

*Killeen
Independent
School
District*

**Comprehensive
Annual
Financial
Report**

*Fiscal Year Ended
August 31, 2020*



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

Comprehensive Annual Financial Report

of the

Killeen Independent School District

For the Fiscal Year Ended August 31, 2020

*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 FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2020

PREPARED BY THE FINANCIAL REPORTING DEPARTMENT

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KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED AUGUST 31, 2020

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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, 2020 at a meeting of the Board of Trustees of such school district on the 26th day of January, 2021.



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, 2021

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 comprehensive annual financial report of the Killeen Independent School District (District) for the fiscal year ended August 31, 2020, 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 continues to be robust with new developments in south Killeen. New home sales rose to 1,530 in the first quarter of 2020, a 9.1 percent increase year over year. The City has focused its efforts on street expansion and construction to accommodate the growth and increased vehicle traffic. 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.

Commercial and residential building decreased in Killeen throughout 2020 due to COVID 19. Harker Heights did recognize slight growth in building. The area vigorously seeks new opportunities and is fortunate to be situated near the I-35 trade corridor with Mexico. Several businesses in Killeen are showing growth and creating new jobs for the area. MGC Pure Chemicals America, Inc. located in Killeen Business Park processes ultra-pure hydrogen peroxide for the semiconductor industry. The company is expanding their plant to process ammonia hydroxide. Z-Modular, a division of Zekelman Industries, produces modular construction system products and services in Killeen and employs approximately 250 people. Solix Inc. plans to expand their downtown operations in Killeen and create 180 new jobs.

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

VALUATION OF BUILDING PERMITS

Calendar Year	Killeen	Harker Heights	Total	Change
2010	271,644,287	47,906,060	319,550,347	25%
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%

ECONOMIC GROWTH RESULTS IN CONTINUED GROSS SALES INCREASE

The Killeen-Temple-Fort Hood Metropolitan Statistical Area (MSA) experienced a 3.39% increase in gross sales during the 2019 calendar year. This increase is due to a growing local economy and reduced deployments of military forces. Unemployment rates increased from 3.7% in June of 2019 to 6.0% in June 2020. 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)***

	2015	2016	2017	2018	2019
Motor Vehicle and Parts Dealers	\$1,371,033	\$1,444,960	\$1,334,952	\$1,395,588	\$1,458,642
Furniture and Home Furnishings Stores	117,580	109,718	107,627	118,778	122,119
Electronics and Appliance Stores	87,320	80,477	84,287	93,482	90,104
Building Material and Garden Equipment	405,536	428,172	480,178	515,222	507,998
Food and Beverage Stores	811,841	909,162	986,500	1,011,994	1,066,694
Health and Personal Care Stores	213,959	228,274	226,237	213,425	215,618
Gasoline Stations	512,509	424,357	452,884	567,092	593,480
Clothing and Accessories Stores	132,623	130,629	128,598	160,029	160,800
Sporting Goods, Hobby, Book & Movies	100,828	98,202	89,599	82,947	73,391
General Merchandise Stores	1,159,947	1,208,189	1,234,150	1,077,980	1,106,247
Miscellaneous Stores	115,957	119,008	125,599	306,484	315,779
Nonstore Retailers	34,850	31,809	32,778	30,848	29,249
Food Services and Drinking Places	<u>596,319</u>	<u>619,681</u>	<u>651,153</u>	<u>712,434</u>	<u>760,474</u>
Total	\$5,660,302	\$5,832,638	\$5,934,542	\$6,286,303	\$6,500,595

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. Our 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 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 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 Warrior 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 2021. 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. Phase II-IV will begin construction in 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 39,964 students in 2009-2010 to a peak enrollment of 45,492 in 2019-2020. The projected enrollment for 2020-2021 is 45,938. The district projects a 1% annual growth in long term planning. KISD is the largest school District between Austin and Dallas and the 26th largest in the state of Texas. KISD employs over 6,900 faculty and support personnel to educate and serve more than 45,000 students on 52 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-two elementary schools (PK-5), eleven middle schools (6-8), four traditional high schools (9-12), three alternative schools, the Career and Technology Education center (Career Center) and the Early College High School. The district's 290 portable buildings, of which 257 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. Ten school buildings are over fifty years old, over twenty are over twenty years old and thirty one of the school buildings are between one and twenty years old. The District has remodeled and replaced many of the older structures. In May 2018, a bond for \$426,000,000 was passed. The following bond projects are currently underway and will be completed by 2023:

- District-wide ADA & Security Upgrades
- New High School #6
- New East Ward & West Ward Elementary Consolidation
- New Pershing Park & Sugar Loaf Elementary Consolidation
- New Clifton Park & Bellaire Elementary Consolidation
- Killeen High School Renovations
- New Elementary School #36

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 and 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. International Baccalaureate (IB) students are provided transportation on a limited basis between the supporting campus (Killeen High) and 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 2018-2019 CTC awarded 3,165 associate degrees and 823 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 2019/2020

VISION STATEMENT

Through the implementation of a full, innovative, rigorous, comprehensive education program, KISD 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 Involvement** - 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 19-20 school year, KISD Parent and Community Engagement Program served twenty-nine elementary and four middle school Title I school-wide campuses and one elementary Title I targeted assistance campus. Local funds provided support and services for families at the district’s non-Title I elementary schools and middle schools, four high schools, an Early College High School, and special campuses. The 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 2018-2019 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, provides 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 2019-2020 school year, English as a Second Language and High School Equivalency Certificate classes were offered at JPLC during the regular school year. Computer classes were also offered 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. Due to COVID-19, class sessions were halted from March through the end of the 19-20 school year.

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 Special 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. Due to COVID-19, class sessions were halted from March through the end of the 19-20 school year.

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 Special Programs Department offers a variety of district-level events and activities to encourage parent, family, and community engagement. *Due to COVID-19, activities scheduled for the spring and summer did not occur during the 19-20 school year.
 - Empowered Parents provides workshops for parents and community members.
 - Early Literacy Clubs at elementary campuses meet throughout the year.
 - During the summer, early literacy education continues through the Summer Early Learners program.
 - The Summer Take-Home Backpack Program provides practice materials for students in grades K-8 in the areas of math and reading.

- The KISD Parent Advisory Council provides parents with leadership opportunities.
 - The KISD Volunteer program is active on all campuses in the district.
 - Parent workshops offered monthly by the Special Education Parent Educators.
 - Special Education Transition Fair.
 - The annual Family Fitness and Wellness Fair is a successful collaborative among the KISD School Nutrition Department, the School Health Advisory Council, Student Services, Special Programs Department, and the City of Killeen’s Celebrate Killeen Committee. This event is a family affair focused on healthy eating and lifestyle choices.
8. **Parenting Program Curriculum** – Practical Parent Education is the 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 had several notable academic achievements for the 2018-2019 school year within the state’s accountability system. 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. Two campuses earned a distinction in every possible area and was recognized by the state of Texas for that achievement. Compared to the 2017-18 STAAR results, the percentage of students achieving Approaches Grade Level increased in Grades 3 mathematics and reading/language arts, Grade 6 mathematics, and English II. In addition, the percentage of students meeting the state standard increased in Grade 8 science, Biology, Grade 8 Social Studies and U.S. History. Compared to the 2017-2018 STAAR results, the percentage of students achieving Approaches Grade Level remained constant in Grade 6 reading/language arts, English II, and Grade 4 writing.
10. **District-Wide Curriculum** – During the 2019-2020 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. Curriculum work in the area of literacy was strengthened this year through the secondary reading and writing collaboratives with Corwin consultants and the elementary model teach sessions with consultants, Jan Burkins and Kim Yaris. The elementary department provided extensive training and resources regarding the HB3 requirements for early literacy, specifically around systematic phonics instruction in K-3 grades. Elementary and secondary lead teacher literacy collaboratives continued to partner with District Specialists to provide ongoing training and leadership in the critical area of literacy instruction. After mid-March, the elementary and secondary curriculum departments worked to provide aligned instruction via a virtual platform for students as a result of school closure due to COVID. This included the introduction of new materials and resources for staff and students across all grade levels.
11. **Response-to-Intervention** – The district continues to monitor Response-to-Intervention processes and practices.
- Reading Universal Screens: During the 2019-2020 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 2019-2020 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 2019-2020 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 2019-2020 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 486 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](#)
- [Texas A&M Math Academy](#)
- [Elementary and Secondary Blended Learning Collaboratives](#)
- [Using Data to Drive Instruction](#)
- [Building Depth and Complexity](#)
- [Classroom Management](#)
- [Connecting Social Studies and Language Arts](#)
- [Phonics and Word Study](#)
- [Next Generation Balanced Literacy](#)
- [Tools and Strategies when working with Autistic Students](#)
- [Non-Violent Crisis Prevention Institute](#)
- [Texas Behavior Support Initiative](#)
- [IEP Goal Development](#)

14. **Teacher Recruiting Program** – The District’s recruiting initiative with an annual budget of approximately \$103,125 continues to be effective in recruiting, hiring, and retaining between 400 to 500 teachers each year. The efforts primarily focus inside Texas but extend throughout the nation, and include a KISD teacher job fair, multiple external job fairs, alternative teacher certification preparation programs, and numerous internet recruiting sites. KISD employment is profiled at www.killeenisd.org. The KISD on-line application, Hire Vue and the Gallup Teacher Insight Interview, also on-line, provide immediate information about prospective employees. Additionally, the KISD Board of Trustees fund a bonus of \$2,925 for every new middle school math teacher hired and a \$2,080 sign-on bonus for incoming teachers certified in critical shortage subject areas. Additionally, a recurring stipend of \$3,000 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 the Office of the Superintendent, the Deputy Superintendent, the Assistant Superintendent for Curriculum and Instruction, and the Assistant Superintendent for 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. Additionally, each year the District facilitates a Bright Bytes survey wherein teachers, campus administrators, and students self-assess their access to technology, use of technology and provide feedback on services the district offers. 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 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's 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's 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. 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 52 campus principals through a collective and collaborative focus on three essential practices. The first essential practice, implementing standards-based, aligned instruction, is achieved through the Professional Learning Communities (PLC) unit planning process. The second essential practice, monitoring and coaching the implementation of standards-based, aligned instruction delivered 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 2019 and August 2020:

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 tenth 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 fourth cohort of the Aspire II Academy met during the school year to build relationships with central office departments in order to understand the responsibilities of administrative and instructional leadership which align to the district mission, vision, and values. 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

For ten years, Killeen Independent School District has proudly participated 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.

In March, Texas Governor Greg Abbott ordered that schools shut down for the remainder of the school year in response to the COVID-19 pandemic. Therefore, the KISD Teacher of the Year selection process did not take place.

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. TTESS 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 - DISTRICT WIDE

- 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 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 2019-2020 the District funded several projects under this plan. The construction of the new elementary school #36 and middle school #14 are still in progress with an estimated opening date of September 2021. Various other maintenance projects were completed during the year such as turf replacement and bottle fill stations.

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, 2020, 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, 2019. This was the twenty-ninth 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, 2019. 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 CAFR 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-eight consecutive years (fiscal years 1991-2019). We believe that our current CAFR 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*

Minerva Trujillo -- *Board Member*

Marvin Rainwater -- *Board Member*

COL Jason A. Wesbrock -- *Fort Hood Advisor*

SCHOOL DISTRICT ADMINISTRATION

John Craft, Ed.D.

Superintendent

Eric Penrod, Ed.D.

