – These funds are used to account for costs associated with equipping a new facility to include costs of furniture, equipment, technology and curriculum.

**Permanent Fund** accounts for a legally restricted endowment in the amount of \$189,715 to the extent that only earnings and not principal may be used by the District to supplement funding for programs for Shoemaker High School. The net amount of appreciation available for expenditure is \$7,532 and is reflected as restricted on the statement of net position. State law and District policies regarding the ability to spend net appreciation is addressed below under private purpose trust funds.

Fiduciary Fund Types:

**Private Purpose Trust Funds** account for donations for which the donor has stipulated that both the principal and income may not be used for purposes that benefit parties outside the District. These funds consist of special programs over which the school District acts as fiscal manager in a Trustee capacity. The local memorial fund accounts for the revenues and expenditures used in teacher training at a local university. Fund 820 accounts for scholarships donated to the district where the recipient(s) is chosen by the donor. Fund 821 accounts for scholarships donated to the district where the donor has chosen for a specific campus or the school board to choose the recipient(s).

The Haynes, Wood, Pratt, Cross, Alt and Ware scholarship funds are accounted for in fund 823 entitled “Endowed Scholarships” which account for unbudgeted revenues and expenses used in paying scholarships for former students. Below is a listing of the endowed scholarships, their original endowment and the long-term investment funds held in each scholarship at year-end.

	Endowment	Long-term Investment Current Balance	Net Appreciation/(Loss) Available for Expenditure
Scholarship account:			
Cross	\$ 724,896	\$ 1,706,360	\$ 981,463
Haynes	100,000	112,369	12,369
Wood	209,530	214,829	5,299
Pratt	83,195	193,009	109,814
Ware	100,000	480,497	380,497
Alt	9,394	9,732	338
		<u>\$ 2,716,796</u>	<u>\$ 1,489,780</u>

Amounts available for expenditure are included in the statement of fiduciary net position and are considered unrestricted net assets. The Alt Scholarship is included for comparability purposes however, it is not fully funded at year end.

In 1989, Texas adopted the Uniform Management of Institutional Funds Act. This act authorizes the use of net realized and unrealized capital gains to meet current obligations, subject to a standard of business care and prudence. Killeen Independent School District endowments primarily follow a total-return policy. However, certain endowments are invested in a manner to try to maintain the purchasing power that the spending would have allowed for at the time of the original endowment.

**Custodial Funds** (unbudgeted funds) are used to account for activities of student groups and other types of activities. These funds have no equity, assets are equal to liabilities, and do not include revenues and expenditures for general operations of the school district.

Employee Flexible Benefits – This fund is used for employees who elect to contribute to a Flexible Spending Account (FSA). This is a claims driven fund and the FSA is managed by a third party administrator (TPA).

Student Activity – This fund accounts for receipts and disbursements from various student organizations. The fund account reflects the District's custodial relationship with the student organizations.

**Proprietary Funds** include financial data for enterprise and internal service funds. Proprietary fund financial statements should be prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenues should be recognized in the accounting period in which they are earned and become measurable, and expenses should be recognized in the period incurred, if measurable.

Internal Service Fund – This fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for insurance claims and premiums.

## E. Other Accounting Policies

### Encumbrances

Purchase orders or contracts document encumbrances for goods or purchased services. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

### Inventories and prepaid items

Inventories include school nutrition, plant maintenance, administrative supplies, and instructional supplies. Such inventories are valued at cost, determined on a weighted average method, and are offset with a corresponding fund equity reserve. These inventories are accounted for on the consumption method whereby expenditures are recorded when inventories are consumed. Since title to USDA donated commodities does not pass to the District until consumed, donated commodities inventory at the balance sheet date is reported as deferred revenue. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Investments

Investments are recorded at fair value. The District adjusts investments to fair value on a quarterly basis.

Bonds Payable

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the term of the bonds using the effective interest method. Bonds payable, net of the applicable bond premium or discount, are disclosed in exhibit J-5.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Inter-fund Receivables and Payables

Short-term transactions between funds are accounted for in the appropriate inter-fund receivable and payable accounts in the fund financial statements. All ending balances in the current year represent short-term financing of related activity that the District intends to settle within one year.

Capital Assets

Capital assets, which include land, buildings, construction in progress and furniture and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Land and construction in progress are not depreciated. Buildings, furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	37
Building Improvements	37
Portable Buildings	9
Vehicles	10
Equipment	5-10
Computer Equipment	5-10

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources until then. The District has two items that qualify for reporting in this category. The first item is the deferred amount on refunding of debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is a combination of de-expended contributions made to TRS after the measurement date of August 31, 2021 and the district’s share of the unrecognized deferred resource outflows used by TRS to calculate net pension liability in the Statement of Net Position.

In addition to liabilities, the financial statements will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources until that time. The District has two items that qualify for reporting in this category. The first item arises under the modified accrual basis of accounting and is reported in the Governmental Funds Balance Sheet as unavailable revenue – property taxes. The second item is presented on the Statement of Net Position as deferred inflows related to TRS under the full accrual basis of accounting. This is the district’s share of the unrecognized deferred resource inflows used by TRS to calculate net pension liability in the Statement of Net Position.

Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care’s fiduciary net position. There are not investments as this is a pay-as you-go plan and all cash is held in a cash account.

Fund Balance Classifications

The difference between assets and liabilities in the governmental fund balance sheets shall be organized into the following classifications:

Nonspendable – Not in a spendable form, such as inventory, or required to be maintained intact such as the principal of a permanent fund.

Restricted – Resources that are subject to constraints that are either imposed by law through constitutional provisions or enabling legislation, or externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – Amounts that can only be used for specific purposes determined by formal approval, majority vote, or resolution of the Board. These amounts shall not be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it used to commit the amounts.

Assigned – Amounts that the District intends to use for a specific purpose and are neither restricted nor committed. The intent to assign amounts for a specific purpose shall be expressed by either the Board, by resolution, or the Superintendent.

Unassigned – The residual classification for the general fund balance, including amounts that are not contained in the other classifications. Unassigned amounts are the portion of fund balance that is not obligated or specifically designated and is available for any purpose. Other governmental funds may report a negative fund balance if expenditures incurred for specific purposes exceeds the amounts restricted, committed, or assigned to those purposes.

Use of Restricted, Committed, Assigned, and Unassigned Assets -When the District incurs an expense for which it may use either restricted, committed, assigned, or unassigned assets, the District shall reduce restricted, committed, and assigned assets first, in that order, unless unassigned assets would have to be returned because they were not used.

#### Minimum Fund Balance

According to the District's policy, CE (Local), the unassigned fund balance of the general fund shall not be less than three months audited expenditures. The District's general fund unassigned balance of \$121,101,213 exceeds the required minimum fund balance of \$116,172,547.

#### Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency in the *Financial Accountability System Resource Guide*. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

#### Cash and Cash Equivalents

Cash equivalents include demand deposits as well as short-term, highly liquid investments readily convertible to known amounts of cash with a maturity date within three months of the date acquired by the District. Cash equivalents are reported as cash and temporary investments.

#### Compensated Absences

The State of Texas has created a minimum personal leave program consisting of five days per year personal leave with no limit on accumulation and transferability among districts for every teacher

regularly employed in Texas Public Schools. This leave is funded by the State of Texas. Each District's local board is required to establish a personal leave plan. Local school districts may provide additional personal leave beyond the state minimum. The District's policy provides five additional sick leave days.

Governmental Accounting Standards Board Statement No. 16 requires the District to accrue compensated absences as a liability to the extent it is earned but not used during the current period or prior periods for which employees can receive compensation in a future period. The District does not reimburse employees for unused sick days or personal days remaining upon termination of employment. Therefore, no liability for compensated absences is reported at the balance sheet date in the fund financial statements. However, all vacation and flex pay are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

The compensated absences balance has been deemed due within one year, \$2,604,624.

### Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to / deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**II. Reconciliation of Government-Wide and Fund Financial Statements**

**A. Explanation of Certain Differences Between The Governmental Fund Balance Sheet And The Government-Wide Statement Of Net Position**

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable, are not due and payable in the current period and are not reported as liabilities in the funds. The details of capital assets and long-term debt at the beginning of the year were as follows:

<u>Capital Assets at the Beginning of the Year</u>	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value at the Beginning of the Year</u>	<u>Change in Net Position</u>
Land	\$ 13,682,653	\$ -	\$ 13,682,653	
Buildings & Improvements	792,683,231	317,177,836	475,505,395	
Furniture & Equipment	74,958,351	57,137,441	17,820,910	
Construction in Progress	269,061,330	-	269,061,330	
Change in Net Position				\$ 776,070,288
<u>Long-term Liabilities at the Beginning of the Year</u>			<u>Payable at the Beginning of the Year</u>	
Bonds Payable			(393,750,000)	
Less Unamortized Premiums			(39,200,496)	
Change in Net Position				(432,950,496)
Net Adjustment to Net Position				<u>\$ 343,119,792</u>

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

The element of the reconciliation on Exhibit C-2 described as various other reclassifications and eliminations are adjustments which are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. The details for this element are as follows:

	<u>Amount</u>	<u>Adjustments to Change In Net Position</u>
<u>Adjustments to Revenue and Deferred Revenue</u>		
Recognize property tax revenue	\$ 3,133,599	\$ 3,133,599
<u>Reclassifications related to Bonds</u>		
Current year amortization bond premiums/discounts	2,339,443	2,339,443
Current year amortization deferred on refunding	(313,244)	(313,244)
Beginning Amount deferred on refunding	616,490	616,490
<u>Adjustments to Expenditures and Accrued Liabilities</u>		
Bond Interest Accrual Adjustment	(733,168)	(733,168)
Compensated absences	(2,604,624)	(2,604,624)
<u>Adjustments to Other Sources and Revenues for Gain on Sale of Assets</u>	<u>(63,579)</u>	<u>(63,579)</u>
Total		<u>\$ 2,374,917</u>

**B. Explanation Of Certain Differences Between The Governmental Fund Statement Of Revenues, Expenditures, And Changes In Fund Balances And The Government-Wide Statement Of Activities**

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position. The details of this adjustment are as follows:

	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
<u>Current Year Capital Outlay</u>			
Land	\$ 1,990,891		
Buildings & Improvements	131,688,943		
Furniture & Equipment	7,881,258		
Construction in Progress	(60,666,504)		
Total Capital Outlay	<u>\$ 80,894,588</u>	<u>\$ 80,894,588</u>	<u>\$ 80,894,588</u>
<u>Debt Principal Payments</u>			
Bond Principal	\$ 9,990,000		
Total Principal Payments	<u>\$ 9,990,000</u>	<u>\$ 9,990,000</u>	<u>\$ 9,990,000</u>
Total Adjustment to Net Position		<u>\$ 90,884,588</u>	<u>\$ 90,884,588</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2023

The element of the reconciliation on Exhibit C-4 described as various other reclassifications and eliminations are adjustments which are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. The details for this element are as follows:

	<u>Amount</u>	<u>Adjustments to Change In Net Position</u>
<u>Adjustments to Revenue and Deferred Revenue</u>		
Adjustments required for tax revenues for prior and current years collections adjusted for full accrual	\$ 1,117,430	\$ 1,117,430
<u>Reclassifications related to Bonds</u>		
Current year amortization bond premiums/discounts	2,339,443	2,339,443
Current year amortization deferred on refunding	(313,244)	(313,244)
<u>Reclassify Liabilities Incurred but not Liquidated this Year</u>		
Unused Vacation Pay	15,364	15,364
<u>Adjustments to Expenditures and Accrued Liabilities</u>		
Bond Interest Accrual Adjustment	21,572	21,572
<u>Adjustments to Other Sources and Revenues for Gain on Sale of Assets</u>	<u>(63,579)</u>	<u>(63,579)</u>
Total		<u>\$ 3,116,986</u>

**III. Stewardship, Compliance, and Accountability**

**A. Budgetary Data**

The Board of Trustees adopts an "appropriated budget" for the General Fund, Debt Service Fund and the National Breakfast and Lunch Program Fund. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended GAAP basis budget to actual revenues and expenditures. The General Fund Budget report appears in exhibit C-5 and the other two reports are in Exhibit J-2 and J-3.

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

1. Prior to August 20 the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to September 1, the budget is approved by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made prior to overspending in a functional category, reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, one amendment was necessary during the year. The following amendments were significant.

<u>General Fund</u>	<u>Original School Budget</u>	<u>Final Amended Budget</u>	<u>Amendment Increase (Decrease)</u>	<u>Explanation Number</u>
199-00-57XX	\$ 100,713,917	\$ 104,724,554	\$ 4,010,637	1
199-00-58XX	\$ 307,290,029	\$ 289,004,133	\$ (18,285,896)	2
199-00-59XX	\$ 55,990,000	\$ 67,993,432	\$ 12,003,432	3
199-11-6XXX	\$ 274,569,319	\$ 247,052,663	\$ (27,516,656)	4
199-12-6XXX	\$ 13,236,862	\$ 12,111,201	\$ (1,125,661)	5
199-31-6XXX	\$ 25,157,950	\$ 23,601,209	\$ (1,556,741)	6
199-51-6XXX	\$ 43,415,144	\$ 48,590,689	\$ 5,175,545	7
199-52-6XXX	\$ 4,846,168	\$ 5,917,032	\$ 1,070,864	8
199-7X-6XXX	\$ -	\$ 1,460,723	\$ 1,460,723	9
199-00-79XX	\$ 125,000	\$ 6,188,333	\$ 6,063,333	10
199-00-89XX	\$ (600,000)	\$ (40,967,905)	\$ 40,367,905	11

- (1.) The amended increase in revenue is due to increased investment revenue by \$6.7 million; decreased property tax collections by \$3.7 million; increased insurance revenue by \$0.4 million; increased facilities use, athletic, and miscellaneous revenue by \$0.4 million increased gift revenue by \$0.2 million.
- (2.) The amended decrease in revenue is due to a decrease in Foundation School and Available School Fund Revenues by \$18.3 million.
- (3.) The amended increase is due to increased Impact Aid revenue \$9.1 million; increased School Health and Related Services (SHARS) revenue \$2.3; and increased indirect cost revenue \$0.6 million.
- (4.) The amended decrease is due to a reduction in teacher salaries \$17.4 million; reduced instructional aide salaries \$3.9 million; reduced instructional/staff development substitutes \$0.7 million; reduced instructional supplemental pay \$0.5 million; increased employee benefits \$0.6 million; increased stipends \$2.4 million; reduced grant holding accounts \$12.9 million; reduced tuition \$1 million; increased capital outlay through subscription-based information technology arrangements (SBITA) \$2.1 million; increased supplies \$1.6 million; increased controlled items \$0.9 million; increased furniture \$0.7 million; increased TRS On Behalf \$0.3 million; increased capital outlay \$0.6 million; increased reading materials \$0.2 million, reduced unemployment \$0.3 million; reduced contracted maintenance \$0.3 million; reduced rentals \$0.1 million; increased student travel \$0.1 million; increase other expenditures \$0.1 million.
- (5.) The amended decrease is due to reduced salaries \$1.1 million; increased supplemental pay \$0.1 million; reduced employee benefits \$0.1 million; increased capital outlay to include SBITA's \$0.1 million; and other expenditure reductions \$0.1 million.
- (6.) The amended decrease is due to reduced salaries \$3.3 million; increased supplemental pay \$0.6 million; reduced employee benefits \$0.2 million; increased miscellaneous services \$0.8 million; increased capital outlay to include SBITA's \$0.5 million.
- (7.) The amended increase is due to reduced salaries \$0.8 million; reduced employee benefits \$0.3 million; increased repair services \$2.3 million; increased utilities \$2.3 million; increased capital outlay to include SBITA's \$1 million; increased custodial/grounds supplies \$0.3 million; reduced supplies, furniture, reading materials \$0.1 million; increase insurance premiums \$0.4 million.
- (8.) The amended increase is due to increased salaries \$0.7 million; increased supplemental pay \$0.2 million; increased contracted maintenance \$0.1 million; reduced miscellaneous services \$0.1 million; increased supplies \$0.1 million; increased other expenditures \$0.1 million.
- (9.) The amended increase is due to implementation of SBITA's per GASB 96 of \$1.5 million.

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

- (10.) The amended increase is due to implementation of SBITA’s per GASB 96 with an increase of \$4.1 million; increased Lease other sources \$1.6 million; increased other sources due to laptop sales and auction of assets \$0.4 million.
  
- (11.) The amended increase in other uses is due to a \$40 million transfer made to the strategic facilities plan fund in an effort to lower general fund unassigned balance to three months operating expenditures in accordance with board policy and transfer between Summer Feeding program to School Nutrition of \$0.3 million.

4. Each budget is controlled at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end. A reconciliation of fund balances for both appropriated budget and nonappropriated budget nonmajor special revenue funds is as follows:

Budgeted Fund - School Nutrition	\$	21,366,245
Unbudgeted Funds:		
Summer Feeding Program		35,198
Mobilizing Talent at Military Conn Schools		300
Advanced Placement Incentives		150,660
Instructional Materials Allotment		330,238
Read to Succeed		6,440
Campus Activity Funds		1,435,335
National Philanthropic Trust		18,732,605
Music Enrichment Program		3,188
	\$	<u>42,060,209</u>

**B. Excess of Actual Expenditures over Appropriations by Functional Categories**

The District's actual expenditures exceeded budgeted expenditures in the following functions:

<u>Function</u>	<u>Explanation</u>
11	An increase in salaries and supplemental pay.
12, 13, 23	An increase in salaries.
31	An increase in salaries and TRS on Behalf.
33	An increase in salaries.
34	An increase in supplemental pay, temporary employees, and substitutes.
35	An increase in supplemental pay.
36, 41	An increase in salaries.
53	Implementation of GASB 96 (SBITA) and an increase in capital outlay.
71	Implementation of GASB 96 (SBITA).

**IV. Detailed Notes on All Funds****A. Deposits, Securities, and Investments**Contracted Depository Bank:

The funds of the District must be deposited and invested under the terms of a depository contract, contents of which are set out in the Depository Contract Law. The amounts held in the depository bank include cash that is not reported in the governmental funds including: Private purpose trust funds and Custodial funds. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At August 31, 2023, the carrying amount of the District's deposits was \$64,196,981 and the bank balance was \$67,696,733. The District's cash deposits were entirely covered by FDIC insurance and by pledged collateral held by the District's agent bank in the District's name.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a) Name of bank: J.P. Morgan Chase Bank
- b) The market value of bond and/or security pledged as of the date of the highest combined balance on deposit was \$86,000,000.
- c) Largest cash, savings and time deposit combined account balance amounted to \$77,575,339 and occurred on July 26, 2023.
- d) Total amount of FDIC coverage at the time of largest combined balance was \$250,000.

The Public Funds Investment Act requires an annual independent audit of investment practices. Audit procedures in this area, conducted as a part of the Single Audit, disclosed that in the areas of investment practices, the District's management reports and establishment of appropriate policies was in compliance with the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The District is in compliance with the requirements of the Act and with local policies.

#### Deposit and Investment Risk:

In compliance with the Public Funds Investment Act, the District has adopted policies relating to deposit and investments. These policies address the following risks:

**Custodial Credit Risk – Deposits:** In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy regarding types of deposits allowed and collateral requirements are mentioned in the previous paragraphs. As noted above, the District is not exposed to custodial credit risk due to deposits being covered by FDIC insurance.

