

Annual Comprehensive Financial Report

of the

Killeen Independent School District

For the Fiscal Year Ended August 31, 2021

*Issued by:
John Craft, 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, 2021

PREPARED BY THE FINANCIAL REPORTING DEPARTMENT

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KILLEEN INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2021

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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, 2021 at a meeting of the Board of Trustees of such school district on the 25th day of January, 2022.



Signature of Board Secretary



Signature of Board President

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





KILLEEN INDEPENDENT SCHOOL DISTRICT

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

John Craft, Ed.D.
Superintendent

January 25, 2022

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, 2021, 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 economic indicators for the area continue to show strength, improvement and sustainability. New businesses in retail, medical service, and food service continue to locate in the area. The housing market which declined in 2020, is seeing a rebound in 2021. In June 2021, Killeen home prices were up 16.6% compared to last year. Jobs are created regularly which encourages people leaving the Army at Fort Hood to choose to stay in this area. The area continues to reap the benefits of having Ft. Hood as an economic neighbor through continued expansion and indirectly through associated professional business services.

Major metropolitan areas are easily accessible - 150 miles to San Antonio, 162 miles to Dallas-Fort Worth, and 190 miles to Houston. Killeen is located on the main line of the Santa Fe Railroad and straddles U.S. Highway 190/Interstate 14. Austin is just 60 miles to the south. This close proximity lends a "big city advantage." Killeen is far enough away to enjoy its own lifestyle, yet close enough to enjoy one of the most sophisticated, urban population centers in the Southwest.

The designation of Highway 190 to Interstate 14 provides much needed connections between Interstate 35 in Belton, Interstate 45 at Huntsville, and future Interstate 69 at Livingston. Interstate 14 will eventually connect to Interstate 10 to the west at El Paso and Savannah, Georgia to the east.

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 Hood, 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 Hood 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.

Throughout 2021 nearly 93% of the Killeen labor force is estimated to be employed. First National Bank Texas is working to complete their new facility which will contain both corporate offices and normal banking functions. This facility will replace a drive-in facility that was previously located in the same space and will bring more jobs to this location. Killeen has seen quite a bit of residential development with many new neighborhoods being developed; Herring Legacy Estates, Duncan Farms, Levi Crossing, and Goodnight Ranch just to name a few. In Harker Heights two new neighborhoods are being developed: Cedarbrook Ridge and Pecan Meadow. Nolanville has also seen quite a bit of development with the introduction of 4 new subdivisions and neighborhoods; Liberty Springs, Warriors Legacy, Bella Charca and Wildwood Estates.

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

VALUATION OF BUILDING PERMITS

Calendar Year	Killeen	Harker Heights	Total	Change
2011	204,486,630	146,171,009	350,657,639	9%
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%

ECONOMIC GROWTH RESULTS IN CONTINUED GROSS SALES INCREASE

The Killeen-Temple-Fort Hood Metropolitan Statistical Area (MSA) experienced a 5.85% increase in gross sales during the 2020 calendar year. This increase is due to a growing local economy and reduced deployments of military forces. Unemployment rates increased from 6.0% in June of 2020 to 6.6% in June 2021. This is due in large part to the Corona Virus (COVID – 19). The Texas Comptroller of Public Accounts, Economic Analysis Center published the following information:

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

	2016	2017	2018	2019	2020
Motor Vehicle and Parts Dealers	\$1,444,960	\$1,334,952	\$1,395,588	\$1,458,642	\$1,564,493
Furniture and Home Furnishings Stores	109,718	107,627	118,778	122,119	123,402
Electronics and Appliance Stores	80,477	84,287	93,482	90,104	80,215
Building Material and Garden Equipment	428,172	480,178	515,222	507,998	618,444
Food and Beverage Stores	909,162	986,500	1,011,994	1,066,694	1,147,863
Health and Personal Care Stores	228,274	226,237	213,425	215,618	226,517
Gasoline Stations	424,357	452,884	567,092	593,480	537,103
Clothing and Accessories Stores	130,629	128,598	160,029	160,800	146,971
Sporting Goods, Hobby, Book & Movies	98,202	89,599	82,947	73,391	85,794
General Merchandise Stores	1,208,189	1,234,150	1,077,980	1,106,247	1,202,978
Miscellaneous Stores	119,008	125,599	306,484	315,779	349,426
Nonstore Retailers	31,809	32,778	30,848	29,249	32,088
Food Services and Drinking Places	<u>619,681</u>	<u>651,153</u>	<u>712,434</u>	<u>760,474</u>	<u>765,896</u>
Total	\$5,832,638	\$5,934,542	\$6,286,303	\$6,500,595	\$6,881,190

FORT HOOD

Fort Hood 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 Hood'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 Hood 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 36,986 assigned soldiers and airmen, in addition to approximately 10,249 civilian and contractor employees, Fort Hood 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 with daily flights to and from Dallas/Fort Worth International (Dallas/Fort Worth, Texas) and George Bush Intercontinental (Houston, Texas) airports. 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's Corporate Aviation Fixed Based Operations offers a full range of services for the corporate aviation community.

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 Hood and should open in 2022. The museum will be approximately 28,700 square feet with 13,000 square feet of interactive and permanent exhibits. 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.

EDUCATION

KILLEEN INDEPENDENT SCHOOL DISTRICT

The Killeen Independent School District (KISD) has grown from an enrollment of 40,609 students in 2010-2011 to a peak enrollment of 44,017 in 2020-2021. The projected enrollment for 2021-2022 is 44,203. The district projects a 1% annual growth in long term planning. KISD is the largest school District between Austin and Dallas and the 24th 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), four 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 276 portable buildings, of which 243 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 school building bond of \$426,000,000 which passed in May 2018 has resulted in several projects which will be completed in 2022:

- Killeen Elementary School - East Ward & West Ward Elementary Consolidation
- Pershing Park Elementary School - Pershing Park & Sugar Loaf Elementary Consolidation
- Clifton Park Elementary School - Clifton Park & Bellaire Elementary Consolidation
- Pat Carney Elementary School
- District-wide ADA & Security Upgrades

The following projects from that bond are still underway and should be completed by 2023:

- Chaparral High School
- Killeen High School Renovations

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 four 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 main Bus Park located at 110 North WS Young Drive and a satellite location, the Garland D. Sheridan Transportation Facility, located at 9132 Trimmier Road. 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 schools, 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 Admissions Review and Dismissal (ARD) 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 2019-2020 CTC awarded 1,599 associate degrees and 538 certificates of completion at more than 100 locations around the world. 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

Texas A&M University–Central Texas was born in the spirit of community cooperation in 2009 as a member of The Texas A&M University System, one of the largest systems of higher education in the nation. A&M-Central Texas is a military friendly, upper-level institution offering bachelor's and master's degrees for life's next chapter. The student population at A&M-Central Texas is diverse and growing, currently serving over 2,500 students. Classes are offered on our beautiful new campus, online, and at several convenient sites; including Fort Hood and Hutto in order to accommodate both full-time and part-time students. The University serves the entire Central Texas region, providing a wide range of distinguished academic programs that foster excellence and achievement through lifelong learning and civic engagement.

MAJOR INITIATIVES

KISD DIRECTIONAL PLAN FOR SCHOOL YEAR 2020/2021

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 levels. During the 20-21 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 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 2020-2021 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. Literacy 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 education or increase their English language ability as a result of a collaborative partnership between CTC Adult Education and the KISD Special Programs Department. This partnership continues to be successful. During the 2020-2021 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 supports 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 printed 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 Kids' 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 degrees 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 a post service survey indicates a positive view of the program.
6. **Adopt-A-School Program** - Our Fort Hood/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.
 - *Due to COVID-19 precautions, many events were offered remotely during the 20-21 school year.
 - o Empowered Parents provides workshops for parents and community members.
 - o Early Literacy Clubs at elementary campuses meet throughout the year.
 - o During the summer, early literacy education continues through the Summer Early Learners program.
 - o The Summer Take-Home Backpack Program provides practice materials for students in grades K-8 in the areas of math and reading.
 - o The KISD Parent Advisory Council provides parents with leadership opportunities.
 - o The KISD Volunteer program is active on all campuses in the district.
 - o Parent workshops offered monthly by the Special Education Parent Educators.
 - o Special Education Transition Fair.
 - o 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 researched-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 on-line access, quick-tip handouts for parents/community, continued consultation, and evaluative support.

9. **Student Achievement** – Killeen ISD addressed the many challenges through unprecedented times to instruct students remotely, face-to-face and through a hybrid learning environment to ensure student success. Accountability for the 2020-2021 school year will be Not Rated: State of Disaster due to the significant impact of COVID across the nation. The ratings that were assigned to the district and campuses from the 2018-2019 school year will remain in effect. In the 2018-2019 school year, the district and all but two campuses received an accountability rating of Met Standard (highest rating possible) and 25 out of 52 of Killeen ISD campuses earned one or more distinction designations. In 2020-2021, our high school scale score averages for all STAAR EOCs fell within the meets range except for Algebra which was approaches. Killeen ISD grades 3-8 received an average scale score on each STAAR exam of approaches except for fourth grade writing which did not meet the approaches level. The state did not award distinctions for the school year. Comparative data for student growth will be reinstated at the end of the 2021-2022 school year which will allow campuses to review the positive impact face-to-face instruction had on student learning.
10. **District-Wide Curriculum** – During the 2020-2021 school year, the district-wide curriculum and instruction focus continued to be on the implementation of the district curriculum (TEKS Resource System) through the Gradual Release of Responsibility Instructional Model. The implementation of the curriculum was supported and monitored through Common Unit Assessments, instructional coaching, and ongoing professional learning. The year began with intense instruction centered on digital and remote learning that continued throughout the year as teachers learned two learning management systems, Schoology and Seesaw, and a variety of instructional delivery tools. In September the district transitioned to a combination of synchronous, asynchronous, and blended learning. Instructional initiatives continued with extensive training and support to deliver instruction in the new environments and maintain pedagogy and content.
11. **Response-to-Intervention** – The district continues to monitor Response-to-Intervention processes and practices.
- Reading Universal Screens: During the 2020-2021 school year, the Measures of Academic Progress (MAP) were used to diagnose the reading skill and comprehension development of students in kindergarten through 8th 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 5th 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 2020-2021 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 2020-2021 school year, the Measures of Academic Progress (MAP) was the universal screening tool used to identify kindergarten through 8th 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 2020-2021 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.
 - Students targeted for intervention in grades 6-8 utilized the Imagine Math intervention program.

12. **Induction** - Approximately 457 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 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
 - Writable Implementation
 - Texas A&M Math Academy
 - Elementary and Secondary Blended Learning Collaboratives
 - Using Data to Drive Instruction
 - Corwin Distance Learning Playbook
 - Discovery Education
 - Playposit & Nearpod
 - Zoom & TEAMS
 - 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. The KISD online application, Hire Vue and the Gallup Teacher Insight Interview, also online, 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 \$3,000 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 has 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 five-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 guidance counselors of KISD bring heart to the climate of each campus and their efforts make a difference in the lives of more than 43,000 students. Soldiers at Fort Hood have had multiple deployments while our nation has been at war in Iraq and Afghanistan. The families at Fort Hood 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 is gradually extending School Behavioral Health to off-post campuses beginning SY 2021-2022; the pilot will begin at 5 off-post campuses. KISD continues a partnership with Texas Health Child Access Through Telemedicine to provide behavior health services for 20 off-post campuses. This is intended to help students in school with decreased absences, better student performance and emotional health.

INSTRUCTIONAL LEADERSHIP

The Instructional Leadership Department is 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 improved 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 Instructional Leadership Department facilitated the following activities between August 2020 and August 2021:

OPERATIONAL SUPPORT

The Instructional Leadership Department 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 Department 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 Instructional Leadership Department 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 Department 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 eleventh 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

- 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, are 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 Instructional Leadership Department conducted campus visits a minimum of six times a year. During the visits, the respective Executive Director met with principal 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
- Pre-Advanced Placement
- 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.

During 2020-2021 the District funded and completed several projects under this plan. The new Chaparral High School Stadium was started with an expected completion date of August 2023. The high school tennis court bleacher project was funded with strategic funds. A light pole assessment was performed district wide with these funds during the year. Several renovation projects were completed this year such as the Harker Heights Elementary School Administration renovation and the Technology Services renovation.

From November 2019 through January 2020, the District held four bond steering committee meetings. These meetings resulted in a bond election being called for May 2020. The items being proposed with the bond were four new elementary schools and a renovation to Ellison High School on Proposition A. Proposition B proposed improvements to three of the District's high school stadiums. The District proposed this bond election to help eliminate instructional portables, provide new schools for growth, address aging facilities, mitigate annual construction escalation costs, and renovate and expand high school stadiums. The estimated cost of both Propositions was \$265,000,000. In March 2020 school closures and additional restrictions began due to COVID-19. It was expected that the increased restrictions may interfere with the bond election, therefore, the bond was canceled.

As the District continues to grow, some of the items in the proposed bond election will need to be addressed by using the Strategic Facilities funding. Projects will have to be reviewed and prioritized to meet the needs of a growing student population.

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, 2021, 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 comprehensive annual financial report for the fiscal year ended August 31, 2020. This was the thirtieth 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 comprehensive annual 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 comprehensive annual 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 comprehensive annual financial report for the fiscal year ended August 31, 2020. This award certifies that the comprehensive annual 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.

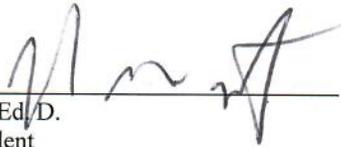
ASBO's Certificate of Excellence in Financial Reporting is valid for one year only. Killeen Independent School District has received a Certificate of Excellence in Financial Reporting for the past twenty-nine consecutive years (fiscal years 1991-2020). We believe that our current ACFR continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO.

ACKNOWLEDGMENTS

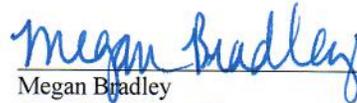
The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the financial services office and other administrative staff of the District. In addition, the Board of Trustees should be commended for its continued support 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 comprehensive annual financial report.

Respectfully submitted,



John Craft, Ed.D.
Superintendent



Megan Bradley
Chief Financial Officer



Killeen Independent School District

PRINCIPAL OFFICERS

BOARD OF TRUSTEES

JoAnn Purser -- *President*

Susan Jones -- *Vice President*

Brett Williams -- *Secretary*

Shelley Wells -- *Board Member*

Corbett Lawler -- *Board Member*

Marvin Rainwater -- *Board Member*

Cullen Mills -- *Board Member*

COL Chad Foster -- *Fort Hood Advisor*

School District Administration

John Craft, Ed.D.

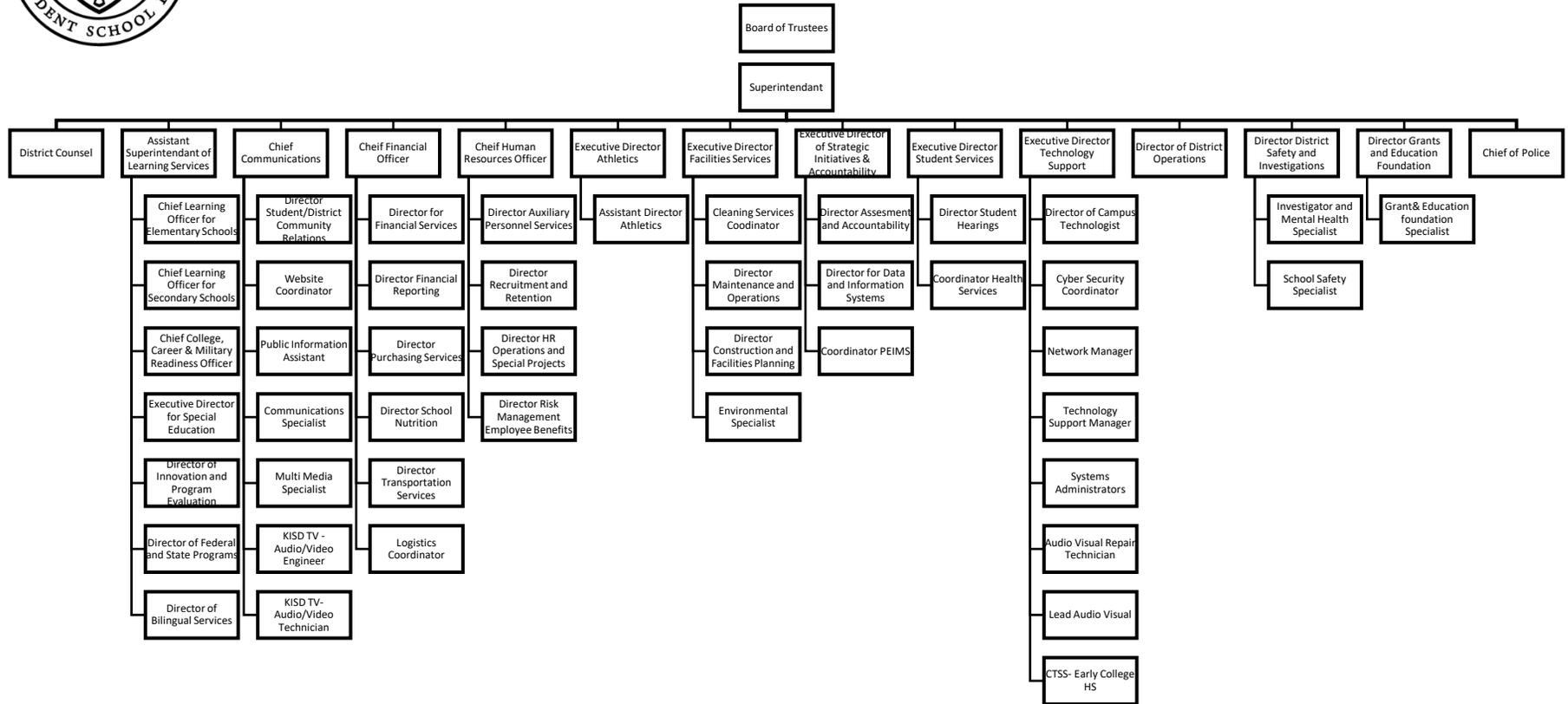
Superintendent

David Manley

Assistant Superintendent



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, 2020

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 Comprehensive Annual Financial Report
for the Fiscal Year Ended August 31, 2020.**

The report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director





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

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TEMPLE, TEXAS 76503 FAX 254/778/4792

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Killeen Independent School District (the District), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Killeen Independent School District as of August 31, 2021, and the respective changes in financial position and, where applicable, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, required TEA schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Texas Education Agency requires school districts to include certain information in the Annual Financial Report in conformity with laws and regulations of the State of Texas. This information is in Exhibits identified in the Table of Contents as Required TEA Schedules. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Introductory and Statistical sections, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 the District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Jatt, Vernon & Co. P.C." The signature is written in a cursive, flowing style.

Killeen, Texas

January 13, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Killeen Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2021. 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

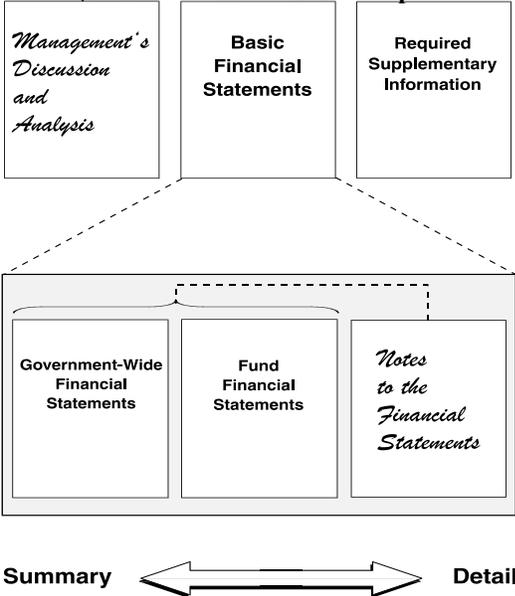
- The District's total combined net position was \$417.8 million at August 31, 2021, compared to \$372.0 million at August 31, 2020 (see Table A-1). This is due to an increase in assets primarily arising from an increase in the amount due from other governments and capital assets. The increase in the amount from due from other governments is a result of additional COVID-19 funding provided by the Federal government. Capital assets increased due to the opening of new school buildings and an increase in construction. Other assets decreased from the previous year, but these funds were moved to use in construction of facilities.
- The District transferred an additional \$10.3 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 balance to three month's operating expenditures in accordance with board policy CE (Local).
- The District refunded U/L Tax Refunding Bonds Series 2012 with Unlimited Tax Refunding Bonds Series 2020 for a net present value savings of \$1,546,038.