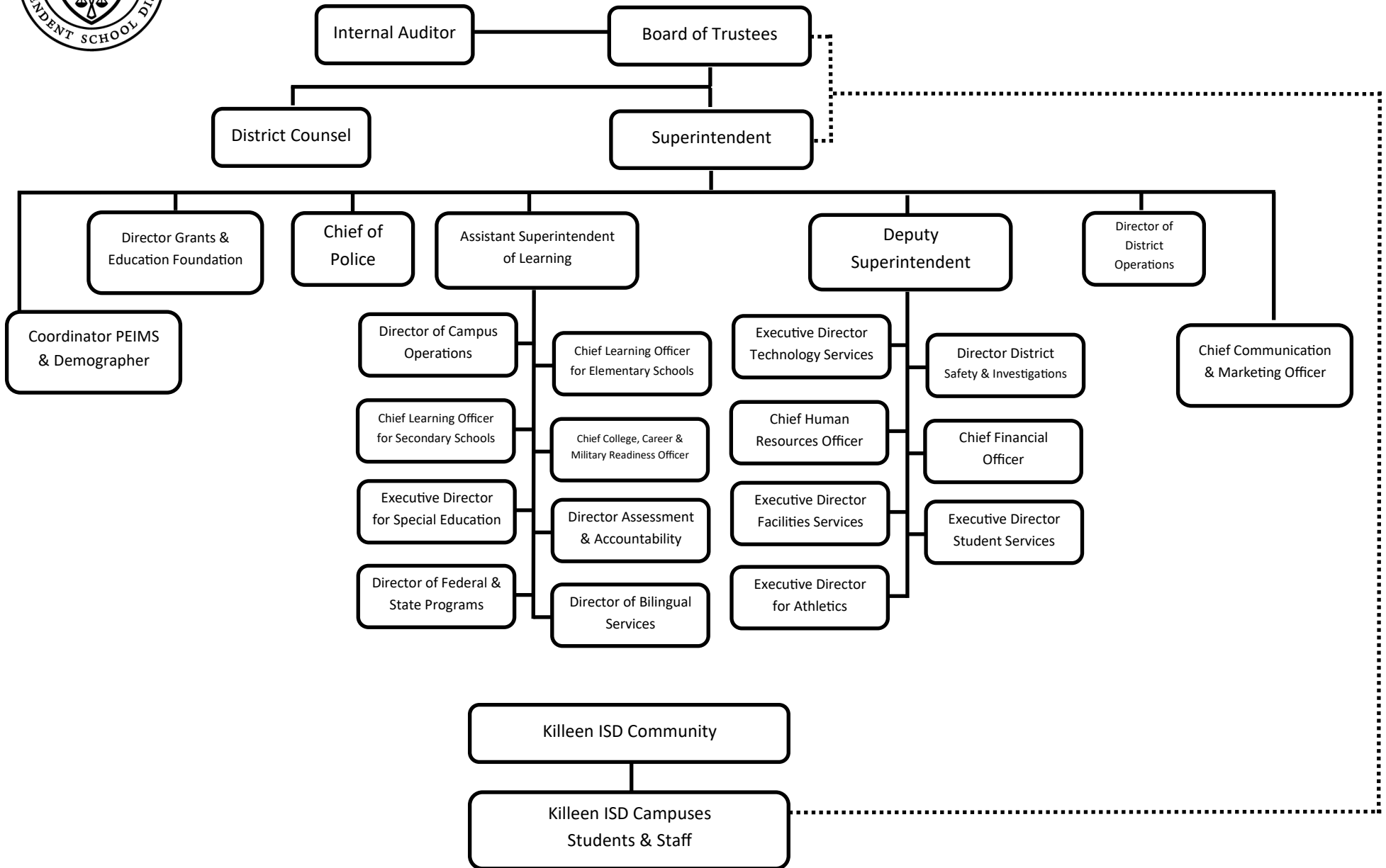
Deputy Superintendent

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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

August 31, 2019

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 (CAFR)
for the Fiscal Year Ended August 31, 2019.

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



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director





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

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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, 2020, 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, 2020, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the District 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 the 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 25, 2021, 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 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 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 report and compliance.

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

Killeen, Texas

January 25, 2021



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, 2020. 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

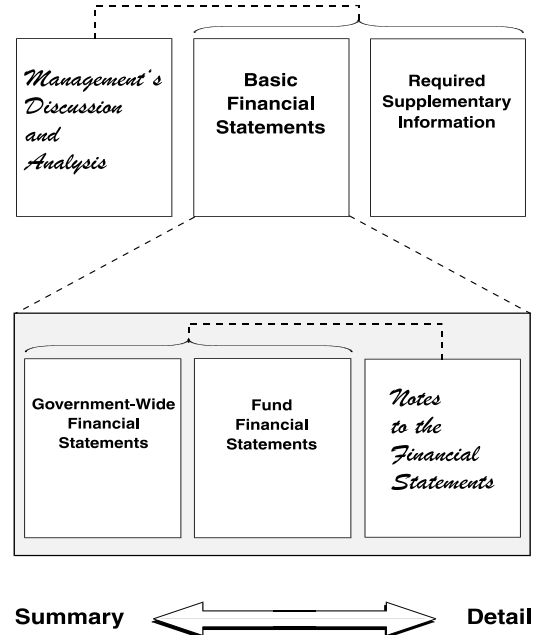
- The District’s total combined net position was \$372.0 million at August 31, 2020, compared to \$361.5 million at August 31, 2019 (see Table A-1). This is due to an increase in fixed assets due to increase of construction projects.
- The District transferred an additional \$31.3 million from the General fund to the School Building Projects fund to bring the General fund unassigned balance down to three month’s operating expenditures in accordance with board policy.
- The District refunded U/L Tax Refunding Bonds Series 2010 with Unlimited Tax Refunding Bonds Series 2019 for a net present value savings of \$565,000.

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.
 - *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

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



The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

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.

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.
- *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.

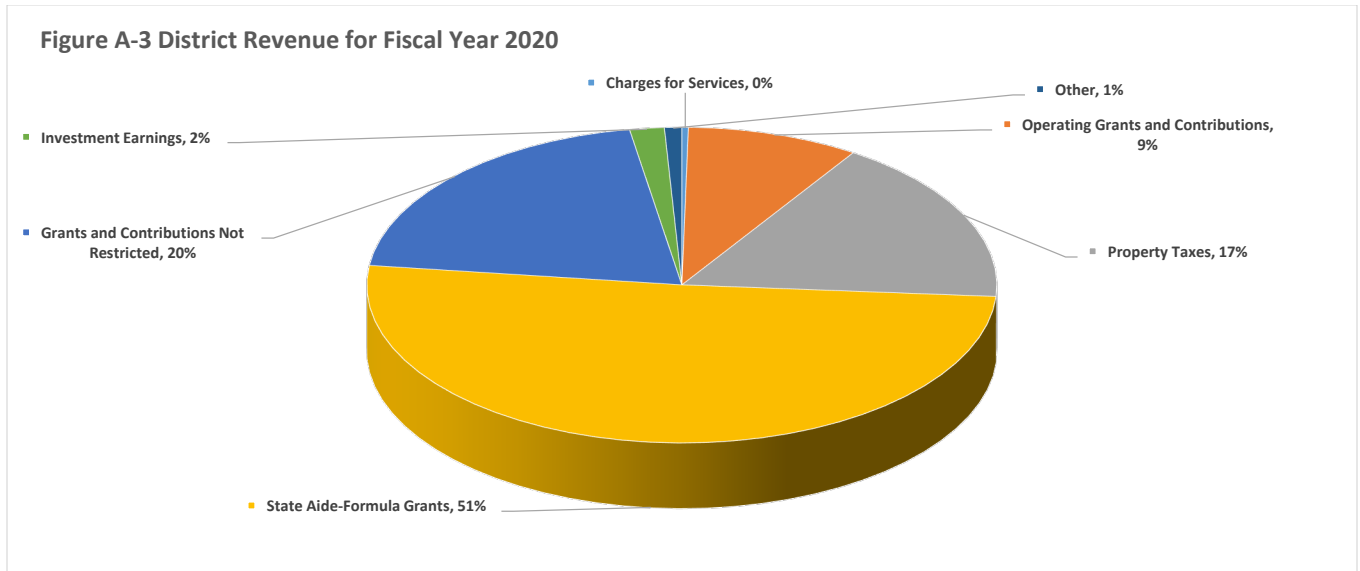
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position – The District’s net position increased by \$10.5 million from the previous fiscal year. This is a result of an increase of fixed 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 \$372.0 million on August 31, 2020 (See Table A-1). The \$42.3 million of the District’s restricted net position represents fund balance that is restricted for federal and state programs (\$35.3 million), retirement of Long-Term Debt (\$2.3 million), scholarships and federal non-grant funding (\$4.7 million). The General and Capital Projects Funds unrestricted net position negative balance of negative \$88.5 million is due to the Net OPEB deferred liability reported as required by the GASB 75. Total Assets increased \$57.8 million due primarily to an increase in construction in progress. Additionally, long term liabilities decreased by \$15.8 million primarily due to the decrease of bonds payable.

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

	<u>2020</u>	<u>2019</u>	
Current and Other Assets	\$ 582.7	\$ 668.0	-12.8%
Capital Assets	593.1	450.0	31.8%
Total Assets	<u>1,175.8</u>	<u>1,118.0</u>	5.2%
Deferred Outflows of Resources	103.9	95.9	
Current Liabilities	57.7	19.9	189.9%
Long Term Liabilities	757.1	772.9	-2.0%
Total Liabilities	<u>814.8</u>	<u>792.8</u>	2.8%
Deferred Inflows of Resources	93.0	59.5	
Net Position			
Net Investment in Capital Assets	418.2	389.5	7.4%
Restricted	42.3	18.2	132.4%
Unrestricted	(88.5)	(46.2)	91.6%
Total Net Position	<u><u>\$ 372.0</u></u>	<u><u>\$ 361.5</u></u>	2.9%

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 only one percent relates to charges for services. The total cost of all programs and services was approximately \$530.4 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.
- Property values grew by approximately \$762.7 million.
- Student enrollment also increased in 2020. The peak enrollment went up from 45,091 in 2019 to 45,492 in 2020.
- Year end enrollment for 2020 decreased due to COVID 19.

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

	Governmental		Total %
	Activities		
	<u>2020</u>	<u>2019</u>	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 1.8	\$ 5.1	-64.7%
Operating Grants and Contributions	42.0	65.5	-35.9%
<u>General Revenues</u>			
Property Taxes	91.9	91.0	1.0%
State Aid - Formula Grants	274.8	246.6	11.4%
Grants and Contributions Not Restricted	110.2	75.0	46.9%
Investment Earnings	9.6	12.9	-25.6%
Miscellaneous Revenues and Transfers	4.8	0.7	585.7%
On-Behalf Accrual for GASB 75	5.8	8.2	-29.3%
Total Revenues	<u>540.9</u>	<u>505.0</u>	<u>7.1%</u>
Expenses			
Instruction and instructional related	334.8	303.6	10.3%
Instructional leadership/school administration	33.9	33.1	2.4%
Guidance, social work, health, transportation	48.5	40.7	19.2%
Food services	19.0	22.0	-13.6%
Extracurricular activities	11.2	11.0	1.8%
General administration	10.9	9.9	10.1%
Plant maintenance and security	49.5	48.2	2.7%
Data processing services	6.7	5.8	15.5%
Community services	1.3	1.3	0.0%
Debt service	13.7	13.6	0.7%
Other intergovernmental charges	0.9	0.9	0.0%
Total Expenses	<u>530.4</u>	<u>490.1</u>	<u>8.2%</u>
Increase in Net Position	10.5	14.9	
Beginning Net Position	<u>361.5</u>	<u>346.6</u>	
Ending Net Position	<u>\$ 372.0</u>	<u>\$ 361.5</u>	

Program Revenues – Charges for services decreased by \$3.3 million and the operating grants and contributions decreased by \$23.5 million. General Revenues – property taxes increased by \$0.9 million. State Aid Formula Grants increased \$28.2 million.

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 increased \$31.2 million due to additional expenditures for distance learning due to COVID 19.
- (b) Guidance and counseling increased by \$7.8 million from additional positions and increased pay from general pay increase.
- (c) Food services decreased \$3.0 million due to fewer meals served during school closure due to COVID 19.
- (d) General administration increased by \$1.0 million due to additional positions and general pay increase.
- (e) Plant maintenance and security increased \$1.3 million due to various life cycle repairs and replacement projects.