**Custodial Credit Risk – Investments:** For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments that are held by an outside party are fully insured and backed by the U.S. Government and, registered in the name of the District. It is the District's policy to ensure that potential brokers/dealers are in good standing with the National Association of Securities Dealers, registered with the Texas State Securities Board and have a membership in the Securities Investor Protection Corporation. The ratings of investment pools used by the district are disclosed in the "external investment pool" section of the footnotes. Therefore, the District is not exposed to custodial credit risk.

**Interest Rate Risk –** Interest rate risk occurs when potential purchasers of debt securities do not agree to pay face value for those securities if interest rates rise. The District's investment policy limits the maximum maturity of investments to no more than two years and a maximum dollar weighted average maturity that shall not exceed 360 days for the general fund and 540 days for capital projects funds. Limiting investment maturities and purchasing government securities are the District's means for limiting its exposure to fair value losses arising from interest rate increases.

**Concentration Risk –** Concentration risk is defined as positions of five percent or more in the securities of a single issuer. All of the District's investments are explicitly guaranteed by the U.S. government or invested in an external investment pool and therefore, are not exposed to concentration risk.

**Credit Risk –** This is the risk that a security issuer may default on an interest or principal payment. It is the District's policy to limit investments to those authorized by the Public Funds Investment Act and to purchase quality rated investments that have been evaluated by agencies such as Standard and Poor's or Moody's Investor Service.



External Investment Pools:

The District uses the following external investment pools:

*TexSTAR.* The Texas Short-Term Asset Reserve Program (TexSTAR) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. serve as co-administrators for TexSTAR under an agreement with the TexSTAR Board.

TexSTAR will invest only in instruments authorized under both the Public Funds Investment Act and the current TexSTAR Investment Policy. The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of sufficient liquidity to meet Participants' needs, diversification to avoid unreasonable or avoidable risks, and yield. In order to comply with the Public Funds Investment Act, TexSTAR maintains an AAAM rating from Standard & Poor's which monitors weekly the fund's compliance with its rating requirements. TexSTAR operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. The TexSTAR Cash Reserve Fund seeks to maintain a net asset value of \$1.00 per unit and provides participants with the investment of funds that require daily liquidity availability. All investments are stated at amortized cost, which closely approximates the market value of the securities. All TexSTAR securities are marked to market on a daily basis. There are no limitations or restrictions on withdrawals with TexSTAR. TexSTAR participants have daily access to their funds with no penalties. Interest is accrued daily and paid monthly. There is no minimum balance required and no limit on the number of individual accounts. TexSTAR offers local governments the technology to carry out their duties with the greatest level of efficiency. Participants can initiate wire transactions until 4:00 p.m. Central Time for same day settlement and ACH transactions until 4:00 p.m. Central Time for next date settlement. In addition, transactions can be preloaded for settlement using the TexSTAR internet systems up to 10 business days in advance 24 hours a day.

*Texas CLASS.* Texas CLASS uses Public Trust Advisors, LLC as their Program Administrator. Public Trust Advisors, LLC is an SEC registered investment advisor specializing in the full-service administration of local government investment pools. Texas CLASS is rated AAAM by Standard & Poor's. Texas CLASS was created specifically for the use of Texas local government entities and seeks to provide safety, liquidity, convenience, and competitive rates of return. The program is designed to meet the needs of Texas public sector investors. It purchases securities that are legally permissible under state statute and available for investment by Texas counties, cities, school districts, municipal utility districts, college districts, and other public agencies. Texas CLASS is a full-service cash management investment program designed specifically to make the function of managing public funds safer and simpler. Public Trust Advisors, LLC serves the pool's administrator and investment adviser. Marketing and operations functions are also provided by Public Trust Advisors, LLC. Well Fargo Bank, N.A. serves as the custodian for the pool. The portfolio's weighted average maturity (WAM) is kept under 60 days to enhance liquidity. Portfolio securities are priced to market on a weekly basis. Public Trust Advisors, LLC will insure that only permitted assets are purchased and must comply with SEC Rule 2a-7.

*Lone Star.* The Lone Star Investment Pool was created by an inter-local contract under the laws of the State of Texas and is governed by the Public Funds Investments Act, Chapter 2256, Texas Government Code. Lone Star is governed by a board of trustees consisting of eleven local government participants. Pursuant to the interlocal investment agreement, the business and affairs of the Pool are required to be managed by the Board and the Board is authorized and directed to adopt and maintain bylaws. The bylaws set forth procedures governing the selection of and action taken by members of the Board. The Pool is required by the Public Funds Investment Act to maintain an AAA rating. It has a AAAm rating from Standard & Poors, which monitors the fund's compliance with its rating requirements. The Lone Star Investment Pool's objective is to maintain safety of principal while providing participating entities (members) with the highest possible rate of return for invested funds. Participants in the Pool own pro rata interests in the underlying assets of the fund in which they participate. A member's sole source of payment from its investment in the Pool is the fair market value of such assets. Lone Star Investment Pool strives to maintain a net asset value of \$1.00 and its dollar-weighted average maturity at 60 days or fewer. In addition to investing only in securities authorized by the Public Funds Investment Act, the Board of Directors at Lone Star further restrict investments so no investment greater than 5% can be made in any one nongovernmental entity and any A-1 or P-1 investment placed on the watch list with negative implications by a rating agency must be sold within one week.

Vanguard Group:

Most of the money available for endowed scholarships has been invested in Vanguard Group. Approximately 14.98% of the endowed funds are invested in the Vanguard Treasury Money Market Fund (VUSXX). This is a fund that seeks to provide current income while maintaining liquidity and a stable share price of \$1. Approximately 17.86% of the endowed funds are invested in the Vanguard Intermediate-Term Bond Index Fund Admiral Shares (VBILX). This investment seeks to track the performance of a market-weighted bond index with an intermediate-term dollar-weighted average maturity ranging between 5 and 10 years. Approximately 57.81% of the endowed funds are invested in the Vanguard 500 Index Fund Admiral Shares (VFIAX). This fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. Approximately 8.98% of the endowed funds are invested in the Vanguard International Growth Fund Admiral Shares (VWILX). In addition, approximately, 0.36% is invested in Inter-Term Treasury. This fund seeks to provide long-term capital appreciation.

The Investment Pools utilize amortized accounting, all securities are marked to market daily using the fair value method, amortized cost, which generally approximates the market value of the securities, it is simply a proxy for fair value. The stated objective of the pools is to maintain a stable \$1.00 per unit net asset value (rounded to the nearest whole cent); however, the \$1.00 net asset value is not guaranteed or insured by any governmental or other entity. There can be no assurance that the Fund portfolio will maintain a stable net asset value of \$1.00. More importantly, using the amortized accounting method in no way inhibits the timing and size of withdrawals or deposits to our government pools.

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

**Frost Bank:**

The District has deposited funds in Frost Bank which are invested in money market funds and U.S. Government Agencies. The U.S. Government Agencies are invested in Federal Home Loan Mortgage Company, Federal Farm Credit Banks, and U.S. Treasury Notes & Bonds. The account is currently earning around 2.0% interest.

**Charles Schwab:**

The District also has some of the endowment funds invested in Charles Schwab. The funds are invested in Dodge & Cox Income (DODIX), Victory Core Plus Intermediate Bond Fund (USIBX) and Vanguard Total Bond Mark (VBTLX).

The detail of the total of the District's Cash, Short-Term and Long-Term Investments as shown on the Statement of Net Position and Schedule E as of August 31, 2023 is shown below:

<u>Cash &amp; Cash Equivalents 1110</u>		<u>Current Investments 1120</u>		<u>Long Term Investments 1990</u>	
Cash	\$ 63,448,221	Tex Star Investments	\$ 93,021,906	Tex Star Investments	
Chase Bond Fund A	4,373	Texas Class	57,277,391	Texas Class	
		Lone Star	86,343,105	Lone Star	
		Frost	68,675,319	Frost	15,000,000.00
		Endowment Fund	718	Endowment Fund	\$ 193,507
		Fair Valuation	(468,679)	Fair Valuation	
	<hr/>		<hr/>		<hr/>
Total	\$ 63,452,594		\$ 304,849,760		\$ 15,193,507
 <u>Custodial &amp; Private Purpose Trust Funds:</u>					
Cash	\$ 744,387				
Tex Star-Flex	-	Tex Star-Flex	46,599	Tex Star-Flex	-
Tex Star -Scholarships	-	Tex Star -Scholarships	1,389	Tex Star -Scholarships	-
Vanguard Custodial Funds	-	Vanguard Custodial Funds	-	Vanguard Custodial Funds	2,716,796
	<hr/>		<hr/>		<hr/>
Total	\$ 744,387		\$ 47,988		\$ 2,716,796
	<hr/>		<hr/>		<hr/>
Total Cash & Investments	\$ 64,196,981		\$ 304,897,748		\$ 17,910,303
	<hr/> <hr/>		<hr/> <hr/>		<hr/> <hr/>

**B. Property Taxes Receivable (Delinquent)**

The District's property tax is levied by October 1, on the basis of assessed value as of January 1 of the current year in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed. Property tax revenues are considered available (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

Property tax calendar information is as follows:

January 31	Taxes become a lien on property.
September 1 - August 31	Fiscal year covered by tax levies.
October 1	Taxes are levied.
October 1 - January 31	Collection period (current taxes).
January 31	Due date for payment without penalty for delinquency.
February 1 - June 30	Collection period (current delinquent taxes).
June 30	Due date for payment with penalty and interest for delinquency.
July 1 and thereafter	Collection period (delinquent taxes). Upon payment, penalty, interest charges, and legal fees are added for delinquency.

As of August 31, any receivables related to property taxes on the Balance Sheet are considered "Delinquent" as indicated in the above property tax calendar. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General and Debt Service funds are based on historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**C. Receivables from Other Governments**

Amounts are aggregated into a single receivable from other governments. Below is the detail of receivable from other governments for the general fund and nonmajor governmental funds in the aggregate.

	General Fund	Nonmajor Governmental Funds	Total
Meal Reimbursement	\$ -	\$ 1,933,046	\$ 1,933,046
Grant Programs	-	15,503,465	\$ 15,503,465
Other	-	-	\$ -
Total Due from State Government	<u>\$ -</u>	<u>\$ 17,436,511</u>	<u>\$ 17,436,511</u>

**D. Inter-fund Receivables and Payables**

The District uses a pooled cash account that is used by multiple funds. Inter-fund balances are created when there are transactions that span more than one fund and cash is not transferred between the funds at that time. Inter-fund balances are summarized in the governmental fund financial statements and labeled as due from/to other funds. Inter-fund balances on August 31, 2023, consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund:		
ESSER II	\$ 13,737,575	\$ -
Non-Major Governmental Funds	12,549,884	55,321
Proprietary Funds	2,589	-
Total General Fund	<u>26,290,048</u>	<u>55,321</u>
ESSER II	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ -	\$ 13,737,575
Total ESSER II	<u>-</u>	<u>13,737,575</u>
School Building Projects	<u>Receivable</u>	<u>Payable</u>
Non-Major Governmental Funds	1,697,406	-
Total School Building Projects	<u>1,697,406</u>	<u>-</u>
Non-Major Governmental Funds	<u>Receivable</u>	<u>Payable</u>
General Fund	29,706	12,524,268
School Building Projects	-	1,697,406
Non-Major Governmental Funds	681,966	681,966
Total Non-Major Governmental Funds	<u>711,672</u>	<u>14,903,640</u>
Proprietary Funds	<u>Receivable</u>	<u>Payable</u>
General Fund	-	2,590
Total Proprietary Funds	<u>-</u>	<u>2,590</u>
Totals	<u>\$ 28,699,126</u>	<u>\$ 28,699,126</u>

\* The interfund balances represent cash owed between the individual funds

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2023

**E. Capital Asset Activity**

Capital asset activity for the year ended August 31, 2023 was as follows:

	<b>Primary Government</b>			<b>Ending Balance</b>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 13,682,653	\$ 1,990,891	\$ -	\$ 15,673,544
Construction in Progress	269,061,330	70,851,370	(131,517,874)	208,394,826
Total non-depreciable assets	<u>282,743,983</u>	<u>72,842,261</u>	<u>(131,517,874)</u>	<u>224,068,370</u>
Capital assets, being depreciated				
Buildings and Improvements	792,683,231	131,688,943	(3,491,364)	920,880,810
Furniture and Equipment	74,958,351	7,881,258	(1,431,423)	81,408,186
Total depreciable assets	<u>867,641,582</u>	<u>139,570,201</u>	<u>(4,922,787)</u>	<u>1,002,288,996</u>
Less accumulated depreciation for:				
Buildings and Improvements	(317,177,836)	(20,564,792)	3,453,092	(334,289,536)
Furniture and Equipment	(57,137,441)	(4,567,522)	1,406,116	(60,298,847)
Total accumulated depreciation	<u>(374,315,277)</u>	<u>(25,132,314)</u>	<u>4,859,208</u>	<u>(394,588,383)</u>
Governmental activities capital assets, net	<u>\$ 776,070,288</u>	<u>\$ 187,280,148</u>	<u>\$ (131,581,453)</u>	<u>\$ 831,768,983</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 17,426,450
Instructional Resources and Media	133,900
Curriculum Development	987,926
Instructional Administration	1,677,969
School Leadership	941,905
Guidance, Counseling & Evaluation	509
Student Transportation	582,696
Food Services	1,934,121
Extracurricular Activities	968,144
General Administrative	2,051
Plant Maintenance and Operations	421,893
Security and Monitoring Services	30,265
Data Processing Services	24,485
Total depreciation expense	<u>\$ 25,132,314</u>

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2023

**F. Bonds Payable**

Bonds payable by the District are reflected in the Statement of Net Position, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

In addition, general obligation bonds have been issued to refund general obligation debt. These bonds are direct obligations and pledge the full faith and credit of the District. Long-term debt activity for the year ended August 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>Governmental Activities</b>					
Bonds and notes payable:					
School Refunding Bond Series Series 2017	7,930,000	-	95,000	7,835,000	100,000
School Building Bond Series Series 2018	255,060,000	-	5,730,000	249,330,000	6,255,000
School Building Bond Series Series 2019	115,610,000	-	-	115,610,000	70,000
School Refunding Bond Series Series 2019	4,140,000	-	4,140,000	-	-
School Refunding Bond Series Series 2020	11,010,000	-	25,000	10,985,000	4,300,000
Total Bonds and notes payable	<u>\$ 393,750,000</u>	<u>\$ -</u>	<u>\$ 9,990,000</u>	<u>\$ 383,760,000</u>	<u>\$ 10,725,000</u>

Debt service requirements are as follows:

<u>Year Ending August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service Requirements</u>
2024	10,725,000	16,596,950	27,321,950
2025	11,270,000	16,050,850	27,320,850
2026	11,970,000	15,484,138	27,454,138
2027	12,430,000	14,902,750	27,332,750
2028	11,845,000	14,315,225	26,160,225
2029-2033	76,000,000	61,165,250	137,165,250
2034-2038	99,110,000	39,736,825	138,846,825
2039-2043	123,075,000	15,774,775	138,849,775
2044	27,335,000	410,025	27,745,025
	<u>\$ 383,760,000</u>	<u>\$ 194,436,788</u>	<u>\$ 578,196,788</u>

The District primarily liquidates debt through the Debt Service Fund. Other long-term debt is liquidated through the General Fund.

On June 15, 2017, the District issued \$8,550,000 in Unlimited Tax Refunding Bonds with an interest rate between 2.0% to 4.25%, along with additional funds of the district, to refund \$8,620,000 of the 2012 Unlimited Tax School Building and Refunding Bonds. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded 2012 Series bonds. As a result, this portion of the 2012 Series bonds is considered under Texas State law, Article 717K, V.A.T.C.S., as amended to be defeased in-substance and the liability for those bonds has been removed from the Statement of Net Position.

The difference between the principal amount of \$8,550,000 and the sales price of \$9,943,776 of the Series 2017 bonds represents the unamortized premium. The premium is being amortized over the life of the bonds using the interest method and is presented as an addition to the face value of the bonds. The amortization for the year ended August 31, 2023 was \$144,116.

The advanced refunding of the 2012 Series bonds resulted in a \$258,658 difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the financial statements as a deferred inflow of resources, is being amortized over the life of the Series 2017 debt in accordance with GASB 7 entitled Advanced Refundings Resulting in Defeasance of Debt. This transaction resulted in future cash flow savings of \$1,158,850 through 2028 and an economic gain (difference between the present value of the old and new debt service payments) of \$949,472.

On August 21, 2018, the District issued \$269,785,000 in Unlimited Tax School Building Bonds with an interest rate between 3.5% to 5.0%, to be used for construction, renovation, acquisition, and improvement of school buildings in the District and the purchase of necessary sites for school buildings and paying the costs of issuance related to the Bonds.

The difference between the principal amount of \$269,785,000 and the sales price of \$302,021,582 of the Series 2018 bonds represents the unamortized premium. The premium is being amortized over the life of the bonds using the interest method and is presented as an addition to the face value of the bonds. The amortization for the year ended August 31, 2023 was \$1,316,441.

On August 13, 2019, the District issued \$115,610,000 in Unlimited Tax School Building Bonds with an interest rate between 3.0% to 5.0%, to be used for construction, renovation, acquisition and improvement of school buildings in the District and the purchase of necessary sites for school buildings and paying the costs of issuance related to the Bonds.

The difference between the principal amount of \$115,610,000 and the sales price of \$127,024,841 of the Series 2019 bonds represents the unamortized premium. The premium is being amortized over the life of the bonds using the interest method and is presented as an addition to the face value of the bonds. The amortization for the year ended August 31, 2023 was \$465,730.

On October 17, 2019, the District issued \$12,020,000 in Unlimited Tax Refunding Bonds with an interest rate between 3.0% to 5.0%, along with additional funds of the district, to refund \$12,585,000 of the 2010 Unlimited Refunding Bonds. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded 2010 Series bonds. As a result, this portion of the 2010 Series bonds is considered under Texas State law, Article 717K, V.A.T.C.S., as amended to be defeased in-substance and the liability for those bonds has been removed from the Statement of Net Position.

The difference between the principal amount of \$12,020,000 and the sales price of \$13,012,624 of the Series 2019 bonds represents the unamortized premium. The premium is being amortized over the life of the bonds using the interest method and is presented as an addition to the face value of the bonds. The amortization for the year ended August 31, 2023 was \$140,726.

The advanced refunding of the 2010 Series bonds resulted in a \$1,201,820 difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the financial statements as a deferred inflow of resources, is being amortized over the life of the Series 2019 debt in accordance with GASB 7 entitled Advanced Refundings Resulting in Defeasance of Debt. This transaction resulted in future cash flow savings of \$813,711 through 2023 and an economic gain (difference between the present value of the old and new debt service payments) of \$565,000.

On October 1, 2020, the District issued \$11,115,000 in Unlimited Tax Refunding Bonds with an interest rate between 3.0% to 5.0%, along with additional funds of the district, to refund \$12,675,000 of the 2012 Unlimited Refunding Bonds. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded 2012 Series bonds. As a result, this portion of the 2012 Series bonds are considered under Texas State law, Article 717K, V.A.T.C.S., as amended to be defeased in-substance and the liability for those bonds has been removed from the Statement of Net Position.

The difference between the principal amount of \$11,115,000 and the sales price of \$13,089,183 of the Series 2020 bonds represents the unamortized premium. The premium is being amortized over the life of the bonds using the interest method and is presented as an addition to the face value of the bonds. The amortization for the year ended August 31, 2023 was \$272,430.