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- and long-term* financial information about the activities the government operates *like businesses*, such as food service. The

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



District has set up a self-insurance fund and will change health insurance to a self-insurance plan in January, 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.

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.

Figure A-2 Major Features of the District's Government-Wide and Fund Financial Statements				
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 & 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 currently does not have any business-type activities. The District is moving to a self-insurance plan in January 2022 and has set up funds to initiate this change.

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 has set up funds in a self-insurance fund as of August 2021 and will move to a self-insured health plan in 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.

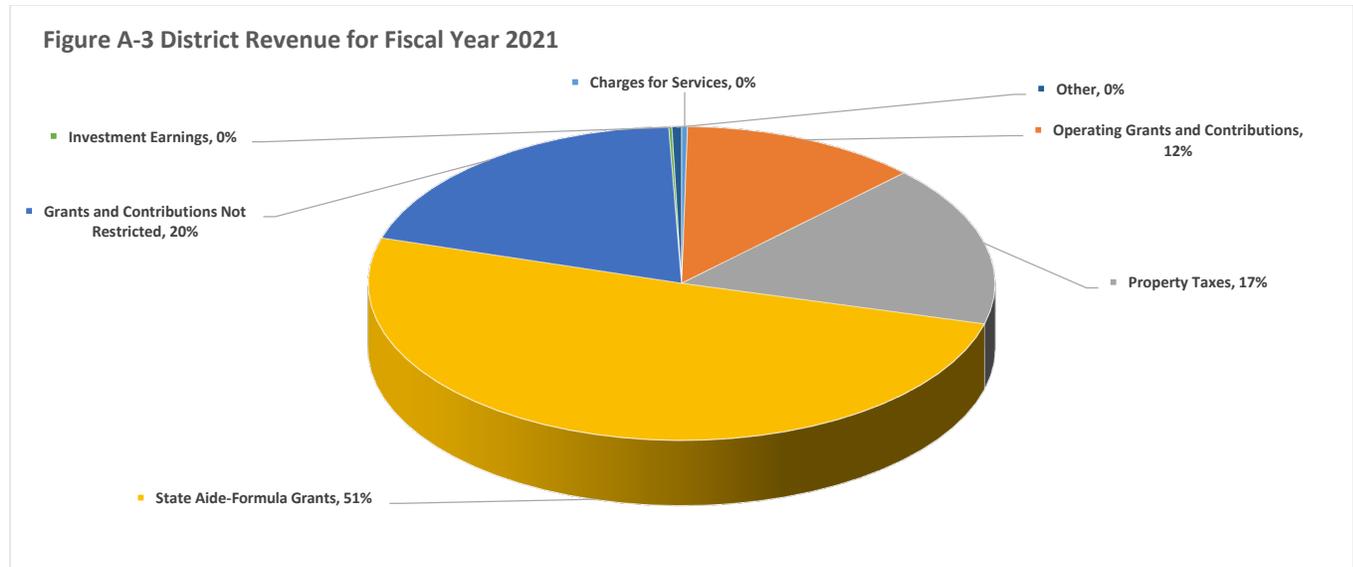
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position – The District’s net position increased by \$45.8 million from the previous fiscal year. This is a result of an increase of capital assets due to increase of construction related to the bond passed in 2018. The District’s *combined* net position after the current year changes is \$417.8 million on August 31, 2021 (See Table A-1). The \$41.0 million of the District’s restricted net position represents fund balance that is restricted for federal and state programs (\$37.1 million), retirement of Long-Term Debt (\$1.9 million), scholarships and federal non-grant funding (\$2.0 million). The General and Capital Projects Funds unrestricted net position negative balance of negative \$31.9 million is due to the Net Pension Liability and Net OPEB deferred liability reported as required by the GASB 68 and 75. Total Assets increased \$30.6 million due primarily to an increase in construction in progress and in increase in the amount due from other governments. Additionally, long term liabilities decreased by \$58.3 million primarily due to the decrease of bonds payable and decreases in net pension liability and net OPEB liability.

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

	Governmental Activities		Percentage Change
	<u>2021</u>	<u>2020</u>	
Current and Other Assets	\$ 484.6	\$ 582.7	-16.8%
Capital Assets	721.8	593.1	21.7%
Total Assets	<u>1,206.4</u>	<u>1,175.8</u>	2.6%
Deferred Outflows of Resources	83.0	103.9	
Current Liabilities	58.4	68.3	-14.5%
Long Term Liabilities	688.2	746.5	-7.8%
Total Liabilities	<u>746.6</u>	<u>814.8</u>	-8.4%
Deferred Inflows of Resources	125.0	93.0	
Net Position			
Net Investment in Capital Assets	408.7	418.2	-2.3%
Restricted	41.0	42.3	-3.1%
Unrestricted	(31.9)	(88.5)	-64.0%
Total Net Position	<u>\$ 417.8</u>	<u>\$ 372.0</u>	12.3%

A significant portion, approximately fifty-one percent, of the District’s revenue comes from state aid. (See Figure A-3.) Seventeen percent comes from property taxes, while less than one percent relates to charges for services. The total cost of all programs and services was approximately \$516.7 million; eighty-three 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 2018. In 2021, four new elementary campuses were opened. Construction continues on a new high school, a new stadium, a new middle school, renovations on an existing high school, as well as expenditures on updating facilities for ADA compliance and security upgrades.
- Property values grew by approximately \$825.6 million. Central Texas continues to see growth and rising property values.
- Student enrollment decreased in 2021. The peak enrollment went down from 45,492 in 2020 to 44,017 in 2021. This is a result of COVID-19 and some students not returning to in-person learning.

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

	Governmental		Total %
	Activities		
	<u>2021</u>	<u>2020</u>	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 1.7	\$ 1.8	-5.6%
Operating Grants and Contributions	70.2	42.0	46.9%
<u>General Revenues</u>			
Property Taxes	93.4	91.9	1.6%
State Aid - Formula Grants	284.0	274.8	3.3%
Grants and Contributions Not Restricted	110.7	110.2	0.5%
Investment Earnings	0.9	9.6	-90.6%
Miscellaneous Revenues and Transfers	2.8	4.8	-41.7%
On-Behalf Accrual for GASB 75	-1.2	5.8	-79.3%
Total Revenues	562.5	540.9	5.1%
Expenses			
Instruction and instructional related	320.6	334.8	-4.2%
Instructional leadership/school administration	33.4	33.9	-1.5%
Guidance, social work, health, transportation	44.4	48.5	-8.5%
Food services	19.2	19.0	1.1%
Extracurricular activities	10.5	11.2	-6.2%
General administration	9.8	10.9	-10.1%
Plant maintenance and security	55.5	49.5	12.1%
Data processing services	6.4	6.7	-4.5%
Community services	1.2	1.3	-7.7%
Debt service	14.8	13.7	8.0%
Other intergovernmental charges	0.9	0.9	0.0%
Total Expenses	516.7	530.4	-2.6%
Increase in Net Position	45.8	10.5	
Beginning Net Position	372.0	361.5	
Ending Net Position	\$ 417.8	\$ 372.0	

Program Revenues – Operating grants increased by \$28.2 million. This is due to increase funding from the Federal government for COVID-19 expenditures. Property taxes increase \$1.5 million due to increase in property values. State Aid formula grants increased \$9.2 million due to hold harmless rules for ADA allowing for drop in attendance due to COVID-19 and new programs for Early Childhood education, Dyslexia and College, Career and Military readiness. Investment earnings decreased by \$8.7 million due to decrease in interest rates and increase in spending for construction. Miscellaneous revenues decreased by \$2.0 million due to increased funding in fiscal year 2020 such as No Kid Hungry to assist during COVID-19. The On-behalf accrual decreased by \$7.0 million due to 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) Instructional and instructional related services decreased \$14.2 million due to position vacancies and decreased expenditures related to distance learning due to COVID-19. ESSER funding also contributed to the decrease in expenditures.
- (b) Guidance and Counseling decreased by \$4.1 million from position vacancies and ESSER funding.
- (c) General administration decreased by \$1.1 million due to ESSER funding.
- (d) Plant maintenance and security increased \$6.0 million due to various life cycle repairs and replacement projects. During FY21, the region experienced a winter storm in which several campuses and buildings were damaged and had to be repaired.
- (e) Debt service increased \$1.1 million due to current year bond payments and amortization of bond premiums.

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 \$516.7 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$93.4 million (which is approximately 17%).
- 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 (\$1.7 million).

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

	Total Cost of Services		% Change	Net Cost of Services		% Change
	<u>2021</u>	<u>2020</u>		<u>2021</u>	<u>2020</u>	
Instruction	\$ 295.4	\$ 309.7	-4.6%	\$ 272.4	\$ 287.4	-5.2%
School Leadership	26.5	27.2	-2.6%	25.9	26.8	-3.4%
Guidance and Counseling	24.3	22.8	6.6%	11.1	21.7	-48.8%
Extracurricular	10.5	11.2	-6.2%	9.9	10.9	-9.2%
Facilities Maintenance & Operations	49.7	44.7	11.2%	49.2	44.4	10.8%

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 \$2.0 million from the prior year. State program revenues increased \$14.8 million while Federal program revenues increased \$4.7 due to additional funding from State and Federal Agencies for COVID-19 relief. General fund expenditures decreased by \$4.4 million due to many expenditures being paid with ESSER funds. There were \$17.2 in revenue and expenditures in the new ESSER II grant for COVID-19 expenditures. Construction expenditures increased \$18.7 million due to the construction of new campuses from the bonds which passed in 2018. The school building projects expenditures decreased by \$31.2 million as most of the school building construction costs were paid with the bond funds.

General Fund Budgetary Highlights

An additional budget considerations 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.
- \$10.3 million was transferred to the capital 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 2021 significant budget amendment 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 Expense	Actual vs Final Amended Budget
199-11-6XXX	\$265.6	\$239.3	-\$26.3	\$238.1	-\$1.2
199-41-6XXX	11.1	9.5	-1.6	9.5	0
199-23-6XXX	25.0	23.7	-1.3	23.7	0
199-52-6XXX	3.7	4.8	1.1	4.8	0
199-51-6XXX	40.9	44.8	3.9	42.1	-2.7
199-00-58XX	302.2	289.0	-13.2	309.7	20.7
199-00-59XX	50.7	65.4	14.7	65.4	0
199-00-8XXX	5.4	19.3	13.9	19.3	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 \$199,961,012. This is a \$53.4 million increase from the prior year. This increase is due from a decrease in expenditures due to ESSER funding and an increase in revenue from additional Federal and State funding.

The General Fund unassigned fund balance as of August 31, 2021 is \$168,743,922. The increase in the unassigned fund balance is primarily due to a decrease in expenditures due to ESSER funding. 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, \$24,804,146 of restricted fund balance is the amount remaining from state & federal grants and \$3,000,000 is set aside for school behavioral health in assigned fund balance.

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 \$86,229,923. Bond proposition B fund balance decreased by \$67,429,497. The only new income for these funds is interest income and other income 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 \$5,774,425. This increase is due primarily from a decrease in expenditures. The bond passed in 2018 provided funding for new construction of facilities so less is expended from the School Building Fund. Fund balance at year end is \$83,252,959 and is comprised of \$7,084,315 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 \$76,168,644 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 2021, the District had invested approximately \$721.8 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 \$128.7 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)

	Governmental Activities		Total % Change
	<u>2021</u>	<u>2020</u>	
Land	\$ 13.2	\$ 12.9	2.3%
Buildings and Improvements	673.5	644.4	4.5%
Furniture and Equipment	75.9	76.1	-0.3%
Construction in Progress	327.3	216.5	51.2%
Totals at historical cost	<u>1,089.9</u>	<u>949.9</u>	14.7%
Total accumulated depreciation	<u>(368.1)</u>	<u>(356.8)</u>	3.2%
Net capital assets	<u>\$ 721.8</u>	<u>\$ 593.1</u>	21.7%

Long-Term Debt

Debt Service requirements for the general obligation bonds outstanding on August 31, 2021, totaled \$445,009,748. 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 \$632,435,613 (including principal, interest due and accrued interest) through 2044 to retire its outstanding general long-term bonds. The debt service fund has \$1,878,610 restricted in fund balance for retirement of funded indebtedness.

The District levied a debt service tax rate of \$0.1694 during the 2021 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 2022 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 2022 is 44,360.

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 and the interest and sinking rate were decreased for 2022. The Board approved the maintenance and operations tax rate for the 2022 fiscal year of \$0.8720 and a debt service rate of \$0.1712 for a total of \$1.0432.

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, 2021

EXHIBIT A-1

Data Control Codes	Primary Government
	Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 54,940,664
1120 Current Investments	385,134,790
1220 Property Taxes - Delinquent	2,309,522
1230 Allowance for Uncollectible Taxes	(346,428)
1240 Due from Other Governments	36,343,108
1290 Other Receivables, Net	2,373,479
1300 Inventories	1,463,022
1410 Prepayments	2,178,288
Capital Assets:	
1510 Land	13,243,665
1520 Buildings, Net	362,671,166
1530 Furniture and Equipment, Net	18,609,282
1580 Construction in Progress	327,319,818
1990 Other Assets	217,008
1000 Total Assets	1,206,457,384
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	1,206,023
1705 Deferred Outflow Related to TRS Pension	49,387,530
1706 Deferred Outflow Related to TRS OPEB	32,422,372
1700 Total Deferred Outflows of Resources	83,015,925
LIABILITIES	
2110 Accounts Payable	27,745,585
2120 Short Term Debt Payable	1,485,689
2150 Payroll Deductions and Withholdings	5,600,411
2160 Accrued Wages Payable	10,718,577
2180 Due to Other Governments	1,271,538
2300 Unearned Revenue	157,003
2400 Payable from Restricted Assets	191,902
Noncurrent Liabilities:	
2501 Due Within One Year	11,272,153
Due in More than One Year:	
2502 Due in More Than One Year	435,464,748
2540 Net Pension Liability (District's Share)	126,234,263
2545 Net OPEB Liability (District's Share)	126,482,574
2000 Total Liabilities	746,624,443
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	23,880,546
2606 Deferred Inflow Related to TRS OPEB	101,150,618
2600 Total Deferred Inflows of Resources	125,031,164
NET POSITION	
3200 Net Investment in Capital Assets	408,700,785
Restricted:	
3820 Restricted for Federal and State Programs	37,053,389
3850 Restricted for Debt Service	1,878,610
3890 Restricted for Other Purposes	2,020,443
3900 Unrestricted	(31,835,525)
3000 Total Net Position	\$ 417,817,702

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, 2021

Net (Expense)
Revenue and
Changes in Net
Position

6
Primary Gov.

Governmental

Activities

Data Control Codes	1	Program Revenues		6	
		3	4		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 295,387,640	\$ 461,589	\$ 22,567,854	\$ (272,358,197)
12	Instructional Resources and Media Services	12,089,943	-	647,697	(11,442,246)
13	Curriculum and Instructional Staff Development	13,086,089	-	4,293,693	(8,792,396)
21	Instructional Leadership	6,859,999	-	80,639	(6,779,360)
23	School Leadership	26,475,667	150,896	465,246	(25,859,525)
31	Guidance, Counseling, and Evaluation Services	24,344,882	-	13,250,996	(11,093,886)
32	Social Work Services	2,216,473	-	529,567	(1,686,906)
33	Health Services	5,457,958	-	4,487,094	(970,864)
34	Student (Pupil) Transportation	12,449,328	-	169,976	(12,279,352)
35	Food Services	19,176,841	468,474	20,234,625	1,526,258
36	Extracurricular Activities	10,538,968	441,611	198,316	(9,899,041)
41	General Administration	9,835,589	-	143,245	(9,692,344)
51	Facilities Maintenance and Operations	49,662,936	-	429,231	(49,233,705)
52	Security and Monitoring Services	5,765,864	35,111	776,899	(4,953,854)
53	Data Processing Services	6,447,708	-	288,744	(6,158,964)
61	Community Services	1,251,917	102,525	450,562	(698,830)
72	Debt Service - Interest on Long-Term Debt	14,656,215	-	-	(14,656,215)
73	Debt Service - Bond Issuance Cost and Fees	163,245	-	-	(163,245)
95	Payments to Juvenile Justice Alternative Ed. Prg.	3,621	-	-	(3,621)
99	Other Intergovernmental Charges	861,240	-	-	(861,240)
	[TP] TOTAL PRIMARY GOVERNMENT:	\$ 516,732,123	\$ 1,660,206	\$ 69,014,384	(446,057,533)

Data Control Codes	General Revenues:	
	Taxes:	
MT	Property Taxes, Levied for General Purposes	78,824,359
DT	Property Taxes, Levied for Debt Service	14,645,866
SF	State Aid - Formula Grants	283,956,504
GC	Grants and Contributions not Restricted	110,688,111
IE	Investment Earnings	930,740
MI	Miscellaneous Local and Intermediate Revenue	2,811,875
TR	Total General Revenues	491,857,455
CN	Change in Net Position	45,799,922
NB	Net Position - Beginning	372,017,780
NE	Net Position - Ending	\$ 417,817,702

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2021

Data				2017 - 2018
Control		General	ESSER II	Bond
Codes		Fund		Proposition A
ASSETS				
1110	Cash and Cash Equivalents	\$ 42,660,770	\$ 1,181	\$ 521,445
1120	Investments - Current	142,984,995	-	102,442,741
1220	Property Taxes - Delinquent	1,999,192	-	-
1230	Allowance for Uncollectible Taxes	(299,879)	-	-
1240	Due from Other Governments	-	17,225,999	-
1260	Due from Other Funds	32,081,351	5,982	-
1290	Other Receivables	2,370,998	-	-
1300	Inventories	1,392,501	-	-
1410	Prepayments	2,020,443	-	-
1900	Other Assets	-	-	-
1000	Total Assets	\$ 225,210,371	\$ 17,233,162	\$ 102,964,186
LIABILITIES				
2110	Accounts Payable	\$ 6,386,410	\$ -	\$ 12,052,143
2120	Short Term Debt Payable - Current	1,403,275	-	249
2150	Payroll Deductions and Withholdings Payable	5,600,411	-	-
2160	Accrued Wages Payable	9,894,919	-	3,160
2170	Due to Other Funds	68,925	16,979,601	6,307
2180	Due to Other Governments	235	253,561	-
2300	Unearned Revenue	3,969	-	-
2400	Payable from Restricted Assets	191,902	-	-
2000	Total Liabilities	23,550,046	17,233,162	12,061,859
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	1,699,313	-	-
2600	Total Deferred Inflows of Resources	1,699,313	-	-
FUND BALANCES				
Nonspendable Fund Balance:				
3410	Inventories	1,392,501	-	-
3425	Endowment Principal	-	-	-
3430	Prepaid Items	2,020,443	-	-
Restricted Fund Balance:				
3450	Federal or State Funds Grant Restriction	24,804,146	-	-
3480	Retirement of Long-Term Debt	-	-	-
3490	Other Restricted Fund Balance	-	-	-
Committed Fund Balance:				
3510	Construction	-	-	30,440,176
3545	Other Committed Fund Balance	-	-	-
Assigned Fund Balance:				
3550	Construction	-	-	60,462,151
3590	Other Assigned Fund Balance	3,000,000	-	-
3600	Unassigned Fund Balance	168,743,922	-	-
3000	Total Fund Balances	199,961,012	-	90,902,327
4000	Total Liabilities, Deferred Inflows & Fund Balances	\$ 225,210,371	\$ 17,233,162	\$ 102,964,186