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 \$530.4 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$92 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 (\$1.8 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>2020</u>	<u>2019</u>		<u>2020</u>	<u>2019</u>	
Instruction	\$ 309.7	\$ 278.3	11.3%	\$ 287.4	\$ 240.7	19.4%
School Leadership	27.2	26.9	1.1%	26.8	24.7	8.5%
Guidance and Counseling	22.8	19.8	15.2%	21.7	17.1	26.9%
Extracurricular	11.2	11.0	1.8%	10.9	9.9	10.1%
Facilities Maintenance & Operations	44.7	44.1	1.4%	44.4	42.6	4.2%

Fiduciary Funds

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

General fund local revenue increased slightly by \$17,341 from the prior year. State program revenues increased \$31.4 million while Federal program revenues decreased \$8.1 million due to higher SHARS and Impact Aid funding received in prior year. General fund expenditures increased by \$16.9 million due to a general pay increase, increased the health benefit costs, TRS contributions, increased utility costs, and bus purchases. School building projects fund experienced a \$0.4 million increase in revenues as a result of additional impact aid construction funding. Construction expenditures increased \$116.9 million due to the construction of new campuses from the bonds which passed in 2018.

General Fund Budgetary Highlights

Additional budget considerations were approved during the year to amend the original budget. These additional considerations included the following:

- Accrued expenditures for outstanding purchase orders, and approved capital improvement and construction projects not yet completed at year end.
- \$31.3 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 six significant budget amendments as well as actual expenditures made relating to the affected functional category. 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	\$266.1	\$258.6	-\$7.5	\$239.2	-\$19.4
199-51-6XXX	35.1	32.2	-2.9	32.2	0
199-53-6XXX	8.4	6.9	-1.5	6.2	-.7
199-31-6XXX	21.9	20.8	-1.1	20.6	.2
199-00-59XX	50.7	60.7	10.0	60.7	0
199-00-89XX	9.0	36.8	27.8	36.8	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 \$146,533,037. This is a \$9,656,979 increase from the prior year. The increase is the net result of a \$46,422,142 excess of revenues over expenditures and a reduction for other financing sources and uses of \$36,765,163. Transfers to capital projects funds were the majority of the other financing sources and uses.

The General Fund unassigned fund balance of \$108,314,584 is equivalent to approximately three and one third months of expenditures. The unassigned fund balance minimizes the likelihood that the District would be required to enter the short-term debt market to pay for current operating expenditures. In addition, \$25,482,416 of restricted fund balance is the amount remaining from state & federal grants. \$3,600,000 of fund balance is committed for self-insurance and \$3,000,000 is set aside for school behavioral health in assigned fund balance.

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 decreased by \$5,525,542. This decrease is due primarily to completion of the new Nolan Middle School which opened in August, 2020. Fund balance at year end is \$77,478,534 and is comprised of \$508,953 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 \$76,969,581 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 2020, the District had invested approximately \$593.1 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 \$143.1 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>2020</u>	<u>2019</u>	
Land	\$ 12.9	\$ 12.9	0.0%
Buildings and Improvements	644.4	642.1	0.4%
Furniture and Equipment	76.1	73.4	3.7%
Construction in Progress	216.5	61.0	254.9%
Totals at historical cost	<u>949.9</u>	<u>789.4</u>	20.3%
Total accumulated depreciation	<u>(356.8)</u>	<u>(339.4)</u>	5.1%
Net capital assets	<u>\$ 593.1</u>	<u>\$ 450.0</u>	31.8%

Long-Term Debt

Debt Service requirements for the general obligation bonds outstanding on August 31, 2020 totaled \$456,914,454. 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 \$660,772,013 (including principal, interest due and accrued interest) through 2044 to retire its outstanding general long-term bonds. The debt service fund has \$2,297,953 restricted in fund balance for retirement of funded indebtedness.

The District levied a debt service tax rate of \$0.19110 during the 2019-2020 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 2021 fiscal year.

While there is uncertainty in the area of school finance at both the local, state and federal levels, the district maintains a healthy fund balance both for operational purposes and for funding future facilities. 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 2021. The Board approved the maintenance and operations tax rate for the 2020-2021 fiscal year of \$0.9201 and a debt service rate of \$0.1694 for a total of \$1.0895.

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, 2020

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 47,303,242
1120 Current Investments	401,203,274
1220 Property Taxes - Delinquent	2,189,628
1230 Allowance for Uncollectible Taxes	(328,444)
1240 Due from Other Governments	10,768,905
1290 Other Receivables, Net	3,981,713
1300 Inventories	2,331,444
1410 Prepayments	8,023,437
Capital Assets:	
1510 Land	12,942,062
1520 Buildings, Net	344,918,319
1530 Furniture and Equipment, Net	18,802,863
1580 Construction in Progress	216,477,880
1990 Other Assets	107,213,815
1000 Total Assets	1,175,828,138
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	1,191,456
1705 Deferred Outflow Related to TRS Pension	65,154,711
1706 Deferred Outflow Related to TRS OPEB	37,602,981
1700 Total Deferred Outflows of Resources	103,949,148
LIABILITIES	
2110 Accounts Payable	37,717,563
2120 Short Term Debt Payable	2,987,670
2160 Accrued Wages Payable	8,936,016
2180 Due to Other Governments	7,651,223
2300 Unearned Revenue	267,928
Noncurrent Liabilities:	
2501 Due Within One Year	10,751,489
2502 Due in More Than One Year	448,164,454
2540 Net Pension Liability (District's Share)	133,732,517
2545 Net OPEB Liability (District's Share)	164,561,822
2000 Total Liabilities	814,770,682
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	21,791,038
2606 Deferred Inflow Related to TRS OPEB	71,196,461
2600 Total Deferred Inflows of Resources	92,987,499
NET POSITION	
3200 Net Investment in Capital Assets	418,269,956
3820 Restricted for Federal and State Programs	35,291,918
3850 Restricted for Debt Service	2,297,953
3890 Restricted for Other Purposes	4,703,049
3900 Unrestricted	(88,543,771)
3000 Total Net Position	\$ 372,019,105

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



KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2020

EXHIBIT B-1

Data Control Codes	1	Program Revenues		6
Codes	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities

Primary Government:

GOVERNMENTAL ACTIVITIES:

11 Instruction	\$ 309,712,600	\$ 712,019	\$ 21,585,464	\$ (287,415,117)
12 Instructional Resources and Media Services	12,223,515	-	543,482	(11,680,033)
13 Curriculum and Instructional Staff Development	12,793,306	-	4,178,207	(8,615,099)
21 Instructional Leadership	6,766,239	-	38,161	(6,728,078)
23 School Leadership	27,162,193	98,796	262,689	(26,800,708)
31 Guidance, Counseling, and Evaluation Services	22,812,605	-	1,161,673	(21,650,932)
32 Social Work Services	2,251,368	-	537,528	(1,713,840)
33 Health Services	5,503,853	-	311,699	(5,192,154)
34 Student (Pupil) Transportation	17,937,999	-	1,630,202	(16,307,797)
35 Food Services	18,992,469	460,882	16,044,498	(2,487,089)
36 Extracurricular Activities	11,172,645	153,112	123,853	(10,895,680)
41 General Administration	10,938,006	-	250,264	(10,687,742)
51 Facilities Maintenance and Operations	44,686,583	-	258,000	(44,428,583)
52 Security and Monitoring Services	4,760,110	17,173	337,982	(4,404,955)
53 Data Processing Services	6,660,743	-	9,477	(6,651,266)
61 Community Services	1,260,899	64,731	484,581	(711,587)
72 Debt Service - Interest on Long-Term Debt	13,672,720	-	-	(13,672,720)
73 Debt Service - Bond Issuance Cost and Fees	163,520	-	-	(163,520)
81 Capital Outlay	-	247,495	-	247,495
95 Payments to Juvenile Justice Alternative Ed. Prg.	8,446	-	-	(8,446)
99 Other Intergovernmental Charges	925,861	-	-	(925,861)
[TP] TOTAL PRIMARY GOVERNMENT:	\$ 530,405,680	\$ 1,754,208	\$ 47,757,760	(480,893,712)

Data Control Codes	General Revenues: Taxes:	
MT	Property Taxes, Levied for General Purposes	76,798,462
DT	Property Taxes, Levied for Debt Service	15,120,375
SF	State Aid - Formula Grants	274,807,668
GC	Grants and Contributions not Restricted	110,227,218
IE	Investment Earnings	9,560,925
MI	Miscellaneous Local and Intermediate Revenue	4,822,652
TR	Total General Revenues	491,337,300
CN	Change in Net Position	10,443,588
NB	Net Position - Beginning	361,575,517
NE	Net Position - Ending	\$ 372,019,105

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2020

Data Control Codes	General Fund	2017 - 2018 Bond Proposition A	2017 - 2018 Bond Proposition B
ASSETS			
1110 Cash and Cash Equivalents	\$ 37,553,771	\$ 2,693,484	\$ 1,505,527
1120 Investments - Current	97,034,228	179,024,438	113,350,878
1220 Property Taxes - Delinquent	2,030,559	-	-
1230 Allowance for Uncollectible Taxes	(304,584)	-	-
1240 Due from Other Governments	-	-	-
1260 Due from Other Funds	15,092,981	-	-
1290 Other Receivables	125,532	178,436	156,131
1300 Inventories	1,432,831	-	-
1410 Prepayments	4,703,049	-	1,282
1900 Other Assets	17,000,000	6,400,000	5,600,000
1000 Total Assets	<u>\$ 174,668,367</u>	<u>\$ 188,296,358</u>	<u>\$ 120,613,818</u>
LIABILITIES			
2110 Accounts Payable	\$ 8,124,315	\$ 11,158,134	\$ 12,611,778
2120 Short Term Debt Payable - Current	2,712,259	554	827
2160 Accrued Wages Payable	8,478,307	1,506	-
2170 Due to Other Funds	177,081	3,914	10,527
2180 Due to Other Governments	6,916,583	-	-
2300 Unearned Revenue	810	-	-
2000 Total Liabilities	<u>26,409,355</u>	<u>11,164,108</u>	<u>12,623,132</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,725,975	-	-
2600 Total Deferred Inflows of Resources	<u>1,725,975</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	1,432,831	-	-
3425 Endowment Principal	-	-	-
3430 Prepaid Items	4,703,049	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	25,482,416	-	-
3480 Retirement of Long-Term Debt	-	-	-
3490 Other Restricted Fund Balance	157	-	-
Committed Fund Balance:			
3510 Construction	-	107,851,686	61,656,770
3545 Other Committed Fund Balance	3,600,000	-	-
Assigned Fund Balance:			
3550 Construction	-	69,280,564	46,333,916
3590 Other Assigned Fund Balance	3,000,000	-	-
3600 Unassigned Fund Balance	108,314,584	-	-
3000 Total Fund Balances	<u>146,533,037</u>	<u>177,132,250</u>	<u>107,990,686</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 174,668,367</u>	<u>\$ 188,296,358</u>	<u>\$ 120,613,818</u>

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

School Building Projects	Other Funds	Total Governmental Funds
\$ 803,668	\$ 4,746,792	\$ 47,303,242
2,972,278	8,821,452	401,203,274
-	159,069	2,189,628
-	(23,860)	(328,444)
-	10,768,905	10,768,905
2,358,294	5,489,009	22,940,284
3,505,110	16,504	3,981,713
-	898,613	2,331,444
-	3,319,106	8,023,437
78,000,000	213,815	107,213,815
<u>\$ 87,639,350</u>	<u>\$ 34,409,405</u>	<u>\$ 605,627,298</u>
\$ 4,288,432	\$ 1,534,904	\$ 37,717,563
-	274,030	2,987,670
-	456,203	8,936,016
5,872,384	16,876,378	22,940,284
-	734,640	7,651,223
-	267,118	267,928
<u>10,160,816</u>	<u>20,143,274</u>	<u>80,500,685</u>
-	135,209	1,861,184
-	135,209	1,861,184
-	898,613	2,331,444
-	189,715	189,715
-	-	4,703,049
-	9,809,502	35,291,918
-	2,297,953	2,297,953
-	28,886	29,043
508,953	-	170,017,409
-	906,253	4,506,253
76,969,581	-	192,584,061
-	-	3,000,000
-	-	108,314,584
<u>77,478,534</u>	<u>14,130,922</u>	<u>523,265,429</u>
<u>\$ 87,639,350</u>	<u>\$ 34,409,405</u>	<u>\$ 605,627,298</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2020