The advanced refunding of the 2012 Series bonds resulted in a \$586,796 difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the financial statements as a deferred inflow of resources, is being amortized over the life of the Series 2020 debt in accordance with GASB 7 entitled Advanced Refunding's Resulting in Defeasance of Debt. This transaction resulted in gross debt service savings of \$1,582,007 through 2023 and an economic gain (difference between the present value of the old and new debt service payments) of \$1,546,038. This is the savings from the October 1, 2020, refunding of the 2012 Series.

A school district that has determined that it is or will be unable to pay maturing or matured principal or interest on a guaranteed bond must immediately, but not later than the fifth business day before maturity date, notify the commissioner. Payment will be made from the permanent school fund. If payment from the PSF is made on behalf of a school district, the school district must reimburse the amount of the payment, plus interest, in accordance with the requirements of the TEC, §45.061. If a total of two or more payments are made under the credit enhancement program authorized under §61.1038 of this title on the bonds of a school district, the commissioner will take action in accordance with the provisions of the TEC, §45.062.

**KILLEEN INDEPENDENT SCHOOL DISTRICT***Notes To The Basic Financial Statements (Continued)**Year Ended August 31, 2023*

Changes in bonds payable for the year ended August 31, 2023 are as follows:

Description	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023
General Obligation Bonds	\$ 393,750,000	\$ -	\$ 9,990,000	\$ 383,760,000
Unamortized (Discount)/Premium on Current Interest Term Bonds	39,200,496	-	2,339,443	36,861,053
Outstanding Bonds Payable	\$ 432,950,496	\$ -	\$ 12,329,443	\$ 420,621,053

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at August 31, 2023.

In prior years, the District defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the Statement of Net Position.

The defeased bonds outstanding at August 31, 2023 are as follows:

	Outstanding Balances
Unlimited Tax School Building and Refunding Bonds, Series 2012	\$ 27,820,000
Unlimited Tax School Building and Refunding Bonds, Series 2017	8,620,000
Unlimited Tax School Building and Refunding Bonds, Series 2020	12,260,000
Total Defeased	\$ 48,700,000

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

**Net Investment in Capital Assets**

The amount of net investment in capital assets is calculated each year by adding the amount of net capital assets at the end of the year to unspent bond proceeds and subtracting the debt related to the capital assets; including any unmatured premium or discount on bonds related to capital assets. The net investment in capital assets for FY23 is shown below:

Net Capital Assets from Exhibit A-1	\$ 839,486,119
Unspent Bond proceeds from Exhibit C-1	9,501,992
Less accounts payable related to capital from Exhibit C-1	(9,345,477)
Less debt related to Capital Assets from bond schedule Note R	(383,760,000)
Less unmatured premium or discount from changes in bond schedule Note R	(36,861,053)
Less Right-to-use Lease and SBITA Liabilities in Note R	(6,526,383)
Less amount deferred on refunding from Exhibit A-1	<u>303,246</u>
Net investment in capital assets	<u><u>\$ 412,798,443</u></u>

**G. Compensated Absences**

Upon retirement or death of certain employees, the District, typically from the General Fund, pays any accumulated unpaid vacation benefits to such employee or his/her estate. Individuals employed after October 1, 1985 are not eligible to receive the lump sum payments. There is no liability for unpaid accumulated sick leave since the district does not have a policy to pay any amounts when employees separate from service with the district. A summary of changes in the accumulated vacation liability deemed due within one year is as follows:

Balance September 1, 2022	\$ 2,619,988
Additions - New Entrants and Salary Increments	141,765
Deductions - Payments to and Uses by Participants	<u>(157,129)</u>
Balance August 31, 2023	<u><u>\$ 2,604,624</u></u>

**H. Employee Benefit Plan***Plan Description*

The Killeen Independent School District participates in a cost-sharing, multiple employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempt from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

*Pension Plan Fiduciary Net Position*

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [Annual Comprehensive Financial Report Archived Editions \(texas.gov\)](#); by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2022 Annual Comprehensive Financial Report for TRS provides the following information regarding the components of the Net Pension Liability of the Pension Plan as of August 31, 2022.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 243,553,045,455
Less: Plan Fiduciary Net Position	<u>(184,185,617,196)</u>
Net Pension Liability	<u>\$ 59,367,428,259</u>
Net Position as percentage of Total Pension Liability	75.62%

*Benefits Provided*

TRS provides retirement, disability, and death benefits. Membership in the Plan includes all employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempt from membership under Texas Government Code, Title 8, Section 822.002.

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to retirees. The pension became actuarially sound in May 2019 when the 86<sup>th</sup> Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers and active employees for the fiscal years 2019 through 2024.

*Contributions*

Contribution requirements are established or amended pursuant to the following state laws:

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

Texas Government Code section 821.006 prohibits benefit improvements if it increases the amortization period of TRS’ unfunded actuarial liability to greater than 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System’s actuary.

The following table shows employer contribution rates for fiscal years 2022 and 2023:

	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2023</u>
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
Current fiscal year Employer Contributions		\$ 14,101,619
Current fiscal year Member Contributions		\$ 26,661,436
2022 measurement year NECE On-Behalf Contributions		\$ 15,580,465

As the non-employer contributing entity for public education, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the Plan during that fiscal year, reduced by the employer contributions described below. All participating employers and the State of Texas, as the employer for senior universities and medical schools, are required to pay the employer contribution rate in the

following situations:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any or all of an employee's salary is paid by federal, private, local or non-educational and general funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.

Employers are also required to pay surcharges in the following cases:

- All public schools, charter schools and regional education service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

*Actuarial Assumptions*

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four-year period ending August 31, 2021 and were adopted in July 2022.

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

The total pension liability in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
	3.91%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20- Year Municipal GO AA Index."
Municipal Bond Rate as of August 2022	
Last year ending August 31 in Projection	
Period (100 Years)	2121
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

Categories of permissible investments include cash equivalents, debt securities, private markets, derivative instruments, mutual funds, closed-end funds, publicly traded or Rule 144A assets, and commingled funds. The target asset allocation, long-term expected real rate of return, and expected contribution to long-term portfolio returns by asset class set forth in the Investment Policy Statement is shown as of August 31, 2022.

Asset Class*	Target Allocation** %	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
U.S.	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
<b>Stable Value</b>			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return (Including Credit Sensitive Investments)	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
<b>Real Return</b>			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
<b>Risk Parity</b>			
Risk Parity	8.00%	4.60%	0.43%
<b>Asset Allocation Leverage</b>			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****			-0.91%
<b>Expected Return</b>	<b>100.00%</b>		<b>8.19%</b>

*\*Absolute Return includes Credit Sensitive Investments.*

*\*\*Target allocations are based on the FY2022 policy model.*

*\*\*\*Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022).*

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

For the fiscal year ended August 31, 2022, the annual money-weighted rate of return on pension plan investments was (6.70) percent. The annual money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount Rate*

A single discount rate of 7.00 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

*Discount Rate Sensitivity Analysis*

The following table presents the net pension liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Proportionate share of the net pension liability	\$ 232,042,761	\$ 149,164,086	\$ 81,987,030

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

At August 31, 2023, Killeen Independent School district reported a liability of \$149,164,086 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 149,164,086
State's proportionate share that is associated with the District	198,224,082
Total	<u>\$ 347,388,168</u>

The net pension liability was measured as of August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's portion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.2512557654% which was an increase of 0.0271512826% from its proportion measured as of August 31, 2021.

#### Actuarial Methods and Assumptions

##### Roll Forward

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the total pension liability to August 31, 2022.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four-year period ending August 31, 2021 and were adopted in July 2022.

The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projections using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The long-term expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

**KILLEEN INDEPENDENT SCHOOL DISTRICT***Notes To The Basic Financial Statements (Continued)**Year Ended August 31, 2023*

For the year ended August 31, 2023, Killeen Independent School District recognized pension expense of \$37,237,836 and revenue of \$18,947,975 for support provided by the State.

Contributions made after the measurement date of the net pension liability but before the end of the School District's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period.

At August 31, 2023, Killeen Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 2,162,867	\$ 3,252,060
Changes in actuarial assumptions	27,794,124	6,927,072
Differences between projected and actual investment earnings	14,736,934	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	11,957,896	8,614,480
Total as of August 31, 2022 measurement date	<u>\$ 56,651,821</u>	<u>\$ 18,793,612</u>
Contributions paid to TRS subsequent to the measurement date	<u>14,101,619</u>	<u>-</u>
Total as of fiscal year-end	<u><u>\$ 70,753,440</u></u>	<u><u>\$ 18,793,612</u></u>

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

Year ended August 31,	Pension Expense Amount
2024	\$ 10,233,405
2025	\$ 5,277,402
2026	\$ 1,152,012
2027	\$ 17,730,797
2028	\$ 3,464,593
Thereafter	\$ -

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

At August 31, 2023, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Total net amounts as of August 31, 2022 Measurement Date	\$ 56,651,821	\$ 18,793,612
Contributions made subsequent to the Measurement Date	14,101,619	-
Total	<u>\$ 70,753,440</u>	<u>\$ 18,793,612</u>

*Funding Policy – Retirement Plan*

Contribution rates and contributions for fiscal years 2023-2021 are shown in the table below. These rates are set by the General Appropriations Act. In certain instances, the District is required to make all or a portion of the state’s and/or member’s contribution and on the portion of the employees’ salaries that exceed statutory minimum.

Year	Member		State		Statutory Minimum
	Rate	Amount	Rate	Amount	Amount
2023	8.00%	\$26,661,436	8.00%	\$15,580,465	\$ 6,289,665
2022	8.00%	\$23,837,010	7.75%	\$15,783,721	\$ 4,266,513
2021	7.70%	\$21,906,148	7.50%	\$15,876,513	\$ 3,970,733

The District recognized contributions made by the State on behalf of the District as revenues and expenditures in the general fund in the current period and are reported in the financial statements in accordance with GASB Statement 24.

The total payroll for employees covered by TRS for the years ended August 31, 2021, 2022 and 2023 was \$284,495,442, \$297,962,528, and \$333,272,855 respectively, and total District payroll for these years was \$301,364,196, \$320,256,440 and \$353,216,345 respectively.

**I. Defined Other Post-Employment Benefit Plans***Plan Description*

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

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

*OPEB Plan Fiduciary Net Position*

Detail information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [Annual Comprehensive Financial Report Archived Editions \(texas.gov\)](#) or by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

*Benefits Provided*

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional service centers, and other educational districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system.

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS-Care premiums at their current level through 2021. The 86th legislature also passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$300,000,000 as of August 31, 2022.

*Contributions*

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25 percent of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public school. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee’s pay for fiscal year 2022. The following table shows contributions to the TRS-Care plan by the type of contributor.

**2023 Contribution Rates**

	<u>2022</u>	<u>2023</u>
Member	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding Remitted by Employers	1.25%	1.25%
Current fiscal year employer contributions	\$	2,991,927
Current fiscal year member contributions	\$	2,166,254
2022 measurement year NECE on-behalf contributions	\$	3,389,793

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a retiree of the TRS. The TRS Care surcharges for fiscal year 2022 totaled \$11,849,525.

A supplemental appropriation was authorized by Senate Bill 8 of the third-called legislature that granted \$83 million to TRS-Care from the federal American Rescue Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

*Actuarial Assumptions*

Roll Forward

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex.

### Demographic Assumptions

The rates of mortality, retirement, termination, and disability incidence are identical to the assumptions used to value the pension liabilities of the Teacher Retirement System of Texas (TRS). The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

### Mortality Assumptions

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2018.

### Health Care Trend Rates

The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. The initial prescription drug trend rate was 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 13 years.

### Actuarial Methods and Assumptions:

<u>Component</u>	<u>Result</u>
Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Ad hoc post-employment benefit changes	none

### *Discount Rate*

A single discount rate of 3.91 percent was used to measure the total OPEB liability. This was an increase of 1.96 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.

*Change of Assumptions Since the Prior Measurement Date*

The single discount rate changed from 1.95 percent as of August 31, 2021 to 3.91 percent, as of August 31, 2022. Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the Total OPEB Liability.

*Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption*

The following presents the Net OPEB Liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, as well as what the Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 2.91 percent or one percentage point higher, 4.91 percent, than the AA/Aa rate. The source for the rate is the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index", as of August 31, 2022.

1% Decrease 2.91%	Current Single Discount Rate 3.91%	1% Increase 4.91%
\$ 95,518,112	\$ 81,010,761	\$ 69,257,945

*Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumption*

The following presents the net OPEB liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$66,753,232	\$81,010,761	\$99,493,813

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

At August 31, 2023, the District reported a liability of \$81,010,761 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 81,010,761
State's proportionate share that is associated with the District	<u>98,820,401</u>
Total	<u><u>\$179,831,162</u></u>

The net OPEB liability was measured as of August 31, 2022 and the total OPEB liability used to calculate the new OPEB liability was determined by an actuarial valuation as of that date. The employer’s portion of the net OPEB liability was based on the employer’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At August 31, 2022 the employer’s proportion of the collective net OPEB liability was 0.3383342106% which was an increase of 0.0238695746% from its proportion measured as of August 31, 2021.

For the year ended August 31, 2023, the District recognized OPEB expense of (\$23,004,108) and revenue of (\$14,023,413) for support provided by the State.

Contributions made after the measurement date of the net OPEB liability but before the end of the School District’s reporting period will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period.

At August 31, 2023, the District reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 4,503,912	\$ 67,489,236
Changes in actuarial assumptions	12,339,544	56,281,458
Differences between projected and actual investment earnings	241,309	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	23,443,075	15,206,565
Total as of August 31, 2022 measurement date	<u>\$ 40,527,840</u>	<u>\$ 138,977,259</u>
Contributions paid to TRS subsequent to the measurement date	2,991,927	-
Total as of Fiscal Year-End	<u><u>\$ 43,519,767</u></u>	<u><u>\$ 138,977,259</u></u>

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

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

Fiscal year ended August 31,	OPEB Expense Amount
2024	\$ (18,209,488)
2025	\$ (18,208,613)
2026	\$ (14,772,828)
2027	\$ (10,121,403)
2028	\$ (12,569,138)
Thereafter	\$ (24,567,949)

The District reported a net OPEB liability of \$81,010,761 as of August 31, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	\$ 121,303,062	\$ (37,513,424)	\$ 2,778,877	\$ 81,010,761

The Medicare Prescription Drug Improvement and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years 2021, 2022 and 2023, the subsidy payment received by TRS-Care on behalf of Killeen Independent School District was \$1,354,275, \$1,226,862 and \$1,796,747 respectively.

*Contributions Made*

Contributions made by the State, the District and its employees, and the District’s covered payroll for the fiscal years 2023, 2022, and 2021 are as follows:

	2023	2022	2021
Covered payroll	\$ 333,272,855	\$ 297,962,528	\$ 284,495,442
Contributions made by the State	\$ 21,527,595	\$ 19,281,535	\$ 19,274,725
Retirement plan rate	8.00%	7.75%	7.50%
Retiree health care rate	1.25%	1.25%	1.25%
Medicare Part D	\$ 1,796,747	\$ 1,226,862	\$ 1,252,986
District required and actual contributions to TRS & TRS-Care	\$ 14,101,619	\$ 11,724,337	\$ 8,568,858
Employee contributions to TRS & TRS-Care	\$ 26,661,436	\$ 25,773,767	\$ 23,755,367

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

*Operating Grants and Contributions – Statement of Activities*

Expense activity is required to be recorded by districts who are participants in cost-sharing pension and OPEB benefit plans with a special funding situation where non-employer contributing entities (NECE) also participate in contributions to the plans. TRS-retirement and TRS – care benefit plans are both cost-sharing plans with special funding situations. Therefore, on-behalf expense activity of the NECE must be recorded at the government-wide level of reporting on the Statement of Activities in accordance with GASB 68 and 75.

Following are the effects on the Statement of Activities as a result of the on-behalf accruals recorded:

Function	Operating Grants and Contributions (Including on-behalf accruals)	On-Behalf Accruals	Operating Grants and Contributions
11 Instruction	\$ 46,721,516	\$ (8,576,139)	\$ 38,145,377
12 Instructional Resources	791,842	(411,746)	\$ 380,096
13 Curriculum & Development	5,838,723	(344,565)	\$ 5,494,158
21 Instructional Leadership	276,136	(174,263)	\$ 101,873
23 School Leadership	1,674,449	(964,453)	\$ 709,996
31 Guidance, Counseling, & Evaluation	4,396,980	(905,577)	\$ 3,491,403
32 Social Work Services	1,381,901	(65,592)	\$ 1,316,309
33 Health Services	351,416	(190,310)	\$ 161,106
34 Student (Pupil) Transportation	3,212,887	(406,954)	\$ 2,805,933
35 Food Services	27,040,542	(355,358)	\$ 26,685,184
36 Extra Curricular Activities	303,555	(266,365)	\$ 37,190
41 General Administration	457,451	(315,805)	\$ 141,646
51 Facilities Maintenance & Operations	5,384,023	(695,880)	\$ 4,688,143
52 Security & Monitoring Services	374,924	(155,312)	\$ 219,612
53 Data Processing Services	1,230,822	(148,288)	\$ 1,082,534
61 Community Services	711,488	(46,806)	\$ 664,682
Total	\$ 100,148,655	\$ (14,023,413)	\$ 86,125,242

**J. Health Care Coverage**

During the year ended August 31, 2023, employees of the Killeen Independent School District were covered by a partially self-funded insurance plan through United Health Insurance. The District contributes \$325 per month plus the state contribution of \$75 month for each full-time employee and offers a conditional cash in lieu of benefits program (\$200) for employees that provide documentation of other qualified group health care. Employees can authorize payroll withholdings to pay for benefits for themselves and their dependents.

The employees of the Killeen Independent School District are able to use the benefit contribution to purchase various types of insurance coverage, such as health, dependent dental, life, or long-term disability, or use the money to cover unreimbursed medical/dental/vision expenses or dependent child care expenses under the Flexible Benefits Plan established under Section 125 of the Internal Revenue Code of 1986. The Benefits Plan United Concordia Dental Plan.

**K. Risk Management**

State law allows school districts to retain risk through its own risk management program (i.e., a self-insurance program), insure through a commercial carrier, or insure through a public entity risk pool. The District has insurable risks in various areas, including property, casualty, automobile, professional liability and workers' compensation. During 2023, the District obtained insurance against risks through commercial carriers and a public entity risk pool, with some degree of self-insurance through the use of large deductibles. Management believes the amount and types of coverage are adequate to protect the District from losses that could reasonably be expected to occur. There have been no insurance settlements exceeding the District's insurance coverage for any of the past four years.

Cyber insurance coverage aggregate limit was \$20 million, with an increase in cost of \$485,254. The cost is due to increased threats, carriers leaving the market, and increased demands on security.

Beginning September 1, 1998, and ending August 31, 2000, the District purchased fully insured Worker's Compensation coverage through Liberty Mutual Insurance Company. On September 1, 2000, the District began purchasing insurance as a member of the Deep East Texas Self Insurance Fund. The Fund, operating with a level of self-insurance retention and stop-loss protection for excess losses, offers a slightly different form of no recourse Worker's Compensation protection to the District. Fund reserves are considered adequate for outstanding liabilities and anticipated losses. Since September 1, 2004, the District has entered an Inter-local Participation Agreement with the Texas Association of School Boards (TASB) Risk Management Fund for disbursement of workers' compensation claims. The District has chosen the "fully funded" option of coverage, in which the fund assumes all risk of loss.