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

2017 - 2018 Bond Proposition B	School Building Projects	Other Funds	Total Governmental Funds
\$ 205,912	\$ 6,035,158	\$ 5,487,013	\$ 54,911,479
47,805,427	77,636,945	10,664,667	381,534,775
-	-	310,330	2,309,522
-	-	(46,549)	(346,428)
-	-	19,117,109	36,343,108
-	381,496	3,284,047	35,752,876
-	562	1,919	2,373,479
-	-	70,521	1,463,022
2,713	-	155,132	2,178,288
-	-	217,008	217,008
<u>\$ 48,014,052</u>	<u>\$ 84,054,161</u>	<u>\$ 39,261,197</u>	<u>\$ 516,737,129</u>
\$ 7,449,116	\$ 800,224	\$ 1,057,692	\$ 27,745,585
222	-	52,758	1,456,504
-	-	-	5,600,411
-	-	820,498	10,718,577
3,525	978	18,693,540	35,752,876
-	-	1,017,742	1,271,538
-	-	153,034	157,003
-	-	-	191,902
<u>7,452,863</u>	<u>801,202</u>	<u>21,795,264</u>	<u>82,894,396</u>
-	-	263,780	1,963,093
-	-	263,780	1,963,093
-	-	70,521	1,463,022
-	-	189,715	189,715
-	-	-	2,020,443
-	-	12,249,243	37,053,389
-	-	1,878,610	1,878,610
-	-	41,728	41,728
40,433,021	7,084,315	91,206	78,048,718
-	-	849,657	849,657
128,168	76,168,644	1,831,473	138,590,436
-	-	-	3,000,000
-	-	-	168,743,922
<u>40,561,189</u>	<u>83,252,959</u>	<u>17,202,153</u>	<u>431,879,640</u>
<u>\$ 48,014,052</u>	<u>\$ 84,054,161</u>	<u>\$ 39,261,197</u>	<u>\$ 516,737,129</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2021

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$ 431,879,640
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance, 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.	3,600,015
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 \$949,957,912 and the accumulated depreciation was (\$356,816,788). 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) \$593,141,124 and long-term debt in the governmental activities of \$456,914,454 is to increase net position.	136,226,670
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 2021 capital outlays of \$152,586,489 and debt principal payments of \$8,855,000 is to increase net position.	161,441,489
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 \$49,387,530, a deferred resource inflow in the amount of (\$23,880,546), and a net pension liability in the amount of (\$126,234,263). This resulted in a decrease in net position.	(100,727,279)
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 \$32,422,372, a deferred resource inflow in the amount of (\$101,150,618), and a net OPEB liability in the amount of (\$126,482,574). This resulted in a decrease in net position.	(195,210,820)
6 The 2021 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(20,631,861)
7 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 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.	1,239,848
19 Net Position of Governmental Activities	\$ 417,817,702

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, 2021

Data Control Codes	General Fund	ESSER II	2017 - 2018 Bond Proposition A
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 84,850,056	\$ -	\$ 363,270
5800 State Program Revenues	309,717,173	-	-
5900 Federal Program Revenues	65,448,745	17,225,999	-
5020 Total Revenues	<u>460,015,974</u>	<u>17,225,999</u>	<u>363,270</u>
EXPENDITURES:			
Current:			
0011 Instruction	238,132,610	1,102,358	2,100,183
0012 Instructional Resources and Media Services	10,919,540	384,368	210,739
0013 Curriculum and Instructional Staff Development	7,554,993	299	13,607
0021 Instructional Leadership	5,278,138	-	-
0023 School Leadership	23,695,579	5,905	107,065
0031 Guidance, Counseling, and Evaluation Services	10,260,176	11,335,447	22,725
0032 Social Work Services	1,629,667	-	-
0033 Health Services	771,807	4,389,734	12,780
0034 Student (Pupil) Transportation	13,798,669	-	-
0035 Food Services	859,527	1,181	99,638
0036 Extracurricular Activities	9,433,838	114	-
0041 General Administration	9,505,403	2,999	-
0051 Facilities Maintenance and Operations	42,127,332	897	2,932,089
0052 Security and Monitoring Services	4,754,692	-	46,044
0053 Data Processing Services	7,295,539	2,697	-
0061 Community Services	761,817	-	-
Debt Service:			
0071 Principal on Long-Term Debt	-	-	-
0072 Interest on Long-Term Debt	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	81,048,323
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	3,621	-	-
0099 Other Intergovernmental Charges	861,240	-	-
6030 Total Expenditures	<u>387,644,188</u>	<u>17,225,999</u>	<u>86,593,193</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>72,371,786</u>	<u>-</u>	<u>(86,229,923)</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	-	-
7912 Sale of Real and Personal Property	389,172	-	-
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out (Use)	(19,332,983)	-	-
8949 Other (Uses)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(18,943,811)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	53,427,975	-	(86,229,923)
0100 Fund Balance - September 1 (Beginning)	<u>146,533,037</u>	<u>-</u>	<u>177,132,250</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 199,961,012</u>	<u>\$ -</u>	<u>\$ 90,902,327</u>

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

2017 - 2018 Bond Proposition B	School Building Projects	Other Funds	Total Governmental Funds
\$ 272,757	\$ 184,354	\$ 15,951,626	\$ 101,622,063
-	-	16,624,302	326,341,475
-	3,680,223	46,528,206	132,883,173
272,757	3,864,577	79,104,134	560,846,711
6,298,915	-	26,239,913	273,873,979
1,137,127	-	569,016	13,220,790
49,237	2,284	4,294,279	11,914,699
5,367	-	80,639	5,364,144
522,438	14,532	654,333	24,999,852
135,560	-	1,918,752	23,672,660
-	-	529,567	2,159,234
26,462	960	99,815	5,301,558
-	-	169,976	13,968,645
475,580	36,928	15,746,542	17,219,396
20,103	-	315,528	9,769,583
-	26,309	140,246	9,674,957
1,454,138	2,002,010	1,955,934	50,472,400
233,930	33,800	804,048	5,872,514
-	-	286,047	7,584,283
-	-	450,562	1,212,379
-	-	8,855,000	8,855,000
-	-	17,899,393	17,899,393
-	-	163,245	163,245
57,343,397	4,478,642	2,249,476	145,119,838
-	-	-	3,621
-	-	-	861,240
67,702,254	6,595,465	83,422,311	649,183,410
(67,429,497)	(2,730,888)	(4,318,177)	(88,336,699)
-	-	11,115,000	11,115,000
-	-	-	389,172
-	10,326,275	8,029,820	18,356,095
-	-	1,974,183	1,974,183
-	(1,820,962)	(802,150)	(21,956,095)
-	-	(12,927,445)	(12,927,445)
-	8,505,313	7,389,408	(3,049,090)
(67,429,497)	5,774,425	3,071,231	(91,385,789)
107,990,686	77,478,534	14,130,922	523,265,429
\$ 40,561,189	\$ 83,252,959	\$ 17,202,153	\$ 431,879,640

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, 2021

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (91,385,789)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance, 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 increase net position.	3,601,340
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 2021 capital outlays of \$152,586,489 and debt principal payments of \$8,855,000 is to increase net position.	161,441,489
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.	(20,631,861)
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 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.	188,696
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 \$9,562,757. 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 (\$9,684,262). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense decreased the change in net position by (\$10,236,930). The net result is a decrease in the change in net position.	(10,358,435)
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 \$2,455,769. 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 (\$2,518,875). Finally, the proportionate share of the TRS OPEB expense on the plan as whole had to be recorded. The net OPEB expense increased the change in net position by \$3,007,588. The net result is an increase in net position.	2,944,482
Change in Net Position of Governmental Activities	\$ 45,799,922

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2021

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	\$ 84,686,943	\$ 84,294,580	\$ 84,850,056	\$ 555,476
5800 State Program Revenues	302,179,953	289,016,068	309,717,173	20,701,105
5900 Federal Program Revenues	50,700,985	65,420,073	65,448,745	28,672
5020 Total Revenues	437,567,881	438,730,721	460,015,974	21,285,253
EXPENDITURES:				
Current:				
0011 Instruction	265,614,347	239,326,251	238,132,610	1,193,641
0012 Instructional Resources and Media Services	11,780,425	11,255,517	10,919,540	335,977
0013 Curriculum and Instructional Staff Development	7,588,480	7,555,563	7,554,993	570
0021 Instructional Leadership	5,132,554	5,278,474	5,278,138	336
0023 School Leadership	25,029,290	23,700,545	23,695,579	4,966
0031 Guidance, Counseling, and Evaluation Services	20,802,382	21,071,060	10,260,176	10,810,884
0032 Social Work Services	1,679,711	1,676,437	1,629,667	46,770
0033 Health Services	5,215,725	5,085,132	771,807	4,313,325
0034 Student (Pupil) Transportation	14,136,560	14,749,158	13,798,669	950,489
0035 Food Services	506,999	872,853	859,527	13,326
0036 Extracurricular Activities	10,262,903	9,580,991	9,433,838	147,153
0041 General Administration	11,086,452	9,505,755	9,505,403	352
0051 Facilities Maintenance and Operations	40,932,867	44,799,773	42,127,332	2,672,441
0052 Security and Monitoring Services	3,722,299	4,794,939	4,754,692	40,247
0053 Data Processing Services	6,934,554	7,581,733	7,295,539	286,194
0061 Community Services	954,039	774,048	761,817	12,231
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	-	3,950	3,621	329
0099 Other Intergovernmental Charges	830,666	939,534	861,240	78,294
6030 Total Expenditures	432,210,253	408,551,713	387,644,188	20,907,525
1100 Excess of Revenues Over Expenditures	5,357,628	30,179,008	72,371,786	42,192,778
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	45,000	10,834	389,172	378,338
8911 Transfers Out (Use)	(5,402,628)	(19,332,983)	(19,332,983)	-
7080 Total Other Financing Sources (Uses)	(5,357,628)	(19,322,149)	(18,943,811)	378,338
1200 Net Change in Fund Balances	-	10,856,859	53,427,975	42,571,116
0100 Fund Balance - September 1 (Beginning)	-	146,533,037	146,533,037	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 157,389,896	\$ 199,961,012	\$ 42,571,116

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, 2021

	Governmental Activities -
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 29,185
Investments - Current	3,600,015
Total Assets	3,629,200
LIABILITIES	
Current Liabilities:	
Short Term Debt Payable	29,185
Total Liabilities	29,185
NET POSITION	
Unrestricted Net Position	3,601,340
Total Net Position	\$ 3,601,340

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, 2021

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 11,723
Total Operating Revenues	11,723
OPERATING EXPENSES:	
Other Operating Costs	10,383
Total Operating Expenses	10,383
Income Before Transfers	1,340
Transfer In	3,600,000
Change in Net Position	3,601,340
Total Net Position - September 1 (Beginning)	-
Total Net Position - August 31 (Ending)	\$ 3,601,340

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, 2021

EXHIBIT D-3

	Governmental Activities -
	Total Internal Service Funds
Net Increase in Cash and Cash Equivalents	29,185
Cash and Cash Equivalents at Beginning of Year	-
Cash and Cash Equivalents at End of Year	\$ 29,185
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u> Provided By (Used For) Operating Activities:</u>	
Operating Income (Loss)	\$ 29,185

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, 2021

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 17,125	\$ 2,659,660
Investments - Current	3,414	44,669
Other Receivables	-	50
Long Term Investments	3,046,123	-
Total Assets	<u>3,066,662</u>	<u>\$ 2,704,379</u>
LIABILITIES		
Due to Student Groups	-	921,527
Payable from Restricted Assets	-	1,782,852
Total Liabilities	<u>-</u>	<u>2,704,379</u>
NET POSITION		
Unrestricted Net Position	<u>3,066,662</u>	<u>-</u>
Total Net Position	<u>\$ 3,066,662</u>	<u>\$ -</u>

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2021

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Earnings from Endowments	\$ 559,096	\$ -
Earnings from Temporary Deposits	2	-
Contributions, Gifts and Donations	2	-
Total Additions	<u>559,100</u>	<u>-</u>
DEDUCTIONS:		
Other Deductions	89,101	-
Total Deductions	<u>89,101</u>	<u>-</u>
Change in Fiduciary Net Position	469,999	-
Total Net Position - September 1 (Beginning)	<u>2,596,663</u>	<u>-</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 3,066,662</u></u>	<u><u>\$ -</u></u>

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) – these funds are 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.

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.

School Building Projects is a Capital Projects Fund that accounts for construction projects financed through transfers from the General Fund.

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.

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.

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.

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

Read to Succeed – The purpose of these funds are 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.

Music Enrichment Program - Used to provide on site 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, 2021

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 \$41,728 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 Available for Expenditure
Scholarship account:			
Cross	\$ 724,896	\$ 1,907,569	\$ 1,182,673
Haynes	100,000	138,327	38,327
Wood	209,530	240,436	30,906
Pratt	83,195	215,146	131,951
Ware	100,000	533,692	433,692
Alt	9,394	10,953	1,559
		<u>\$ 3,046,123</u>	<u>\$ 1,819,108</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 accounts for the accumulation of resources to be used in payment of employee MDV (medical, dental, vision) and insurance payments.

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-4.

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 position 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, 2019 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 position 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) 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 \$168,743,922 exceeds the required minimum fund balance of \$96,911,047.

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 insure 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 is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

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 for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to / deductions from TRS's 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	\$ 12,942,062	\$ -	\$ 12,942,062	
Buildings & Improvements	644,478,680	299,560,361	344,918,319	
Furniture & Equipment	76,059,290	57,256,427	18,802,863	
Construction in Progress	<u>216,477,880</u>	<u>-</u>	<u>216,477,880</u>	
Change in Net Position				\$ 593,141,124
<u>Long-term Liabilities at the Beginning of the Year</u>			<u>Payable at the Beginning of the Year</u>	
Bonds Payable			\$ (413,710,000)	
Less Unamortized Premiums			<u>(43,204,454)</u>	
Change in Net Position				<u>(456,914,454)</u>
Net Adjustment to Net Position				<u>\$ 136,226,670</u>

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	\$ 1,963,093	\$ 1,963,093
<u>Reclassifications related to Bonds</u>		
Current year amortization bond premiums/discounts	3,463,889	3,463,889
Current year amortization deferred on refunding	(572,228)	(572,228)
Beginning Amount deferred on refunding	1,191,456	1,191,456
Current year bond refunding	172,612	172,612
<u>Adjustments to Expenditures and Accrued Liabilities</u>		
Bond Interest Accrual Adjustment	(775,075)	(775,075)
Compensated absences	(952,078)	(952,078)
<u>Adjustments to Other Sources and Revenues for Loss on Sale of Assets</u>	<u>(3,251,821)</u>	<u>(3,251,821)</u>
Total		<u><u>\$ 1,239,848</u></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	\$ 320,988		
Buildings & Improvements	37,290,294		
Furniture & Equipment	4,133,269		
Construction in Progress	110,841,938		
Total Capital Outlay	<u>\$ 152,586,489</u>	<u>\$ 152,586,489</u>	<u>\$ 152,586,489</u>
<u>Debt Principal Payments</u>			
Bond Principal	\$ 8,855,000		
Total Principal Payments	<u>\$ 8,855,000</u>	<u>\$ 8,855,000</u>	<u>\$ 8,855,000</u>
Total Adjustment to Net Position		<u>\$ 161,441,489</u>	<u>\$ 161,441,489</u>

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.	\$ 101,909	\$ 101,909
<u>Reclassifications related to Bonds</u>		
Current year amortization bond premiums/discounts	3,463,889	3,463,889
Current year amortization deferred on refunding	(572,228)	(572,228)
Current year bond refunding	172,612	172,612
<u>Reclassify Liabilities Incurred but not Liquidated this Year</u>		
Unused Vacation Pay	257,168	257,168
<u>Adjustments to Expenditures and Accrued Liabilities</u>		
Bond Interest Accrual Adjustment	17,167	17,167
<u>Adjustments to Other Sources and Revenues for Loss on Sale of Assets</u>		
	<u>(3,251,821)</u>	<u>(3,251,821)</u>
Total		<u>\$ 188,696</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>
199-11-6XXX	\$265,614,347	\$239,326,251	\$(26,288,096)	1
199-00-58XX	\$302,179,953	\$289,016,068	\$(13,163,885)	2
199-41-6XXX	\$11,086,452	\$9,505,755	\$(1,580,697)	3
199-23-6XXX	\$25,029,290	\$23,700,545	\$(1,328,745)	4
199-52-6XXX	\$3,722,299	\$4,794,939	\$1,072,640	5
199-51-6XXX	\$40,932,867	\$44,799,773	\$3,866,906	6
199-00-8XXX	\$5,402,628	\$19,332,983	\$13,930,355	7
199-00-59XX	\$50,700,985	\$65,420,073	\$14,719,088	8

- (1.) The amended decrease in expenditures is due to \$14.2 million reduction in miscellaneous operating to include \$6.2 million reduction in grant holding accounts that were moved to other functions; \$11.2 million vacancies; \$2.9 million increase in miscellaneous services; \$2.5 million reduction for non-technology supplies; \$2.3 million increase for technology controlled items; \$1.8 million decrease for substitutes; \$1.2 million increase for contracted repairs; \$0.9 million decrease for tuition; \$0.9 million decrease for supplemental pay/temporary employees; \$0.7 million decrease for professional services; \$0.7 million decrease for non-technology controlled items; \$0.6 million increase for technology supplies; \$0.2 million decrease for student transportation; \$0.25 million decrease for furniture.
- (2.) The amended decrease in state revenue is due to \$0.6 million increase for State FSP allocations; \$0.1 million increase for Personal Protective Equipment (PPE) from TEA; \$14.7 million reduction for TRS On-Behalf; \$0.4 million increase for Special Education offset; and \$0.4 million increase for funds from TECQ, Region 123 Technology Grant, Flood Control reimbursement and Dual Credit teacher partial salary reimbursement.
- (3.) The amended decrease in expenditures is due to \$0.3 million decrease for legal fees; \$0.4 million vacancies; \$0.3 million decrease for miscellaneous operating; \$0.2 million decrease for non-technology supplies; \$0.1 million decrease for employee travel; \$0.1 million decrease for rentals; \$0.1 million decrease for audit services; and \$0.1 million decrease for benefits.
- (4.) The amended decrease in expenditures is due to \$1.8 million vacancies; \$0.3 million increase for supplemental pay; \$0.2 million increase for technology-controlled items; \$0.1 million decrease for employee travel; \$0.1 million decrease for subs; \$0.1 million increase for furniture; and \$0.1 million increase for employee awards.
- (5.) The amended increase in expenditures is due to \$0.6 million increase for non-technology supplies; \$0.5 million increase for technology supplies; \$0.3 million decrease for miscellaneous services; \$0.2 million increase for capital outlay; \$0.2 million increase for salaries; \$0.1 million decrease for benefits.
- (6.) The amended increase in expenditures is due to \$4.4 million increase for contracted repairs; \$4.2 million decrease for miscellaneous services; \$1.2 million increase for capital outlay; \$0.6 million increase for salaries; \$0.6 million increase for technology supplies; \$0.4 million decrease for utilities; \$0.4 million increase for parts for maintenance/custodial; \$0.3 million increase for benefits; \$0.2 million increase for vehicles; \$0.2 million increase for miscellaneous operating; \$0.2 million increase for non-technology controlled items; \$0.2 million increase for non-technology supplies; \$0.1 million increase for technology controlled items; and \$0.1 million increase for insurance.
- (7.) The amended increase in other uses is due to a \$10.3 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 a \$3.6 million transfer for Self-Funded Health Insurance Plan.
- (8.) The amended increase in federal revenue is due to a \$6.2 million increase for current year impact aid funds; an increase of \$5.2 million for prior years' impact aid funds received in FY 2021 and an increase in SHARS revenue of \$3.3 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 special revenue funds is as follows:

Budgeted Fund - School Nutrition	\$	6,367,534
Unbudgeted Funds:		
Summer Feeding Program		5,302,929
Mobilizing Talent at Military Conn Schools		300
Advanced Placement Incentives		148,924
Instructional Materials Allotment		108,369
Read to Succeed		6,420
Campus Activity Funds		848,560
Music Enrichment Program		1,097
	<u>\$</u>	<u>12,784,133</u>

B. Excess of Actual Expenditures over Appropriations by Functional Categories

For fiscal year ended August 31, 2021, the District’s actual expenditures did not exceed budgeted expenditures by any function as defined by TEA.