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	523,265,429
1 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 \$789,459,357 and the accumulated depreciation was (\$339,439,329). 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) and long-term debt in the governmental activities is to decrease net position.		(19,020,701)
2 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 2020 capital outlays of \$163,874,196 and debt principle payments of \$8,490,000 is to increase net position.		172,364,196
3 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. At the beginning of the year, the net position related to TRS was a Deferred Resource Outflow in the amount of \$65,154,711, a Deferred Resource Inflow in the amount of \$21,791,038 and a net pension liability in the amount of \$133,732,517. The impact of this on Net Position is (\$90,368,844).		(90,368,844)
4 The District participates in the TRS-Care plan for retirees through TRS. The District's share of the TRS plan resulted in a net OPEB liability of \$164,561,822, a deferred outflow of \$37,602,981 and a deferred inflow of \$71,196,461. This resulted in a difference between the ending fund balance and the ending net position of (-198,155,302).		(198,155,302)
5 The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(20,705,539)
6 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.		4,639,866
19 Net Position of Governmental Activities	\$	372,019,105

The notes to the basic 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, 2020

Data Control Codes	General Fund	2017 - 2018 Bond Proposition A	2017 - 2018 Bond Proposition B
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 82,808,336	\$ 3,148,229	\$ 2,402,558
5800 State Program Revenues	294,872,497	-	-
5900 Federal Program Revenues	60,694,544	-	-
5020 Total Revenues	<u>438,375,377</u>	<u>3,148,229</u>	<u>2,402,558</u>
EXPENDITURES:			
Current:			
0011 Instruction	239,185,138	-	740,092
0012 Instructional Resources and Media Services	10,663,153	-	52,812
0013 Curriculum and Instructional Staff Development	7,295,565	-	4,870
0021 Instructional Leadership	5,042,538	-	-
0023 School Leadership	24,861,766	2,501	37,084
0031 Guidance, Counseling, and Evaluation Services	20,622,350	-	21,219
0032 Social Work Services	1,647,329	-	-
0033 Health Services	4,954,314	-	5,109
0034 Student (Pupil) Transportation	13,306,890	-	-
0035 Food Services	751,741	-	475
0036 Extracurricular Activities	9,486,355	-	-
0041 General Administration	10,287,596	-	-
0051 Facilities Maintenance and Operations	32,227,628	4,500,723	331,068
0052 Security and Monitoring Services	3,803,218	95,064	22,869
0053 Data Processing Services	6,153,230	-	-
0061 Community Services	730,117	-	-
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	-	52,370,841	77,433,377
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	8,446	-	-
0099 Other Intergovernmental Charges	925,861	-	-
6030 Total Expenditures	<u>391,953,235</u>	<u>56,969,129</u>	<u>78,648,975</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>46,422,142</u>	<u>(53,820,900)</u>	<u>(76,246,417)</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	-	-
7912 Sale of Real and Personal Property	46,534	-	-
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out (Use)	(36,811,697)	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>(36,765,163)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	9,656,979	(53,820,900)	(76,246,417)
0100 Fund Balance - September 1 (Beginning)	<u>136,876,058</u>	<u>230,953,150</u>	<u>184,237,103</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 146,533,037</u>	<u>\$ 177,132,250</u>	<u>\$ 107,990,686</u>

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

School Building Projects	Other Funds	Total Governmental Funds
\$ 1,625,150	\$ 18,012,109	\$ 107,996,382
-	16,078,407	310,950,904
3,504,548	41,376,692	105,575,784
5,129,698	75,467,208	524,523,070
-	20,637,138	260,562,368
-	647,221	11,363,186
-	4,189,948	11,490,383
-	38,161	5,080,699
-	461,949	25,363,300
-	1,209,714	21,853,283
-	537,528	2,184,857
-	328,055	5,287,478
-	1,630,202	14,937,092
-	16,147,976	16,900,192
19,801	427,116	9,933,272
23,251	250,264	10,561,111
1,194,267	4,858,674	43,112,360
82,216	494,022	4,497,389
-	9,477	6,162,707
-	485,489	1,215,606
-	8,490,000	8,490,000
-	18,264,314	18,264,314
-	163,520	163,520
36,445,464	3,116,596	169,366,278
-	-	8,446
-	-	925,861
37,764,999	82,387,364	647,723,702
(32,635,301)	(6,920,156)	(123,200,632)
-	12,020,000	12,020,000
-	-	46,534
31,309,446	9,842,580	41,152,026
-	992,624	992,624
(4,199,686)	(140,642)	(41,152,026)
-	(12,848,344)	(12,848,344)
27,109,759	9,866,218	210,814
(5,525,542)	2,946,062	(122,989,818)
83,004,076	11,184,860	646,255,247
\$ 77,478,534	\$ 14,130,922	\$ 523,265,429

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, 2020

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (122,989,814)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2020 capital outlays and debt principal payments is to increase net position.	172,364,196
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.	(20,705,539)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, reclassifying the proceeds of bond sales, and recognizing the liabilities associated with maturing long-term debt and interest. The net effect of these reclassifications and recognitions is to increase net position.	4,246,912
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 \$9,684,262. 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 \$8,891,199. 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 \$19,028,831. The net result is an (decrease) in the change in net position.	(18,235,768)
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 ending net position to increase by \$2,518,875. 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 \$2,420,419. Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense decreased the change in net position by \$4,334,855. The net result is a decrease in net position.	(4,236,399)
Change in Net Position of Governmental Activities	\$ 10,443,588

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2020

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	\$ 83,540,656	\$ 82,338,072	\$ 82,808,336	\$ 470,264
5800 State Program Revenues	303,153,749	299,243,435	294,872,497	(4,370,938)
5900 Federal Program Revenues	50,700,985	60,674,179	60,694,544	20,365
5020 Total Revenues	437,395,390	442,255,686	438,375,377	(3,880,309)
EXPENDITURES:				
Current:				
0011 Instruction	266,144,001	258,615,995	239,185,138	19,430,857
0012 Instructional Resources and Media Services	11,511,446	11,277,072	10,663,153	613,919
0013 Curriculum and Instructional Staff Development	7,504,241	8,186,143	7,295,565	890,578
0021 Instructional Leadership	4,902,642	5,159,022	5,042,538	116,484
0023 School Leadership	25,085,769	24,868,513	24,861,766	6,747
0031 Guidance, Counseling, and Evaluation Services	21,893,691	20,832,811	20,622,350	210,461
0032 Social Work Services	1,668,403	1,656,468	1,647,329	9,139
0033 Health Services	5,083,511	5,244,357	4,954,314	290,043
0034 Student (Pupil) Transportation	14,507,759	14,689,604	13,306,890	1,382,714
0035 Food Services	441,712	840,205	751,741	88,464
0036 Extracurricular Activities	10,036,728	9,862,579	9,486,355	376,224
0041 General Administration	10,758,987	10,695,933	10,287,596	408,337
0051 Facilities Maintenance and Operations	35,140,971	32,234,834	32,227,628	7,206
0052 Security and Monitoring Services	3,569,259	4,193,360	3,803,218	390,142
0053 Data Processing Services	8,370,304	6,908,140	6,153,230	754,910
0061 Community Services	960,010	845,606	730,117	115,489
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	-	8,446	8,446	-
0099 Other Intergovernmental Charges	939,470	925,861	925,861	-
6030 Total Expenditures	428,518,904	417,044,949	391,953,235	25,091,714
1100 Excess of Revenues Over Expenditures	8,876,486	25,210,737	46,422,142	21,211,405
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	80,000	45,834	46,534	700
8911 Transfers Out (Use)	(8,956,486)	(36,811,697)	(36,811,697)	-
7080 Total Other Financing Sources (Uses)	(8,876,486)	(36,765,863)	(36,765,163)	700
1200 Net Change in Fund Balances	-	(11,555,126)	9,656,979	21,212,105
0100 Fund Balance - September 1 (Beginning)	136,076,058	136,076,058	136,876,058	800,000
3000 Fund Balance - August 31 (Ending)	\$ 136,076,058	\$ 124,520,932	\$ 146,533,037	\$ 22,012,105

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2020

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 17,222	\$ 1,499,555
Investments - Current	3,413	45,115
Other Receivables	-	445
Long Term Investments	2,576,027	-
Total Assets	<u>2,596,662</u>	<u>\$ 1,545,115</u>
LIABILITIES		
Accounts Payable	-	117
Due to Student Groups	-	947,230
Payable from Restricted Assets	-	597,768
Total Liabilities	<u>-</u>	<u>1,545,115</u>
NET POSITION		
Unrestricted Net Position	<u>2,596,662</u>	<u>-</u>
Total Net Position	<u><u>\$ 2,596,662</u></u>	<u><u>\$ -</u></u>

The notes to the basic 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, 2020

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Earnings from Endowments	\$ 466,345	\$ -
Earnings from Temporary Deposits	35	-
Contributions, Gifts and Donations	11	-
Total Additions	<u>466,391</u>	<u>-</u>
DEDUCTIONS:		
Other Deductions	83,322	-
Total Deductions	<u>83,322</u>	<u>-</u>
Change in Fiduciary Net Position	383,069	-
Total Net Position - September 1 (Beginning)	<u>2,213,593</u>	<u>-</u>
Total Net Position - August 31 (Ending)	<u><u>\$ 2,596,662</u></u>	<u><u>\$ -</u></u>

The notes to the basic 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." 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 and 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.

Agency funds do not have a 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.

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).

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.

Special Education Fiscal Support and Funding – Used to secure evaluation staff, related services personnel, and/or special education teachers to fill short-term needs in the area of initial evaluations, compensatory services and extended school year services.

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:

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 \$39,886 and

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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.

Scholarship account:	Endowment	Long-term Investment	Net Appreciation
		Current Balance	Available for Expenditure
Cross	\$ 724,896	\$ 1,594,010	\$ 869,114
Haynes	100,000	143,315	43,315
Wood	209,530	446,093	236,563
Pratt	83,195	181,285	98,090
Ware	100,000	200,278	100,278
Alt	9,394	11,046	1,652
		<u>\$ 2,576,027</u>	<u>\$ 1,349,012</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.

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 \$108,314,584 exceeds the required minimum fund balance of \$97,988,309.