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2023

**L. Fund Equity**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

<u>Fund Balances</u>	School Building			<u>Total</u>
	<u>General</u>	<u>Projects</u>	<u>Other Funds</u>	
<u>Nonspendable:</u>				
Inventories	\$ 1,822,458	\$ -	\$ 358,374	\$ 2,180,832
Endowments	-	-	189,715	189,715
Prepaid Items	515,892	-	-	515,892
Total Nonspendable	2,338,350	-	548,089	2,886,439
<u>Restricted:</u>				
Federal/State Funds Grant Restriction	39,821,420	-	22,918,831	62,740,251
Retirement of Long-Term Debt	-	-	2,041,767	2,041,767
Other Restricted Fund Balance	-	-	7,532	7,532
Total Restricted	39,821,420	-	24,968,130	64,789,550
<u>Committed:</u>				
Construction	-	32,563,076	5,223,642	37,786,718
Other Committed Fund Balance	-	-	1,438,523	1,438,523
Total Committed	-	32,563,076	6,662,165	39,225,241
<u>Assigned:</u>				
Construction	-	96,605,669	2,977,874	99,583,543
Other Assigned Fund Balance	-	-	-	-
Total Assigned	-	96,605,669	2,977,874	99,583,543
Unassigned	121,101,213	-	18,732,605	139,833,818
Total Fund Balances	\$ 163,260,983	\$ 129,168,745	\$ 53,888,863	\$ 346,318,591

**M. Federal Source Revenues**

For the year ended August 31, 2023, revenues from Federal programs included in the General Fund consisted of the following:

<u>Federally Distributed:</u>	<u>CFDA Number</u>	<u>Amount</u>
PL 103-382 (Impact Aid)	84.041	\$ 60,705,967
ROTC Salaries	12.00	371,656
Academic Expansion Program	N/A	9,526
		<u>61,087,149</u>
Other State Distributed -- Federal Program		
Shars Reimbursement	N/A	6,296,268
Indirect Cost Revenue	N/A	704,378
		<u>7,000,646</u>
Total Federal Source Revenues		<u>\$ 68,087,796</u>

Revenues from Federal Programs included in the major Capital Projects Fund are as follows:

<u>Federally Distributed</u>	<u>Number</u>	<u>Amount</u>
PL 110-417 (Impact Aid) Section 551	84.041	\$ 4,336,074

**N. Transfers**

During the year \$40,000,000 was transferred to the School Building Projects Fund to lower the General Fund balance to three months operating expenditures in accordance with board policy, CE (Local). Also, during the year, \$600,000 was transferred from the General Fund to the Capital Improvement Projects fund for future capital improvement expenditures. There was a transfer of \$359,150 from the Summer Feeding program to the School Nutrition Program for the 2022 net profit. An additional transfer of \$363,966 was made from the General fund to the school nutrition program fund to pay for unpaid lunch charges at year end. A transfer from the New School Furniture and Equipment fund to the Strategic Facilities Plan fund of \$10 for revenue received in current year. A transfer of \$580 was transferred from General Fund to the Campus Activity Funds for startup funds and change funds. There was a \$3,259 transfer from the general fund to the Music Enrichment Program for the Killeen High School Choir and Harker Heights Choir.

**O. Significant Commitments and Contingencies**

The District participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at August 31, 2023 may be impaired.

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Notes To The Basic Financial Statements (Continued)*

*Year Ended August 31, 2023*

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies. The assigned funds in the Capital Projects Funds will be used for future school construction and renovation.

At August 31, 2023, the District had the following uncompleted construction and architectural contracts in progress:

<u>Project Description</u>	<u>Adjusted Contract Amount</u>	<u>Expended To Date</u>	<u>Committed</u>
KHS Renovation	\$ 89,202,124	\$ 87,949,940	\$ 1,252,184
Joseph L. Searles, III Stadium	\$ 11,123,849	\$ 10,722,005	\$ 401,844
Killeen Elementary School	\$ 42,671,777	\$ 38,685,037	\$ 3,986,739
Dr. Jimmie Don Aycock MS	\$ 78,232,949	\$ 47,401,036	\$ 30,831,913
Sheridan Transportation Expansion	\$ 19,423,869	\$ 18,184,549	\$ 1,239,320
Montague Village ES Roof	\$ 3,414,102	\$ 3,414,102	\$ -
Administration Building	\$ 10,000	\$ 10,000	\$ -
Live Oak Ridge MS Roof	\$ 135,900	\$ 20,250	\$ 115,650
Leo Buckley Stadium Turf	\$ 2,097,906	\$ 2,007,907	\$ 89,999
Total Construction in Progress	<u>\$ 246,312,476</u>	<u>\$ 208,394,826</u>	<u>\$ 37,917,649</u>

Encumbrances – Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 813,509
National Breakfast & Lunch Program	645,703
ESSER III	635,069
Bond Proposition A	2,938,468
School Building Projects	33,609,257
Nonmajor Governmental Funds	<u>5,755,877</u>
Total	\$ 44,397,883

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2023

**P. Short-Term Debt Payable**

Short-term debt includes payroll liabilities paid from the payroll bank account that are owed back to that account and amounts owed to the state for unclaimed property. A summary of changes in the short-term debt payables is as follows:

Balance, September 1, 2022	\$	3,899,594
Increases		1,496,322
Decreases		-
Balance, August 31, 2023	\$	<u>5,395,916</u>

**Q. Unearned Revenue**

Unearned revenue for the Statement of Net Position at August 31, 2023 consisted of the following:

	General Fund	Special Revenue Fund	Total
Child Nutrition Receipts	\$ -	\$ 284,007	\$ 284,007
Other Unearned Revenue	<u>206,426</u>	<u>3,750,000</u>	<u>3,956,426</u>
Total Unearned Revenue	<u>\$ 206,426</u>	<u>\$ 4,034,007</u>	<u>\$ 4,240,433</u>

**R. Changes in Long-term Liabilities**

Long-term liability activity for the year ended August 31, 2023 was as follows:

**Governmental Activities**

Bonds and Lease Payable:

General Obligation Bonds	\$ 393,750,000	\$ -	\$ 9,990,000	\$ 383,760,000	\$ 10,725,000
Unamortized Premiums on Bonds	<u>39,200,496</u>	-	<u>2,339,443</u>	<u>36,861,053</u>	-
Total Bonds and Lease Payable	<u>432,950,496</u>	-	<u>12,329,443</u>	<u>420,621,053</u>	<u>10,725,000</u>

Other Liabilities:

Net Pension Liability	57,071,481	103,816,942	11,724,337	149,164,086	-
Net OPEB Liability	121,303,062	-	40,292,301	81,010,761	-
Right to Use Leases	1,209,936	353,374	396,463	1,166,847	354,949
SBITA Liability	-	5,359,536	-	5,359,536	1,838,165
Accrued Interest	754,740	-	21,572	733,168	733,168
Compensated Absences	2,619,988	141,765	157,129	2,604,624	2,604,624
Arbitrage Rebate Liability	-	848,037	-	848,037	-
Total Other Liabilities	<u>182,959,207</u>	<u>110,519,654</u>	<u>52,591,802</u>	<u>240,887,059</u>	<u>5,530,906</u>
Total Governmental Activities	<u>\$ 615,909,703</u>	<u>\$ 110,519,654</u>	<u>\$ 64,921,245</u>	<u>\$ 661,508,112</u>	<u>\$ 16,255,906</u>

**S. Leases**

A lease is a contract that conveys control of the right to use another entity’s nonfinancial asset as specified in the contract for a period of time for an exchange. With the implementation of GASB 87, the lessee must record a Lease Asset and Lease Liability for these transactions. The valuation of the lease asset and lease liability is the present value of the lease payments calculated with a 3% implicit rate over the life of the lease term. The lease asset is amortized by the straight-line method over the life of the lease agreement. The liability is amortized at 3% to record the payment of the lease between interest and principal over the life of the lease contract.

Lease asset activity for the year ended August 31, 2023 was as follows:

	<b>Primary Government</b>			
	<b><u>Beginning Balance</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b><u>Ending Balance</u></b>
<b>Governmental activities:</b>				
Lease assets, being depreciated				
Equipment Leases	\$ 1,556,495	\$ 353,374	\$ 124,783	\$ 1,785,086
Total depreciable leases	<u>1,556,495</u>	<u>353,374</u>	<u>124,783</u>	<u>1,785,086</u>
Less accumulated depreciation for:				
Equipment Leases	363,565	358,257	76,903	644,919
Total accumulated depreciation	<u>363,565</u>	<u>358,257</u>	<u>76,903</u>	<u>644,919</u>
Governmental activities capital assets, net	<u>\$ 1,192,930</u>	<u>\$ (4,883)</u>	<u>\$ 47,880</u>	<u>\$ 1,140,167</u>

The lease liability amortization schedule is below:

	Principal	Interest
2023-2024	\$ 354,949	\$ 29,366
2024-2025	365,828	18,460
2025-2026	376,956	7,305
2026-2027	69,114	956
	<u>\$ 1,166,847</u>	<u>\$ 56,087</u>

**T. Subscription-Based Information Technology Arrangements (SBITA)**

The District is under contracts for SBITA for various financial and educational software. The agreements/Contracts are noncancellable and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The District recognizes SBITA’s with an initial individual value of \$100,000 or more.

With the implementation of GASB 96, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The liability is amortized at 3% to record the payment of the SBITA between interest and principal over the life of the SBITA contract. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

SBITA asset activity for the year ended August 31, 2023 was as follows:

	<b>Primary Government</b>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
SBITA assets, being depreciated				
SBITA's	\$ -	\$ 8,154,207	\$ -	\$ 8,154,207
Total depreciable SBITA's	<u>-</u>	<u>8,154,207</u>	<u>-</u>	<u>8,154,207</u>
Less accumulated depreciation for:				
SBITA's	-	1,577,238	-	1,577,238
Total accumulated depreciation	<u>-</u>	<u>1,577,238</u>	<u>-</u>	<u>1,577,238</u>
Governmental activities capital assets, net	<u>\$ -</u>	<u>\$ 6,576,969</u>	<u>\$ -</u>	<u>\$ 6,576,969</u>

The SBITA liability amortization schedule is below:

	Principal	Interest
2023-2024	\$ 1,838,165	\$ 129,289
2024-2025	1,644,018	65,600
2025-2026	1,224,957	26,625
2026-2027	652,398	52
	<u>\$ 5,359,536</u>	<u>\$ 221,566</u>

**U. Arbitrage Rebate Liability**

Arbitrage rebate liabilities, as regulated by the Internal Revenue Service (IRS), are liabilities to the U.S. Department of Treasury created when a tax-exempt entity receives proceeds on tax-exempt bonds and invests those proceeds at a higher interest rate, also known as yield to maturity. This has no effect on the governmental activities but must be recorded in the government wide statements as an interest expense and liability. The liability calculated for fiscal year ending August 31, 2023 was \$848,037.

**V. Subsequent Events**

Beginning January 01, 2024, the District will transition from partially self-funded insurance plan to TRS Active Care Health Insurance.

*(Concluded)*





KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE LAST 9 FISCAL YEARS

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Pension Liability (Asset)	0.251255765%	0.224104483%	0.235696549%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 149,164,086	\$ 57,071,481	\$ 126,234,263
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	198,224,082	94,190,475	206,085,647
Total	<u>\$ 347,388,168</u>	<u>\$ 151,261,956</u>	<u>\$ 332,319,910</u>
District's Covered Payroll	\$ 297,962,528	\$ 284,495,442	\$ 289,129,534
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	50.06%	20.06%	43.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.62%	88.79%	75.54%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015	FY 2015 Plan Year 2014
0.257261398%	0.250246337%	0.239083564%	0.232406944%	0.23791%	0.1657287%
\$ 133,732,517	\$ 137,741,657	\$ 76,446,044	\$ 87,823,128	\$ 84,098,018	\$ 44,268,428
195,193,804	207,701,675	126,881,968	153,377,304	145,919,195	126,018,907
<u>\$ 328,926,321</u>	<u>\$ 345,443,332</u>	<u>\$ 203,328,012</u>	<u>\$ 241,200,432</u>	<u>\$ 230,017,213</u>	<u>\$ 170,287,335</u>
\$ 274,897,917	\$ 271,061,550	\$ 259,686,266	\$ 250,349,801	\$ 238,448,597	\$ 233,634,443
48.65%	50.82%	29.44%	35.08%	35.27%	18.95%
75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE LAST 9 FISCAL YEARS

	2023	2022	2021
Contractually Required Contribution	\$ 14,101,619	\$ 11,724,337	\$ 9,562,757
Contribution in Relation to the Contractually Required Contribution	(14,101,619)	(11,724,337)	(9,562,757)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 333,272,855	\$ 297,962,528	\$ 284,495,442
Contributions as a Percentage of Covered Payroll	4.23%	3.93%	3.36%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

	2020	2019	2018	2017	2016	2015
\$	9,684,262	\$ 8,891,199	\$ 8,306,319	\$ 7,835,764	\$ 7,384,157	\$ 7,091,052
	(9,684,262)	(8,891,199)	(8,223,316)	(7,835,764)	(7,384,157)	(7,091,052)
\$	-	\$ -	\$ 83,003	\$ -	\$ -	\$ -
\$	289,129,534	\$ 274,897,917	\$ 271,061,550	\$ 259,686,266	\$ 250,349,801	\$ 238,448,597
	3.35%	3.23%	3.06%	3.02%	2.95%	2.97%

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE LAST 6 FISCAL YEARS

	FY 2023 Plan Year 2022	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.338334211%	0.314464636%	0.33272178%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 81,010,761	\$ 121,303,062	\$ 126,482,574
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	98,820,401	162,519,070	169,962,260
Total	<u>\$ 179,831,162</u>	<u>\$ 283,822,132</u>	<u>\$ 296,444,834</u>
District's Covered Payroll	\$ 297,962,528	\$ 284,495,442	\$ 289,124,534
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	27.19%	42.64%	43.75%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.52%	6.18%	4.99%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. The amounts for FY 2023 are for the measurement date of August 31, 2022. The amounts reported for FY 2022 are for measurement date August 31, 2021. The amounts reported for FY 2021 are for the measurement date of August 31, 2020. The amounts for FY 2020 are for the measurement date August 31, 2019. The amounts for FY 2019 are for the measurement date August 31, 2018. The amounts for FY 2018 are based on the August 31, 2017 measurement date.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.347975384%	0.328993368%	0.313678687%
\$ 164,561,822	\$ 164,269,400	\$ 136,407,094
218,665,852	226,652,934	203,611,856
<u>\$ 383,227,674</u>	<u>\$ 390,922,334</u>	<u>\$ 340,018,950</u>
\$ 274,897,917	\$ 271,061,550	\$ 259,686,266
59.86%	60.60%	52.53%
2.66%	1.57%	0.91%

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
TEACHER RETIREMENT SYSTEM OF TEXAS  
FOR THE LAST 6 FISCAL YEARS

	2023	2022	2021
Contractually Required Contribution	\$ 2,991,927	\$ 2,778,877	\$ 2,455,769
Contribution in Relation to the Contractually Required Contribution	(2,991,927)	(2,778,877)	(2,455,769)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 333,272,855	\$ 297,962,528	\$ 284,495,442
Contributions as a Percentage of Covered Payroll	0.90%	0.93%	0.86%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

2020	2019	2018
\$ 2,518,875	\$ 2,420,419	\$ 2,319,737
(2,518,875)	(2,420,419)	(2,298,166)
\$ -	\$ -	\$ 21,571
\$ 289,129,534	\$ 274,897,197	\$ 271,061,550
0.87%	0.88%	0.86%

KILLEEN INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY  
INFORMATION FOR THE YEAR ENDED AUGUST 31, 2023

A. Notes to Schedules for the TRS Pension

*Changes of Benefit terms.*

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

*Changes of Assumptions.*

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25 percent to 7.00 percent.

B. Notes to Schedules for the TRS OPEB Plan

*Changes in Benefits.*

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

*Changes in Assumptions.*

The following assumptions, methods and plan changes are specific to TRS-Care and were updated from the prior year's report:

- The discount rate changed from 1.95 percent as of August 31, 2021, to 3.91 percent as of August 31, 2022. Lower participation rates and updates to the health care trend rate assumptions were also factors that decreased the Total OPEB Liability.
- A single discount rate of 3.91 percent was used to measure the total OPEB liability. This was an increase of 1.96 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.



KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2023

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ 13	\$ 876,440	\$ 449,544	\$ 5,339
1120 Investments - Current	-	-	-	-
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes	-	-	-	-
1240 Due from Other Governments	-	5,559,886	1,233,205	25,588
1260 Due from Other Funds	-	3,905	-	-
1290 Other Receivables	-	-	-	-
1300 Inventories	-	-	-	-
1410 Prepayments	-	-	-	-
1900 Other Assets	-	-	-	-
1000 Total Assets	<u>\$ 13</u>	<u>\$ 6,440,231</u>	<u>\$ 1,682,749</u>	<u>\$ 30,927</u>
<b>LIABILITIES</b>				
2110 Accounts Payable	\$ -	\$ 2,942,127	\$ -	\$ -
2120 Short Term Debt Payable - Current	-	185	-	-
2160 Accrued Wages Payable	-	379,308	252,037	11,753
2170 Due to Other Funds	-	3,115,872	1,430,295	19,174
2180 Due to Other Governments	13	2,739	417	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>13</u>	<u>6,440,231</u>	<u>1,682,749</u>	<u>30,927</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable Fund Balance:				
3410 Inventories	-	-	-	-
3425 Endowment Principal	-	-	-	-
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
3480 Retirement of Long-Term Debt	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:				
3510 Construction	-	-	-	-
3545 Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:				
3550 Construction	-	-	-	-
3600 Unassigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 13</u>	<u>\$ 6,440,231</u>	<u>\$ 1,682,749</u>	<u>\$ 30,927</u>

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER School Emergency Relief	282 ESSER III	284 IDEA B Formula ARP Act
\$ 535,753	\$ -	\$ 80,897	\$ 44,571	\$ 51,198	\$ -	\$ -	\$ -
21,239,484	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,867,894	65,153	55,410	396,101	57,228	-	5,945,427	1,397,102
355,097	326,940	-	-	-	-	-	-
1,939	-	-	-	-	-	-	-
358,374	-	-	-	-	-	-	-
-	-	-	-	-	-	15,471	-
-	-	-	-	-	-	-	-
<u>\$ 24,358,541</u>	<u>\$ 392,093</u>	<u>\$ 136,307</u>	<u>\$ 440,672</u>	<u>\$ 108,426</u>	<u>\$ -</u>	<u>\$ 5,960,898</u>	<u>\$ 1,397,102</u>
\$ 1,461,151	\$ -	\$ -	\$ 14,524	\$ 3,937	\$ -	\$ 1,147,457	\$ -
-	-	-	-	-	-	517	-
128,419	1,567	2,978	17,382	25,388	-	21,663	-
704,390	355,328	133,025	408,766	78,614	-	4,791,261	1,397,102
414,329	-	304	-	487	-	-	-
284,007	-	-	-	-	-	-	-
<u>2,992,296</u>	<u>356,895</u>	<u>136,307</u>	<u>440,672</u>	<u>108,426</u>	<u>-</u>	<u>5,960,898</u>	<u>1,397,102</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
358,374	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
21,007,871	35,198	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>21,366,245</u>	<u>35,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 24,358,541</u>	<u>\$ 392,093</u>	<u>\$ 136,307</u>	<u>\$ 440,672</u>	<u>\$ 108,426</u>	<u>\$ -</u>	<u>\$ 5,960,898</u>	<u>\$ 1,397,102</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2023