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, 2021, the carrying amount of the District’s deposits was \$57,617,449 and the bank balance was \$59,844,326. 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: BBVA USA
- b) The market value of bond and/or security pledged as of the date of the highest combined balance on deposit was \$95,000,000.
- c) Irrevocable letters of credit in the amount of \$750,000 and \$1,900,000 were issued in favor of KISD 2018 UTSBB Series A Fund 617.
- d) Irrevocable letters of credit in the amount of \$1,000,000 and \$3,200,000 were issued in favor of KISD 2018 UTSBB Series B Fund 618.
- e) Largest cash, savings and time deposit combined account balance amounted to \$78,430,732 and occurred on June 23, 2021.
- f) Total amount of FDIC coverage at the time of largest combined balance was \$500,000.

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.

The School District categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All District investments are Level 1.

The School District has the following recurring fair value measurements as of August 31, 2021.

The District's investments at August 31, 2021, are shown below:

	Fair Value	Level 1
<u>Investments in Investment Pools and Money Markets:</u>		
TexStar	\$ 78,252,209	\$ 78,252,209
Texas CLASS	133,320,353	133,320,353
Lone Star	92,079,807	92,079,807
Frost	81,529,790	81,529,790
Schwab	714	714
Total Investments in Investment Pools and Money Markets:	<u>385,182,873</u>	<u>385,182,873</u>
<u>Long-term and Other Assets:</u>		
Vanguard Group	\$ 3,046,123	\$ 3,046,123
Schwab	217,008	217,008
Total:	<u>\$ 3,263,131</u>	<u>\$ 3,263,131</u>
 Total Investments	 <u>\$ 388,446,004</u>	 <u>\$ 388,446,004</u>

Market values of U.S. Treasury and U.S. Agencies securities are based on quoted market values. In accordance with Governmental Accounting Standards Board Statement (GASB) No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, these securities are reported at fair value. All unrealized gains/losses are reported as part of portfolio income. The District has elected to report short-term as well as long-term U.S. Treasury and Agency securities at fair value. The District adjusts investments to fair value on a quarterly basis. The District's investments in U.S. Agency debt securities were rated AA+ by Standard & Poor's.

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 0.46% 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 26.91% 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 63.23% 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 8.84% of the endowed funds are invested in the Vanguard International Growth Fund Admiral Shares (VWILX). In addition, approximately, 0.56% is invested in BBVA Compass. 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, 2021

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 is invested in Federal Home Loan Mortgage Company and Federal Farm Credit Banks. The account is currently earning around .20% 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), USAA Intermediate Term B (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, 2021 is shown below:

<u>Cash & Cash Equivalents 1110</u>		<u>Current Investments 1120</u>		<u>Long Term Investments 1990</u>	
Cash	\$ 54,213,307	Tex Star Investments	\$ 78,204,126	Endowment Fund	\$ 217,008
BBVA Bond Fund A	521,445	Texas Class	133,320,353		
BBVA Bond Fund B	205,912	Lone Star	92,079,807		
		Frost	81,529,790		
		Endowment Fund	714		
		Fair Vaulation	-		
	<hr/>		<hr/>		<hr/>
Total	\$ 54,940,664		\$ 385,134,790		\$ 217,008
 <u>Custodial & Private Purpose Trust Funds:</u>					
Cash	\$ 2,676,785	Cash	\$ -	Cash	\$ -
TexStar-FLEX	-	TexStar-FLEX	44,669	TexStar-FLEX	-
Tex Star -Scholarships	-	Tex Star -Scholarships	3,414	Tex Star -Scholarships	-
Vanguard Custodial Funds	-	Vanguard Custodial Funds	-	Vanguard Custodial Funds	3,046,123
	<hr/>		<hr/>		<hr/>
Total	\$ 2,676,785		\$ 48,083		\$ 3,046,123
	<hr/>		<hr/>		<hr/>
Total Cash & Investments	\$ 57,617,449		\$ 385,182,873		\$ 3,263,131
	<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 ESSER II and nonmajor governmental funds in the aggregate.

	ESSER II	Nonmajor Governmental	
	Fund	Funds	Total
Meal Reimbursement	\$ -	\$ 3,786,910	\$ 3,786,910
Grant Programs	<u>17,225,999</u>	<u>15,330,199</u>	<u>32,556,198</u>
Total Due from State Government	<u>\$ 17,225,999</u>	<u>\$ 19,117,109</u>	<u>\$ 36,343,108</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, 2021 consisted of the following individual fund receivables and payables:

Fund	Receivable	Payable
General Fund:		
Bond Proposition A	\$ 6,307	\$ -
Bond Proposition B	3,525	
ESSER II	16,978,420	5,982
School Building Projects	977	-
Non-Major Governmental Funds	15,092,122	62,943
Total General Fund	<u>32,081,351</u>	<u>68,925</u>
ESSER II		
	<u>Receivable</u>	<u>Payable</u>
General Fund	5,982	16,978,420
Non-Major Governmental Funds	-	1,181
Total ESSER II	<u>5,982</u>	<u>16,979,601</u>
Bond Proposition A		
	<u>Receivable</u>	<u>Payable</u>
General Fund	-	6,307
Total Bond Proposition A	<u>-</u>	<u>6,307</u>
Bond Proposition B		
	<u>Receivable</u>	<u>Payable</u>
General Fund	-	3,525
Total Bond Proposition B	<u>-</u>	<u>3,525</u>
School Building Projects		
	<u>Receivable</u>	<u>Payable</u>
General Fund	-	978
Non-Major Governmental Funds	381,496	-
Total School Building Projects	<u>381,496</u>	<u>978</u>
Non-Major Governmental Funds		
	<u>Receivable</u>	<u>Payable</u>
General Fund	39,388	15,068,566
ESSER II	1,181	-
School Building Projects	-	381,496
Non-Major Governmental Funds	3,243,478	3,243,478
Total Non-Major Governmental Funds	<u>3,284,047</u>	<u>18,693,540</u>
Totals	<u>\$ 35,752,876</u>	<u>\$ 35,752,876</u>

* The interfund balances represent cash owed between the individual funds

E. Capital Asset Activity

Capital asset activity for the year ended August 31, 2021 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Additions	Retirements	
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 12,942,062	\$ 320,988	\$ (19,385)	\$ 13,243,665
Construction in Progress	216,477,880	148,132,232	(37,290,294)	327,319,818
Total non-depreciable assets	<u>229,419,942</u>	<u>148,453,220</u>	<u>(37,309,679)</u>	<u>340,563,483</u>
Capital assets, being depreciated				
Buildings and Improvements	644,478,680	37,290,294	(8,231,133)	673,537,841
Furniture and Equipment	76,059,290	4,133,269	(4,296,225)	75,896,334
Total depreciable assets	<u>720,537,970</u>	<u>41,423,563</u>	<u>(12,527,358)</u>	<u>749,434,175</u>
Less accumulated depreciation for:				
Buildings and Improvements	(299,560,361)	(16,336,449)	5,030,135	(310,866,675)
Furniture and Equipment	<u>(57,256,427)</u>	<u>(4,295,412)</u>	<u>4,264,787</u>	<u>(57,287,052)</u>
Total accumulated depreciation	<u>(356,816,788)</u>	<u>(20,631,861)</u>	<u>9,294,922</u>	<u>(368,153,727)</u>
Governmental activities capital assets, net	<u>\$ 593,141,124</u>	<u>\$ 169,244,922</u>	<u>\$ (40,542,115)</u>	<u>\$ 721,843,931</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 14,305,889
Instructional Resources and Media	109,923
Curriculum Development	811,017
Instructional Administration	1,377,494
School Leadership	773,238
Guidance, Counseling & Evaluation	417
Student Transportation	478,352
Food Services	1,587,777
Extracurricular Activities	794,778
General Administrative	1,684
Plant Maintenance and Operations	346,345
Security and Monitoring Services	24,846
Data Processing Services	20,101
Total depreciation expense	<u>\$ 20,631,861</u>

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, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities					
Bonds and notes payable:					
School Refunding Bond Series Series 2012	13,370,000	-	13,035,000	335,000	335,000
School Refunding Bond Series Series 2017	8,120,000	-	95,000	8,025,000	95,000
School Building Bond Series Series 2018	264,780,000	-	4,545,000	260,235,000	5,175,000
School Building Bond Series Series 2019	115,610,000	-	-	115,610,000	-
School Refunding Bond Series Series 2019	11,830,000	-	3,750,000	8,080,000	3,940,000
School Refunding Bond Series Series 2020	-	11,115,000	105,000	11,010,000	-
Total Bonds and notes payable	<u>\$ 413,710,000</u>	<u>\$ 11,115,000</u>	<u>\$ 21,530,000</u>	<u>\$ 403,295,000</u>	<u>\$ 9,545,000</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>
2022	9,545,000	17,592,875	27,137,875
2023	9,990,000	17,110,950	27,100,950
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
2027-2031	66,870,000	68,247,000	135,117,000
2032-2036	90,090,000	48,758,225	138,848,225
2037-2041	113,420,000	25,426,250	138,846,250
2042-2044	79,415,000	3,873,375	83,288,375
	<u>\$ 403,295,000</u>	<u>\$ 229,140,613</u>	<u>\$ 632,435,613</u>

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

On February 15, 2012, the District issued \$28,290,000 in Unlimited Tax Refunding Bonds with an interest rate between 2.0% to 5.0%, along with additional funds of the district, to refund \$31,175,000 of the 2002 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 2002 Series bonds. As a result, this portion of the 2002 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 \$28,290,000 and the sales price of \$31,690,383 of the Series 2012 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, 2021 was \$16,666.

The advanced refunding of the 2002 Series bonds resulted in a \$710,477 difference between the reacquisition price and the net carrying amount of the old debt. This difference, reported in the financial statements as a deferred outflow of resources, is being amortized over the life of the Series 2012 debt in accordance with GASB 7 entitled Advanced Refundings Resulting in Defeasance of Debt. This transaction resulted in future cash flow savings of \$5,065,788 through 2028 and an economic gain (difference between the present value of the old and new debt service payments) of \$3,284,106.

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 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 \$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, 2021 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, 2021 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, 2021 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 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 \$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, 2021 was \$305,745.

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, 2021 was \$214,212.

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 Refundings 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.

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.

Changes in bonds payable for the year ended August 31, 2021 are as follows:

Description	Balance September 1, 2020	Additions	Reductions	Balance August 31, 2021
General Obligation Bonds	\$ 413,710,000	\$ 11,115,000	\$ 21,530,000	\$ 403,295,000
Unamortized (Discount)/Premium on Current Interest Term Bonds	43,204,454	1,974,183	3,463,889	41,714,748
Outstanding Bonds Payable	\$ 456,914,454	\$ 13,089,183	\$ 24,993,889	\$ 445,009,748

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, 2021.

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, 2021 are as follows:

	Outstanding Balances
Unlimited Tax School Building and Refunding Bonds, Series 2012	38,745,000
Unlimited Tax School Building and Refunding Bonds, Series 2017	8,620,000
Unlimited Tax School Building and Refunding Bonds, Series 2019	8,080,000
Unlimited Tax School Building and Refunding Bonds, Series 2020	12,675,000
Total Defeased	<u>\$ 68,120,000</u>

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 FY21 is shown below:

Net Capital Assets from Exhibit A-1	\$ 721,843,931
Unspent Bond proceeds from Exhibit C-1	150,975,525
Less accounts payable related to capital from Exhibit C-1	(20,314,946)
Less debt related to Capital Assets from bond schedule	(403,295,000)
Less unmatured premium or discount from changes in bond schedule	(41,714,748)
Less amount deferred on refunding from Exhibit A-1	<u>1,206,023</u>
Net investment in capital assets	<u>\$ 408,700,785</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, 2020	\$ 1,209,247
Additions - New Entrants and Salary Increments	8,728
Deductions - Payments to and Uses by Participants	<u>(265,897)</u>
Balance August 31, 2021	<u>\$ 952,078</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 2020 Comprehensive Annual Financial Report for TRS provides the following information regarding the components of the Net Pension Liability of the Pension Plan as of August 31, 2020.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 218,974,205,084
Less: Plan Fiduciary Net Position	<u>(165,416,245,243)</u>
Net Pension Liability	<u>\$ 53,557,959,841</u>
Net Position as percentage of Total Pension Liability	75.54%

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with five years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with five years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. 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 2020 and 2021.

<u>Contribution Rates</u>		
	<u>2020</u>	<u>2021</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
Current fiscal year Employer Contributions		\$ 9,562,757
Current fiscal year Member Contributions		\$ 21,906,148
2020 measurement year NECE On-Behalf Contributions		\$ 15,876,513

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 1.5 percent of the member’s salary beginning in fiscal year 2020, 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 total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2019	2.33%. 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."
Last year ending August 31 in Projection Period (100 Years)	2119
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020. 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 three-year period ending August 31, 2017 and were adopted in July 2018. 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 were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The long-term expected rate of return on pension plan investments is 7.25 percent. The long-term expected rate of return on Pension 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 Board of Trustees has the primary fiduciary responsibility for investing TRS trust assets in accordance with Article XVI, Section 67 of the Texas Constitution and with applicable law. The Board adopts the Investment Policy Statement which establishes investment objectives and policy, obtains expert advice and assistance, and oversees the employment of a qualified and competent investment staff (Investment Management Division) and legal staff. The Board also monitors the actions of staff, consultants, and advisors to ensure compliance with its policies. The current Investment Policy Statement has been in effect since October 1, 2019, and there were no significant investment policy changes during the reporting period. For the fiscal year ended August 31, 2020, there were no significant violations of state statute, investment Policy, or contractual provisions.

The total or overall investment portfolio includes all assets invested by TRS to provide retirement, death, health, and disability benefits administered by the System, and is structured and managed to achieve the following objectives:

- a. Control risk through proper diversification of asset classes and by establishing long-term risk and return expectations; and
- b. As applicable to the pension plan, achieve a long-term rate of return that:
 - i. Exceeds the assumed actuarial rate of return adopted by the Board;
 - ii. Exceeds the long-term rate of inflation by an annualized 5 percent; and
 - iii. Exceeds the return of the Fund Policy Benchmark.

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, 2020.

Asset Class	Target Allocation* %	Long-Term Expected Geometric Real Rate of Return**	Long-Term Geometric Real Rate of Return ***
Global Equity			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Estate	15.00%	4.60%	1.02%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag			-0.67%
Expected Return	100.00%		7.33%

*Target allocations are based on the FY 2020 policy model.

** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

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

Discount Rate

A single discount rate of 7.25 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 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from plan members and those of the contributing 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.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2020 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Proportionate share of the net pension liability	\$ 194,650,975	\$ 126,234,263	\$ 70,647,184

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

At August 31, 2021, Killeen Independent School district reported a liability of \$126,234,263 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	\$ 126,234,263
State's proportionate share that is associated with the District	206,085,647
Total	<u>\$ 332,319,910</u>

The net pension liability was measured as of August 31, 2020 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, 2019 through August 31, 2020.

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.2356965491% which was a decrease of - 0.0215648492% from its proportion measured as of August 31, 2019.

Actuarial Methods and Assumptions

Roll Forward

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the total pension liability to August 31, 2020. 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 three-year period ending August 31, 2017, and were adopted in July 2018. The active mortality rates were based on 90 percent of the RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP. The long-term expected rate of return on pension plan investments is 7.25 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.

For the year ended August 31, 2021, Killeen Independent School District recognized pension expense of \$19,336,714 and revenue of \$24,787,527 for support provided by the State.

At August 31, 2021, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 230,494	\$ 3,522,863
Changes in actuarial assumptions	29,290,840	12,454,261
Differences between projected and actual investment earnings	2,555,504	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	7,747,935	7,903,422
Total as of August 31, 2020 measurement date	<u>\$ 39,824,773</u>	<u>\$ 23,880,546</u>
Contributions paid to TRS subsequent to the measurement date	9,562,757	-
Total as of fiscal year-end	<u>\$ 49,387,530</u>	<u>\$ 23,880,546</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
2022	\$ 5,100,599
2023	\$ 6,517,379
2024	\$ 6,021,150
2025	\$ 1,343,862
2026	\$ (2,566,060)
Thereafter	\$ (472,703)

At August 31, 2021, 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, 2020 Measurement Date	\$ 39,824,773	\$ 23,880,546
Contributions made subsequent to the Measurement Date	9,562,757	-
Total	<u>\$ 49,387,530</u>	<u>\$ 23,880,546</u>

Funding Policy – Retirement Plan

Contribution rates and contributions for fiscal years 2021-2019 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
2021	7.70%	\$21,906,148	7.50%	\$15,876,513	\$ 3,970,733
2020	7.70%	\$22,262,975	7.50%	\$13,142,206	\$ 4,121,760
2019	7.70%	\$21,168,607	6.80%	\$12,703,997	\$ 3,647,122

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, 2019, 2020 and 2021 was \$274,897,917, \$289,129,534, and \$284,495,442 respectively, and total District payroll for these years was \$286,174,909, \$300,541,723 and \$301,364,196 respectively.

I. Defined Other Post-Employment Benefit Plans

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas. TRS-Care Retired Plan provides health care coverage for certain persons (and their dependents) who retired under the Teacher Retirement System of Texas. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS Web site at www.trs.state.tx.us or by calling (800)-223-8778.

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 \(texas.gov\)](http://Annual%20Comprehensive%20Financial%20Report%20Archived%20Editions%20(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 \$277,490,586 as of August 31, 2020.

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 2020. The following table shows contributions to the TRS-Care plan by the type of contributor.

2021 Contribution Rates

	<u>2020</u>	<u>2021</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	\$	2,455,769
Current fiscal year member contributions	\$	1,849,219
2020 measurement year NECE on-behalf contributions	\$	3,398,212

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 2020 totaled \$11,413,512.

A supplemental appropriation was authorized by Senate Bill 1264 of the 86th Texas Legislature to provide \$2,208,137 for fiscal year 2020 and \$3,312,206 for fiscal year 2021, for consumer protections against medical and health care billing by certain out-of-network providers. Funding will be in fiscal year 2021.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2020.

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. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The following assumptions used for members of TRS are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

- Rates of Mortality
- Rates of Retirement
- Rates of Termination
- Rates of Disability
- General Inflation
- Wage Inflation
- Salary Increases

The active mortality rates were based on 90 percent of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

The total OPEB liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Discount Rate	2.97%
Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll, Open
Amortization Period	30 Years
Asset Value Method	N/A
Salary Increases	2.5% to 9.5% including inflation
Inflation	2.50%
Ad Hoc Post-Employment Benefit Changes	None
Annual Healthcare Trend Rates	<u>Health Select</u> 7.30% for FY21, 7.40% for FY22, 7.00% for FY23, decreasing 50 basis points per year to an ultimate rate of 4.50% for FY28 and later years.
Annual Healthcare Trend Rates	<u>Health Select Medicare Advantage</u> 10.80% for FY21, 7.40 % for FY22, 7.00% for FY23, decreasing 50 basis points per year to an ultimate rate of 4.50% for FY28 and later years.

Change of Assumptions Since the Prior Measurement Date

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

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33 percent, as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost

employer health plans in December 2019. This change lowered the Total OPEB Liability.