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	642,077,257	283,196,289	358,880,968	
Furniture & Equipment	73,437,927	56,243,040	17,194,887	
Construction in Progress	<u>61,002,111</u>	<u>-</u>	<u>61,002,111</u>	
Change in Net Position				\$ 450,020,028
<u>Long-term Liabilities at the Beginning of the Year</u>			<u>Payable at the Beginning of the Year</u>	
Bonds Payable			\$ (422,765,000)	
Less Unamortized Premiums			<u>(46,275,729)</u>	
Change in Net Position				<u>(469,040,729)</u>
Net Adjustment to Net Position				<u>\$ (19,020,701)</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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	\$ 1,861,184	\$ 1,861,184
<u>Reclassifications related to Bonds</u>		
Current year amortization bond premiums/discounts	4,063,899	4,063,899
Current year amortization deferred on refunding	772,370	772,370
Amount deferred on refunding	419,086	419,086
Current year bond refunding	(427,623)	(427,623)
<u>Adjustments to Expenditures and Accrued Liabilities</u>		
Bond Interest Accrual Adjustment	(792,242)	(792,242)
Compensated absences	(1,209,247)	(1,209,247)
<u>Adjustments to Other Sources and Revenues for Loss on Sale of Assets</u>	<u>(47,561)</u>	<u>(47,561)</u>
Total		<u>\$ 4,639,866</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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	\$ -		
Buildings & Improvements	2,412,523		
Furniture & Equipment	5,985,904		
Construction in Progress	155,475,769		
Total Capital Outlay	<u>\$ 163,874,196</u>	<u>\$ 163,874,196</u>	<u>\$ 163,874,196</u>
<u>Debt Principal Payments</u>			
Bond Principal	\$ 8,490,000		
Total Principal Payments	<u>\$ 8,490,000</u>	<u>\$ 8,490,000</u>	<u>\$ 8,490,000</u>
Total Adjustment to Net Position		<u>\$ 172,364,196</u>	<u>\$ 172,364,196</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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.	\$ 61,267	\$ 61,267
<u>Reclassifications related to Bonds</u>		
Current year amortization bond premiums/discounts	4,063,899	4,063,899
Current year amortization deferred on refunding	772,370	772,370
Current year bond refunding	(427,623)	(427,623)
<u>Reclassify Liabilities Incurred but not Liquidated this Year</u>		
Unused Vacation Pay	(194,111)	(194,111)
<u>Adjustments to Expenditures and Accrued Liabilities</u>		
Bond Interest Accrual Adjustment	18,671	18,671
<u>Adjustments to Other Sources and Revenues for Loss on Sale of Assets</u>		
	<u>(47,561)</u>	<u>(47,561)</u>
Total		<u>\$ 4,246,912</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 legally enacted through passage of a resolution 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	\$ 266,144,000	\$ 258,615,995	\$ (7,528,005)	1
199-51-6XXX	\$ 35,140,971	\$ 32,234,834	\$ (2,906,137)	2
199-53-6XXX	\$ 8,370,304	\$ 6,908,140	\$ (1,462,164)	3
199-31-6XXX	\$ 21,893,691	\$ 20,832,811	\$ (1,060,881)	4
199-00-59XX	\$ 50,700,985	\$ 60,674,179	\$ 9,973,194	5
199-00-89XX	\$ 8,956,486	\$ 36,811,697	\$ 27,855,211	6

- (1.) The amended decrease in expenditures is due to \$10.3 million professional vacancies; \$6.3 million reduction in miscellaneous operating to include \$5.4 reduction in grant holding accounts that were moved to other functions, \$0.8 million reduction for the Reading Academies holding account and \$0.1 million reduction for all other miscellaneous operating; \$4.0 million reduction in supplemental pay; \$1.3 million reduction for subs; \$1.3 million auxiliary vacancies; \$0.9 million reduction in professional services; \$0.6 million reduction for tuition; \$0.2 million reduction to fine arts subsidies; \$0.1 million reduction in unemployment; \$0.1 million reduction in awards; \$0.4 million increase in software; \$1.8 million increase in technology capital outlay; \$1.9 million increase in TRS On-Behalf; \$3.8 million increase for supplies; \$4.3 million increase for technology controlled items; \$5.6 million dollar increase for miscellaneous services mostly for online access so students could learn remotely; and a \$0.2 million decrease in all other codes.
- (2.) The amended decrease in expenditures is due to \$2.3 million in vacancies; \$1.0 million reduction in utilities overall; \$1.0 million reduction in maintenance, grounds, and custodial parts; \$0.3 million increase in furniture, non-technology-controlled items and technology capital outlay; \$0.3 million increase for vehicles and a \$0.7 million increase for capital outlay items.
- (3.) The amended decrease in expenditures is due to \$2.5 million being transferred from this function to other functions for E-Rate and Networking Lifecycle spending; \$0.3 million reduction in outside repair labor; \$0.2 million in vacancies, \$0.1 million reduction in temporary employees, \$0.1 million increase in TRS On-Behalf; \$0.2 million increase in repair parts, \$0.3 million increase in other services; \$0.9 million increase in technology capital outlay items for server purchases and \$0.6 million increase in all other codes.
- (4.) The amended decrease in expenditures is due to a \$0.8 million reduction in miscellaneous services; a reduction of \$0.6 million for vacant positions, a reduction of \$0.3 million for testing materials; an increase of \$0.5 million in TRS On-Behalf; and an increase of \$0.2 million in all other codes. Reductions that were not vacancies were a result from the District having remote working and learning from March through May because of COVID-19.
- (5.) The amended increase in federal revenue is due to a \$2.8 million increase in current year impact aid funds; an increase of \$5.4 million for prior years' impact aid funds received in FY 2020 and an increase in SHARS revenue of \$1.7 million.
- (6.) The amended increase in other uses is due to a \$31.3 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; a decrease of \$3.6 million as a result of the decision not to fund the Self Health Insurance Plan in FY 2020; a \$0.1 million transfer to the school nutrition fund to cover the cost of meals provided to students who had no funds in their accounts.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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	\$	5,904,463
Unbudgeted Funds:		
Summer Feeding Program		802,150
ESSER School Emergency Relief		3,088,000
Mobilizing Talent at Military Conn Schools		300
Advanced Placement Incentives		148,924
Instructional Materials Allotment		101,234
Read to Succeed		1,139
Campus Activity Funds		906,115
Music Enrichment Program		138
	\$	<u>10,952,463</u>

B. Excess of Actual Expenditures over Appropriations by Functional Categories

For fiscal year ended August 31, 2020, the District’s actual expenditures did not exceed budgeted expenditures by function.

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 Agency 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, 2020, the carrying amount of the District’s deposits was \$48,820,020 and the bank balance was \$53,693,355. 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 \$155,000,000.
- c) An irrevocable letter of credit in the amount of \$5,000,000 was issued in favor of KISD 2018 UTSBB Series A Fund 617.
- d) An irrevocable letter of credit in the amount of \$7,000,000 was issued in favor of KISD 2018 UTSBB Series B Fund 618.
- e) Largest cash, savings and time deposit combined account balance amounted to \$194,412,165 and occurred on March 18, 2020.
- 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.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

The School District has the following recurring fair value measurements as of August 31, 2020.

U. S. Agency securities of \$105,120,419 are valued using quoted market prices (Level 1 inputs).

The District's investments at August 31, 2020, are shown below:

	Par Value	Weighted- Average Maturity	Fair Value	Level 1
<u>U.S. Agency Securities :</u>				
Federal Home Loan Mortgage Corporation	\$ 95,000,000	673	\$ 94,988,521	\$ 94,988,521
Federal Farm Credit Bank	10,000,000	346	10,131,898	10,131,898
			<u>105,120,419</u>	<u>105,120,419</u>
<u>Certificates of Deposit :</u>				
BBVA Certificate of Deposits	\$ 12,000,000	1	\$ 12,000,000	\$ 12,000,000
<u>Investments in Investment Pools and Money Markets:</u>				
TexStar	\$ -	-	\$ 140,470,094	\$ 140,470,094
Texas CLASS	-	-	147,164,193	147,164,193
Lone Star	-	-	102,270,140	102,270,140
Frost	-	-	1,226,192	1,226,192
Schwab	-	-	764	764
Total Investments in Investment Pools and Money Markets:	-	-	<u>391,131,383</u>	<u>391,131,383</u>
Total:	-	-	508,251,802	508,251,802
<u>Long-term and Other Assets:</u>				
Vanguard Group	\$ -	-	\$ 2,576,027	\$ 2,576,027
Schwab	-	-	213,815	213,815
Total:	-	-	<u>\$ 2,789,842</u>	<u>\$ 2,789,842</u>
Total Investments			<u><u>\$ 511,041,644</u></u>	<u><u>\$ 511,041,644</u></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 monthly 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 0.43% of the endowed funds are invested in the Vanguard Intermediate-Term Treasury Fund Investor Shares (VFITX). This fund invests in debt issued directly by the government in the form of intermediate-term Treasuries. Approximately 0.54% of the endowed funds are invested in the Vanguard Treasury Money Market Fund (VUSXX). This a fund that seeks to provide current income while maintaining liquidity and a stable share price of \$1. Approximately 28.06% 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 59.01% 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 11.74% of the endowed funds are invested in the Vanguard International Growth Fund Admiral Shares (VWILX). In addition, approximately, 0.34% 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, 2020

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, 2020 is shown below:

<u>Cash & Cash Equivalents 1110</u>		<u>Current Investments 1120</u>		<u>Long Term Investments 1990</u>	
Cash	\$ 43,104,231	Tex Star Investments	\$ 140,421,566	US Agency Securities	\$ 95,000,000
BBVA Bond Fund A	2,693,484	Texas Class	147,164,193	BBVA CD	12,000,000
BBVA Bond Fund B	1,505,527	Lone Star	102,270,140	Endowment Fund	213,815
		Frost	1,226,192		
		US Agency Securities	10,000,000		
		Endowment Fund	764		
		Fair Vaulation	120,419		
	<hr/>		<hr/>		<hr/>
Total	\$ 47,303,242		\$ 401,203,274		\$ 107,213,815
 <u>Custodial & Private Purpose Trust Funds:</u>					
Cash	\$ 1,516,778	Cash	\$ -	Cash	\$ -
Tex Star-FLEX	-	Tex Star-FLEX	45,115	Tex Star-FLEX	-
Tex Star -Scholarships	-	Tex Star -Scholarships	3,413	Tex Star -Scholarships	-
Vanguard Agency Funds	-	Vanguard Agency Funds	-	Vanguard Agency Funds	2,576,027
	<hr/>		<hr/>		<hr/>
Total	\$ 1,516,778		\$ 48,528		\$ 2,576,027
	<hr/>		<hr/>		<hr/>
Total Cash & Investments	\$ 48,820,020		\$ 401,251,802		\$ 109,789,842
	<hr/>		<hr/>		<hr/>

B. Property Taxes Receivable (Delinquent)

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

Property tax calendar information is as follows:

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

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

C. Receivables from Other Governments

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

	General Fund	Nonmajor Governmental Funds	Total
Meal Reimbursement	\$ -	\$ 351,348	\$ 351,348
Grant Programs	-	10,417,557	10,417,557
Total Due from State Government	<u>\$ -</u>	<u>\$ 10,768,905</u>	<u>\$ 10,768,905</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 at August 31, 2020 consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund:		
Non-Major Governmental Funds	\$ 15,092,485	\$ 177,081
Bond Proposition A	245	
Bond Proposition B	251	-
Total General Fund	<u>15,092,981</u>	<u>177,081</u>
School Building Projects Fund		
General Fund	1,671,307	1,672,697
Non-Major Governmental Funds	686,987	4,199,687
Total School Building Projects Fund	<u>2,358,294</u>	<u>5,872,384</u>
Bond Proposition A		
General Fund	-	3,914
Total Bond Proposition A	<u>-</u>	<u>3,914</u>
Bond Proposition B		
General Fund	-	10,527
Total Bond Proposition B	<u>-</u>	<u>10,527</u>
Non-Major Governmental Funds		
General Fund	94,309	14,994,378
School Building Projects Fund	4,199,687	686,987
Non-Major Governmental Funds	1,195,013	1,195,013
Total Non-Major Governmental Funds	<u>5,489,009</u>	<u>16,876,378</u>
Totals	<u>\$ 22,940,284</u>	<u>\$ 22,940,284</u>