Data Control Codes	286 Student Achievement Military Conn	287 COVID 19 School Health Support Grant	288 Mobile Talent Military Connected Sch	289 Title IV SSAEP	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 285	\$ -	\$ 11	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	-	-	161,715	205,984
1260	Due from Other Funds	-	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	19	-
1900	Other Assets	-	-	-	-
1000	<b>Total Assets</b>	<b>\$ 285</b>	<b>\$ -</b>	<b>\$ 161,745</b>	<b>\$ 205,984</b>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ -	\$ 63,413
2120	Short Term Debt Payable - Current	-	-	-	-
2160	Accrued Wages Payable	-	-	-	11,020
2170	Due to Other Funds	-	-	161,406	129,995
2180	Due to Other Governments	285	-	39	1,556
2300	Unearned Revenue	-	-	-	-
2000	<b>Total Liabilities</b>	<b>285</b>	<b>-</b>	<b>161,445</b>	<b>205,984</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
3425	Endowment Principal	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	300	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3510	Construction	-	-	-	-
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3550	Construction	-	-	-	-
3600	Unassigned Fund Balance	-	-	-	-
3000	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>-</b>
4000	<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 285</b>	<b>\$ -</b>	<b>\$ 161,745</b>	<b>\$ 205,984</b>

290 2022 EPA Clean School Bus Rebates	386 Regional Day School for the Deaf	397 Advanced Placement Incentives	410 Instructional Materials Allotment	425 SH-Bullet Resistant Shield Grant	429 Read to Succeed	461 Campus Activity Funds	496 National Philanthropic Trust
\$ 3,950,000	\$ 3,071	\$ 150,660	\$ 1,616,063	\$ -	\$ 7,214	\$ 1,435,335	\$ -
-	-	-	-	-	-	-	18,732,605
-	-	-	-	-	-	-	-
-	17,573	-	-	56,104	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 3,950,000</u>	<u>\$ 20,644</u>	<u>\$ 150,660</u>	<u>\$ 1,616,063</u>	<u>\$ 56,104</u>	<u>\$ 7,214</u>	<u>\$ 1,435,335</u>	<u>\$ 18,732,605</u>
\$ 200,000	\$ -	\$ -	\$ 894,760	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	6,038	-	-	-	774	-	-
-	14,606	-	391,065	56,104	-	-	-
-	-	-	-	-	-	-	-
3,750,000	-	-	-	-	-	-	-
<u>3,950,000</u>	<u>20,644</u>	<u>-</u>	<u>1,285,825</u>	<u>56,104</u>	<u>774</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	150,660	330,238	-	6,440	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,435,335	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	18,732,605
<u>-</u>	<u>-</u>	<u>150,660</u>	<u>330,238</u>	<u>-</u>	<u>6,440</u>	<u>1,435,335</u>	<u>18,732,605</u>
<u>\$ 3,950,000</u>	<u>\$ 20,644</u>	<u>\$ 150,660</u>	<u>\$ 1,616,063</u>	<u>\$ 56,104</u>	<u>\$ 7,214</u>	<u>\$ 1,435,335</u>	<u>\$ 18,732,605</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2023

Data Control Codes	498 Music Enrichment Program	499 GEAR UP	Total Nonmajor Special Revenue Funds	599 Debt Service	
<b>ASSETS</b>					
1110	Cash and Cash Equivalents	\$ 3,188	\$ -	\$ 9,209,582	\$ 9,600
1120	Investments - Current	-	-	39,972,089	1,617,146
1220	Property Taxes - Delinquent	-	-	-	547,743
1230	Allowance for Uncollectible Taxes	-	-	-	(82,161)
1240	Due from Other Governments	-	2,850	17,047,220	389,291
1260	Due from Other Funds	-	-	685,942	25,730
1290	Other Receivables	-	-	1,939	-
1300	Inventories	-	-	358,374	-
1410	Prepayments	-	-	15,490	-
1900	Other Assets	-	-	-	-
1000	Total Assets	<u>\$ 3,188</u>	<u>\$ 2,850</u>	<u>\$ 67,290,636</u>	<u>\$ 2,507,349</u>
<b>LIABILITIES</b>					
2110	Accounts Payable	\$ -	\$ -	\$ 6,727,369	\$ -
2120	Short Term Debt Payable - Current	-	-	702	-
2160	Accrued Wages Payable	-	-	858,327	-
2170	Due to Other Funds	-	2,850	13,189,853	-
2180	Due to Other Governments	-	-	420,169	-
2300	Unearned Revenue	-	-	4,034,007	-
2000	Total Liabilities	<u>-</u>	<u>2,850</u>	<u>25,230,427</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Unavailable Revenue - Property Taxes	-	-	-	465,582
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,582</u>
<b>FUND BALANCES</b>					
Nonspendable Fund Balance:					
3410	Inventories	-	-	358,374	-
3425	Endowment Principal	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	21,530,707	-
3480	Retirement of Long-Term Debt	-	-	-	2,041,767
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3510	Construction	-	-	-	-
3545	Other Committed Fund Balance	3,188	-	1,438,523	-
Assigned Fund Balance:					
3550	Construction	-	-	-	-
3600	Unassigned Fund Balance	-	-	18,732,605	-
3000	Total Fund Balances	<u>3,188</u>	<u>-</u>	<u>42,060,209</u>	<u>2,041,767</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 3,188</u>	<u>\$ 2,850</u>	<u>\$ 67,290,636</u>	<u>\$ 2,507,349</u>

617 2017 - 2018 Bond Proposition A	618 2017 - 2018 Bond Proposition B	645 Capital Improvement Projects	687 Impact Aid Section 8007	696 New School Furniture & Equipment	Total Nonmajor Capital Project Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 4,373	\$ -	\$ 656,988	\$ 1,068,941	\$ 10	\$ 1,730,312	\$ 3,022	\$ 10,952,516
9,497,619	-	-	2,016,579	-	11,514,198	718	53,104,151
-	-	-	-	-	-	-	547,743
-	-	-	-	-	-	-	(82,161)
-	-	-	-	-	-	-	17,436,511
-	-	-	-	-	-	-	711,672
-	-	-	-	-	-	-	1,939
-	-	-	-	-	-	-	358,374
-	-	-	-	-	-	-	15,490
-	-	-	-	-	-	193,507	193,507
<u>\$ 9,501,992</u>	<u>\$ -</u>	<u>\$ 656,988</u>	<u>\$ 3,085,520</u>	<u>\$ 10</u>	<u>\$ 13,244,510</u>	<u>\$ 197,247</u>	<u>\$ 83,239,742</u>
\$ 1,904,178	\$ -	\$ 36,848	\$ -	\$ -	\$ 1,941,026	\$ -	\$ 8,668,395
59	-	-	-	-	59	-	761
-	-	-	-	-	-	-	858,327
16,379	-	-	1,697,396	10	1,713,785	-	14,903,638
-	-	-	-	-	-	-	420,169
-	-	-	-	-	-	-	4,034,007
<u>1,920,616</u>	<u>-</u>	<u>36,848</u>	<u>1,697,396</u>	<u>10</u>	<u>3,654,870</u>	<u>-</u>	<u>28,885,297</u>
-	-	-	-	-	-	-	465,582
-	-	-	-	-	-	-	465,582
-	-	-	-	-	-	-	358,374
-	-	-	-	-	-	189,715	189,715
-	-	-	1,388,124	-	1,388,124	-	22,918,831
-	-	-	-	-	-	-	2,041,767
-	-	-	-	-	-	7,532	7,532
5,223,642	-	-	-	-	5,223,642	-	5,223,642
-	-	-	-	-	-	-	1,438,523
2,357,734	-	620,140	-	-	2,977,874	-	2,977,874
-	-	-	-	-	-	-	18,732,605
<u>7,581,376</u>	<u>-</u>	<u>620,140</u>	<u>1,388,124</u>	<u>-</u>	<u>9,589,640</u>	<u>197,247</u>	<u>53,888,863</u>
<u>\$ 9,501,992</u>	<u>\$ -</u>	<u>\$ 656,988</u>	<u>\$ 3,085,520</u>	<u>\$ 10</u>	<u>\$ 13,244,510</u>	<u>\$ 197,247</u>	<u>\$ 83,239,742</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	14,748,249	7,412,568	176,854
5020 Total Revenues	-	14,748,249	7,412,568	176,854
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	-	10,510,304	6,213,051	95,127
0012 Instructional Resources and Media Services	-	129,136	-	-
0013 Curriculum and Instructional Staff Development	-	2,789,389	180,110	-
0021 Instructional Leadership	-	22,153	-	-
0023 School Leadership	-	19,578	-	-
0031 Guidance, Counseling, and Evaluation Services	-	136,067	265,713	81,727
0032 Social Work Services	-	-	753,694	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	401,916	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	96,467	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	643,239	-	-
<b>Debt Service:</b>				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	-	14,748,249	7,412,568	176,854
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	-	-	-	-
7913 Proceeds of Right-to-Use Lease	-	-	-	-
7915 Transfers In	-	-	-	-
7949 Proceeds of SBITAs and Other Resources	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER School Emergency Relief	282 ESSER III	284 IDEA B Formula ARP Act
\$ 3,791,370	\$ 3,893	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109,870	-	-	-	-	-	-	-
26,222,813	392,093	735,390	1,227,068	399,029	1	6,713,524	1,397,102
30,124,053	395,986	735,390	1,227,068	399,029	1	6,713,524	1,397,102
-	-	413,322	-	24,219	1	2,699,931	1,231,852
-	-	-	-	-	-	-	-
-	-	-	1,196,482	362,328	-	2,268	-
-	-	-	-	483	-	-	-
-	-	-	30,586	1,852	-	-	-
-	-	322,068	-	-	-	18,883	157,196
-	-	-	-	-	-	534,285	-
-	-	-	-	-	-	6,619	8,054
-	-	-	-	-	-	-	-
27,536,169	360,788	-	-	-	-	1,858	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
41,450	-	-	-	-	-	3,449,680	-
-	-	-	-	-	-	-	-
-	-	-	-	10,147	-	-	-
72,245	-	-	-	-	-	-	-
2,088	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
27,651,952	360,788	735,390	1,227,068	399,029	1	6,713,524	1,397,102
2,472,101	35,198	-	-	-	-	-	-
16,897	-	-	-	-	-	-	-
12,116	-	-	-	-	-	-	-
723,116	-	-	-	-	-	-	-
133,006	-	-	-	-	-	-	-
-	(359,150)	-	-	-	-	-	-
885,135	(359,150)	-	-	-	-	-	-
3,357,236	(323,952)	-	-	-	-	-	-
18,009,009	359,150	-	-	-	-	-	-
\$ 21,366,245	\$ 35,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	286 Student Achievement Military Conn	287 COVID 19 School Health Support Grant	288 Mobile Talent Military Connected Sch	289 Title IV SSAEP
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	288,671	209,534	866,097
5020 Total Revenues	-	288,671	209,534	866,097
<b>EXPENDITURES:</b>				
<b>Current:</b>				
0011 Instruction	-	-	196,454	567,157
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	-	3,243	248,604
0021 Instructional Leadership	-	-	9,837	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	1,199
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	288,671	-	-
0052 Security and Monitoring Services	-	-	-	49,137
0061 Community Services	-	-	-	-
<b>Debt Service:</b>				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
<b>Capital Outlay:</b>				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	-	288,671	209,534	866,097
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	-	-	-	-
7913 Proceeds of Right-to-Use Lease	-	-	-	-
7915 Transfers In	-	-	-	-
7949 Proceeds of SBITAs and Other Resources	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	300	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ 300	\$ -

290	386	397	410	425	429	461	496
2022 EPA Clean School Bus Rebates	Regional Day School for the Deaf	Advanced Placement Incentives	Instructional Materials Allotment	SH-Bullet Resistant Shield Grant	Read to Succeed	Campus Activity Funds	National Philanthropic Trust
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,979,516	\$ 18,732,605
-	79,268	-	3,882,028	56,104	100	-	-
200,000	-	-	-	-	-	-	-
200,000	79,268	-	3,882,028	56,104	100	1,979,516	18,732,605
-	79,268	-	3,323,468	-	101	924,756	-
-	-	-	-	-	-	-	-
-	-	-	284,784	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	427,835	-
-	-	-	3,048	-	-	-	-
-	-	-	-	-	-	-	-
200,000	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	419,979	-
-	-	-	675	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	56,104	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
200,000	79,268	-	3,611,975	56,104	101	1,772,570	-
-	-	-	270,053	-	(1)	206,946	18,732,605
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	580	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	580	-
-	-	-	270,053	-	(1)	207,526	18,732,605
-	-	150,660	60,185	-	6,441	1,227,809	-
\$ -	\$ -	\$ 150,660	\$ 330,238	\$ -	\$ 6,440	\$ 1,435,335	\$ 18,732,605

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	498 Music Enrichment Program	499 GEAR UP	Total Nonmajor Special Revenue Funds	599 Debt Service
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 8,143	\$ -	\$ 24,515,527	\$ 18,757,954
5800 State Program Revenues	-	11,448	4,138,818	10,071,779
5900 Federal Program Revenues	-	-	60,988,993	-
5020 Total Revenues	<u>8,143</u>	<u>11,448</u>	<u>89,643,338</u>	<u>28,829,733</u>
<b>EXPENDITURES:</b>				
Current:				
0011 Instruction	-	11,448	26,290,459	-
0012 Instructional Resources and Media Services	-	-	129,136	-
0013 Curriculum and Instructional Staff Development	-	-	5,067,208	-
0021 Instructional Leadership	-	-	32,473	-
0023 School Leadership	-	-	479,851	-
0031 Guidance, Counseling, and Evaluation Services	-	-	985,901	-
0032 Social Work Services	-	-	1,287,979	-
0033 Health Services	-	-	14,673	-
0034 Student (Pupil) Transportation	-	-	601,916	-
0035 Food Services	-	-	27,898,815	-
0036 Extracurricular Activities	9,320	-	429,299	-
0041 General Administration	-	-	675	-
0051 Facilities Maintenance and Operations	-	-	3,876,268	-
0052 Security and Monitoring Services	-	-	105,241	-
0061 Community Services	-	-	653,386	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	72,245	9,990,000
0072 Interest on Long-Term Liabilities	-	-	2,088	17,110,950
0073 Bond Issuance Cost and Fees	-	-	-	8,100
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	<u>9,320</u>	<u>11,448</u>	<u>67,927,613</u>	<u>27,109,050</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,177)</u>	<u>-</u>	<u>21,715,725</u>	<u>1,720,683</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	-	-	16,897	-
7913 Proceeds of Right-to-Use Lease	-	-	12,116	-
7915 Transfers In	3,259	-	726,955	-
7949 Proceeds of SBITAs and Other Resources	-	-	133,006	-
8911 Transfers Out (Use)	-	-	(359,150)	-
7080 Total Other Financing Sources (Uses)	<u>3,259</u>	<u>-</u>	<u>529,824</u>	<u>-</u>
1200 Net Change in Fund Balance	2,082	-	22,245,549	1,720,683
0100 Fund Balance - September 1 (Beginning)	1,106	-	19,814,660	321,084
3000 Fund Balance - August 31 (Ending)	<u>\$ 3,188</u>	<u>\$ -</u>	<u>\$ 42,060,209</u>	<u>\$ 2,041,767</u>

617 2017 - 2018 Bond Proposition A	618 2017 - 2018 Bond Proposition B	645 Capital Improvement Projects	687 Impact Aid Section 8007	696 New School Furniture & Equipment	Total Nonmajor Capital Project Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 2,261,201	\$ 63,781	\$ 6,814	\$ 84,414	\$ 10	\$ 2,416,220	\$ 803	\$ 45,690,504
-	-	-	-	-	-	-	14,210,597
-	-	-	1,418,865	-	1,418,865	-	62,407,858
2,261,201	63,781	6,814	1,503,279	10	3,835,085	803	122,308,959
2,403,808	295,255	-	-	-	2,699,063	-	28,989,522
491,715	616	-	-	-	492,331	-	621,467
234	-	-	-	-	234	-	5,067,442
-	-	-	-	-	-	-	32,473
58,921	-	1,263	-	-	60,184	-	540,035
17,994	1,315	-	-	-	19,309	-	1,005,210
-	-	-	-	-	-	-	1,287,979
-	-	-	-	-	-	-	14,673
-	-	-	-	-	-	-	601,916
35	-	-	239,550	-	239,585	-	28,138,400
917,378	329,719	-	-	-	1,247,097	-	1,676,396
-	140	-	-	-	140	-	815
390,232	349,934	1,899,874	418,505	-	3,058,545	-	6,934,813
-	-	-	-	-	-	-	105,241
-	-	-	-	-	-	-	653,386
-	-	-	-	-	-	-	10,062,245
-	-	-	-	-	-	-	17,113,038
-	-	-	-	-	-	-	8,100
41,886,062	3,603,012	-	1,039,341	-	46,528,415	-	46,528,415
46,166,379	4,579,991	1,901,137	1,697,396	-	54,344,903	-	149,381,566
(43,905,178)	(4,516,210)	(1,894,323)	(194,117)	10	(50,509,818)	803	(27,072,607)
-	-	-	-	-	-	-	16,897
-	-	-	-	-	-	-	12,116
-	-	600,000	-	-	600,000	-	1,326,955
-	-	-	-	-	-	-	133,006
-	-	-	-	(10)	(10)	-	(359,160)
-	-	600,000	-	(10)	599,990	-	1,129,814
(43,905,178)	(4,516,210)	(1,294,323)	(194,117)	-	(49,909,828)	803	(25,942,793)
51,486,554	4,516,210	1,914,463	1,582,241	-	59,499,468	196,444	79,831,656
\$ 7,581,376	\$ -	\$ 620,140	\$ 1,388,124	\$ -	\$ 9,589,640	\$ 197,247	\$ 53,888,863

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 AUGUST 31, 2023

	865 Student Activity Fund	882 FLEX	Total Custodial Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 481,273	\$ 246,180	\$ 727,453
Investments - Current	-	46,599	46,599
Other Receivables	-	16,592	16,592
Total Assets	<u>481,273</u>	<u>309,371</u>	<u>790,644</u>
<b>LIABILITIES</b>			
Accounts Payable	2,700	-	2,700
Payable from Restricted Assets	-	309,371	309,371
Total Liabilities	<u>2,700</u>	<u>309,371</u>	<u>312,071</u>
<b>NET POSITION</b>			
Restricted for Student Clubs	<u>478,573</u>	-	478,573
Total Net Position	<u>\$ 478,573</u>	<u>\$ -</u>	<u>\$ 478,573</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2023

	865 Student Activity Fund	882 FLEX	Total Custodial Funds
<b>ADDITIONS:</b>			
Contributions and Donations	\$ 29,666	\$ -	\$ 29,666
Dues	63,603	-	63,603
Fundraising	343,984	-	343,984
Other	93,924	-	93,924
Total Additions	531,177	-	531,177
<b>DEDUCTIONS:</b>			
Professional and Contracted Services	18,795	-	18,795
Other Deductions	364,112	-	364,112
Donations	7,848	-	7,848
Dues	337	-	337
Scholarships	1,000	-	1,000
Supplies	251,590	-	251,590
Travel	86,400	-	86,400
Total Deductions	730,082	-	730,082
Change in Net Position	(198,905)	-	(198,905)
Net Position - September 1 (Beginning)	677,478	-	677,478
Net Position - August 31 (Ending)	\$ 478,573	\$ -	\$ 478,573