Discount Rate

A single discount rate of 2.33 percent was used to measure the total OPEB liability. This was a decrease of .30 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.

Discount Rate Sensitivity Analysis

The following shows the impact of the net OPEB liability if the discounted rate used was 1% less than and 1% greater than the discount rate that was used in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.33%)	Discount Rate (2.33%)	1% Increase in Discount Rate (3.33%)
Proportionate share of the net OPEB liability	\$ 151,778,799	\$ 126,482,574	\$ 106,502,186

Healthcare Cost Trend Rates Sensitivity Analysis

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	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$103,320,058	\$126,482,574	\$157,331,771

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

At August 31, 2021, the District reported a liability of \$126,482,574 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	\$ 126,482,574
State's proportionate share that is associated with the District	<u>169,962,260</u>
Total	<u><u>\$ 296,444,834</u></u>

The net OPEB liability was measured as of August 31, 2020 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, 2019 through August 31, 2020.

At August 31, 2021 the employer's proportion of the collective net OPEB liability was 0.33272217799% which was a decrease of -0.0152532062% from its proportion measured as of August 31, 2020.

For the year ended August 31, 2021, the District recognized OPEB expense of (\$1,668,867) and revenue of \$ (1,180,154) for support provided by the State.

At August 31, 2021, 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	\$ 6,622,578	\$ 57,884,893
Changes in actuarial assumptions	7,801,345	34,732,768
Differences between projected and actual investment earnings	41,102	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	<u>15,501,578</u>	<u>8,532,957</u>
Total as of August 31, 2020 measurement date	\$ 29,966,603	\$ 101,150,618
Contributions paid to TRS subsequent to the measurement date	<u>2,455,769</u>	<u>-</u>
Total as of Fiscal Year-End	<u><u>\$ 32,422,372</u></u>	<u><u>\$ 101,150,618</u></u>

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
2022	\$ (11,725,734)
2023	\$ (11,731,228)
2024	\$ (11,734,371)
2025	\$ (11,733,510)
2026	\$ (8,354,714)
Thereafter	\$ (15,904,458)

The District reported a net OPEB liability of \$126,482,574 as of August 31, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	\$ 164,561,822	\$ (35,550,330)	\$ 2,528,918	\$ 126,482,574

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 2019, 2020 and 2021, the subsidy payment received by TRS-Care on behalf of Killeen Independent School District was \$1,027,911, \$1,235,978 and \$1,354,275 respectively.

Contributions Made

Contributions made by the State, the District and its employees, and the District's covered payroll for the fiscal years 2021, 2020, and 2019 are as follows:

	2021	2020	2019
Covered payroll	\$ 284,495,442	\$ 289,129,534	\$ 274,897,917
Contributions made by the State	\$ 19,274,725	\$ 18,511,682	\$ 12,703,997
Retirement plan rate	7.50%	7.50%	6.80%
Retiree health care rate	1.25%	1.25%	1.25%
Medicare Part D	\$ 1,252,986	\$ 1,235,978	\$ 1,027,911
District required and actual contributions to TRS & TRS-Care	\$ 8,568,858	\$ 8,740,447	\$ 7,913,166
Employee contributions to TRS & TRS-Care	\$ 23,755,367	\$ 24,142,317	\$ 22,955,568

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	\$ 23,302,775	\$ (734,921)	\$ 22,567,854
12 Instructional Resources	682,746	(35,049)	\$ 647,697
13 Curriculum & Development	4,320,743	(27,050)	\$ 4,293,693
21 Instructional Leadership	96,605	(15,966)	\$ 80,639
23 School Leadership	545,771	(80,525)	\$ 465,246
31 Guidance, Counseling, & Evaluation	13,323,023	(72,027)	\$ 13,250,996
32 Social Work Services	534,394	(4,827)	\$ 529,567
33 Health Services	4,503,549	(16,455)	\$ 4,487,094
34 Student (Pupil) Transportation	204,151	(34,175)	\$ 169,976
35 Food Services	20,260,452	(25,827)	\$ 20,234,625
36 Extra Curricular Activities	215,712	(17,396)	\$ 198,316
41 General Administration	167,940	(24,695)	\$ 143,245
51 Facilities Maintenance & Operations	493,987	(64,756)	\$ 429,231
52 Security & Monitoring Services	787,160	(10,261)	\$ 776,899
53 Data Processing Services	301,656	(12,912)	\$ 288,744
61 Community Services	453,872	(3,310)	\$ 450,562
Total	\$ 70,194,536	\$ (1,180,152)	\$ 69,014,384

J. Health Care Coverage

During the year ended August 31, 2021, employees of the Killeen Independent School District were covered by a Cafeteria Plan (the Plan). The District contributes \$325 per month plus the state contributes an additional \$75 to the benefit spending account of each full time employee with health care coverage, and \$200 per month for full time employees without health care coverage. 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. All employer and employee contributions are paid to a third party administrator, acting on behalf of the District. The Benefits Plan currently includes Baylor Scott and White Health Plan and 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 2021, the District obtained insurance against risks through commercial carriers, 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 three years.

Cyber insurance coverage decreased from \$25 million to \$21 million aggregate limit, with an increase in cost of \$68,446.00. The cyber market is very hard due to increased threats.

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.

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>	<u>General</u>	<u>17-18 Bond Proposition A</u>	<u>17-18 Bond Proposition B</u>	<u>School Building Projects</u>	<u>Other Funds</u>	<u>Total</u>
<u>Nonspendable:</u>						
Inventories	\$ 1,392,501	\$ -	\$ -	\$ -	\$ 70,521	\$ 1,463,022
Endowments	-	-	-	-	189,715	189,715
Prepaid Items	2,020,443	-	-	-	-	2,020,443
Total Nonspendable	3,412,944	-	-	-	260,236	3,673,180
<u>Restricted:</u>						
Federal/State Funds Grant Restriction	24,804,146	-	-	-	12,249,243	37,053,389
Retirement of Long-Term Debt	-	-	-	-	1,878,610	1,878,610
Other Restricted Fund Balance	-	-	-	-	41,728	41,728
Total Restricted	24,804,146	-	-	-	14,169,581	38,973,727
<u>Committed:</u>						
Construction	-	30,440,176	40,433,021	7,084,315	91,206	78,048,718
Other Committed Fund Balance	-	-	-	-	849,657	849,657
Total Committed	-	30,440,176	40,433,021	7,084,315	940,863	78,898,375
<u>Assigned:</u>						
Construction	-	60,462,151	128,168	76,168,644	1,831,473	138,590,436
Other Assigned Fund Balance	3,000,000	-	-	-	-	3,000,000
Total Assigned	3,000,000	60,462,151	128,168	76,168,644	1,831,473	141,590,436
Unassigned	168,743,922	-	-	-	-	168,743,922
Total Fund Balances	\$ 199,961,012	\$ 90,902,327	\$ 40,561,189	\$ 83,252,959	\$ 17,202,153	\$ 431,879,640

M. Federal Source Revenues

For the year ended August 31, 2021, revenues from Federal programs included in the General Fund consisted of the following:

Federally Distributed:	CFDA Number	Amount
PL 103-382 (Impact Aid)	84.041	\$ 59,016,648
ROTC Salaries	12.00	374,534
Academic Expansion Program	N/A	4,364
		59,395,546
Other State Distributed -- Federal Program		
Shars Reimbursement	N/A	6,027,137
Indirect Cost Revenue	N/A	26,062
		6,053,199
Total Federal Source Revenues		\$ 65,448,745

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

Federally Distributed	CFDA Number	Amount
PL 110-417 (Impact Aid) Section 551	84.041	\$ 3,680,223

N. Transfers

During the year \$10,326,275 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, \$5,402,628 was transferred from the General Fund to the Capital Improvement Projects fund for future capital improvement expenditures. A transfer of \$3,600,000 was made from General Fund to the KISD Self Insurance fund for the amount in the committed fund balance for self-insurance. A transfer of \$1,820,962 was made from the Strategic Facilities Plan to the New School Furniture and Equipment fund to help with new school expenditures. There was a transfer of \$802,150 from the Summer Feeding program to the School Nutrition Program for the 2020 net profit. A transfer of \$2,700 was transferred from General Fund to the Campus Activity Funds for start up funds and change funds. There was a \$1,380 transfer from the general fund to the Music Enrichment Program for the Killeen High School 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, 2021 may be impaired.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2021

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, 2021, 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	\$ 88,979,445	\$ 49,201,913	\$ 39,777,532
Chapparral High School	\$ 128,113,112	\$ 101,329,864	\$ 26,783,248
Chapparral High School Stadium Expansion	\$ 10,642,249	\$ 3,557,934	\$ 7,084,315
Pershing Park	\$ 30,774,631	\$ 28,900,182	\$ 1,874,449
Killeen Elementary School	\$ 42,671,777	\$ 38,356,393	\$ 4,315,384
Clifton Park Elementary School	\$ 29,793,042	\$ 28,325,681	\$ 1,467,361
Pat Carney Elementary School	\$ 32,436,045	\$ 28,779,116	\$ 3,656,929
Venable Village ES HVAC	\$ 1,162,030	\$ 1,070,824	\$ 91,206
New Middle School #14	\$ 47,797,911	\$ 47,797,911	\$ -
Total Construction in Progress	<u>\$ 412,370,242</u>	<u>\$ 327,319,818</u>	<u>\$ 85,050,424</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	\$ 3,780,499
National Breakfast & Lunch Program	1,408,844
Summer Feeding Program	409,428
Bond Proposition A	32,613,372
Bond Proposition B	12,153,356
School Building Projects	10,026,285
Nonmajor Governmental Funds	905,547
Total	<u>\$ 61,297,331</u>

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, 2020	\$	2,987,670
Increases		46,161
Decreases		<u>(1,548,142)</u>
Balance, August 31, 2021	\$	<u><u>1,485,689</u></u>

Q. Unearned Revenue

Unearned revenue for the Statement of Net Position at August 31, 2021 consisted of the following:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Child Nutrition Receipts	\$ -	\$ 153,034	\$ 153,034
Other Unearned Revenue	<u>3,969</u>	<u>-</u>	<u>3,969</u>
Total Unearned Revenue	<u><u>\$ 3,969</u></u>	<u><u>\$ 153,034</u></u>	<u><u>\$ 157,003</u></u>

R. Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and Lease Payable:					
General Obligation Bonds	\$ 413,710,000	\$ 11,115,000	\$ 21,530,000	\$ 403,295,000	\$ 9,545,000
Unamortized Premiums on Bonds	43,204,454	1,974,183	3,463,889	41,714,748	-
Total Bonds and Lease Payable	456,914,454	13,089,183	24,993,889	445,009,748	9,545,000
Other Liabilities:					
Net Pension Liability	133,732,517	2,226,650	9,724,904	126,234,263	-
Net OPEB Liability	164,561,822	(35,550,330)	2,528,918	126,482,574	-
Accrued Interest	792,242	-	17,167	775,075	775,075
Compensated Absences	1,209,247	8,728	265,897	952,078	952,078
Total Other Liabilities	300,295,828	(33,314,952)	12,536,886	254,443,990	1,727,153
Total Governmental Activities	\$ 757,210,282	\$ (20,225,769)	\$ 37,530,775	\$ 699,453,738	\$ 11,272,153

S. Subsequent Events

The District has evaluated all events and transactions for potential recognition or disclosure through January 13, 2022 the date which the financial statements were available for issue and determined that there were no such events requiring recognition or disclosure in the financial statements.

(Concluded)





KILLEEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018
District's Proportion of the Net Pension Liability (Asset)	0.235696549%	0.257261398%	0.250246337%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 126,234,263	\$ 133,732,517	\$ 137,741,657
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	206,085,647	195,193,804	207,701,675
Total	<u>\$ 332,319,910</u>	<u>\$ 328,926,321</u>	<u>\$ 345,443,332</u>
District's Covered Payroll	\$ 289,129,534	\$ 274,897,917	\$ 271,061,550
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	43.66%	48.65%	50.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.54%	75.24%	73.74%

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, 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.

<u>FY 2018</u> <u>Plan Year 2017</u>	<u>FY 2017</u> <u>Plan Year 2016</u>	<u>FY 2016</u> <u>Plan Year 2015</u>	<u>FY 2015</u> <u>Plan Year 2014</u>
0.239083564%	0.232406944%	0.23791%	0.1657287%
\$ 76,446,044	\$ 87,823,128	\$ 84,098,018	\$ 44,268,428
126,881,968	153,377,304	145,919,195	126,018,907
<u>\$ 203,328,012</u>	<u>\$ 241,200,432</u>	<u>\$ 230,017,213</u>	<u>\$ 170,287,335</u>
\$ 259,686,266	\$ 250,349,801	\$ 238,448,597	\$ 233,634,443
29.44%	35.08%	35.27%	18.95%
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 FISCAL YEAR 2021

	2021	2020	2019
Contractually Required Contribution	\$ 9,562,757	\$ 9,684,262	\$ 8,891,199
Contribution in Relation to the Contractually Required Contribution	(9,562,757)	(9,684,262)	(8,891,199)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 284,495,442	\$ 289,129,534	\$ 274,897,917
Contributions as a Percentage of Covered Payroll	3.36%	3.35%	3.23%

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.

2018	2017	2016	2015
\$ 8,306,319	\$ 7,835,764	\$ 7,384,157	\$ 7,091,052
(8,223,316)	(7,835,764)	(7,384,157)	(7,091,052)
<u>\$ 83,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 271,061,550	\$ 259,686,266	\$ 250,349,801	\$ 238,448,597
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 YEAR ENDED AUGUST 31, 2021

	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.33272178%	0.347975384%	0.328993368%	\$ 0.313678687%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 126,482,574	\$ 164,561,822	\$ 164,269,400	\$ 136,407,094
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	169,962,260	218,665,852	226,652,934	\$ 203,611,856
Total	<u>\$ 296,444,834</u>	<u>\$ 383,227,674</u>	<u>\$ 390,922,334</u>	<u>\$ 340,018,950</u>
District's Covered Payroll	\$ 289,129,534	\$ 274,897,917	\$ 271,061,550	\$ 259,686,266
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	43.75%	59.86%	60.60%	\$ 52.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	4.99%	2.66%	1.57%	\$ 0.91%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore 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 of 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.

KILLEEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR FISCAL YEAR 2021

	2021	2020	2019	2018
Contractually Required Contribution	\$ 2,455,769	\$ 2,518,875	\$ 2,420,419	\$ 2,319,737
Contribution in Relation to the Contractually Required Contribution	(2,455,769)	(2,518,875)	(2,420,419)	(2,298,166)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ 21,571
District's Covered Payroll	\$ 284,495,442	\$ 289,129,534	\$ 274,897,197	\$ 271,061,550
Contributions as a Percentage of Covered Payroll	0.86%	0.87%	0.88%	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.

KILLEEN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION FOR THE YEAR ENDED AUGUST 31, 2021

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.

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

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 2.63 percent as of August 31, 2019, to 2.33 percent as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50 percent to 40 percent. This change lowered the Total OPEB Liability.
- The ultimate health care trend assumption was lowered from 4.50 percent to 4.25 percent as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.



KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2021

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
ASSETS				
1110	Cash and Cash Equivalents	\$ -	\$ -	\$ -
1120	Investments - Current	-	-	-
1220	Property Taxes - Delinquent	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-
1240	Due from Other Governments	32,747	2,882,904	1,730,098
1260	Due from Other Funds	-	448	-
1290	Other Receivables	-	-	-
1300	Inventories	-	-	-
1410	Prepayments	196	-	-
1900	Other Assets	-	-	-
1000	Total Assets	<u>\$ 32,943</u>	<u>\$ 2,883,352</u>	<u>\$ 1,730,098</u>
LIABILITIES				
2110	Accounts Payable	\$ -	\$ 36,705	\$ -
2120	Short Term Debt Payable - Current	145	12,441	12,560
2160	Accrued Wages Payable	-	179,754	196,951
2170	Due to Other Funds	32,798	2,654,307	1,520,587
2180	Due to Other Governments	-	145	-
2300	Unearned Revenue	-	-	9
2000	Total Liabilities	<u>32,943</u>	<u>2,883,352</u>	<u>1,730,098</u>
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
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	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 32,943</u>	<u>\$ 2,883,352</u>	<u>\$ 1,730,098</u>

226 IDEA - Part B Discretionary	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
\$ -	\$ 1,025,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	8,207,181	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,625,613	2,161,297	199,859	405,412	450,229	415,070	7,867,563
-	46,098	3,198,646	290	-	-	-	-
-	1,919	-	-	-	-	-	-
-	70,521	-	-	-	-	-	-
-	-	-	2,420	1,176	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 10,976,836</u>	<u>\$ 5,359,943</u>	<u>\$ 202,569</u>	<u>\$ 406,588</u>	<u>\$ 450,229</u>	<u>\$ 415,070</u>	<u>\$ 7,867,563</u>
\$ -	\$ 718,599	\$ 141	\$ -	\$ -	\$ 105,635	\$ -	\$ -
-	16,463	1,967	568	1,229	-	-	6,565
-	71,514	-	333	35,157	24,141	-	300,565
-	3,268,303	54,906	201,660	370,202	320,453	415,070	7,560,433
-	381,389	-	8	-	-	-	-
-	153,034	-	-	-	-	-	-
-	<u>4,609,302</u>	<u>57,014</u>	<u>202,569</u>	<u>406,588</u>	<u>450,229</u>	<u>415,070</u>	<u>7,867,563</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	70,521	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,297,013	5,302,929	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	<u>6,367,534</u>	<u>5,302,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 10,976,836</u>	<u>\$ 5,359,943</u>	<u>\$ 202,569</u>	<u>\$ 406,588</u>	<u>\$ 450,229</u>	<u>\$ 415,070</u>	<u>\$ 7,867,563</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2021

Data Control Codes	286 Student Achievement Military Conn	288 Mobile Talent Military Connected Sch	289 Title IV SSAEP	386 Regional Day School for the Deaf
ASSETS				
1110	Cash and Cash Equivalents	\$ 285	\$ -	\$ -
1120	Investments - Current	-	-	-
1220	Property Taxes - Delinquent	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-
1240	Due from Other Governments	-	27,215	591,453
1260	Due from Other Funds	-	-	6,211
1290	Other Receivables	-	-	-
1300	Inventories	-	-	-
1410	Prepayments	-	-	-
1900	Other Assets	-	-	-
1000	Total Assets	<u>\$ 285</u>	<u>\$ 27,215</u>	<u>\$ 591,453</u>
LIABILITIES				
2110	Accounts Payable	\$ -	\$ -	\$ 6,810
2120	Short Term Debt Payable - Current	-	20	325
2160	Accrued Wages Payable	-	1,698	-
2170	Due to Other Funds	-	25,197	584,318
2180	Due to Other Governments	285	-	-
2300	Unearned Revenue	-	-	-
2000	Total Liabilities	<u>285</u>	<u>26,915</u>	<u>591,453</u>
DEFERRED INFLOWS OF RESOURCES				
2601	Unavailable Revenue - Property Taxes	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
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	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>300</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 285</u>	<u>\$ 27,215</u>	<u>\$ 591,453</u>