* The interfund balances represent cash owed between the individual funds

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

E. Capital Asset Activity

Capital asset activity for the year ended August 31, 2020 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Additions	Retirements	
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 12,942,062	\$ -	\$ -	\$ 12,942,062
Construction in Progress	61,002,111	157,888,292	(2,412,523)	216,477,880
Total non-depreciable assets	<u>73,944,173</u>	<u>157,888,292</u>	<u>(2,412,523)</u>	<u>229,419,942</u>
Capital assets, being depreciated				
Buildings and Improvements	642,077,257	2,412,523	(11,100)	644,478,680
Furniture and Equipment	73,437,927	5,985,904	(3,364,541)	76,059,290
Total depreciable assets	<u>715,515,184</u>	<u>8,398,427</u>	<u>(3,375,641)</u>	<u>720,537,970</u>
Less accumulated depreciation for:				
Buildings and Improvements	(283,196,289)	(16,375,172)	11,100	(299,560,361)
Furniture and Equipment	<u>(56,243,040)</u>	<u>(4,330,367)</u>	<u>3,316,980</u>	<u>(57,256,427)</u>
Total accumulated depreciation	<u>(339,439,329)</u>	<u>(20,705,539)</u>	<u>3,328,080</u>	<u>(356,816,788)</u>
Governmental activities capital assets, net	<u>\$ 450,020,028</u>	<u>\$ 145,581,180</u>	<u>\$ (2,460,084)</u>	<u>\$ 593,141,124</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 14,356,977
Instructional Resources and Media	110,315
Curriculum Development	813,914
Instructional Administration	1,382,413
School Leadership	775,999
Guidance, Counseling & Evaluation	419
Student Transportation	480,061
Food Services	1,593,447
Extracurricular Activities	797,616
General Administrative	1,689
Plant Maintenance and Operations	347,582
Security and Monitoring Services	24,934
Data Processing Services	<u>20,173</u>
Total depreciation expense	<u>\$ 20,705,539</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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, 2020 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 2010	16,385,000	-	16,385,000	-	-
School Refunding Bond Series Series 2012	13,720,000	-	350,000	13,370,000	360,000
School Refunding Bond Series Series 2017	8,215,000	-	95,000	8,120,000	95,000
School Building Bond Series Series 2018	268,835,000	-	4,055,000	264,780,000	4,545,000
School Building Bond Series Series 2019	115,610,000	-	-	115,610,000	-
School Refunding Bond Series Series 2019	-	12,020,000	190,000	11,830,000	3,750,000
Total Bonds and notes payable	<u>\$ 422,765,000</u>	<u>\$ 12,020,000</u>	<u>\$ 21,075,000</u>	<u>\$ 413,710,000</u>	<u>\$ 8,750,000</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>
2021	8,750,000	18,007,850	26,757,850
2022	9,580,000	17,559,750	27,139,750
2023	10,345,000	17,071,975	27,416,975
2024	11,070,000	16,567,250	27,637,250
2025	11,580,000	16,052,200	27,632,200
2026-2030	63,970,000	71,465,088	135,435,088
2031-2035	85,780,000	53,068,075	138,848,075
2036-2040	108,550,000	30,297,975	138,847,975
2041-2044	104,085,000	6,971,850	111,056,850
	<u>\$ 413,710,000</u>	<u>\$ 247,062,013</u>	<u>\$ 660,772,013</u>

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

On July 1, 2010, the District issued \$41,895,000 in Unlimited Tax Refunding Bonds with an interest rate between 2.0% to 5.0%, along with additional funds of the district, to refund \$44,920,000 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 \$41,895,000 and the sales price of \$48,218,727 of the Series 2010 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, 2020 was \$108,721.

The advanced refunding of the 2010 Series bonds resulted in a \$1,784,189 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 2010 debt in accordance with GASB 7 entitled Advanced Refundings Resulting in Defeasance of Debt. This transaction resulted in future cash flow savings of \$6,138,250 through 2023 and an economic gain (difference between the present value of the old and new debt service payments) of \$4,711,057.

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, 2020 was \$159,039.

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, 2020 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, 2020 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, 2020 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.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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, 2020 was \$240,408.

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.

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, 2020 are as follows:

Description	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020
General Obligation Bonds	\$ 422,765,000	\$ 12,020,000	\$ 21,075,000	\$ 413,710,000
Unamortized (Discount)/Premium on Current Interest Term Bonds	46,275,729	992,624	4,063,899	43,204,454
Outstanding Bonds Payable	\$ 469,040,729	\$ 13,012,624	\$ 25,138,899	\$ 456,914,454

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, 2020.

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.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

The defeased bonds outstanding at August 31, 2020 are as follows:

	Outstanding Balances
Unlimited Tax School Building and Refunding Bonds, Series 2012	\$ 43,805,000
Unlimited Tax School Building and Refunding Bonds, Series 2017	8,620,000
Unlimited Tax School Building and Refunding Bonds, Series 2019	<u>11,830,000</u>
Total Defeased	<u><u>\$ 64,255,000</u></u>

G. Compensated Absences

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

Balance September 1, 2019	\$ 1,015,138
Additions - New Entrants and Salary Increments	214,397
Deductions - Payments to and Uses by Participants	<u>(20,288)</u>
Balance August 31, 2020	<u><u>\$ 1,209,247</u></u>

H. Employee Benefit Plan

Plan Description

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

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load 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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; 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 2019 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, 2019.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 209,961,325,288
Less: Plan Fiduciary Net Position	<u>(157,978,199,075)</u>
Net Pension Liability	<u>\$ 51,983,126,213</u>
Net Position as percentage of Total Pension Liability	75.24%

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 as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 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.

Employer and employee contribution rates are determined and may be amended by the ERS Board of Trustees based upon the total amount appropriated by the Texas Legislature. The State of Texas is the only non-employer contributing entity in the Plan and is required to contribute the cost of the retiree’s group health coverage to the plan. TRS pays the State contribution for its employees.

The following table shows employer contribution rates for fiscal years 2019 and 2020.

	<u>Contribution Rates</u>	
	<u>2019</u>	<u>2020</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	7.5%
Employers	6.8%	7.5%
Current fiscal year Employer Contributions		\$ 9,684,262
Current fiscal year Member Contributions		\$ 22,262,975
2019 measurement year NECE On-Behalf Contributions		\$ 13,142,206

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 pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers including public schools are required to pay the employer contribution rate in the following instances:

- 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 part or all of an employee’s salary is paid by federal funding source, a privately sponsored source, non-educational and general funds, or local funds.

In addition to the employer contributions listed above, when a school district does not contribute to the Federal Old-Age, Survivors, and Disability Insurance (ASDI) Program for certain employees, they must contribute 1.5 percent of the applicable salary. Also, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
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	2.63%. 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)	2116
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, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019. 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, 2018 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.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

On September 19, 2019, the Board of Trustees approved an amended Investment Policy Statement effective October 1, 2019. The amendments include revised asset class target weights, establishing a benchmark for Asset Allocation Leverage, and updating asset class ranges. The target asset allocation set forth in the Investment Policy Statement dated October 1, 2018 is shown as of August 31, 2019. Additionally, the target asset allocation set forth in the amended Investment Policy Statement dated October 1, 2019 and the expected long-term portfolio returns resulting from the updated asset allocation set forth in the amended Investment Policy Statement is shown for comparison and relevance.

Asset Class	FY 2019 Target Allocation* %	New Target Allocation ** %	Long-Term Geometric Real Rate of Return ***
Global Equity			
U.S.	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	0.00%	0.00%
Private Equity	13.00%	14.00%	8.40%
Stable Value			
U.S. Treasuries ****	11.00%	16.00%	3.10%
Absolute Return	0.00%	0.00%	0.00%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Real Return			
Global Inflation Linked Bonds ****	3.00%	0.00%	0.00%
Real Estate	14.00%	15.00%	8.50%
Energy and Natural Resources	5.00%	6.00%	7.30%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	8.00%	5.8%/6.5%*****
Asset Allocation Leverage Cash	1.00%	2.00%	2.50%
Asset Allocation Leverage	0.00%	-6.00%	2.70%
Total	100.00%		7.23%

*FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

** New target allocation based on the Strategic Asset Allocation dated 10/1/2019

*** 10-Year annualized geometric nominal returns include the real rate of return and inflation

**** New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds

***** 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

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 a factor for the rehired retirees and the Non-OASDI surcharge. 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 2019 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	\$ 205,566,307	\$ 133,732,517	\$ 75,533,283

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

At August 31, 2020, Killeen Independent School district reported a liability of \$133,732,517 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	\$ 133,732,517
State's proportionate share that is associated with the District	<u>195,193,804</u>
Total	<u><u>\$ 328,926,321</u></u>

The net pension liability was measured as of August 31, 2019 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, 2018 through August 31, 2019.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.2572613983% which was an increase of 0.0070150611% from its proportion measured as of August 31, 2018.

Actuarial Methods and Assumptions

Roll Forward

The actuarial valuation was performed as of August 31, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019. 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, 2018 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 postretirement 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, 2020, Killeen Independent School District recognized pension expense of \$32,964,172 and revenue of \$30,662,197 for support provided by the State.

At August 31, 2020, 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	\$ 561,796	\$ 4,643,405
Changes in actuarial assumptions	41,490,395	17,145,794
Differences between projected and actual investment earnings	1,342,829	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	12,075,429	1,839
Total as of August 31, 2019 measurement date	<u>\$ 55,470,449</u>	<u>\$ 21,791,038</u>
Contributions paid to TRS subsequent to the measurement date	9,684,262	-
Total as of fiscal year-end	<u>\$ 65,154,711</u>	<u>\$ 21,791,038</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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
2021	\$ 8,318,348
2022	\$ 6,800,311
2023	\$ 8,581,485
2024	\$ 8,061,625
2025	\$ 2,998,042
Thereafter	\$ (1,080,400)

At August 31, 2020, 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, 2019 Measurement Date	\$ 55,470,449	\$ 21,791,038
Contributions made subsequent to the Measurement Date	9,684,262	-
Total	<u>\$ 65,154,711</u>	<u>\$ 21,791,038</u>

Funding Policy – Retirement Plan

Contribution rates and contributions for fiscal years 2020-2018 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
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
2018	7.70%	\$20,656,873	6.80%	\$12,978,190	\$3,458,097

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, 2018, 2019 and 2020 was \$271,061,550, \$274,897,917 and \$289,129,534 respectively, and total District payroll for these years was \$278,260,752, \$286,174,909 and \$300,541,723 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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2019.pdf; 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 a basic health insurance coverage (TRS-Care1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Eligible non-Medicare retirees and their dependents may pay premiums to participate in the high-deductible health plans. Eligible Medicare retirees and their dependents may pay premiums to participate in the Medicare Advantage health plans. To qualify for TRS-Care coverage, a retiree must have at least ten years of service credit in the TRS pension system.

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare-eligible participants
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

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 employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by the type of contributor.

2020 Contribution Rates

	<u>2019</u>	<u>2020</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	\$	2,518,875
Current fiscal year Member Contributions	\$	1,879,342
2019 measurement year NECE On-Behalf Contributions	\$	3,281,431

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 2019 totaled \$10,800,712.

A supplemental appropriation was received in 2019 for \$73.6 million, which was re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

Actuarial Assumptions

The actuarial valuation of TRS-Care is similar to the actuarial valuations 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, salary increases, and general payroll growth, used in this 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, 2019 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 rate.

The total OPEB liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018, rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims cost
Salary Increases	3.05% to 9.05%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

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 3.69 percent as of August 31, 2018 to 2.63 percent, as of August 31, 2019. This change increased the total OPEB liability (TOL).
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The

participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.

- The trend rates were reset to better reflect the plan’s anticipated experience. This change increased the TOL.
- The percentage of retirees who assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the total TOL.

Discount Rate

A single discount rate of 2.63 percent was used to measure the total OPEB liability. This was a decrease of 1.06 percent in the discount rate since the previous year. Because 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 (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
Proportionate share of the net OPEB liability	\$198,678,922	\$164,561,822	\$137,871,983

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	\$134,243,761	\$164,561,822	\$205,174,101

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

At August 31, 2020, the District reported a liability of \$164,561,822 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	\$ 164,561,822
State's proportionate share that is associated with the District	<u>218,665,852</u>
Total	<u><u>\$ 383,227,674</u></u>

The net OPEB liability was measured as of August 31, 2019 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, 2018 through August 31, 2019.

At August 31, 2020 the employer’s proportion of the collective net OPEB liability was 0.3479753842% which was an increase of 0.0189820165% from its proportion measured as of August 31, 2018.

For the year ended August 31, 2020, the District recognized OPEB expense of \$5,763,134 and revenue of \$ 5,763,134 for support provided by the State.