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 AUGUST 31, 2023

	820 Campus Scholarships	821 Miscellaneous Scholarships	823 Board Scholarships	Total Private Purpose Trust Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 3,614	\$ 13,320	\$ 16,934
Investments - Current	-	1,389	-	1,389
Long Term Investments	-	-	2,716,796	2,716,796
Total Assets	<u>-</u>	<u>5,003</u>	<u>2,730,116</u>	<u>2,735,119</u>
<b>NET POSITION</b>				
Unrestricted Net Position	-	5,003	2,730,116	2,735,119
Total Net Position	<u>\$ -</u>	<u>\$ 5,003</u>	<u>\$ 2,730,116</u>	<u>\$ 2,735,119</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2023

	820 Campus Scholarships	821 Miscellaneous Scholarships	823 Board Scholarships	Total Private Purpose Trust Funds
ADDITIONS:				
Earnings from Endowments	\$ -	\$ -	\$ 266,372	\$ 266,372
Earnings from Temporary Deposits	-	90	32	122
Miscellaneous Additions	-	-	3,500	3,500
Total Additions	<u>-</u>	<u>90</u>	<u>269,904</u>	<u>269,994</u>
DEDUCTIONS:				
Other Deductions	<u>2,096</u>	<u>6,255</u>	<u>97,000</u>	<u>105,351</u>
Total Deductions	<u>2,096</u>	<u>6,255</u>	<u>97,000</u>	<u>105,351</u>
Change in Net Position	(2,096)	(6,165)	172,904	164,643
Net Position - September 1 (Beginning)	<u>2,096</u>	<u>11,168</u>	<u>2,557,212</u>	<u>2,570,476</u>
Net Position - August 31 (Ending)	<u>\$ -</u>	<u>\$ 5,003</u>	<u>\$ 2,730,116</u>	<u>\$ 2,735,119</u>



# **REQUIRED TEA SCHEDULES**

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FISCAL YEAR ENDED AUGUST 31, 2023

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2014 and prior years	Various	Various	\$ 13,178,083,195
2015	1.040000	0.088000	6,874,498,077
2016	1.040000	0.088000	6,875,938,224
2017	1.040000	0.086000	7,134,304,781
2018	1.040000	0.070000	7,687,533,454
2019	1.040000	0.220000	7,771,452,212
2020	0.970000	0.191100	8,000,980,866
2021	0.920000	0.169400	8,666,050,314
2022	0.872000	0.171200	9,537,515,047
2023 (School year under audit)	0.854600	0.162000	11,313,085,664
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.115, Tax Code			

(10) Beginning Balance 9/1/2022	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2023
\$ 219,265	\$ -	\$ 22,039	\$ 1,864	\$ (2,590)	\$ 192,770
62,956	-	4,296	364	(16)	58,280
82,795	-	5,510	466	(53)	76,766
99,554	-	7,252	600	(54)	91,648
126,132	-	(7,240)	(487)	(20,392)	113,467
155,027	-	7,859	1,663	(263)	145,242
224,366	-	16,449	3,241	(18,470)	186,206
346,978	-	(19,574)	(3,604)	(62,321)	307,835
1,054,890	-	234,738	46,086	(275,380)	498,686
-	121,357,359	98,379,494	18,649,050	(2,313,128)	2,015,687
<u>\$ 2,371,963</u>	<u>\$ 121,357,359</u>	<u>\$ 98,650,823</u>	<u>\$ 18,699,243</u>	<u>\$ (2,692,667)</u>	<u>\$ 3,686,587</u>
		<u>\$ (308,172)</u>			

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
5700 Total Local and Intermediate Sources	\$ 2,332,347	\$ 3,952,350	\$ 3,791,370	\$ (160,980)
5800 State Program Revenues	72,670	109,870	109,870	-
5900 Federal Program Revenues	20,231,948	26,699,859	26,222,813	(477,046)
5020 Total Revenues	22,636,965	30,762,079	30,124,053	(638,026)
<b>EXPENDITURES:</b>				
Current:				
0035 Food Services	26,397,645	29,271,992	27,536,169	1,735,823
0051 Facilities Maintenance and Operations	7,072	46,665	41,450	5,215
Debt Service:				
0071 Principal on Long-Term Liabilities	-	67,641	72,245	(4,604)
0072 Interest on Long-Term Liabilities	-	10,271	2,088	8,183
6030 Total Expenditures	26,404,717	29,396,569	27,651,952	1,744,617
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,767,752)	1,365,510	2,472,101	1,106,591
<b>OTHER FINANCING SOURCES (USES):</b>				
7912 Sale of Real and Personal Property	-	16,897	16,897	-
7913 Proceeds of Right-to-Use Lease	-	-	12,116	12,116
7915 Transfers In	-	723,116	723,116	-
7949 Proceeds of SBITAs and Other Resources	-	287,552	133,006	(154,546)
7080 Total Other Financing Sources (Uses)	-	1,027,565	885,135	(142,430)
1200 Net Change in Fund Balances	(3,767,752)	2,393,075	3,357,236	964,161
0100 Fund Balance - September 1 (Beginning)	-	18,009,009	18,009,009	-
3000 Fund Balance - August 31 (Ending)	\$ (3,767,752)	\$ 20,402,084	\$ 21,366,245	\$ 964,161

KILLEEN INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 19,115,218	\$ 18,577,487	\$ 18,757,954	\$ 180,467
5800 State Program Revenues	8,179,787	8,181,691	10,071,779	1,890,088
5020 Total Revenues	27,295,005	26,759,178	28,829,733	2,070,555
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	9,990,000	9,990,000	9,990,000	-
0072 Interest on Long-Term Liabilities	17,110,950	17,110,950	17,110,950	-
0073 Bond Issuance Cost and Fees	-	7,700	8,100	(400)
6030 Total Expenditures	27,100,950	27,108,650	27,109,050	(400)
1200 Net Change in Fund Balances	194,055	(349,472)	1,720,683	2,070,155
0100 Fund Balance - September 1 (Beginning)	-	321,084	321,084	-
3000 Fund Balance - August 31 (Ending)	\$ 194,055	\$ (28,388)	\$ 2,041,767	\$ 2,070,155

KILLEEN INDEPENDENT SCHOOL DISTRICT  
STATE COMPENSATORY EDUCATION AND BILINGUAL EDUCATION PROGRAM EXPENDITURES  
FOR THE YEAR ENDED AUGUST 31, 2023

---

**Section A: Compensatory Education Programs**

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	40,847,142
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	15,384,703

**Section B: Bilingual Education Programs**

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	2,676,662
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year.	1,624,058



**KILLEEN INDEPENDENT SCHOOL DISTRICT**

*Bond Schedule*

*Fiscal Year Ended August 31, 2023*

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 9/1/22	20 Issued Current Year
6/15/2017	Unlimited Tax Refunding Bond, Series 2017	2.0 to 4.5%	8,550,000	7,930,000	-
8/21/2018	Unlimited Tax School Building Bonds, Series 2018	3.5 to 5.0%	269,785,000	255,060,000	-
8/13/2019	Unlimited Tax School Building Bonds, Series 2019	3.0 to 5.0%	115,610,000	115,610,000	-
11/19/2019	Unlimited Tax Refunding Bond, Series 2019	3.0 to 5.0%	12,020,000	4,140,000	-
11/19/2020	Unlimited Tax Refunding Bond, Series 2020	3.0 to 5.0%	11,115,000	11,010,000	-
	Sub-total:		417,080,000	393,750,000	-
	Unamortized Premiums (discount)		-	39,200,496	-
1000	TOTAL		<u>\$ 417,080,000</u>	<u>\$ 432,950,496</u>	<u>\$ -</u>

\*Bonds payable Series 2017

Principal amount of Capital Interest Bonds \$ 8,550,000

\*\*Bonds payable Series 2018

Principal amount of Capital Interest Bonds \$ 269,785,000

\*\*\*Bonds payable Series 2019

Principal amount of Capital Interest Bonds \$ 115,610,000

\*\*\*\*Bonds payable Series 2019

Principal amount of Capital Interest Bonds \$ 12,020,000

\*\*\*\*\*Bonds payable Series 2020

Principal amount of Capital Interest Bonds \$ 11,115,000

30 Retired Current Year	40 Amounts Outstanding 8/31/23	50 Interest Current Year	Requirements				I 9/1/25 To Maturity Interest
			Year Ending - 8/31/24		Year Ending - 8/31/25		
			60 Principal	70 Interest	80 Principal	90 Interest	
95,000	7,835,000	329,325	100,000	327,375	105,000	325,325	342,338
5,730,000	249,330,000	11,794,900	6,255,000	11,495,275	6,235,000	11,183,025	109,309,475
-	115,610,000	4,340,500	70,000	4,339,450	400,000	4,328,400	52,031,550
4,140,000	-	103,500	-	-	-	-	-
25,000	10,985,000	542,725	4,300,000	434,850	4,530,000	214,100	105,625
9,990,000	383,760,000	17,110,950	10,725,000	16,596,950	11,270,000	16,050,850	161,788,988
2,339,443	36,861,053	-	-	-	-	-	-
<u>\$ 12,329,443</u>	<u>\$ 420,621,053</u>	<u>\$ 17,110,950</u>	<u>\$ 10,725,000</u>	<u>\$ 16,596,950</u>	<u>\$ 11,270,000</u>	<u>\$ 16,050,850</u>	<u>\$ 161,788,988</u>

## Other debt service expenditures:

6599 - Fees:

2017	500
2018	400
2019	3,700
ref 2019	3,500
2020	
	<u>\$ 8,100</u>

**KILLEEN INDEPENDENT SCHOOL DISTRICT**

Mandated Programs Schedule  
General Fund

Fiscal Year Ended August 31, 2023

Data Control Codes	11 Basic Educational Services	21 Gifted and Talented	22 Career and Technology	23 Special Education	24 Accelerated Education	25 Bilingual/ ESL	26 Non-Disciplinary Alternative Education	28 Disciplinary Alternative Education	29 Disciplinary Alternative Education
<b>EXPENDITURES:</b>									
11 INSTRUCTION-									
6100 Payroll costs	\$ 156,755,832	\$ 23,399	\$ 4,632,918	\$ 34,009,190	\$ 5,192,905	\$ 578,762	\$ 1,458,351	\$ 3,018,441	\$ -
6200 Contract services	5,417,185	60,084	391,138	3,716,933	1,105,094	13,991	-	6,077	-
6300 Supplies and materials	4,478,349	141,054	1,927,464	171,671	204,896	221,636	18,864	43,774	-
6400 Other operating	677,240	26,014	43,866	65,558	5,929	-	4,677	118	-
6500 Debt service	-	-	-	-	-	-	-	-	-
6600 Capital outlay	2,070,509	-	564,268	5,168	-	-	-	-	-
<b>Total Instruction</b>	<b>169,399,115</b>	<b>250,551</b>	<b>7,559,654</b>	<b>37,968,520</b>	<b>6,508,824</b>	<b>814,389</b>	<b>1,481,892</b>	<b>3,068,410</b>	<b>-</b>
12-99 ALL OTHER FUNCTIONS-									
6100 Payroll costs	-	1,587	659,718	7,356,313	906,728	55,438	247,865	248,755	123,603
6200 Contract services	-	122,006	1,205,405	1,088,038	719,257	31,770	3,500	1,950	-
6300 Supplies and materials	-	2,293	38,835	280,754	4,867	21,448	5,309	387	966
6400 Other operating	-	84,075	375,898	52,093	99,455	29,817	2,011	848	-
6500 Debt service	-	-	-	-	-	-	-	-	-
6600 Capital outlay	-	-	-	-	-	-	-	-	-
6900 Facilities Acquisition & Construction	-	-	-	-	-	-	-	-	-
<b>Total Other Functions</b>	<b>-</b>	<b>209,961</b>	<b>2,279,856</b>	<b>8,777,198</b>	<b>1,730,307</b>	<b>138,473</b>	<b>258,685</b>	<b>251,940</b>	<b>124,569</b>
<b>Total Expenditures</b>	<b>\$ 169,399,115</b>	<b>\$ 460,512</b>	<b>\$ 9,839,510</b>	<b>\$ 46,745,718</b>	<b>\$ 8,239,131</b>	<b>\$ 952,862</b>	<b>\$ 1,740,577</b>	<b>\$ 3,320,350</b>	<b>\$ 124,569</b>

30	32	33	35	36	37	38	43	91	99	TOTALS
Title I, Part A School Wide Campuses	Prekindergarten	Prekindergarten Special Education	Pre-K Bilingual	Early Education	Dyslexia	College, Career & Military Read	Dyslexia SpEd	Athletics	Other Expenditures	August 31, 2023
\$ 1,052,226	\$ 12,737,075	\$ 2,790,678	\$ 671,197	\$ 14,109,877	\$ 5,362,148	\$ -	\$ -	\$ -	\$ -	\$ 242,392,999
177,037	-	58,995	-	-	-	-	-	-	7,330	10,953,864
493,681	-	23,671	-	-	20,423	15,616	-	-	-	7,761,099
81,825	-	-	-	-	-	-	-	-	60	905,287
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	2,639,945
<u>1,804,769</u>	<u>12,737,075</u>	<u>2,873,344</u>	<u>671,197</u>	<u>14,109,877</u>	<u>5,382,571</u>	<u>15,616</u>	<u>-</u>	<u>-</u>	<u>7,390</u>	<u>264,653,194</u>
4,892	-	12,493	-	-	-	518,543	40,798	5,929,214	127,434,401	143,540,348
38,200	-	500	-	-	-	4,671	-	814,572	20,453,984	24,483,853
16,072	-	3,258	-	-	24,630	13,093	-	1,381,457	9,150,065	10,943,434
96,143	-	737	-	-	1,825	20,391	-	2,056,494	7,183,708	10,003,495
-	-	-	-	-	-	-	-	-	2,346,822	2,346,822
-	-	-	-	-	-	-	-	68,404	8,650,639	8,719,043
-	-	-	-	-	-	-	-	-	-	-
<u>155,307</u>	<u>-</u>	<u>16,988</u>	<u>-</u>	<u>-</u>	<u>26,455</u>	<u>556,698</u>	<u>40,798</u>	<u>10,250,141</u>	<u>175,219,619</u>	<u>200,036,995</u>
<u>\$ 1,960,076</u>	<u>\$ 12,737,075</u>	<u>\$ 2,890,332</u>	<u>\$ 671,197</u>	<u>\$ 14,109,877</u>	<u>\$ 5,409,026</u>	<u>\$ 572,314</u>	<u>\$ 40,798</u>	<u>\$ 10,250,141</u>	<u>\$ 175,227,009</u>	<u>\$ 464,690,189</u>



# STATISTICAL SECTION

This part of the Killeen Independent School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

## Contents

### Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

### Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**Schedule 1**  
**Killeen Independent School District**  
**Net Position by Component, Last Ten Fiscal Years**  
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities				
Net Investment in Capital Assets	\$ 321,814,494	\$ 321,215,852	\$ 329,712,403	\$ 379,077,668
Restricted	18,618,614	19,898,271	62,931,188	17,167,481
Unrestricted	<u>183,203,050</u>	<u>158,322,950</u>	<u>123,742,246</u>	<u>129,304,444</u>
Total primary government net position	<u>\$ 523,636,158</u>	<u>\$ 499,437,073</u>	<u>\$ 516,385,837</u>	<u>\$ 525,549,593</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 363,526,616	\$ 389,562,467	\$ 418,269,956	\$ 408,700,785	\$ 396,841,897	\$ 412,798,443
13,344,005	18,221,610	42,292,920	40,952,442	56,336,595	65,297,910
<u>(30,227,475)</u>	<u>(46,208,560)</u>	<u>(88,543,772)</u>	<u>(31,835,525)</u>	<u>(13,305,235)</u>	<u>8,477,623</u>
<u>\$ 346,643,146</u>	<u>\$ 361,575,517</u>	<u>\$ 372,019,104</u>	<u>\$ 417,817,702</u>	<u>\$ 439,873,257</u>	<u>\$ 486,573,976</u>

**Schedule 2**  
**Killeen Independent School District**  
**Expenses, Program Revenues, and Net (Expense)/Revenue**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Expenses</b>			
Governmental activities:			
Instruction	\$ 219,653,770	\$ 228,071,692	\$ 250,934,636
Instructional resources and media services	9,830,820	10,268,629	10,784,665
Curriculum development/instructional staff development	12,384,948	11,614,326	12,020,271
Instructional leadership	3,334,539	3,750,220	4,979,844
School leadership	20,489,121	21,118,474	24,087,766
Guidance, counseling and evaluation services	13,481,571	13,970,302	16,097,201
Social work services	1,343,423	1,454,180	1,650,526
Health services	3,680,693	3,910,343	4,346,573
Student (pupil) transportation	11,710,173	12,005,357	14,255,248
Food services	20,865,230	20,350,881	23,876,939
Extracurricular activities	8,316,108	9,302,440	10,582,586
General administration	6,868,667	7,356,181	9,247,770
Facilities maintenance and operations	32,747,412	36,860,862	34,151,020
Security and monitoring services	3,104,059	3,020,471	3,738,461
Data processing services	4,838,653	4,675,761	4,815,343
Community services	1,238,953	1,152,262	1,248,317
Debt service	3,040,300	2,690,706	2,011,243
Bond issuance cost and fees	2,050	142,598	-
Facilities acquisition and construction	-	-	-
Payments to fiscal agent/member districts of SSA	-	-	-
Payments to JJAEP	-	-	-
Other Intergovernmental Charges	754,102	773,730	781,897
Total primary government expenses	<u>377,684,592</u>	<u>392,489,415</u>	<u>429,610,306</u>
<b>Program Revenues</b>			
Charges for services			
Instruction	1,568,456	427,396	395,663
Curriculum development/instructional staff development	-	-	-
Instructional leadership	-	-	-
School leadership	-	-	-
Food services	5,030,240	4,821,777	3,935,898
Extracurricular activities	1,539,570	1,745,741	1,767,481
General administration	46,319	41,357	52,691
Plant maintenance and operations	30,880	41,357	52,691
Security and monitoring services	-	-	-
Community services	30,880	41,357	52,691
Capital Outlay	-	-	-
Juvenile justice alternative education program	-	-	-
Operating grants and contributions	46,734,614	47,029,247	56,430,116
Total primary government program revenues	<u>54,980,959</u>	<u>54,148,232</u>	<u>62,687,231</u>
<b>Net (Expense)/Revenue</b>			
Total primary government net expense	<u>\$ (322,703,633)</u>	<u>\$ (338,341,183)</u>	<u>\$ (366,923,075)</u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	249,023,048	\$ 178,297,436	\$ 278,326,507	\$ 309,712,600	\$ 295,387,640	\$ 267,647,424	\$ 303,892,343
	10,834,224	7,337,556	11,963,196	12,223,515	12,089,943	12,888,248	12,505,031
	12,029,200	9,309,204	13,359,411	12,793,306	13,086,089	11,760,711	14,142,641
	5,086,230	4,233,292	6,083,804	6,766,239	6,859,999	6,618,331	7,072,369
	24,526,160	16,625,007	26,941,109	27,162,193	26,475,667	26,011,453	29,497,526
	15,794,318	11,202,602	19,849,307	22,812,605	24,344,882	24,125,510	27,403,392
	1,773,561	1,330,754	2,187,245	2,251,368	2,216,473	2,233,995	3,112,551
	4,557,775	3,192,477	5,171,915	5,503,853	5,457,958	5,118,968	5,654,793
	13,275,651	9,632,454	13,491,676	17,937,999	12,449,328	13,866,597	14,978,158
	22,130,762	17,438,093	21,915,692	18,992,469	19,176,841	26,131,392	30,184,641
	11,426,312	9,220,287	11,038,722	11,172,645	10,538,968	13,939,949	17,171,431
	9,566,569	7,750,993	9,915,304	10,938,006	9,835,589	30,302,664	48,683,944
	37,738,798	31,702,520	44,074,144	44,686,583	49,662,936	54,831,122	53,061,120
	3,418,675	2,918,987	4,183,384	4,760,110	5,765,864	5,314,355	5,606,625
	5,751,752	4,049,860	5,809,385	6,660,743	6,447,708	6,564,814	5,903,482
	1,352,246	924,337	1,283,431	1,260,899	1,251,917	1,342,263	1,509,600
	1,321,861	1,479,493	12,620,752	13,672,720	14,656,215	15,688,377	15,955,477
	-	2,011,140	1,015,066	163,520	163,245	7,500	8,100
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	8,446	3,621	14,022	-
	813,547	846,711	871,080	925,861	861,240	876,518	803,686
	<u>430,420,689</u>	<u>319,503,203</u>	<u>490,101,130</u>	<u>530,405,680</u>	<u>516,732,123</u>	<u>525,284,213</u>	<u>597,146,910</u>
	878,077	758,831	1,207,200	712,019	461,589	992,734	1,255,872
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	183,657	98,796	150,896	267,471	475,084
	3,364,061	2,869,827	2,791,433	460,882	468,474	721,554	2,930,713
	1,724,071	1,513,187	665,649	153,112	441,611	807,313	1,083,544
	134,091	5,831	-	-	-	-	-
	134,091	684,517	98,465	-	-	-	-
	-	20,303	72,832	17,173	35,111	-	-
	134,091	92,907	99,716	64,731	102,525	123,616	142,448
	-	-	-	247,495	-	-	-
	-	-	-	-	-	-	-
	55,929,625	(12,542,980)	73,741,613	47,757,760	69,014,384	83,414,620	86,125,242
	<u>62,298,107</u>	<u>(6,597,577)</u>	<u>78,860,565</u>	<u>49,511,968</u>	<u>70,674,590</u>	<u>86,327,308</u>	<u>92,012,903</u>
\$	<u>(368,122,582)</u>	<u>(326,100,780)</u>	<u>(411,240,565)</u>	<u>(480,893,712)</u>	<u>(446,057,533)</u>	<u>(438,956,905)</u>	<u>(505,134,007)</u>