397 Advanced Placement Incentives	410 Instructional Materials Allotment	427 School Safety	429 Read to Succeed	461 Campus Activity Funds	498 Music Enrichment Program	499 GEAR UP	Total Nonmajor Special Revenue Funds
\$ 148,924	\$ 542,314	\$ -	\$ 7,194	\$ 848,560	\$ 1,928	\$ -	\$ 2,574,709
-	-	-	-	-	-	-	8,207,181
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	598,170	-	-	-	80,119	19,117,109
-	-	-	-	-	-	-	3,245,482
-	-	-	-	-	-	-	1,919
-	-	-	-	-	-	-	70,521
-	151,340	-	-	-	-	-	155,132
-	-	-	-	-	-	-	-
<u>\$ 148,924</u>	<u>\$ 693,654</u>	<u>\$ 598,170</u>	<u>\$ 7,194</u>	<u>\$ 848,560</u>	<u>\$ 1,928</u>	<u>\$ 80,119</u>	<u>\$ 33,372,053</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 867,890
-	-	-	-	-	-	-	52,617
-	-	-	774	-	831	-	820,498
-	585,285	598,170	-	-	-	80,119	18,312,045
-	-	-	-	-	-	-	381,836
-	-	-	-	-	-	-	153,034
<u>-</u>	<u>585,285</u>	<u>598,170</u>	<u>774</u>	<u>-</u>	<u>831</u>	<u>80,119</u>	<u>20,587,920</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	70,521
-	-	-	-	-	-	-	-
148,924	108,369	-	6,420	-	-	-	11,863,955
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	848,560	1,097	-	849,657
-	-	-	-	-	-	-	-
<u>148,924</u>	<u>108,369</u>	<u>-</u>	<u>6,420</u>	<u>848,560</u>	<u>1,097</u>	<u>-</u>	<u>12,784,133</u>
<u>\$ 148,924</u>	<u>\$ 693,654</u>	<u>\$ 598,170</u>	<u>\$ 7,194</u>	<u>\$ 848,560</u>	<u>\$ 1,928</u>	<u>\$ 80,119</u>	<u>\$ 33,372,053</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2021

Data Control Codes	599 Debt Service	645 Capital Improvement Projects	687 Impact Aid Section 8007	696 New School Furniture & Equipment	
ASSETS					
1110	Cash and Cash Equivalents	\$ 679,707	\$ 2,112,477	\$ 1,999	\$ 104,400
1120	Investments - Current	1,796,243	-	660,529	-
1220	Property Taxes - Delinquent	310,330	-	-	-
1230	Allowance for Uncollectible Taxes	(46,549)	-	-	-
1240	Due from Other Governments	-	-	-	-
1260	Due from Other Funds	38,565	-	-	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1900	Other Assets	-	-	-	-
1000	Total Assets	<u>\$ 2,778,296</u>	<u>\$ 2,112,477</u>	<u>\$ 662,528</u>	<u>\$ 104,400</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 189,798	\$ -	\$ 4
2120	Short Term Debt Payable - Current	-	-	-	141
2160	Accrued Wages Payable	-	-	-	-
2170	Due to Other Funds	-	-	277,240	104,255
2180	Due to Other Governments	635,906	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>635,906</u>	<u>189,798</u>	<u>277,240</u>	<u>104,400</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	263,780	-	-	-
2600	Total Deferred Inflows of Resources	<u>263,780</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable Fund Balance:					
3410	Inventories	-	-	-	-
3425	Endowment Principal	-	-	-	-
Restricted Fund Balance:					
3450	Federal or State Funds Grant Restriction	-	-	385,288	-
3480	Retirement of Long-Term Debt	1,878,610	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3510	Construction	-	91,206	-	-
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3550	Construction	-	1,831,473	-	-
3000	Total Fund Balances	<u>1,878,610</u>	<u>1,922,679</u>	<u>385,288</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,778,296</u>	<u>\$ 2,112,477</u>	<u>\$ 662,528</u>	<u>\$ 104,400</u>

Total Nonmajor Capital Project Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 2,218,876	\$ 13,721	\$ 5,487,013
660,529	714	10,664,667
-	-	310,330
-	-	(46,549)
-	-	19,117,109
-	-	3,284,047
-	-	1,919
-	-	70,521
-	-	155,132
-	217,008	217,008
<u>\$ 2,879,405</u>	<u>\$ 231,443</u>	<u>\$ 39,261,197</u>
\$ 189,802	\$ -	\$ 1,057,692
141	-	52,758
-	-	820,498
381,495	-	18,693,540
-	-	1,017,742
-	-	153,034
<u>571,438</u>	<u>-</u>	<u>21,795,264</u>
-	-	263,780
<u>-</u>	<u>-</u>	<u>263,780</u>
-	-	70,521
-	189,715	189,715
385,288	-	12,249,243
-	-	1,878,610
-	41,728	41,728
91,206	-	91,206
-	-	849,657
1,831,473	-	1,831,473
<u>2,307,967</u>	<u>231,443</u>	<u>17,202,153</u>
<u>\$ 2,879,405</u>	<u>\$ 231,443</u>	<u>\$ 39,261,197</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

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
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	121,327	10,302,685	6,949,220	149,065
5020 Total Revenues	121,327	10,302,685	6,949,220	149,065
EXPENDITURES:				
Current:				
0011 Instruction	54,677	7,334,707	5,967,268	80,177
0012 Instructional Resources and Media Services	-	10,119	-	-
0013 Curriculum and Instructional Staff Development	-	2,184,293	405,121	-
0021 Instructional Leadership	-	18,646	-	-
0023 School Leadership	-	43,025	-	-
0031 Guidance, Counseling, and Evaluation Services	66,185	301,714	73,769	68,888
0032 Social Work Services	-	-	503,062	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	465	410,181	-	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	121,327	10,302,685	6,949,220	149,065
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Other (Uses)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

226 IDEA - Part B Discretionary	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
\$ -	\$ 204,736	\$ 270,847	\$ -	\$ -	\$ -	\$ -	\$ -
-	128,448	2,161,297	-	-	-	-	-
-	3,419,019	14,318,542	449,153	949,278	488,812	535,570	7,867,563
-	3,752,203	16,750,686	449,153	949,278	488,812	535,570	7,867,563
-	-	-	184,162	-	416,202	3,236,533	5,254,163
-	-	-	-	-	-	-	231,253
-	-	-	-	919,904	57,944	-	130,893
-	-	-	-	-	-	19	55,974
-	-	-	-	29,374	-	232	367,766
-	-	-	264,991	-	-	-	674,894
-	-	-	-	-	-	-	26,505
-	-	-	-	-	-	956	96,404
-	-	-	-	-	-	-	169,976
-	4,091,045	11,427,602	-	-	-	4,536	221,994
-	-	-	-	-	-	-	37,107
-	-	-	-	-	-	51,938	87,468
-	237	20,155	-	-	-	7,434	400,508
-	-	-	-	-	-	82,922	47,057
-	-	-	-	-	-	239,000	47,047
-	-	-	-	-	14,666	-	18,554
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,091,282	11,447,757	449,153	949,278	488,812	3,623,570	7,867,563
-	(339,079)	5,302,929	-	-	-	(3,088,000)	-
-	-	-	-	-	-	-	-
-	802,150	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	(802,150)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	802,150	(802,150)	-	-	-	-	-
-	463,071	4,500,779	-	-	-	(3,088,000)	-
-	5,904,463	802,150	-	-	-	3,088,000	-
\$ -	\$ 6,367,534	\$ 5,302,929	\$ -	\$ -	\$ -	\$ -	\$ -

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	286 Student Achievement Military Conn	288 Mobile Talent Military Connected Sch	289 Title IV SSAEP	386 Regional Day School for the Deaf
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	16,310
5900 Federal Program Revenues	17,840	87,864	872,268	-
5020 Total Revenues	17,840	87,864	872,268	16,310
EXPENDITURES:				
Current:				
0011 Instruction	17,840	81,864	239,091	16,310
0012 Instructional Resources and Media Services	-	-	21,957	-
0013 Curriculum and Instructional Staff Development	-	-	366,914	-
0021 Instructional Leadership	-	6,000	-	-
0023 School Leadership	-	-	18,944	-
0031 Guidance, Counseling, and Evaluation Services	-	-	8,571	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	161,095	-
0041 General Administration	-	-	250	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	48,750	-
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	6,696	-
Debt Service:				
0071 Principal on Long-Term Debt	-	-	-	-
0072 Interest on Long-Term Debt	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	17,840	87,864	872,268	16,310
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Other (Uses)	-	-	-	-
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	\$ -	\$ -

397 Advanced Placement Incentives	410 Instructional Materials Allotment	427 School Safety	429 Read to Succeed	461 Campus Activity Funds	498 Music Enrichment Program	499 GEAR UP	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 471,551	\$ 1,856	\$ -	\$ 948,990
-	2,264,805	598,170	5,281	-	-	85,869	5,260,180
-	-	-	-	-	-	-	46,528,206
-	2,264,805	598,170	5,281	471,551	1,856	85,869	52,737,376
-	1,577,968	-	-	251,794	-	80,119	24,792,875
-	-	-	-	-	-	-	263,329
-	222,575	-	-	-	-	5,750	4,293,394
-	-	-	-	-	-	-	80,639
-	-	-	-	170,843	-	-	630,184
-	456,537	-	-	-	-	-	1,915,549
-	-	-	-	-	-	-	529,567
-	-	-	-	-	-	-	97,360
-	-	-	-	-	-	-	169,976
-	-	-	-	-	-	-	15,745,177
-	-	-	-	109,169	2,277	-	309,648
-	590	-	-	-	-	-	140,246
-	-	-	-	-	-	-	428,334
-	-	598,170	-	-	-	-	776,899
-	-	-	-	-	-	-	286,047
-	-	-	-	-	-	-	450,562
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,257,670	598,170	-	531,806	2,277	85,869	50,909,786
-	7,135	-	5,281	(60,255)	(421)	-	1,827,590
-	-	-	-	-	-	-	-
-	-	-	-	2,700	1,380	-	806,230
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(802,150)
-	-	-	-	-	-	-	-
-	-	-	-	2,700	1,380	-	4,080
-	7,135	-	5,281	(57,555)	959	-	1,831,670
148,924	101,234	-	1,139	906,115	138	-	10,952,463
\$ 148,924	\$ 108,369	\$ -	\$ 6,420	\$ 848,560	\$ 1,097	\$ -	\$ 12,784,133

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

Data Control Codes	599 Debt Service	645 Capital Improvement Projects	687 Impact Aid Section 8007	696 New School Furniture & Equipment
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 14,972,435	\$ 888	\$ 623	\$ 11,483
5800 State Program Revenues	11,364,122	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>26,336,557</u>	<u>888</u>	<u>623</u>	<u>11,483</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	-	-	1,447,038
0012 Instructional Resources and Media Services	-	-	-	305,687
0013 Curriculum and Instructional Staff Development	-	-	-	885
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	24,149
0031 Guidance, Counseling, and Evaluation Services	-	-	-	3,203
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	2,455
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	1,365
0036 Extracurricular Activities	-	-	-	1,515
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	1,481,701	-	45,899
0052 Security and Monitoring Services	-	26,900	-	249
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Debt	8,855,000	-	-	-
0072 Interest on Long-Term Debt	17,899,393	-	-	-
0073 Bond Issuance Cost and Fees	163,245	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	1,972,236	277,240	-
6030 Total Expenditures	<u>26,917,638</u>	<u>3,480,837</u>	<u>277,240</u>	<u>1,832,445</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(581,081)</u>	<u>(3,479,949)</u>	<u>(276,617)</u>	<u>(1,820,962)</u>
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	11,115,000	-	-	-
7915 Transfers In	-	5,402,628	-	1,820,962
7916 Premium or Discount on Issuance of Bonds	1,974,183	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8949 Other (Uses)	<u>(12,927,445)</u>	<u>-</u>	<u>-</u>	<u>-</u>
7080 Total Other Financing Sources (Uses)	<u>161,738</u>	<u>5,402,628</u>	<u>-</u>	<u>1,820,962</u>
1200 Net Change in Fund Balance	(419,343)	1,922,679	(276,617)	-
0100 Fund Balance - September 1 (Beginning)	<u>2,297,953</u>	<u>-</u>	<u>661,905</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 1,878,610</u>	<u>\$ 1,922,679</u>	<u>\$ 385,288</u>	<u>\$ -</u>

Total Nonmajor Capital Project Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 12,994	\$ 17,207	\$ 15,951,626
-	-	16,624,302
-	-	46,528,206
12,994	17,207	79,104,134
1,447,038	-	26,239,913
305,687	-	569,016
885	-	4,294,279
-	-	80,639
24,149	-	654,333
3,203	-	1,918,752
-	-	529,567
2,455	-	99,815
-	-	169,976
1,365	-	15,746,542
1,515	4,365	315,528
-	-	140,246
1,527,600	-	1,955,934
27,149	-	804,048
-	-	286,047
-	-	450,562
-	-	8,855,000
-	-	17,899,393
-	-	163,245
2,249,476	-	2,249,476
5,590,522	4,365	83,422,311
(5,577,528)	12,842	(4,318,177)
-	-	11,115,000
7,223,590	-	8,029,820
-	-	1,974,183
-	-	(802,150)
-	-	(12,927,445)
7,223,590	-	7,389,408
1,646,062	12,842	3,071,231
661,905	218,601	14,130,922
\$ 2,307,967	\$ 231,443	\$ 17,202,153



KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 AUGUST 31, 2021

	865 Student Activity Account	882 FLEX	Total Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 921,527	\$ 1,738,133	\$ 2,659,660
Investments - Current	-	44,669	44,669
Other Receivables	-	50	50
Total Assets	<u>921,527</u>	<u>1,782,852</u>	<u>2,704,379</u>
LIABILITIES			
Due to Student Groups	921,527	-	921,527
Payable from Restricted Assets	-	1,782,852	1,782,852
Total Liabilities	<u>921,527</u>	<u>1,782,852</u>	<u>2,704,379</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 AUGUST 31, 2021

	820 Campus Scholarships	821 Miscellaneous Scholarships	823 Board Scholarships	Total Private Purpose Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,491	\$ 7,846	\$ 5,788	\$ 17,125
Investments - Current	-	3,414	-	3,414
Long Term Investments	-	-	3,046,123	3,046,123
Total Assets	<u>3,491</u>	<u>11,260</u>	<u>3,051,911</u>	<u>3,066,662</u>
NET POSITION				
Unrestricted Net Position	<u>3,491</u>	<u>11,260</u>	<u>3,051,911</u>	<u>3,066,662</u>
Total Net Position	<u>\$ 3,491</u>	<u>\$ 11,260</u>	<u>\$ 3,051,911</u>	<u>\$ 3,066,662</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2021

	820 Campus Scholarships	821 Miscellaneous Scholarships	823 Board Scholarships	Total Private Purpose Trust Funds
ADDITIONS:				
Earnings from Endowments	\$ -	\$ -	\$ 559,096	\$ 559,096
Earnings from Temporary Deposits	-	2	-	2
Contributions, Gifts and Donations	-	-	2	2
Total Additions	<u>-</u>	<u>2</u>	<u>559,098</u>	<u>559,100</u>
DEDUCTIONS:				
Other Deductions	-	101	89,000	89,101
Total Deductions	<u>-</u>	<u>101</u>	<u>89,000</u>	<u>89,101</u>
Change in Net Position	-	(99)	470,098	469,999
Net Position - September 1 (Beginning)	<u>3,491</u>	<u>11,359</u>	<u>2,581,813</u>	<u>2,596,663</u>
Net Position - August 31 (Ending)	<u>\$ 3,491</u>	<u>\$ 11,260</u>	<u>\$ 3,051,911</u>	<u>\$ 3,066,662</u>



REQUIRED TEA SCHEDULES

KILLEEN INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FISCAL YEAR ENDED AUGUST 31, 2021

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2012 and prior years	\$ 1.031190	\$ 0.110000	\$ 6,308,031,607
2013	1.040000	0.091000	6,425,421,436
2014	1.040000	0.088000	6,752,661,759
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 (School year under audit)	0.920100	0.169400	8,666,050,314
1000 TOTALS			

(10) Beginning Balance 9/1/2020	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2021
\$ 236,296	\$ -	\$ 18,415	\$ 1,965	\$ (53,409)	\$ 162,507
69,821	-	4,373	383	(669)	64,396
72,683	-	3,846	325	(701)	67,811
74,216	-	5,943	503	(567)	67,203
105,245	-	7,924	670	(5,074)	91,577
137,004	-	16,848	1,393	(3,287)	115,476
206,372	-	26,104	1,757	(21,843)	156,668
347,594	-	29,685	6,279	(98,452)	213,178
940,397	-	223,833	44,098	(286,315)	386,151
-	99,636,750	82,428,031	15,175,860	(1,048,304)	984,555
<u>\$ 2,189,628</u>	<u>\$ 99,636,750</u>	<u>\$ 82,765,002</u>	<u>\$ 15,233,233</u>	<u>\$ (1,518,621)</u>	<u>\$ 2,309,522</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, 2021

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	\$ 2,350,347	\$ 366,297	\$ 204,736	\$ (161,561)
5800 State Program Revenues	113,000	128,448	128,448	-
5900 Federal Program Revenues	17,991,180	2,909,718	3,419,019	509,301
5020 Total Revenues	<u>20,454,527</u>	<u>3,404,463</u>	<u>3,752,203</u>	<u>347,740</u>
EXPENDITURES:				
Current:				
0035 Food Services	19,524,940	4,376,353	4,091,045	285,308
0051 Facilities Maintenance and Operations	70,770	20,185	237	19,948
6030 Total Expenditures	<u>19,595,710</u>	<u>4,396,538</u>	<u>4,091,282</u>	<u>305,256</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	858,817	(992,075)	(339,079)	652,996
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	802,150	802,150	-
1200 Net Change in Fund Balances	858,817	(189,925)	463,071	652,996
0100 Fund Balance - September 1 (Beginning)	-	5,904,463	5,904,463	-
3000 Fund Balance - August 31 (Ending)	<u>\$ 858,817</u>	<u>\$ 5,714,538</u>	<u>\$ 6,367,534</u>	<u>\$ 652,996</u>

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, 2021

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	\$ 14,986,403	\$ 14,891,268	\$ 14,972,435	\$ 81,167
5800 State Program Revenues	9,686,385	11,527,639	11,364,122	(163,517)
5020 Total Revenues	24,672,788	26,418,907	26,336,557	(82,350)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	26,759,350	8,855,000	8,855,000	-
0072 Interest on Long-Term Debt	-	18,007,850	17,899,393	108,457
0073 Bond Issuance Cost and Fees	-	58,640	163,245	(104,605)
6030 Total Expenditures	26,759,350	26,921,490	26,917,638	3,852
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,085,062)	(502,583)	(581,081)	(78,498)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	11,115,000	11,115,000	-
7916 Premium or Discount on Issuance of Bonds	-	1,974,183	1,974,183	-
8949 Other (Uses)	-	(12,927,445)	(12,927,445)	-
7080 Total Other Financing Sources (Uses)	-	161,738	161,738	-
1200 Net Change in Fund Balances	(2,085,062)	(340,845)	(419,343)	(78,498)
0100 Fund Balance - September 1 (Beginning)	-	2,297,953	2,297,953	-
3000 Fund Balance - August 31 (Ending)	\$ (2,085,062)	\$ 1,957,108	\$ 1,878,610	\$ (78,498)

KILLEEN INDEPENDENT SCHOOL DISTRICT

Bond Schedule

Fiscal Year Ended August 31, 2021

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 9/1/20	20 Issued Current Year
2/15/2012	Unlimited Tax Refunding Bond, Series 2012	2.0 to 5.0%	28,290,000	13,370,000	-
6/15/2017	Unlimited Tax Refunding Bond, Series 2017	2.0 to 4.5%	8,550,000	8,120,000	-
8/21/2018	Unlimited Tax School Building Bonds, Series 2018	3.5 to 5.0%	269,785,000	264,780,000	-
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	11,830,000	-
11/19/2020	Unlimited Tax Refunding Bond, Series 2020	3.0 to 5.0%	11,115,000	-	11,115,000
	Sub-total:		445,370,000	413,710,000	11,115,000
	Unamortized Premiums (discount)		-	43,204,454	1,974,183
1000	TOTAL		<u>\$ 445,370,000</u>	<u>\$ 456,914,454</u>	<u>\$ 13,089,183</u>