At August 31, 2020, 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	\$ 8,073,156	\$ 26,928,797
Changes in actuarial assumptions	9,140,126	44,263,091
Differences between projected and actual investment earnings	17,754	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	<u>17,853,070</u>	<u>4,573</u>
Total as of August 31, 2019 measurement date	\$ 35,084,106	\$ 71,196,461
Contributions paid to TRS subsequent to the measurement date	2,518,875	
Total as of Fiscal Year-End	<u><u>\$ 37,602,981</u></u>	<u><u>\$ 71,196,461</u></u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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
2021	\$ (6,729,174)
2022	\$ (6,729,174)
2023	\$ (6,734,921)
2024	\$ (6,738,207)
2025	\$ (6,737,307)
Thereafter	\$ (2,443,572)

The District reported a net OPEB liability of \$164,561,822 as of August 31, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	\$ 164,269,400	\$ 2,762,084	\$ 2,469,662	\$ 164,561,822

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 2018, 2019 and 2020, the subsidy payment received by TRS-Care on behalf of Killeen Independent School District was \$812,521, \$1,027,911 and \$1,235,978 respectively.

Contributions Made

Contributions made by the State, the District and its employees, and the District’s covered payroll for the fiscal years 2020, 2019, and 2018 are as follows:

	2020	2019	2018
Covered payroll	\$ 289,129,534	\$ 274,897,917	\$ 271,061,550
Contributions made by the State	\$ 18,511,682	\$ 12,703,997	\$ 12,978,190
Retirement plan rate	7.50%	6.80%	6.80%
Retiree health care rate	1.25%	1.25%	1.25%
Medicare Part D	\$ 1,235,978	\$ 1,027,911	\$ 812,521
District required and actual contributions to TRS & TRS-Care	\$ 8,740,447	\$ 7,913,166	\$ 7,405,007
Employee contributions to TRS & TRS-Care	\$ 24,142,317	\$ 22,955,568	\$ 22,400,637

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 (Excluding on-behalf accruals)	On-Behalf Accruals	Operating Grants and Contributions
11 Instruction	\$ 21,585,464	\$ 3,878,663	\$ 17,706,801
12 Instructional Resources	543,482	168,184	375,298
13 Curriculum & Development	4,178,207	138,968	4,039,239
21 Instructional Leadership	38,161	73,773	(35,612)
23 School Leadership	262,689	368,321	(105,632)
31 Guidance, Counseling, & Evaluation	1,161,673	335,178	826,495
32 Social Work Services	537,528	23,702	513,826
33 Health Services	311,699	76,444	235,255
34 Student (Pupil) Transportation	1,630,202	183,707	1,446,495
35 Food Services	16,044,498	139,491	15,905,007
36 Extra Curricular Activities	123,853	83,113	40,740
41 General Administration	250,264	119,627	130,637
51 Facilities Maintenance & Operations	258,000	49,915	208,085
52 Security & Monitoring Services	337,982	45,919	292,063
53 Data Processing Services	9,477	61,476	(51,999)
61 Community Services	484,581	16,653	467,928
Total	\$ 47,757,760	\$ 5,763,134	\$ 41,994,626

J. Health Care Coverage

During the year ended August 31, 2020, 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 2020, 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.

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

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

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>	17-18 Bond <u>Proposition A</u>	17-18 Bond <u>Proposition B</u>	School Building <u>Projects</u>	<u>Other Funds</u>	<u>Total</u>
<u>Nonspendable:</u>						
Inventories	\$ 1,432,831	\$ -	\$ -	\$ -	\$ 898,613	\$ 2,331,444
Endowments	-	-	-	-	189,715	\$ 189,715
Prepaid Items	4,703,049	-	-	-	-	\$ 4,703,049
Total Nonspendable	6,135,880	-	-	-	1,088,328	7,224,208
<u>Restricted:</u>						
Federal/State Funds Grant Restriction	25,482,416	-	-	-	9,809,502	35,291,918
Retirement of Long-Term Debt	-	-	-	-	2,297,953	2,297,953
Other Restricted Fund Balance	-	-	-	-	28,886	28,886
AYPYN	157	-	-	-	-	157
Total Restricted	25,482,573	-	-	-	12,136,341	37,618,914
<u>Committed:</u>						
Construction	-	107,851,686	61,656,770	508,953	-	170,017,409
Other Committed Fund Balance	3,600,000	-	-	-	906,253	4,506,253
Total Committed	3,600,000	107,851,686	61,656,770	508,953	906,253	174,523,662
<u>Assigned:</u>						
Construction	-	69,280,564	46,333,916	76,969,581	-	192,584,061
Capital Expenditures for Equipment	-	-	-	-	-	-
Other Assigned Fund Balance	3,000,000	-	-	-	-	3,000,000
Software Conversion	-	-	-	-	-	-
Total Assigned	3,000,000	69,280,564	46,333,916	76,969,581	-	195,584,061
Unassigned	108,314,584	-	-	-	-	108,314,584
Total Fund Balances	\$ 146,533,037	\$ 177,132,250	\$ 107,990,686	\$ 77,478,534	\$ 14,130,922	\$ 523,265,429

M. Federal Source Revenues

For the year ended August 31, 2020, revenues from Federal programs included in the General Fund consisted of the following:

	CFDA Number	Amount
Federally Distributed:		
PL 103-382 (Impact Aid)	84.041	\$ 55,890,163
ROTC Salaries	12.00	372,914
Academic Expansion Program	N/A	6,685
		56,269,762
Other State Distributed -- Federal Program		
Shars Reimbursement	N/A	4,378,130
Indirect Cost Revenue	N/A	46,652
		4,424,782
Total Federal Source Revenues		\$ 60,694,544

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

	CFDA Number	Amount
Federally Distributed		
PL 110-417 (Impact Aid) Section 551	84.041	\$ 3,504,548

N. Transfers

During the year \$31,309,446 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, \$5,892,332 was transferred from the General Fund to the Capital Improvement Projects fund for future capital improvement expenditures. A transfer of \$3,663,841 was made from the Strategic Facilities Plan to the New School Furniture and Equipment fund to help with new school expenditures. An additional transfer of \$145,765 was made from the General fund to the National Breakfast and Lunch Program fund to pay for unpaid lunch charges at year end. There was a transfer of \$140,642 for the Summer Feeding program to the School Nutrition Program for the 2019 net profit.

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, 2020 may be impaired.

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

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2020

Projects Funds will be used for future school construction and renovation.

At August 31, 2020, the District had the following uncompleted construction and architectural contracts in progress:

Project Description	Adjusted Contract Amount	Expended To Date	Committed
KHS Renovation	\$ 46,185,386	\$ 18,389,937	\$ 27,795,449
New High School #6	\$ 127,789,502	\$ 43,839,161	\$ 83,950,341
New Middle School #14	\$ 47,943,205	\$ 47,494,998	\$ 448,207
New Elementary School #35	\$ 26,245,824	\$ 26,185,078	\$ 60,746
New Pershing Park & Sugar Loaf ES	\$ 30,698,363	\$ 23,674,592	\$ 7,023,771
New East Ward & West Ward ES	\$ 42,577,782	\$ 25,702,563	\$ 16,875,219
New Clifton Park & Bellaire ES	\$ 29,723,419	\$ 19,761,088	\$ 9,962,331
New Elementary School # 36	\$ 31,931,068	\$ 8,029,723	\$ 23,901,345
EHS Football Stadium Turf	\$ 1,163,261	\$ 1,113,261	\$ 50,000
HHHS Football Stadium Turf	\$ 1,338,532	\$ 1,097,780	\$ 240,752
SHS Football Stadium Turf	\$ 1,241,607	\$ 1,189,698	\$ 51,909
Total Construction in Progress	\$ 386,837,949	\$ 216,477,879	\$ 170,360,070

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	\$ 1,361,499
School Building Projects	181,766,807
Nonmajor Governmental Funds	407,261
Total	\$ 183,535,567

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, 2019	\$ 1,954,042
Increases	1,037,699
Decreases	(4,071)
Balance, August 31, 2020	\$ 2,987,670

Q. Unearned Revenue

Unearned revenue for the Statement of Net Position at August 31, 2020 consisted of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Child Nutrition Receipts	\$ -	\$ 243,778	\$ -	\$ 243,778
Other Unearned Revenue	810	23,340	-	24,150
Total Unearned Revenue	<u>\$ 810</u>	<u>\$ 267,118</u>	<u>\$ -</u>	<u>\$ 267,928</u>

R. Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and Lease Payable:					
General Obligation Bonds	\$ 422,765,000	\$ 12,020,000	\$ 21,075,000	\$ 413,710,000	\$ 8,750,000
Unamortized Premiums on Bonds	46,275,729	992,624	4,063,899	43,204,454	-
Total Bonds and Lease Payable	<u>469,040,729</u>	<u>13,012,624</u>	<u>25,138,899</u>	<u>456,914,454</u>	<u>8,750,000</u>
Other Liabilities:					
Net Pension Liability	137,741,657	4,995,319	9,004,459	133,732,517	-
Net OPEB Liability	164,269,400	2,762,084	2,469,662	164,561,822	-
Accrued Interest	810,912	-	18,670	792,242	792,242
Compensated Absences	1,015,138	214,397	20,288	1,209,247	1,209,247
Total Other Liabilities	<u>303,837,107</u>	<u>7,971,800</u>	<u>11,513,079</u>	<u>300,295,828</u>	<u>2,001,489</u>
Total Governmental Activities	<u>\$ 772,877,836</u>	<u>\$ 20,984,424</u>	<u>\$ 36,651,978</u>	<u>\$ 757,210,282</u>	<u>\$ 10,751,489</u>

S. Subsequent Events

On October 15, 2020, the District issued \$11,115,000 Unlimited Tax Refunding bonds Series 2020. The proceeds from the Bonds will be used to provide funds sufficient to refund a portion of the District's outstanding Unlimited Tax Refunding Bonds, Series 2012 to lower the District's debt service and will result in a debt service savings of \$1,582,007.

(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, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
District's Proportion of the Net Pension Liability (Asset)	0.257261398%	0.250246337%	0.239083564%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 133,732,517	\$ 137,741,657	\$ 76,446,044
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	195,193,804	207,701,675	126,881,968
Total	\$ 328,926,321	\$ 345,443,332	\$ 203,328,012
District's Covered Payroll	\$ 274,897,917	\$ 271,061,550	\$ 259,686,266
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	48.65%	50.82%	29.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.17%

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, 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 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>
0.232406944%	0.23791%	0.1657287%
\$ 87,823,128	\$ 84,098,018	\$ 44,268,428
153,377,304	145,919,195	126,018,907
<u>\$ 241,200,432</u>	<u>\$ 230,017,213</u>	<u>\$ 170,287,335</u>
\$ 250,349,801	\$ 238,448,597	\$ 233,634,443
35.08%	35.27%	18.95%
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 2020

	2020	2019	2018
Contractually Required Contribution	\$ 9,684,262	\$ 8,891,199	\$ 8,306,319
Contribution in Relation to the Contractually Required Contribution	(9,684,262)	(8,891,199)	(8,223,316)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 83,003
District's Covered Payroll	\$ 289,129,534	\$ 274,897,917	\$ 271,061,550
Contributions as a Percentage of Covered Payroll	3.35%	3.23%	3.03%

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.

	2017	2016	2015
\$	7,835,764	\$ 7,384,157	\$ 7,091,052
	(7,835,764)	(7,384,157)	(7,091,052)
\$	-	\$ -	\$ -
\$	259,686,266	\$ 250,349,801	\$ 238,448,597
	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, 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	0.347975384%	0.328933677%	0.313678687%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 164,561,822	\$ 164,269,400	\$ 136,407,094
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	218,665,852	226,652,934	203,611,856
Total	<u>\$ 383,227,674</u>	<u>\$ 390,922,334</u>	<u>\$ 340,018,950</u>
District's Covered Payroll	\$ 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	59.86%	60.60%	52.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	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 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 2020

	2020	2019	2018
Contractually Required Contribution	\$ 2,518,875	\$ 2,420,419	\$ 2,319,737
Contribution in Relation to the Contractually Required Contribution	(2,518,875)	(2,420,419)	(2,298,166)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ 21,571
District's Covered Payroll	\$ 289,129,534	\$ 274,897,917	\$ 271,061,550
Contributions as a Percentage of Covered Payroll	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, 2020

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

There were no changes of benefit terms that affected the measurement of the Total Pension liability during the measurement period.

Changes of Assumptions.