**Schedule 3**  
**Killeen Independent School District**  
**General Revenues and Total Change in Net Position,**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Net (Expense)/Revenue</b>				
Total primary government net expense	\$ (322,703,633)	\$ (338,341,183)	\$ (366,923,075)	\$ (368,122,582)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	65,963,530	67,180,493	67,273,276	69,658,384
Property taxes levied for debt service	5,575,030	5,682,338	5,689,987	5,757,954
State Aid - formula grants	207,448,819	216,884,667	233,776,942	216,501,752
Grants and contributions not restricted	55,592,180	69,680,229	74,217,287	81,267,076
Investment earnings	336,491	261,972	1,148,363	1,844,819
Miscellaneous	2,053,507	4,608,713	1,765,984	2,256,353
Transfers In (Out)	-	-	-	-
Total primary government	<u>336,969,557</u>	<u>364,298,412</u>	<u>383,871,839</u>	<u>377,286,338</u>
<b>Change in Net Position</b>				
Total primary government	<u>\$ 14,265,924</u>	<u>\$ 25,957,229</u>	<u>\$ 16,948,764</u>	<u>\$ 9,163,756</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ (326,100,780)	\$ (411,240,565)	\$ (480,893,712)	\$ (446,057,533)	\$ (438,956,905)	\$ (505,134,007)
74,984,816	75,133,779	76,798,462	78,824,359	82,194,420	95,674,969
5,035,811	15,898,018	15,120,375	14,645,866	16,153,428	18,138,162
241,170,378	246,608,767	274,807,668	283,956,504	273,676,366	266,974,245
60,900,168	75,025,066	110,227,218	110,688,111	68,380,548	94,884,616
3,181,496	12,873,548	9,560,925	930,740	1,667,742	17,274,202
1,919,401	1,561,827	4,822,652	2,811,875	18,939,956	58,888,532
(800,000)	(928,069)	-	-	-	-
<u>386,392,070</u>	<u>426,172,936</u>	<u>491,337,300</u>	<u>491,857,455</u>	<u>461,012,460</u>	<u>551,834,726</u>
<u>\$ 60,291,290</u>	<u>\$ 14,932,371</u>	<u>\$ 10,443,588</u>	<u>\$ 45,799,922</u>	<u>\$ 22,055,555</u>	<u>\$ 46,700,719</u>

**Schedule 4**  
**Killeen Independent School District**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 4,575,275	\$ 3,826,566	\$ 1,102,617	\$ 1,311,418
Restricted	6,553,517	9,496,601	9,154,279	10,004,817
Committed	-	-	-	-
Assigned	4,984,664	4,451,711	3,966,710	3,304,334
Unassigned	84,503,633	91,411,595	98,771,776	106,538,733
Total general fund	<u>\$ 100,617,089</u>	<u>\$ 109,186,473</u>	<u>\$ 112,995,382</u>	<u>\$ 121,159,302</u>
All Other Governmental Funds				
Nonspendable, reported in:				
Special revenue funds	977,403	691,042	963,702	766,592
Permanent funds	189,715	189,715	189,714	189,715
Restricted, reported in:				
Special revenue funds	2,968,592	3,677,106	2,593,609	2,609,659
Capital projects funds	1,230,451	3,287,663	3,287,663	3,051,903
Permanent funds	34,418	34,121	22,182	18,303
Debt service funds	1,659,815	1,313,597	1,437,818	1,343,090
Committed, reported in:				
Special revenue funds	629,613	681,270	698,812	727,775
Capital projects funds	6,226,068	2,773,041	46,278,947	1,799,339
Assigned, reported in:				
Capital projects funds	102,645,745	116,901,486	77,720,153	84,359,885
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 116,561,820</u>	<u>\$ 129,549,041</u>	<u>\$ 133,192,600</u>	<u>\$ 94,866,262</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 1,865,829	\$ 1,728,536	\$ 6,135,880	\$ 3,412,944	\$ 2,917,361	\$ 2,338,350
7,519,241	8,872,402	25,482,573	24,804,146	34,830,564	39,821,420
-	-	3,600,000	-	-	-
355,977	1,200,000	3,000,000	3,000,000	-	-
115,125,757	125,075,120	108,314,584	168,743,922	152,516,815	121,101,213
<u>\$ 124,866,804</u>	<u>\$ 136,876,058</u>	<u>\$ 146,533,037</u>	<u>\$ 199,961,012</u>	<u>\$ 190,264,740</u>	<u>\$ 163,260,983</u>
785,343	891,105	898,613	70,521	41,457	358,374
189,714	189,715	189,715	189,715	189,715	189,715
2,855,951	5,924,222	9,147,597	11,863,955	18,544,288	21,530,707
1,592,460	1,331,988	661,905	385,288	1,582,241	1,388,124
1,638	39,862	28,886	41,728	6,729	7,532
1,214,042	1,361,461	2,297,953	1,878,610	321,084	2,041,767
673,824	803,777	906,253	849,657	1,228,915	1,438,523
39,654,154	136,892,948	170,017,409	78,048,718	27,584,030	37,786,718
360,558,756	361,944,107	192,584,061	138,590,436	136,868,702	99,583,543
-	-	-	-	-	18,732,605
<u>\$ 407,525,882</u>	<u>\$ 509,379,185</u>	<u>\$ 376,732,392</u>	<u>\$ 231,918,628</u>	<u>\$ 186,367,161</u>	<u>\$ 183,057,608</u>

**Schedule 5**  
**Killeen Independent School District**  
**Governmental Funds Revenues,**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Federal sources:			
Distributed through governmental entities	\$ -	\$ -	\$ -
Distributed by TEA	33,359,786	30,361,069	32,926,542
Distributed by other State of Texas Government Agencies	3,886,513	4,961,289	3,793,693
Distributed directly from the Federal Government	51,292,229	65,963,676	66,991,757
Shared services arrangements	-	-	-
Total federal sources	<u>88,538,528</u>	<u>101,286,034</u>	<u>103,711,992</u>
State sources:			
Per capital and foundation school program act revenues	201,671,615	211,910,115	229,236,893
Program revenues distributed by TEA	7,144,870	7,152,677	9,886,094
Revenues from State of Texas Government Agencies	12,420,600	13,245,317	13,513,457
Shared services arrangements	-	-	-
Total state sources	<u>221,237,085</u>	<u>232,308,109</u>	<u>252,636,444</u>
Local and intermediate sources:			
Real and personal property taxes	73,398,051	74,692,255	72,963,263
Services rendered to other school districts	-	-	-
Tuition and fees	2,000	1,880	-
Other revenues	2,338,126	3,421,943	2,009,383
Cocurricular, enterprising services or activities	6,521,491	6,535,560	7,352,515
Intermediate sources	-	-	-
Total local and intermediate sources	<u>82,259,668</u>	<u>84,651,638</u>	<u>82,325,161</u>
Total revenues	<u>\$ 392,035,281</u>	<u>\$ 418,245,781</u>	<u>\$ 438,673,597</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33,708,782	36,782,602	38,789,203	40,878,075	63,678,927	79,551,085	82,281,268
2,279,614	2,246,190	8,376,995	4,378,130	6,027,137	5,829,218	6,296,268
58,703,837	59,446,028	63,892,818	60,319,579	63,177,109	58,964,413	67,251,623
-	-	-	-	-	-	-
<u>94,692,233</u>	<u>98,474,820</u>	<u>111,059,016</u>	<u>105,575,784</u>	<u>132,883,173</u>	<u>144,344,716</u>	<u>155,829,159</u>
231,676,865	241,170,378	246,124,796	274,807,668	287,586,620	271,581,099	270,731,731
9,525,298	7,356,372	8,585,124	15,852,875	14,457,292	13,863,726	14,149,066
14,852,817	18,317,609	17,347,378	20,290,361	24,297,563	20,585,159	23,877,179
-	-	-	-	-	-	-
<u>256,054,980</u>	<u>266,844,359</u>	<u>272,057,298</u>	<u>310,950,904</u>	<u>326,341,475</u>	<u>306,029,984</u>	<u>308,757,976</u>
74,918,791	80,695,531	93,152,622	94,265,395	96,433,073	101,796,581	115,550,957
-	-	-	-	-	-	-
7,356	3,472	4,764	2,140	1,856	9,467	8,143
6,034,933	5,764,160	14,544,621	10,925,520	3,876,751	2,819,823	36,577,319
4,997,023	4,462,140	4,165,639	2,803,327	1,310,383	2,500,129	5,510,546
-	-	-	-	-	-	-
<u>85,958,103</u>	<u>90,925,303</u>	<u>111,867,646</u>	<u>107,996,382</u>	<u>101,622,063</u>	<u>107,126,000</u>	<u>157,646,965</u>
<u>\$ 436,705,316</u>	<u>\$ 456,244,482</u>	<u>\$ 494,983,960</u>	<u>\$ 524,523,070</u>	<u>\$ 560,846,711</u>	<u>\$ 557,500,700</u>	<u>\$ 622,234,100</u>

**Schedule 6**  
**Killeen Independent School District**  
**Governmental Funds Expenditures and Debt Service Ratio,**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Instruction	\$ 204,760,286	\$ 215,299,368	\$ 227,775,912	\$ 231,999,253
Instructional resources and media services	9,900,213	10,443,520	10,519,075	10,948,965
Curriculum development/instructional staff development	10,044,774	10,289,246	10,611,670	11,042,199
Instructional leadership	3,334,971	3,780,972	3,506,106	3,880,609
School leadership	20,477,342	21,357,493	22,409,791	23,432,538
Guidance, counseling and evaluation services	13,477,688	14,087,689	15,530,650	15,430,398
Social work services	1,346,852	1,467,253	1,599,313	1,741,440
Health services	3,680,296	3,941,271	4,183,341	4,453,356
Student (pupil) transportation	12,582,534	12,401,323	15,269,972	13,875,703
Food services	20,848,980	20,279,084	21,867,280	20,476,261
Extracurricular activities	8,340,390	9,335,627	9,712,028	11,351,955
General administration	6,882,657	7,397,209	9,015,913	9,450,141
Facilities maintenance and operations	33,783,186	35,781,749	34,636,647	40,337,428
Security and monitoring services	3,095,529	3,019,210	3,728,292	3,598,038
Data processing services	4,955,560	4,681,864	4,767,932	6,188,265
Community services	1,237,944	1,163,669	1,205,068	1,327,691
Debt service:				
Principal	8,180,000	8,845,000	9,000,000	9,560,000
Interest	3,800,525	3,133,742	2,978,025	2,417,413
Bond issuance cost and fees	2,050	142,598	2,400	164,188
Facilities acquisition and construction	23,964,398	9,402,258	22,180,540	44,638,032
Payments to fiscal agent/member districts of SSA	-	-	-	-
Payments to JJAEP	-	-	-	-
Other Intergovernmental Charges	754,102	773,730	781,897	813,547
Total expenditures	<u>\$ 395,450,277</u>	<u>\$ 397,023,875</u>	<u>\$ 431,281,852</u>	<u>\$ 467,127,420</u>
Debt service as a percentage of noncapital expenditures	3.28%	3.12%	2.87%	2.64%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 242,443,311	\$ 247,585,173	\$ 260,562,371	\$ 273,873,979	\$ 278,331,457	\$ 306,048,128
11,141,064	11,201,465	11,363,185	13,220,790	14,442,174	13,845,512
11,622,818	12,374,533	11,490,382	11,914,699	11,836,664	13,822,294
4,016,563	4,427,104	5,080,699	5,364,144	5,374,229	5,754,159
24,005,138	24,583,813	25,363,301	24,999,852	27,430,737	30,372,479
16,941,396	18,575,667	21,853,282	23,672,660	26,609,832	29,278,096
1,839,830	1,946,995	2,184,858	2,159,234	2,413,673	3,344,634
4,816,611	4,915,233	5,287,480	5,301,558	5,627,428	5,991,263
13,931,901	15,263,283	14,937,092	13,968,645	14,984,201	17,441,610
19,737,220	19,042,941	16,900,191	17,219,396	26,064,032	29,449,214
10,439,993	9,947,755	9,933,270	9,769,583	13,865,927	16,894,561
9,979,509	9,739,316	10,561,111	9,674,957	11,120,890	13,196,423
37,686,494	42,825,435	43,112,359	50,472,400	58,786,547	59,371,759
3,751,418	4,171,899	4,497,388	5,872,514	6,054,351	7,377,431
5,695,568	5,883,997	6,162,707	7,584,283	7,011,005	11,294,255
1,326,055	1,281,379	1,215,606	1,212,379	1,477,986	1,610,818
8,290,000	5,005,001	8,490,000	8,855,000	9,891,559	12,516,466
2,066,450	14,241,949	18,264,314	17,899,393	17,633,431	17,155,211
2,011,140	1,015,066	163,520	163,245	7,500	8,100
8,600,017	52,399,228	169,366,279	145,119,838	75,257,768	66,005,448
-	-	-	-	-	-
-	-	8,446	3,621	14,022	-
846,711	871,080	925,861	861,240	876,518	803,686
<u>\$ 441,189,207</u>	<u>\$ 507,298,312</u>	<u>\$ 647,723,702</u>	<u>\$ 649,183,410</u>	<u>\$ 615,111,931</u>	<u>\$ 661,581,547</u>
2.42%	4.28%	5.53%	5.39%	5.16%	5.11%

Schedule 7  
**Killeen Independent School District**  
**Other Financing Sources and Uses and Net Change in Fund Balances,**  
**Governmental Funds,**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Excess of Revenues over (under) Expenditures</b>	\$ (3,414,996)	\$ 21,221,906	\$ 7,391,845	\$ (30,422,104)
<b>Other Financing Sources (Uses)</b>				
General Long-term Debt Issued	-	10,255,000	-	8,550,000
Bond Refunding Escrow Agent	-	(10,885,500)	-	(9,781,988)
Premium on Bond Issue	-	773,775	-	1,393,776
Sale of Capital Assets	19,607	191,424	60,624	97,897
Right-to-Use Leases	-	-	-	-
SBITAs	-	-	-	-
Other Uses	-	-	-	-
Transfers In	31,605,046	18,034,498	28,712,522	19,580,886
Transfers Out	(31,605,046)	(18,034,498)	(28,712,522)	(19,580,885)
Total Other Financing Sources (Uses)	<u>19,607</u>	<u>334,699</u>	<u>60,624</u>	<u>259,686</u>
<b>Net Change in Fund Balances</b>	<u>\$ (3,395,389)</u>	<u>\$ 21,556,605</u>	<u>\$ 7,452,469</u>	<u>\$ (30,162,418)</u>

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	15,055,275	\$ (12,314,352)	\$ (123,200,632)	\$ (88,336,699)	\$ (57,611,231)	\$ (39,347,447)
	269,785,000	115,610,000	12,020,000	11,115,000	-	-
	-	-	-	-	-	-
	32,236,582	11,414,841	992,624	1,974,183	-	-
	90,266	80,137	46,534	389,172	806,997	526,555
	-	-	-	-	1,556,495	353,374
	-	-	-	-	-	8,154,208
	(800,000)	(928,069)	(12,848,344)	(12,927,445)	-	-
	322,342,659	155,509,072	41,152,026	18,356,095	50,263,185	41,326,965
	<u>(322,342,659)</u>	<u>(155,509,072)</u>	<u>(41,152,026)</u>	<u>(21,956,095)</u>	<u>(50,263,185)</u>	<u>(41,326,965)</u>
	<u>301,311,848</u>	<u>126,176,909</u>	<u>210,814</u>	<u>(3,049,090)</u>	<u>2,363,492</u>	<u>9,034,137</u>
\$	<u>316,367,123</u>	<u>\$ 113,862,557</u>	<u>\$ (122,989,818)</u>	<u>\$ (91,385,789)</u>	<u>\$ (55,247,739)</u>	<u>\$ (30,313,310)</u>

**Schedule 8**  
**Killeen Independent School District**  
**Assessed Value and Actual Value of Taxable Property,**  
**Last Ten Fiscal Years**

Fiscal Year	Assessed Value		Less: Tax-Exempt Property	Total Taxable Assessed <sup>a</sup> Value
	Real Property	Personal Property		
2014	7,457,079,389	576,774,352	1,281,191,982	6,752,661,759
2015	7,674,451,745	605,574,568	1,405,528,236	6,874,498,077
2016	8,011,967,463	651,426,723	1,787,455,962	6,875,938,224
2017	8,416,172,949	666,263,098	1,948,134,266	7,134,301,781
2018	9,233,976,415	666,209,330	2,212,652,291	7,687,533,454
2019	9,620,844,578	649,358,336	2,498,750,702	7,771,452,212
2020	10,632,844,790	683,577,706	2,782,265,684	8,534,156,812
2021	11,644,702,848	705,568,983	3,061,320,644	9,288,951,187
2022	13,203,146,695	746,918,741	3,663,552,539	10,286,512,897
2023	15,813,588,402	834,371,684	4,541,529,990	12,106,430,096

**Source:** Bell County Tax Appraisal District

**Notes:**

<sup>a</sup>Market value less exemptions

<sup>b</sup>Per \$100 of assessed valuation

<sup>c</sup>Assessed value

Total Direct Tax Rate <sup>b</sup>	Estimated Actual Taxable <sup>c</sup> Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1.1280	8,033,853,741	84.05%
1.1280	8,280,026,313	83.03%
1.1280	8,663,394,186	79.37%
1.1260	9,082,436,047	78.55%
1.1100	9,900,185,745	77.65%
1.2600	10,270,202,914	75.67%
1.1611	11,316,422,496	75.41%
1.0895	12,350,271,831	75.21%
1.0432	13,950,065,436	73.74%
1.0166	16,647,960,086	72.72%

**Schedule 9**  
**Killeen Independent School District**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

*(rate per \$100 of assessed value)*

Fiscal Year	District Direct Rates			Overlapping Rates <sup>a</sup>				
	Operating	Debt Service	Total	Bell County	Central Texas College	City of Killeen	City of Harker Heights	City of Nolanville
2014	1.0400	0.0880	1.1280	0.4212	0.1370	0.7428	0.6770	0.5118
2015	1.0400	0.0880	1.1280	0.4212	0.1348	0.7498	0.6770	0.5054
2016	1.0400	0.0880	1.1280	0.4511	0.1366	0.7498	0.6770	0.5054
2017	1.0400	0.0860	1.1260	0.4511	0.1366	0.7498	0.6770	0.5020
2018	1.0400	0.0700	1.1100	0.4511	0.1399	0.7498	0.6770	0.5020
2019	1.0400	0.2200	1.2600	0.4511	0.1386	0.7498	0.6770	0.5265
2020	0.9700	0.1911	1.1611	0.4500	0.1279	0.7330	0.6770	0.5156
2021	0.9201	0.1694	1.0895	0.4253	0.1116	0.7330	0.6770	0.5303
2022	0.8720	0.1712	1.0432	0.3943	0.1116	0.7330	0.6519	0.4674
2023	0.8546	0.1620	1.0166	0.3393	0.0960	0.6233	0.5800	0.4441

**Source:** Bell County Tax Appraisal District rate table.

**Note:**

<sup>a</sup>Includes levies for operating, debt service costs and other (Road District) levies.