*Bonds payable Series 2012
Principal amount of Capital Interest Bonds

\$ 28,290,000

**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 8/31/21	50 Interest Current Year	Requirements				I 9/1/23 To Maturity Interest
			Year Ending - 8/31/22		Year Ending - 8/31/23		
			60 Principal	70 Interest	80 Principal	90 Interest	
13,035,000	335,000	15,450	335,000	5,025	-	-	-
95,000	8,025,000	333,125	95,000	331,225	95,000	329,325	995,038
4,545,000	260,235,000	12,310,525	5,175,000	12,067,525	5,730,000	11,794,900	131,987,775
-	115,610,000	4,340,500	-	4,340,500	-	4,340,500	60,699,400
3,750,000	8,080,000	497,750	3,940,000	305,500	4,140,000	103,500	-
105,000	11,010,000	402,043	-	543,100	25,000	542,725	754,575
21,530,000	403,295,000	17,899,393	9,545,000	17,592,875	9,990,000	17,110,950	194,436,788
3,463,889	41,714,748	-	-	-	-	-	-
<u>\$ 24,993,889</u>	<u>\$ 445,009,748</u>	<u>\$ 17,899,393</u>	<u>\$ 9,545,000</u>	<u>\$ 17,592,875</u>	<u>\$ 9,990,000</u>	<u>\$ 17,110,950</u>	<u>\$ 194,436,788</u>

Other debt service expenditures:

6599 - Fees:	2012	800
	2017	450
	2018	400
	2019	-
	ref 2019	400
	2020	161,195
		<u>\$ 163,245</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Mandated Programs Schedule
General Fund

Fiscal Year Ended August 31, 2021

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	30 Title I, Part A School Wide Campuses
EXPENDITURES:									
11 INSTRUCTION-									
6100 Payroll costs	\$ 142,393,555	\$ 29,220	\$ 3,956,849	\$ 28,518,846	\$ 4,816,382	\$ 341,294	\$ 1,296,610	\$ 1,518,690	\$ 1,103,145
6200 Contract services	6,792,015	60,630	315,029	4,170,475	2,163,620	23,750	1,368		127,914
6300 Supplies and materials	5,377,937	36,812	1,163,005	262,288	3,747,504	184,258	50,920	12,656	771,253
6400 Other operating	401,957	704	6,352	55,769	1,622	-	-	-	5,157
6500 Debt service	-	-	-	-	-	-	-	-	-
6600 Capital outlay	13,256		136,852	21,440					
Total Instruction	154,978,720	127,366	5,578,087	33,028,818	10,729,128	549,302	1,348,898	1,531,346	2,007,469
12-99 ALL OTHER FUNCTIONS-									
6100 Payroll costs	-	1,349	539,518	6,247,385	448,410	11,783	638,255	483,872	56,430
6200 Contract services	-	69,142	454,966	840,810	810,267	17,089	6,469	2,157	26,223
6300 Supplies and materials	-	6,847	24,605	196,167	65,995	6,532	17,335	7,325	17,059
6400 Other operating	-	1,780	97,191	13,905	(2,084)	1,440	964	926	18,910
6500 Debt service	-	-	-	-	-	-	-	-	-
6600 Capital outlay	-	-	16,859	-	-	-	-	-	-
6900 Facilities Acquisition & Constructi	-	-	-	-	-	-	-	-	-
Total Other Functions	-	79,118	1,133,139	7,298,267	1,322,588	36,844	663,023	494,280	118,622
Total Expenditures	\$ 154,978,720	\$ 206,484	\$ 6,711,226	\$ 40,327,085	\$ 12,051,716	\$ 586,146	\$ 2,011,921	\$ 2,025,626	\$ 2,126,091

31	32	33	35	36	37	38	91	99	TOTALS
High School Allotment	Prekindergarten	Prekindergarten Special Education	Pre-K Bilingual	Early Education	Dyslexia	College, Career & Military Read	Athletics	Other Expenditures	August 31, 2021
\$ (4,793)	\$ 11,215,192	\$ 1,900,205	\$ 518,898	\$ 9,712,785	\$ 4,654,621	\$ -	\$ -	\$ 153.00	\$ 211,971,652
154,185	-	40,934	-	-	-	-	-	750	13,850,670
-	-	42,916	-	-	17,524	-	-	-	11,667,073
-	-	107	-	-	-	-	-	-	471,668
-	-	-	-	-	-	-	-	-	171,548
149,392	11,215,192	1,984,162	518,898	9,712,785	4,672,145	0		903	238,132,611
556	-	9,665	-	-	-	363,606	4,134,471	90,936,679	103,871,979
-	-	8,200	-	-	10,498	-	1,131,575	20,919,298	24,296,694
-	-	1,381	-	-	24,564	-	1,451,976	9,635,315	11,455,101
-	-	546	-	-	-	-	984,034	3,972,383	5,089,995
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	263,558	4,517,391	4,797,808
-	-	-	-	-	-	-	-	-	-
556	-	19,792	-	-	35,062	363,606	7,965,614	129,981,066	149,511,577
\$ 149,948	\$ 11,215,192	\$ 2,003,954	\$ 518,898	\$ 9,712,785	\$ 4,707,207	\$ 363,606	\$ 7,965,614	\$ 129,981,969	\$ 387,644,188



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 comprehensive annual 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Net Investment in Capital Assets	\$ 296,593,114	\$ 306,200,701	\$ 321,814,494	\$ 321,215,852
Restricted	13,943,286	22,819,760	18,618,614	19,898,271
Unrestricted	188,997,779	180,349,773	183,203,050	158,322,950
Total primary government net position	<u>\$ 499,534,179</u>	<u>\$ 509,370,234</u>	<u>\$ 523,636,158</u>	<u>\$ 499,437,073</u>

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	329,712,403	\$ 379,077,668	\$ 363,526,616	\$ 389,562,467	\$ 418,269,956	\$ 408,700,785
	62,931,188	17,167,481	13,344,005	18,221,610	42,292,920	40,952,442
	123,742,246	129,304,444	(30,227,475)	(46,208,560)	(88,543,772)	(31,835,525)
\$	<u>516,385,837</u>	<u>\$ 525,549,593</u>	<u>\$ 346,643,146</u>	<u>\$ 361,575,517</u>	<u>\$ 372,019,104</u>	<u>\$ 417,817,702</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses				
Governmental activities:				
Instruction	\$ 206,705,132	\$ 212,883,076	\$ 219,653,770	\$ 228,071,692
Instructional resources and media services	8,699,637	8,843,440	9,830,820	10,268,629
Curriculum development/instructional staff development	10,149,414	10,657,196	12,384,948	11,614,326
Instructional leadership	2,609,858	2,733,025	3,334,539	3,750,220
School leadership	19,623,731	20,308,569	20,489,121	21,118,474
Guidance, counseling and evaluation services	12,306,051	12,435,594	13,481,571	13,970,302
Social work services	1,219,964	1,309,873	1,343,423	1,454,180
Health services	3,338,749	3,591,656	3,680,693	3,910,343
Student (pupil) transportation	10,413,483	12,221,430	11,710,173	12,005,357
Food services	19,134,181	20,604,127	20,865,230	20,350,881
Extracurricular activities	7,269,839	7,601,665	8,316,108	9,302,440
General administration	6,830,014	6,648,991	6,868,667	7,356,181
Facilities maintenance and operations	30,739,183	28,192,049	32,747,412	36,860,862
Security and monitoring services	2,762,881	3,182,865	3,104,059	3,020,471
Data processing services	4,829,066	4,787,836	4,838,653	4,675,761
Community services	1,196,690	1,114,516	1,238,953	1,152,262
Debt service	2,983,682	4,262,432	3,040,300	2,690,706
Bond issuance cost and fees	51,169	1,800	2,050	142,598
Facilities acquisition and construction	394,953	-	-	-
Payments to fiscal agent/member districts of SSA	-	-	-	-
Payments to JJAEP	378,193	-	-	-
Other Intergovernmental Charges	550,450	739,937	754,102	773,730
Total primary government expenses	<u>352,186,320</u>	<u>362,120,077</u>	<u>377,684,592</u>	<u>392,489,415</u>
Program Revenues				
Charges for services				
Instruction	1,781,493	1,437,176	1,568,456	427,396
Curriculum development/instructional staff development	11,264	-	-	-
Instructional leadership	-	-	-	-
School leadership	148,198	-	-	-
Food services	5,484,268	5,096,832	5,030,240	4,821,777
Extracurricular activities	716,203	1,518,143	1,539,570	1,745,741
General administration	11,264	48,326	46,319	41,357
Plant maintenance and operations	45,057	954,844	30,880	41,357
Security and monitoring services	11,264	4,957	-	-
Community services	141,009	148,868	30,880	41,357
Capital Outlay	22,528	-	-	-
Juvenile justice alternative education program	823,154	-	-	-
Operating grants and contributions	48,141,320	45,840,845	46,734,614	47,029,247
Total primary government program revenues	<u>57,337,022</u>	<u>55,049,991</u>	<u>54,980,959</u>	<u>54,148,232</u>
Net (Expense)/Revenue				
Total primary government net expense	<u>\$ (294,849,298)</u>	<u>\$ (307,070,086)</u>	<u>\$ (322,703,633)</u>	<u>\$ (338,341,183)</u>

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	250,934,636	\$ 249,023,048	\$ 178,297,436	\$ 278,326,507	\$ 309,712,600	\$ 295,387,640
	10,784,665	10,834,224	7,337,556	11,963,196	12,223,515	12,089,943
	12,020,271	12,029,200	9,309,204	13,359,411	12,793,306	13,086,089
	4,979,844	5,086,230	4,233,292	6,083,804	6,766,239	6,859,999
	24,087,766	24,526,160	16,625,007	26,941,109	27,162,193	26,475,667
	16,097,201	15,794,318	11,202,602	19,849,307	22,812,605	24,344,882
	1,650,526	1,773,561	1,330,754	2,187,245	2,251,368	2,216,473
	4,346,573	4,557,775	3,192,477	5,171,915	5,503,853	5,457,958
	14,255,248	13,275,651	9,632,454	13,491,676	17,937,999	12,449,328
	23,876,939	22,130,762	17,438,093	21,915,692	18,992,469	19,176,841
	10,582,586	11,426,312	9,220,287	11,038,722	11,172,645	10,538,968
	9,247,770	9,566,569	7,750,993	9,915,304	10,938,006	9,835,589
	34,151,020	37,738,798	31,702,520	44,074,144	44,686,583	49,662,936
	3,738,461	3,418,675	2,918,987	4,183,384	4,760,110	5,765,864
	4,815,343	5,751,752	4,049,860	5,809,385	6,660,743	6,447,708
	1,248,317	1,352,246	924,337	1,283,431	1,260,899	1,251,917
	2,011,243	1,321,861	1,479,493	12,620,752	13,672,720	14,656,215
	-	-	2,011,140	1,015,066	163,520	163,245
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	8,446	3,621
	781,897	813,547	846,711	871,080	925,861	861,240
	<u>429,610,306</u>	<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>
	395,663	878,077	758,831	1,207,200	712,019	461,589
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	183,657	98,796	150,896
	3,935,898	3,364,061	2,869,827	2,791,433	460,882	468,474
	1,767,481	1,724,071	1,513,187	665,649	153,112	441,611
	52,691	134,091	5,831	-	-	-
	52,691	134,091	684,517	98,465	-	-
	-	-	20,303	72,832	17,173	35,111
	52,691	134,091	92,907	99,716	64,731	102,525
	-	-	-	-	247,495	-
	-	-	-	-	-	-
	56,430,116	55,929,625	(12,542,980)	73,741,613	47,757,760	69,014,384
	<u>62,687,231</u>	<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>(366,923,075)</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>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net (Expense)/Revenue				
Total primary government net expense	\$ (294,849,298)	\$ (307,070,086)	\$ (322,703,633)	\$ (338,341,183)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	61,048,573	62,872,968	65,963,530	67,180,493
Property taxes levied for debt service	6,518,522	5,492,532	5,575,030	5,682,338
State Aid - formula grants	192,717,006	192,837,128	207,448,819	216,884,667
Grants and contributions not restricted	50,508,209	54,388,504	55,592,180	69,680,229
Investment earnings	377,267	549,981	336,491	261,972
Miscellaneous	2,178,645	1,609,962	2,053,507	4,608,713
Transfers In (Out)	-	-	-	-
Total primary government	<u>313,348,222</u>	<u>317,751,075</u>	<u>336,969,557</u>	<u>364,298,412</u>
Change in Net Position				
Total primary government	<u>\$ 18,498,924</u>	<u>\$ 10,680,989</u>	<u>\$ 14,265,924</u>	<u>\$ 25,957,229</u>

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	(366,923,075)	\$ (368,122,582)	\$ (326,100,780)	\$ (411,240,565)	\$ (480,893,712)	\$ (446,057,533)
	67,273,276	69,658,384	74,984,816	75,133,779	76,798,462	78,824,359
	5,689,987	5,757,954	5,035,811	15,898,018	15,120,375	14,645,866
	233,776,942	216,501,752	241,170,378	246,608,767	274,807,668	283,956,504
	74,217,287	81,267,076	60,900,168	75,025,066	110,227,218	110,688,111
	1,148,363	1,844,819	3,181,496	12,873,548	9,560,925	930,740
	1,765,984	2,256,353	1,919,401	1,561,827	4,822,652	2,811,875
	-	-	(800,000)	(928,069)	-	-
	<u>383,871,839</u>	<u>377,286,338</u>	<u>386,392,070</u>	<u>426,172,936</u>	<u>491,337,300</u>	<u>491,857,455</u>
\$	<u>16,948,764</u>	<u>9,163,756</u>	<u>60,291,290</u>	<u>14,932,371</u>	<u>10,443,588</u>	<u>45,799,922</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 4,348,666	\$ 4,866,605	\$ 4,575,275	\$ 3,826,566
Restricted	4,558,481	6,281,016	6,553,517	9,496,601
Committed	-	-	-	-
Assigned	3,456,194	3,270,965	4,984,664	4,451,711
Unassigned	90,466,078	94,710,097	84,503,633	91,411,595
Total general fund	<u>\$ 102,829,419</u>	<u>\$ 109,128,683</u>	<u>\$ 100,617,089</u>	<u>\$ 109,186,473</u>
All Other Governmental Funds				
Nonspendable, reported in:				
Special revenue funds	1,122,149	634,897	977,403	691,042
Permanent funds	189,715	189,715	189,715	189,715
Restricted, reported in:				
Special revenue funds	4,752,235	3,142,256	2,968,592	3,677,106
Capital projects funds	5,206,412	1,561,734	1,230,451	3,287,663
Permanent funds	36,698	29,980	34,418	34,121
Debt service funds	1,760,992	1,707,213	1,659,815	1,313,597
Committed, reported in:				
Special revenue funds	1,099,220	2,827,789	629,613	681,270
Capital projects funds	14,714,826	20,598,281	6,226,068	2,773,041
Assigned, reported in:				
Capital projects funds	87,795,673	80,753,750	102,645,745	116,901,486
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 116,677,920</u>	<u>\$ 111,445,615</u>	<u>\$ 116,561,820</u>	<u>\$ 129,549,041</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,102,617	\$ 1,311,418	\$ 1,865,829	\$ 1,728,536	\$ 6,135,880	\$ 3,412,944
9,154,279	10,004,817	7,519,241	8,872,402	25,482,573	24,804,146
-	-	-	-	3,600,000	-
3,966,710	3,304,334	355,977	1,200,000	3,000,000	3,000,000
98,771,776	106,538,733	115,125,757	125,075,120	108,314,584	168,743,922
<u>\$ 112,995,382</u>	<u>\$ 121,159,302</u>	<u>\$ 124,866,804</u>	<u>\$ 136,876,058</u>	<u>\$ 146,533,037</u>	<u>\$ 199,961,012</u>
963,702	766,592	785,343	891,105	898,613	70,521
189,714	189,715	189,714	189,715	189,715	189,715
2,593,609	2,609,659	2,855,951	5,924,222	9,147,597	11,863,955
3,287,663	3,051,903	1,592,460	1,331,988	661,905	385,288
22,182	18,303	1,638	39,862	28,886	41,728
1,437,818	1,343,090	1,214,042	1,361,461	2,297,953	1,878,610
698,812	727,775	673,824	803,777	906,253	849,657
46,278,947	1,799,339	39,654,154	136,892,948	170,017,409	78,048,718
77,720,153	84,359,885	360,558,756	361,944,107	192,584,061	138,590,436
-	-	-	-	-	-
<u>\$ 133,192,600</u>	<u>\$ 94,866,262</u>	<u>\$ 407,525,882</u>	<u>\$ 509,379,185</u>	<u>\$ 376,732,392</u>	<u>\$ 231,918,628</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Federal sources:			
Distributed through governmental entities	\$ -	\$ -	\$ -
Distributed by TEA	35,770,592	32,896,927	33,359,786
Distributed by other State of Texas Government Agencies	1,418,060	2,630,062	3,886,513
Distributed directly from the Federal Government	50,922,491	53,084,329	51,292,229
Shared services arrangements	-	-	-
Total federal sources	<u>88,111,143</u>	<u>88,611,318</u>	<u>88,538,528</u>
State sources:			
Per capital and foundation school program act revenues	183,773,170	185,078,088	201,671,615
Program revenues distributed by TEA	7,856,203	8,159,049	7,144,870
Revenues from State of Texas Government Agencies	11,571,514	11,218,021	12,420,600
Shared services arrangements	54,505	-	-
Total state sources	<u>203,255,392</u>	<u>204,455,158</u>	<u>221,237,085</u>
Local and intermediate sources:			
Real and personal property taxes	69,761,855	70,000,019	73,398,051
Services rendered to other school districts	823,155	-	-
Tuition and fees	31,744	960	2,000
Other revenues	1,982,422	3,171,495	2,338,126
Cocurricular, enterprising services or activities	7,032,660	6,590,813	6,521,491
Intermediate sources	-	-	-
Total local and intermediate sources	<u>79,631,836</u>	<u>79,763,287</u>	<u>82,259,668</u>
Total revenues	<u>\$ 370,998,371</u>	<u>\$ 372,829,763</u>	<u>\$ 392,035,281</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30,361,069	32,926,542	33,708,782	36,782,602	38,789,203	40,878,075	63,678,927
4,961,289	3,793,693	2,279,614	2,246,190	8,376,995	4,378,130	6,027,137
65,963,676	66,991,757	58,703,837	59,446,028	63,892,818	60,319,579	63,177,109
-	-	-	-	-	-	-
<u>101,286,034</u>	<u>103,711,992</u>	<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>
211,910,115	229,236,893	231,676,865	241,170,378	246,124,796	274,807,668	287,586,620
7,152,677	9,886,094	9,525,298	7,356,372	8,585,124	15,852,875	14,457,292
13,245,317	13,513,457	14,852,817	18,317,609	17,347,378	20,290,361	24,297,563
-	-	-	-	-	-	-
<u>232,308,109</u>	<u>252,636,444</u>	<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>
74,692,255	72,963,263	74,918,791	80,695,531	93,152,622	94,265,395	96,433,073
-	-	-	-	-	-	-
1,880	-	7,356	3,472	4,764	2,140	1,856
3,421,943	2,009,383	6,034,933	5,764,160	14,544,621	10,925,520	3,876,751
6,535,560	7,352,515	4,997,023	4,462,140	4,165,639	2,803,327	1,310,383
-	-	-	-	-	-	-
<u>84,651,638</u>	<u>82,325,161</u>	<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>\$ 418,245,781</u>	<u>\$ 438,673,597</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>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction	\$ 196,689,116	\$ 201,626,059	\$ 204,760,286	\$ 215,299,368
Instructional resources and media services	8,269,075	8,159,885	9,900,213	10,443,520
Curriculum development/instructional staff development	7,713,184	8,220,125	10,044,774	10,289,246
Instructional leadership	2,614,074	2,729,858	3,334,971	3,780,972
School leadership	18,914,539	19,525,190	20,477,342	21,357,493
Guidance, counseling and evaluation services	12,308,098	12,437,747	13,477,688	14,087,689
Social work services	1,220,046	1,309,625	1,346,852	1,467,253
Health services	3,337,830	3,591,864	3,680,296	3,941,271
Student (pupil) transportation	9,735,768	11,354,655	12,582,534	12,401,323
Food services	17,929,048	19,188,346	20,848,980	20,279,084
Extracurricular activities	7,058,935	7,370,227	8,340,390	9,335,627
General administration	6,831,647	6,644,716	6,882,657	7,397,209
Facilities maintenance and operations	30,896,266	27,683,922	33,783,186	35,781,749
Security and monitoring services	2,763,303	3,161,865	3,095,529	3,019,210
Data processing services	4,939,332	4,753,874	4,955,560	4,681,864
Community services	1,195,950	1,116,242	1,237,944	1,163,669
Debt service:				
Principal	9,685,000	7,850,000	8,180,000	8,845,000
Interest	4,569,660	4,125,875	3,800,525	3,133,742
Bond issuance cost and fees	323,668	1,800	2,050	142,598
Facilities acquisition and construction	17,200,939	20,195,403	23,964,398	9,402,258
Payments to fiscal agent/member districts of SSA	-	-	-	-
Payments to JJAEP	378,193	-	-	-
Other Intergovernmental Charges	551,494	739,937	754,102	773,730
Total expenditures	<u>\$ 365,125,165</u>	<u>\$ 371,787,215</u>	<u>\$ 395,450,277</u>	<u>\$ 397,023,875</u>
Debt service as a percentage of noncapital expenditures	4.09%	3.41%	3.28%	3.12%

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	227,775,912	\$ 231,999,253	\$ 242,443,311	\$ 247,585,173	\$ 260,562,371	\$ 273,873,979
	10,519,075	10,948,965	11,141,064	11,201,465	11,363,185	13,220,790
	10,611,670	11,042,199	11,622,818	12,374,533	11,490,382	11,914,699
	3,506,106	3,880,609	4,016,563	4,427,104	5,080,699	5,364,144
	22,409,791	23,432,538	24,005,138	24,583,813	25,363,301	24,999,852
	15,530,650	15,430,398	16,941,396	18,575,667	21,853,282	23,672,660
	1,599,313	1,741,440	1,839,830	1,946,995	2,184,858	2,159,234
	4,183,341	4,453,356	4,816,611	4,915,233	5,287,480	5,301,558
	15,269,972	13,875,703	13,931,901	15,263,283	14,937,092	13,968,645
	21,867,280	20,476,261	19,737,220	19,042,941	16,900,191	17,219,396
	9,712,028	11,351,955	10,439,993	9,947,755	9,933,270	9,769,583
	9,015,913	9,450,141	9,979,509	9,739,316	10,561,111	9,674,957
	34,636,647	40,337,428	37,686,494	42,825,435	43,112,359	50,472,400
	3,728,292	3,598,038	3,751,418	4,171,899	4,497,388	5,872,514
	4,767,932	6,188,265	5,695,568	5,883,997	6,162,707	7,584,283
	1,205,068	1,327,691	1,326,055	1,281,379	1,215,606	1,212,379
	9,000,000	9,560,000	8,290,000	5,005,001	8,490,000	8,855,000
	2,978,025	2,417,413	2,066,450	14,241,949	18,264,314	17,899,393
	2,400	164,188	2,011,140	1,015,066	163,520	163,245
	22,180,540	44,638,032	8,600,017	52,399,228	169,366,279	145,119,838
	-	-	-	-	-	-
	-	-	-	-	8,446	3,621
	781,897	813,547	846,711	871,080	925,861	861,240
<u>\$</u>	<u>431,281,852</u>	<u>\$ 467,127,420</u>	<u>\$ 441,189,207</u>	<u>\$ 507,298,312</u>	<u>\$ 647,723,702</u>	<u>\$ 649,183,410</u>
	2.87%	2.64%	2.42%	4.28%	5.53%	5.39%

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Excess of Revenues over (under) Expenditures	\$ 5,873,206	\$ 1,042,548	\$ (3,414,996)	\$ 21,221,906
Other Financing Sources (Uses)				
General Long-term Debt Issued	28,290,000	-	-	10,255,000
Bond Refunding Escrow Agent	(31,357,014)	-	-	(10,885,500)
Premium on Bond Issue	3,400,383	-	-	773,775
Sale of Capital Assets	58,331	24,411	19,607	191,424
Other Uses	-	-	-	-
Transfers In	23,244,492	11,819,889	31,605,046	18,034,498
Transfers Out	(23,244,492)	(11,819,889)	(31,605,046)	(18,034,498)
Total Other Financing Sources (Uses)	<u>391,700</u>	<u>24,411</u>	<u>19,607</u>	<u>334,699</u>
Net Change in Fund Balances	<u>\$ 6,264,906</u>	<u>\$ 1,066,959</u>	<u>\$ (3,395,389)</u>	<u>\$ 21,556,605</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 7,391,845	\$ (30,422,104)	\$ 15,055,275	\$ (12,314,352)	\$ (123,200,632)	\$ (88,336,699)
-	8,550,000	269,785,000	115,610,000	12,020,000	11,115,000
-	(9,781,988)	-	-	-	-
-	1,393,776	32,236,582	11,414,841	992,624	1,974,183
60,624	97,897	90,266	80,137	46,534	389,172
-	-	(800,000)	(928,069)	(12,848,344)	(12,927,445)
28,712,522	19,580,886	322,342,659	155,509,072	41,152,026	18,356,095
(28,712,522)	(19,580,885)	(322,342,659)	(155,509,072)	(41,152,026)	(21,956,095)
<u>60,624</u>	<u>259,686</u>	<u>301,311,848</u>	<u>126,176,909</u>	<u>210,814</u>	<u>(3,049,090)</u>
<u>\$ 7,452,469</u>	<u>\$ (30,162,418)</u>	<u>\$ 316,367,123</u>	<u>\$ 113,862,557</u>	<u>\$ (122,989,818)</u>	<u>\$ (91,385,789)</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 ^a Value
	Real Property	Personal Property		
2012	6,944,217,120	511,992,486	1,148,177,999	6,308,031,607
2013	7,125,103,190	512,350,466	1,212,032,220	6,425,421,436
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

Source: Bell County Tax Appraisal District

Notes:

^aMarket value less exemptions

^bPer \$100 of assessed valuation

^cAssessed value

Total Direct Tax Rate ^b	Estimated Actual Taxable ^c Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1.1412	7,456,209,606	84.60%
1.1310	7,637,453,656	84.13%
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%

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 ^a				
	Operating	Debt Service	Total	Bell County	Central Texas College	City of Killeen	City of Harker Heights	City of Nolanville
2012	1.0312	0.1100	1.1412	0.4395	0.1409	0.7428	0.6770	0.4694
2013	1.0400	0.0910	1.1310	0.4511	0.1400	0.7428	0.6770	0.5195
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

Source: Bell County Tax Appraisal District rate table.

Note:

^aIncludes 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	2021			2012		
	Taxable	Percentage of		Taxable	Percentage of	
	Assessed Value	Rank	Taxable Value	Assessed Value	Rank	Taxable Value
ONCOR Electric Delivery Company	\$ 130,012,617	1	1.50%	\$ 78,373,084	1	1.24%
DRP Market Heights LTD	63,408,942	2	0.73%	25,131,567	4	0.40%
HH/Killeen Health System LLC - Seton Medical Center	56,215,072	3	0.65%			0.00%
MGC Pure Chemicals America INC	50,227,979	4	0.58%			0.00%
Wal-Mart Stores Texas	31,266,612	5	0.36%			0.00%
MFT IP Killeen LLC	27,958,138	6	0.32%			0.00%
LHCS LLC	27,160,897	7	0.31%			0.00%
Amber Chase Townhomes & Huntington Apartments	25,396,850	8	0.29%			0.00%
Wal-Mart Real Estate Trust	23,260,147	9	0.27%	38,544,246	2	0.61%
Central Telephone Company	22,123,038	10	0.26%	27,770,864	3	0.44%
HEB Grocery Company			0.00%	18,090,253	5	0.29%
Killeen Mall LLC				16,891,015	6	0.27%
Stone Creek Investment LLC				14,097,454	7	0.22%
Watercrest Place LP				12,308,709	8	0.20%
WLC Brookside Apartments LP				10,502,412	9	0.17%
Feiga/Sierra Creek LP				10,123,955	10	0.16%
Subtotal	\$ 457,030,292		5.27%	\$ 251,833,559		3.99%
All other taxpayers	8,209,000,997		94.73%	6,056,198,048		96.01%
Total	\$ 8,666,031,289		100.00%	\$ 6,308,031,607		100.00%

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	70,938,241	70,279,728	99.07%	596,818	70,876,546	99.91%
2013	71,741,042	71,076,277	99.07%	600,369	71,676,646	99.91%
2014	75,361,893	74,690,031	99.11%	604,052	75,294,083	99.91%
2015	76,828,096	76,196,881	99.18%	564,012	76,760,893	99.91%
2016	76,791,859	75,528,591	98.35%	1,171,690	76,700,281	99.88%
2017	79,492,678	78,777,376	99.10%	599,825	79,377,201	99.85%
2018	84,325,958	83,406,950	98.91%	762,340	84,169,290	99.81%
2019	96,220,996	95,381,122	99.13%	626,696	96,007,818	99.78%
2020	97,553,813	96,613,415	99.04%	554,247	97,167,662	99.60%
2021	99,636,750	98,652,195	99.01%		98,652,195	99.01%

Source: Bell County Tax Appraisal District

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

^aTax collections reduced by prompt payment discounts allowed.

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

Fiscal Year	Unlimited Tax School Building and/or Refunding Bonds	Percentage of Personal Income^a	Per Capita^a	Unlimited Tax School Building and/or Refunding Bonds (Net)^b	Percentage of Estimated Actual Taxable Value^c of Property	Per Capita^a
2012	103,691,068	6.29%	2,590	101,930,076	1.37%	2,546
2013	95,743,386	5.77%	2,426	94,036,173	1.23%	2,382
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

Notes:

^aSee Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

^bUnlimited tax school building and/or refunding bonds reduced by net assets available in debt service fund. See Schedule 14.

^cSee 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, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^b</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Bell County	\$ 159,610,000	44.27%	\$ 70,659,347
Central Texas College	\$ -	0.00%	\$ -
Coryell County ^a	\$ 2,646,104	0.00%	\$ -
City of Killeen	\$ 159,765,000	100.00%	\$ 159,765,000
City of Harker Heights	\$ 44,400,000	100.00%	\$ 44,400,000
City of Nolanville	\$ 2,775,000	100.00%	\$ 2,775,000
Subtotal, overlapping debt			\$ 277,599,347
District direct debt			<u>403,295,000</u>
Total direct and overlapping debt			<u><u>\$ 680,894,347</u></u>

Source: confirmations received from the above listed entities.

Notes:

^aThe portion of Killeen ISD that lies in Coryell County is a military base; therefore, it has no taxable value.

^bThe 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed value ^a	\$ 6,308,031,607	\$ 6,425,421,436	\$ 6,752,661,759	\$ 6,874,498,077
Debt Limit ^b	630,803,161	642,542,144	675,266,176	687,449,808
Amount of debt applicable to debt limit:				
Total bonded debt	103,691,068	95,743,386	86,573,213	76,396,395
Less: Net assets available in debt service fund	<u>1,760,992</u>	<u>1,707,213</u>	<u>1,659,815</u>	<u>1,313,597</u>
Total net debt applicable to limit	<u>101,930,076</u>	<u>94,036,173</u>	<u>84,913,398</u>	<u>75,082,798</u>
Legal debt margin	<u>\$ 528,873,085</u>	<u>\$ 548,505,971</u>	<u>\$ 590,352,778</u>	<u>\$ 612,367,010</u>
Total net debt applicable to the limit as a percentage of debt limit.	16.16%	14.64%	12.57%	10.92%

Notes:

^aMarket value less exemptions per Bell County Appraisal District

^bThis 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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 6,875,938,224	\$ 7,134,301,781	\$ 7,687,553,454	\$ 7,307,091,368	\$ 8,534,156,812	\$ 9,288,951,187
687,593,822	713,430,178	768,755,345	730,709,137	853,415,681	928,895,119
66,396,444	57,129,867	349,165,772	469,040,729	456,914,454	445,009,748
<u>1,313,595</u>	<u>1,599,605</u>	<u>1,214,042</u>	<u>1,361,461</u>	<u>2,297,953</u>	<u>1,878,610</u>
<u>65,082,849</u>	<u>55,530,262</u>	<u>347,951,730</u>	<u>467,679,268</u>	<u>454,616,501</u>	<u>443,131,138</u>
<u>\$ 622,510,973</u>	<u>\$ 657,899,916</u>	<u>\$ 420,803,615</u>	<u>\$ 263,029,869</u>	<u>\$ 398,799,180</u>	<u>\$ 485,763,981</u>
9.47%	7.78%	45.26%	64.00%	53.27%	47.71%

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

Calendar Year	Population^a	Personal Income^b <i>(thousands of dollars)</i>	Per Capita Personal Income	Unemployment Rate^c
2011	411,595	\$ 16,475,894	\$ 40,029	7.70
2012	420,375	\$ 16,592,415	\$ 39,471	7.10
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

Notes:

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

Sources:

^aU.S. Census Bureau.

^bU.S. Department of Commerce, Bureau Of Economic Analysis.

^cU.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>	2021			2012		
	<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 Hood	36,786	1	58.74%	52,000	1	70.48%
Killeen ISD	6,800	2	10.86%	6,283	2	8.52%
Military Defense Contractors	6,209	3	9.92%			
Civilian Personnel Office	5,083	4	8.12%	6,223	3	8.44%
Teleperformance	1,800	5	2.87%			
Central Texas College	1,488	6	2.38%	1,798	4	2.44%
City of Killeen	1,173	7	1.87%	1,164	6	1.58%
Metroplex/Advent Health System	1,000	8	1.60%	1,200	5	1.63%
Seton Medical Center Harker Heights	480	9	0.77%			
Texas A&M University - Central Texas	305	10	0.49%			
Westar Aerospace & Defense				1,050	7	1.42%
Aegis Communications				600	8	0.81%
L-3 Communications Vertex Aerospace				600	9	0.81%
ESP Incorporated				510	10	0.69%
Subtotal	61,124		97.62%	71,428		96.82%
All other employers	1,497		2.38%	2,347		3.18%
Principal employment	62,621		100.00%	73,775		100.00%

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

Notes: N/A = information not available.

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

	<u>2012*</u>	<u>2013*</u>	<u>2014*</u>	<u>2015*</u>	<u>2016*</u>
Supervisory					
Instructional administrators	41	42	41	42	35
Noninstructional administrators	35	37	36	37	45
Consultants/supervisors of instruction	58	59	58	60	62
Principals	51	53	50	51	51
Assistant principals	113	120	117	120	125
Total supervisory	<u>298</u>	<u>311</u>	<u>302</u>	<u>310</u>	<u>318</u>
Instruction					
Elementary classroom teachers	1,525	1,425	1,381	1,425	1,477
Secondary classroom teachers	1,173	1,471	1,358	1,388	1,371
ESL teachers	49	68	56	59	59
Special Education teachers^					
Other professionals (instructional)	56	75	71	70	76
Aides	953	1,055	976	996	984
Total instruction	<u>3,756</u>	<u>4,094</u>	<u>3,842</u>	<u>3,938</u>	<u>3,967</u>
Student Services					
Guidance counselors	105	115	113	116	120
Visiting teacher/social workers	4	4	4	4	6
Librarians	48	49	47	46	46
Other professionals (noninstructional)	196	217	207	203	219
Technicians	15	13	13	13	35
Total student services	<u>368</u>	<u>398</u>	<u>384</u>	<u>382</u>	<u>426</u>
Support and Administration					
Clerical/secretarial	300	311	304	309	321
Service workers	503	512	526	533	530
Skilled crafts	104	115	116	119	173
Unskilled laborers	680	671	671	701	665
Total support and administration	<u>1,587</u>	<u>1,609</u>	<u>1,617</u>	<u>1,662</u>	<u>1,689</u>
Total	<u><u>6,009</u></u>	<u><u>6,412</u></u>	<u><u>6,145</u></u>	<u><u>6,292</u></u>	<u><u>6,400</u></u>

Source: Killeen Independent School District data warehouse department.

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

<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	Percentage Change 2012-2021
37	39	36	37	39	-5%
47	46	44	47	41	17%
62	60	60	60	48	-17%
51	51	52	52	54	6%
127	126	128	129	121	7%
324	322	320	325	303	2%
1,432	1,457	1,620	1,500	1,423	-7%
1,508	1,607	1,334	1,141	1,211	3%
64	68	70	68	57	16%
			358	362	1%
82	133	137	138	142	154%
1,002	1,039	1,072	1,097	1,079	13%
4,088	4,304	4,233	4,302	4,274	14%
129	129	131	133	184	75%
6	8	8	17	7	75%
49	49	49	49	52	8%
242	202	197	448	245	25%
36	46	58	54	39	160%
462	434	443	701	527	43%
328	335	422	404	326	9%
529	530	485	494	410	-18%
174	178	190	195	198	90%
708	707	810	886	1204	77%
1,739	1,750	1,907	1,979	2,138	35%
6,613	6,810	6,903	7,307	7,242	21%



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

Fiscal Year	Peak Enrollment	Operating Expenditures	Cost per Pupil	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2012	41,172	\$ 365,125,165	\$ 8,868	2,776	14.8	53%
2013	41,969	\$ 371,787,215	\$ 8,859	2,805	15.0	58%
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%

Source: Nonfinancial information from district records.

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Schools</u>				
Elementary				
Buildings	32	32	32	32
Square feet	2,783,044	2,783,044	2,874,837	2,884,299
Capacity	23,568	23,568	25,051	25,051
Enrollment	23,814	23,579	24,210	24,284
Middle				
Buildings	11	11	11	11
Square feet	1,323,777	1,323,777	1,329,153	1,336,065
Capacity	9,300	9,300	9,300	9,300
Enrollment	8,445	8,409	8,660	8,653
High				
Buildings	4	4	4	4
Square feet	1,358,040	1,358,040	1,366,680	1,369,752
Capacity	8,476	8,476	8,476	8,476
Enrollment	9,093	9,269	9,482	9,768
Other:				
CATE, Pathways & Gateway School and Old Nolan				
Buildings	4	3	3	3
Square feet	332,509	266,720	266,720	266,720
Enrollment	617	494	577	1335
<u>Administrative</u>				
Buildings	8	9	9	10
Square feet	309,476	424,266	424,266	531,359
<u>Transportation</u>				
Garages	1	1	1	2
Buses	266	278	294	309
<u>Athletics</u>				
Warehouse	1	1	1	1
Square feet	31,608	31,608	31,608	31,608
Stadium	1	1	1	1
Football/soccer fields	46	46	47	47
Running tracks	4	4	4	4
Baseball/softball	8	8	8	8

Source: Killeen Independent School District departments.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
32	32	32	32	32	31
2,884,299	3,019,812	3,019,812	2,879,676	2,902,485	3,089,177
25,051	26,101	25,489	25,489	25,999	27,847
24,365	24,383	24,409	24,409	23,038	24,843
11	11	11	11	11	11
1,336,065	1,447,320	1,409,322	1,402,258	1,415,452	1,415,452
8,500	9,750	9,750	9,800	10,425	10,425
8,693	8,830	9,394	9,011	9,589	8,900
4	5	5	5	5	5
1,369,752	1,457,601	1,457,601	1,476,801	1,386,763	1,441,524
8,476	9,276	9,276	8,476	9,607	9,750
8,759	9,689	9,944	9,694	10,058	10,087
3	3	3	3	3	4
266,720	266,720	277,472	276,704	271,364	399,350
2,015	1,476	1,344	1,977	1,303	1,303
10	10	10	10	10	10
531,359	531,359	531,359	531,359	324,279	324,279
2	2	2	2	2	2
364	366	368	346	350	361
1	1	1	1	1	1
31,608	31,608	31,608	31,608	31,608	31,608
1	1	1	1	1	1
47	50	50	50	50	50
4	4	4	4	4	4
8	8	8	8	8	8