Schedule 10  
 Killeen Independent School District  
 Principal Property Tax Payers  
 Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Taxable	Rank	Percentage of	Taxable	Rank	Percentage of
	Assessed Value		Taxable Value	Assessed Value		Taxable Value
ONCOR Electric Delivery Company	\$ 140,395,413	1	1.47%	\$ 94,930,846	1	1.41%
DRP Market Heights LTD	67,639,600	2	0.71%	-		0.00%
MGC Pure Chemicals America, INC	61,688,182	3	0.65%	-		0.00%
HH/Killeen Health System LLC - Seton Medical Center	56,499,876	4	0.59%	51,737,009	2	0.77%
5002 Thayer Drive LLC	41,000,000	5	0.43%	-		0.00%
LHCS LLC	40,382,131	6	0.42%	-		0.00%
MFT - IP Killeen LLC	36,205,327	7	0.38%	-		0.00%
Z-Modular LLC	32,842,442	8	0.34%	-		0.00%
Wal-Mart Stores Texas llc	31,366,748	9	0.33%	-		0.00%
Amber Chase Townhomes LLC & Huntington Apartments	30,800,000	10	0.32%	-		0.00%
HH/Killeen Health System LLC				28,553,430	5	0.42%
Wal-Mart Real Estate Business				37,376,751	3	0.55%
Market Heights LTD				28,735,680	4	0.43%
Central Telephone Company				26,036,511	6	0.39%
HEB Grocery Company				18,727,987	7	0.28%
Killeen Mall LLC				16,555,404	8	0.25%
Stone Creek Investment LLC				13,611,988	9	0.20%
Watercrest Place LP				11,720,061	10	0.17%
Subtotal	\$ 538,819,719		5.65%	\$ 327,985,667		4.86%
All other taxpayers	10,774,265,945		94.35%	6,424,676,092		95.14%
Total	\$ 11,313,085,664		100.00%	\$ 6,752,661,759		100.00%

**Schedule 11  
Killeen Independent School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy<sup>a</sup></b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2014	75,361,893	74,690,031	99.11%	614,254	75,304,285	99.92%
2015	76,828,096	76,196,881	99.18%	572,935	76,769,816	99.92%
2016	76,791,859	75,528,591	98.35%	1,186,503	76,715,094	99.90%
2017	79,492,678	78,777,376	99.10%	623,653	79,401,029	99.88%
2018	84,325,958	83,406,950	98.91%	805,541	84,212,491	99.87%
2019	96,220,996	95,381,122	99.13%	694,633	96,075,755	99.85%
2020	97,553,813	96,613,415	99.04%	754,193	97,367,608	99.81%
2021	99,636,750	98,652,195	99.01%	676,720	99,328,915	99.69%
2022	105,318,428	104,263,538	99.00%	556,204	104,819,742	99.53%
2023	121,357,359	119,341,673	98.34%		119,341,673	98.34%

**Source:** Bell County Tax Appraisal District

**Notes:** This schedule includes operating and debt service tax revenues.

<sup>a</sup>Tax collections reduced by prompt payment discounts allowed.

**Schedule 12**  
**Killeen Independent School District**  
**Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Unlimited Tax School Building and/or Refunding Bonds</b>	<b>Percentage of Personal Income<sup>a</sup></b>	<b>Per Capita<sup>a</sup></b>	<b>Unlimited Tax School Building and/or Refunding Bonds (Net)<sup>b</sup></b>	<b>Percentage of Estimated Actual Taxable Value<sup>c</sup> of Property</b>	<b>Per Capita<sup>a</sup></b>
2014	86,573,213	5.18%	2,191	84,913,398	1.06%	2,149
2015	76,396,395	4.61%	1,958	75,082,798	0.91%	1,924
2016	66,396,444	3.83%	1,650	65,082,847	0.79%	1,617
2017	57,129,867	3.17%	1,443	55,530,262	0.64%	1,403
2018	349,165,772	2.62%	8,575	347,951,730	3.83%	8,546
2019	469,040,729	24.94%	11,266	467,679,268	4.72%	11,233
2020	456,914,454	23.16%	10,404	454,616,501	4.43%	10,351
2021	445,009,748	20.84%	9,765	443,131,138	3.92%	9,723
2022	432,950,496	18.65%	9,066	432,629,412	3.50%	9,059
2023	420,621,053	17.78%	8,822	418,579,286	3.00%	8,779

**Notes:**

<sup>a</sup>See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

<sup>b</sup>Unlimited tax school building and/or refunding bonds reduced by net assets available in debt service fund. See Schedule 14.

<sup>c</sup>See Schedule 8 Assessed Value and Actual Value of Taxable Property for property value data.



**Schedule 13**  
**Killeen Independent School District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of August 31, 2023**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>b</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Bell County	\$ 134,990,000	44.91%	\$ 60,624,009
Central Texas College	\$ -	0.00%	\$ -
Coryell County <sup>a</sup>	\$ 9,126,105	0.00%	\$ -
City of Killeen	\$ 182,905,822	98.78%	\$ 180,674,371
City of Harker Heights	\$ 35,835,000	99.21%	\$ 35,551,904
City of Nolanville	\$ 2,075,000	97.84%	\$ 2,030,180
Subtotal, overlapping debt			\$ 278,880,463
<b>District direct debt</b>			<b>420,621,053</b>
<b>Total direct and overlapping debt</b>			<b>\$ 699,501,516</b>

**Source:** confirmations received from the above listed entities.

**Notes:**

<sup>a</sup>The portion of Killeen ISD that lies in Coryell County is a military base; therefore, it has no taxable value.

<sup>b</sup>The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**Schedule 14  
Killeen Independent School District  
Legal Debt Margin Information,  
Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed value <sup>a</sup>	\$ 6,752,661,759	\$ 6,874,498,077	\$ 6,875,938,224	\$ 7,134,301,781
Debt Limit <sup>b</sup>	675,266,176	687,449,808	687,593,822	713,430,178
Amount of debt applicable to debt limit:				
Total bonded debt	86,573,213	76,396,395	66,396,444	57,129,867
Less: Net assets available in debt service fund	1,659,815	1,313,597	1,313,595	1,599,605
Total net debt applicable to limit	<u>84,913,398</u>	<u>75,082,798</u>	<u>65,082,849</u>	<u>55,530,262</u>
Legal debt margin	<u>\$ 590,352,778</u>	<u>\$ 612,367,010</u>	<u>\$ 622,510,973</u>	<u>\$ 657,899,916</u>
Total net debt applicable to the limit as a percentage of debt limit.	12.57%	10.92%	9.47%	7.78%

**Notes:**

<sup>a</sup>Market value less exemptions per Bell County Appraisal District

<sup>b</sup>This percentage is in accordance with the recommendations of the Texas Education Agency as stated in the Texas Education Code, Bulletin 721, Sec. 20.04.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 7,687,553,454	\$ 7,307,091,368	\$ 8,534,156,812	\$ 9,288,951,187	\$ 10,286,512,897	\$ 12,106,430,096
768,755,345	730,709,137	853,415,681	928,895,119	1,028,651,290	1,210,643,010
349,165,772	469,040,729	456,914,454	445,009,748	432,950,496	420,621,053
1,214,042	1,361,461	2,297,953	1,878,610	321,084	2,041,767
<u>347,951,730</u>	<u>467,679,268</u>	<u>454,616,501</u>	<u>443,131,138</u>	<u>432,629,412</u>	<u>418,579,286</u>
<u>\$ 420,803,615</u>	<u>\$ 263,029,869</u>	<u>\$ 398,799,180</u>	<u>\$ 485,763,981</u>	<u>\$ 596,021,878</u>	<u>\$ 792,063,724</u>
45.26%	64.00%	53.27%	47.71%	42.06%	34.57%

**Schedule 15**  
**Killeen Independent School District**  
**Demographic and Economic Statistics,**  
**Last Ten Calendar Years**

<b>Calendar Year</b>	<b>Population<sup>a</sup></b>	<b>Personal Income<sup>b</sup></b> <i>(thousands of dollars)</i>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate<sup>c</sup></b>
2013	423,257	\$ 16,727,204	\$ 39,520	7.20
2014	424,858	\$ 16,576,889	\$ 39,017	5.40
2015	431,032	\$ 17,343,479	\$ 40,237	4.50
2016	436,744	\$ 17,289,992	\$ 39,588	4.20
2017	443,653	\$ 18,064,319	\$ 40,717	4.20
2018	451,679	\$ 18,804,982	\$ 41,634	3.70
2019	460,303	\$ 19,726,228	\$ 43,919	3.70
2020	475,367	\$ 21,349,269	\$ 45,574	6.60
2021	486,101	\$ 23,213,690	\$ 47,755	5.70
2022	496,228	\$ 23,660,068	\$ 47,680	5.00

**Notes:**

All information above is for the Killeen-Temple-Fort Cavazos Metropolitan Statistical Area.

**Sources:**

<sup>a</sup>U.S. Census Bureau.

<sup>b</sup>U.S. Department of Commerce, Bureau Of Economic Analysis.

<sup>c</sup>U.S. Department of Labor, Bureau Of Labor Statistics.

**Schedule 16**  
**Killeen Independent School District**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2023</u>			<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
III Corps & Fort Cavazos	36,786	1	58.74%	41,386	1	53.60%
Military Defense Contractors	7,447	2	11.89%			
Killeen ISD	6,800	3	10.86%	6,158	3	7.98%
Civilian Personnel Office	4,575	4	7.31%	23,048	2	29.85%
Teleperformance			0.00%	1,700	4	2.20%
Central Texas College	1,488	5	2.38%	1,487	5	1.93%
City of Killeen	1,173	6	1.87%	1,100	7	1.42%
Metroplex/Advent Health System	1,000	7	1.60%	1,200	6	1.55%
First National Bank Texas/First Convenience B	700	8	1.12%	-		0.00%
Seton Medical Center Harker Heights	480	9	0.77%	350	10	0.45%
Texas A&M University-Central Texas	305	10	0.49%			
City of Harker Heights	249		0.40%			
Z Modular	200		0.32%			
Spectrum	153		0.24%	420	8	0.54%
Scott & White Clinic	120		0.19%	361	9	0.48%
Subtotal	61,476		98.18%	77,210		100.00%
All other employers	1,497		2.37%	N/A		N/A
Principal employment	<u>62,973</u>		<u>100.55%</u>	<u>77,210</u>		<u>100.00%</u>

**Source:** Greater Killeen Chamber of Commerce and  
Killeen Independent School District Data Warehouse

**Notes:** N/A = information not available.

\* Current fiscal year information was not available from Greater Killeen Chamber of Commerce.  
Fiscal year 2021 information was used.

**Schedule 17**  
**Killeen Independent School District**  
**Full-Time-Equivalent District Employees by Type,**  
**Last Ten Fiscal Years**

	<u>2014*</u>	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>	<u>2018*</u>
<b>Supervisory</b>					
Instructional administrators	41	42	35	37	39
Noninstructional administrators	36	37	45	47	46
Consultants/supervisors of instruction	58	60	62	62	60
Principals	50	51	51	51	51
Assistant principals	117	120	125	127	126
Total supervisory	<u>302</u>	<u>310</u>	<u>318</u>	<u>324</u>	<u>322</u>
<b>Instruction</b>					
Elementary classroom teachers	1,381	1,425	1,477	1,432	1,457
Secondary classroom teachers	1,358	1,388	1,371	1,508	1,607
ESL teachers	56	59	59	64	68
Special Education teachers					
Other professionals (instructional)	71	70	76	82	133
Aides	976	996	984	1,002	1,039
Total instruction	<u>3,842</u>	<u>3,938</u>	<u>3,967</u>	<u>4,088</u>	<u>4,304</u>
<b>Student Services</b>					
Guidance counselors	113	116	120	129	129
Visiting teacher/social workers	4	4	6	6	8
Librarians	47	46	46	49	49
Other professionals (noninstructional)	207	203	219	242	202
Technicians	13	13	35	36	46
Total student services	<u>384</u>	<u>382</u>	<u>426</u>	<u>462</u>	<u>434</u>
<b>Support and Administration</b>					
Clerical/secretarial	304	309	321	328	335
Service workers	526	533	530	529	530
Skilled crafts	116	119	173	174	178
Unskilled laborers	671	701	665	708	707
Total support and administration	<u>1,617</u>	<u>1,662</u>	<u>1,689</u>	<u>1,739</u>	<u>1,750</u>
<b>Total</b>	<u><u>6,145</u></u>	<u><u>6,292</u></u>	<u><u>6,400</u></u>	<u><u>6,613</u></u>	<u><u>6,810</u></u>

**Source:** Killeen Independent School District data warehouse department.

\* Killeen Independent School District Authorized FTE report beginning 8/31/12

<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>	<u>2023*</u>	<b>Percentage Change 2014-2023</b>
36	37	39	43	40	-2%
44	47	41	39	38	6%
60	60	48	61	78	34%
52	52	54	53	53	6%
128	129	121	129	131	12%
320	325	303	325	340	13%
1,620	1,500	1,423	1,459	1,471	7%
1,334	1,141	1,211	1,137	1,167	-14%
70	68	57	58	89	59%
	358	362	386	371	4%
137	138	142	179	216	204%
1,072	1,097	1,079	1,242	1,035	6%
4,233	4,302	4,274	4,461	4,349	13%
131	133	184	176	134	19%
8	17	7	12	11	175%
49	49	52	46	59	26%
197	448	245	329	361	74%
58	54	39	73	76	485%
443	701	527	636	641	67%
422	404	326	347	394	30%
485	494	410	456	474	-10%
190	195	198	75	97	-16%
810	886	1204	968	923	38%
1,907	1,979	2,138	1,846	1,888	17%
6,903	7,307	7,242	7,268	7,218	17%



**Schedule 18**  
**Killeen Independent School District**  
**Operating Statistics,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Peak Enrollment</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Students Receiving Free or Reduced-Price Meals</b>
2014	41,414	\$ 395,450,277	\$ 9,549	2,824	14.7	57%
2015	42,929	\$ 397,023,875	\$ 9,248	2,872	14.9	61%
2016	43,486	\$ 431,281,852	\$ 9,918	2,905	15.0	61%
2017	43,856	\$ 467,127,420	\$ 10,651	3,003	14.6	61%
2018	44,378	\$ 441,189,207	\$ 9,942	3,132	14.2	68%
2019	45,091	\$ 507,298,312	\$ 11,251	3,024	14.9	67%
2020	45,492	\$ 647,723,700	\$ 14,238	3,001	15.2	62%
2021	44,017	\$ 649,183,410	\$ 14,748	3,053	14.4	100%
2022	44,109	\$ 615,111,931	\$ 13,945	3,040	14.5	60%
2023	44,123	\$ 661,581,547	\$ 14,994	3,098	14.2	59%

**Source:** Nonfinancial information from district records.

**Schedule 19**  
**Killeen Independent School District**  
**Capital Asset Information**  
**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><u>Schools</u></b>				
<b>Elementary</b>				
Buildings	32	32	32	32
Square feet	2,874,837	2,884,299	2,884,299	3,019,812
Capacity	25,051	25,051	25,051	26,101
Enrollment	24,210	24,284	24,365	24,383
<b>Middle</b>				
Buildings	11	11	11	11
Square feet	1,329,153	1,336,065	1,336,065	1,447,320
Capacity	9,300	9,300	8,500	9,750
Enrollment	8,660	8,653	8,693	8,830
<b>High</b>				
Buildings	4	4	4	5
Square feet	1,366,680	1,369,752	1,369,752	1,457,601
Capacity	8,476	8,476	8,476	9,276
Enrollment	9,482	9,768	8,759	9,689
<b>Other:</b>				
<b>CATE, Pathways &amp; Gateway School and Old Nolan</b>				
Buildings	3	3	3	3
Square feet	266,720	266,720	266,720	266,720
Enrollment	577	1335	2,015	1,476
<b><u>Administrative</u></b>				
Buildings	9	10	10	10
Square feet	424,266	531,359	531,359	531,359
<b><u>Transportation</u></b>				
Garages	1	2	2	2
Buses	294	309	364	366
<b><u>Athletics</u></b>				
Warehouse	1	1	1	1
Square feet	31,608	31,608	31,608	31,608
Stadium	1	1	1	1
Football/soccer fields	47	47	47	50
Running tracks	4	4	4	4
Baseball/softball	8	8	8	8

**Source:** Killeen Independent School District departments.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
32	32	32	31	31	31
3,019,812	2,879,676	2,902,485	3,089,177	3,089,177	3,109,913
25,489	25,489	25,999	27,847	27,847	26,875
24,409	24,409	23,038	24,843	22,862	22,997
11	11	11	11	11	11
1,409,322	1,402,258	1,415,452	1,415,452	1,416,477	1,421,853
9,750	9,800	10,425	10,425	10,425	10,425
9,394	9,011	9,589	8,900	9,127	9,057
5	5	5	5	6	6
1,457,601	1,476,801	1,386,763	1,441,524	1,891,444	1,982,216
9,276	8,476	9,607	9,750	12,750	12,826
9,944	9,694	10,058	10,087	11,588	11,362
3	3	3	4	4	4
277,472	276,704	271,364	399,350	399,350	407,698
1,344	1,977	1,303	1,303	1,303	451
10	10	10	10	10	16
531,359	531,359	324,279	324,279	324,279	599,758
2	2	2	2	2	2
368	346	350	361	326	338
1	1	1	1	1	1
31,608	31,608	31,608	31,608	31,608	31,608
1	1	1	1	2	2
50	50	50	50	52	52
4	4	4	4	5	5
8	8	8	8	10	10