There were no changes in the actuarial assumptions used in the determination of the Total Pension liability during the measurement period.

The single discount rate was a blended rate of 6.907% as of August 31, 2018 and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.

With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefits.

There were no changes of benefit terms during the measurement period that affected Total OPEB liability.

Changes in Assumptions.

The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period:

- The discount rate changed from 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increase TOL.
- The trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- The participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to

discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. The changes decrease the TOL.

- The percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.





KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2020

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula
ASSETS			
1110 Cash and Cash Equivalents	\$ 5,215	\$ 814,051	\$ 533,445
1120 Investments - Current	-	-	-
1220 Property Taxes - Delinquent	-	-	-
1230 Allowance for Uncollectible Taxes	-	-	-
1240 Due from Other Governments	12,541	843,568	684,513
1260 Due from Other Funds	-	-	-
1290 Other Receivables	-	-	-
1300 Inventories	-	-	-
1410 Prepayments	-	-	-
1900 Other Assets	-	-	-
1000 Total Assets	<u>\$ 17,756</u>	<u>\$ 1,657,619</u>	<u>\$ 1,217,958</u>
LIABILITIES			
2110 Accounts Payable	\$ -	\$ 40,880	\$ -
2120 Short Term Debt Payable - Current	543	50,326	82,273
2160 Accrued Wages Payable	4,453	128,954	179,651
2170 Due to Other Funds	12,713	1,429,855	955,948
2180 Due to Other Governments	47	7,604	86
2300 Unearned Revenue	-	-	-
2000 Total Liabilities	<u>17,756</u>	<u>1,657,619</u>	<u>1,217,958</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:			
3545 Other Committed Fund Balance	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 17,756</u>	<u>\$ 1,657,619</u>	<u>\$ 1,217,958</u>

225 IDEA - Part B Preschool	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	286 Student Achievement Military Conn
\$ 8,685	\$ 564,453	\$ -	\$ 209,023	\$ 160,672	\$ 1,234	\$ -	\$ -
-	5,806,471	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
15,487	143,322	208,026	51,789	92,807	-	8,003,913	387,254
-	319,676	910,712	-	-	-	22,000	-
-	16,504	-	-	-	-	-	-
-	898,613	-	-	-	-	-	-
-	-	-	2,420	1,176	-	3,088,000	500
-	-	-	-	-	-	-	-
<u>\$ 24,172</u>	<u>\$ 7,749,039</u>	<u>\$ 1,118,738</u>	<u>\$ 263,232</u>	<u>\$ 254,655</u>	<u>\$ 1,234</u>	<u>\$ 11,113,913</u>	<u>\$ 387,754</u>
\$ -	\$ 40,138	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ -
838	130,759	1,066	1,547	5,128	-	-	-
4,576	118,345	-	-	4,620	-	-	-
18,749	964,984	315,447	261,685	244,192	906	8,025,913	369,629
9	346,572	-	-	715	328	-	285
-	243,778	-	-	-	-	-	17,840
<u>24,172</u>	<u>1,844,576</u>	<u>316,588</u>	<u>263,232</u>	<u>254,655</u>	<u>1,234</u>	<u>8,025,913</u>	<u>387,754</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	898,613	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	5,005,850	802,150	-	-	-	3,088,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>5,904,463</u>	<u>802,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,088,000</u>	<u>-</u>
<u>\$ 24,172</u>	<u>\$ 7,749,039</u>	<u>\$ 1,118,738</u>	<u>\$ 263,232</u>	<u>\$ 254,655</u>	<u>\$ 1,234</u>	<u>\$ 11,113,913</u>	<u>\$ 387,754</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2020

Data Control Codes	288 Mobil Talent Military Connected Sch	289 Title IV SSAEP	386 Regional Day School for the Deaf	397 Advanced Placement Incentives
ASSETS				
1110 Cash and Cash Equivalents	\$ -	\$ 15,760	\$ 4,096	\$ 148,924
1120 Investments - Current	-	-	-	-
1220 Property Taxes - Delinquent	-	-	-	-
1230 Allowance for Uncollectible Taxes	-	-	-	-
1240 Due from Other Governments	175,356	140,118	8,058	-
1260 Due from Other Funds	-	-	-	-
1290 Other Receivables	-	-	-	-
1300 Inventories	-	-	-	-
1410 Prepayments	-	-	-	-
1900 Other Assets	-	-	-	-
1000 Total Assets	<u>\$ 175,356</u>	<u>\$ 155,878</u>	<u>\$ 12,154</u>	<u>\$ 148,924</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ -	\$ -	\$ -
2120 Short Term Debt Payable - Current	332	-	538	-
2160 Accrued Wages Payable	1,457	-	4,419	-
2170 Due to Other Funds	173,267	155,668	7,197	-
2180 Due to Other Governments	-	210	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>175,056</u>	<u>155,878</u>	<u>12,154</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	-	-	-	-
2600 Total Deferred Inflows of Resources	<u>-</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	300	-	-	148,924
3480 Retirement of Long-Term Debt	-	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>300</u>	<u>-</u>	<u>-</u>	<u>148,924</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 175,356</u>	<u>\$ 155,878</u>	<u>\$ 12,154</u>	<u>\$ 148,924</u>

410 Instructional Materials Allotment	428 SPED Fiscal Support	429 Read to Succeed	461 Campus Activity Funds	498 Music Enrichment Program	499 GEAR UP	Total Nonmajor Special Revenue Funds	599 Debt Service
\$ -	\$ -	\$ 7,210	\$ 906,115	\$ 138	\$ -	\$ 3,379,021	\$ 935,607
-	-	-	-	-	-	5,806,471	1,704,311
-	-	-	-	-	-	-	159,069
-	-	-	-	-	-	-	(23,860)
-	-	-	-	-	2,153	10,768,905	-
-	-	29	-	-	86	1,252,504	36,819
-	-	-	-	-	-	16,504	-
-	-	-	-	-	-	898,613	-
227,010	-	-	-	-	-	3,319,106	-
-	-	-	-	-	-	-	-
<u>\$ 227,010</u>	<u>\$ -</u>	<u>\$ 7,239</u>	<u>\$ 906,115</u>	<u>\$ 138</u>	<u>\$ 2,239</u>	<u>\$ 25,441,124</u>	<u>\$ 2,811,946</u>
\$ 46,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,104	\$ -
-	-	-	-	-	-	273,350	-
-	-	6,100	-	-	-	452,575	-
74,266	-	-	-	-	2,239	13,012,658	-
-	-	-	-	-	-	355,856	378,784
5,500	-	-	-	-	-	267,118	-
<u>125,776</u>	<u>-</u>	<u>6,100</u>	<u>-</u>	<u>-</u>	<u>2,239</u>	<u>14,488,661</u>	<u>378,784</u>
-	-	-	-	-	-	-	135,209
-	-	-	-	-	-	-	135,209
-	-	-	-	-	-	898,613	-
-	-	-	-	-	-	-	-
101,234	-	1,139	-	-	-	9,147,597	-
-	-	-	-	-	-	-	2,297,953
-	-	-	-	-	-	-	-
-	-	-	906,115	138	-	906,253	-
<u>101,234</u>	<u>-</u>	<u>1,139</u>	<u>906,115</u>	<u>138</u>	<u>-</u>	<u>10,952,463</u>	<u>2,297,953</u>
<u>\$ 227,010</u>	<u>\$ -</u>	<u>\$ 7,239</u>	<u>\$ 906,115</u>	<u>\$ 138</u>	<u>\$ 2,239</u>	<u>\$ 25,441,124</u>	<u>\$ 2,811,946</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2020

Data Control Codes	645 Capital Improvement Projects	687 Impact Aid Section 8007	696 New School Furniture & Equipment	Total Nonmajor Capital Project Funds	
ASSETS					
1110	Cash and Cash Equivalents	\$ 383,266	\$ 38,877	\$ -	\$ 422,143
1120	Investments - Current	-	1,309,906	-	1,309,906
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	-	-	-	-
1260	Due from Other Funds	535,845	-	3,663,841	4,199,686
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1900	Other Assets	-	-	-	-
1000	Total Assets	<u>\$ 919,111</u>	<u>\$ 1,348,783</u>	<u>\$ 3,663,841</u>	<u>\$ 5,931,735</u>
LIABILITIES					
2110	Accounts Payable	\$ 919,111	\$ -	\$ 482,690	\$ 1,401,801
2120	Short Term Debt Payable - Current	-	-	680	680
2160	Accrued Wages Payable	-	-	3,628	3,628
2170	Due to Other Funds	-	686,878	3,176,843	3,863,721
2180	Due to Other Governments	-	-	-	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>919,111</u>	<u>686,878</u>	<u>3,663,841</u>	<u>5,269,830</u>
DEFERRED INFLOWS OF RESOURCES					
2601	Unavailable Revenue - Property Taxes	-	-	-	-
2600	Total Deferred Inflows of Resources	<u>-</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	-	661,905	-	661,905
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3545	Other Committed Fund Balance	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>661,905</u>	<u>-</u>	<u>661,905</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 919,111</u>	<u>\$ 1,348,783</u>	<u>\$ 3,663,841</u>	<u>\$ 5,931,735</u>

479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 10,021	\$ 4,746,792
764	8,821,452
-	159,069
-	(23,860)
-	10,768,905
-	5,489,009
-	16,504
-	898,613
-	3,319,106
213,815	213,815
<u>\$ 224,600</u>	<u>\$ 34,409,405</u>
\$ 5,999	\$ 1,534,904
-	274,030
-	456,203
-	16,876,378
-	734,640
-	267,118
<u>5,999</u>	<u>20,143,274</u>
-	135,209
<u>-</u>	<u>135,209</u>
-	898,613
189,715	189,715
-	9,809,502
-	2,297,953
28,886	28,886
-	906,253
<u>218,601</u>	<u>14,130,922</u>
<u>\$ 224,600</u>	<u>\$ 34,409,405</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-
5900 Federal Program Revenues	121,780	9,052,078	7,430,767
5020 Total Revenues	<u>121,780</u>	<u>9,052,078</u>	<u>7,430,767</u>
EXPENDITURES:			
Current:			
0011 Instruction	42,832	6,024,385	6,372,964
0012 Instructional Resources and Media Services	-	14,201	-
0013 Curriculum and Instructional Staff Development	-	2,238,111	435,159
0021 Instructional Leadership	-	20,993	-
0023 School Leadership	-	29,692	-
0031 Guidance, Counseling, and Evaluation Services	78,948	281,673	76,607
0032 Social Work Services	-	-	537,514
0033 Health Services	-	-	-
0034 Student (Pupil) Transportation	-	-	8,523
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	-	443,023	-
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	<u>121,780</u>	<u>9,052,078</u>	<u>7,430,767</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
7911 Capital Related Debt Issued	-	-	-
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-
8911 Transfers Out (Use)	-	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-
0100 Fund Balance - September 1 (Beginning)	<u>-</u>	<u>-</u>	<u>-</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

225 IDEA - Part B Preschool	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	286 Student Achievement Military Conn
\$ -	\$ 1,827,135	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -
-	111,448	-	-	-	-	-	-
148,748	12,903,405	1,116,263	506,753	1,114,257	23,243	8,003,913	369,914
148,748	14,841,988	1,116,267	506,753	1,114,257	23,243	8,003,913	369,914
80,578	-	-	224,933	-	18,525	1,322,340	309,072
-	-	-	-	-	-	527,507	-
-	-	-	3,228	1,107,731	2,000	6,769	51,842
-	-	-	-	-	-	-	9,000
-	-	-	-	6,526	-	146,135	-
68,170	-	-	278,592	-	-	1,518	-
-	-	-	-	-	-	-	-
-	45	-	-	-	-	311,652	-
-	-	-	-	-	-	1,621,679	-
-	15,592,854	314,117	-	-	-	142,792	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	250,264	-
-	56,503	-	-	-	-	201,497	-
-	-	-	-	-	-	337,972	-
-	-	-	-	-	-	9,448	-
-	-	-	-	-	2,718	36,340	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
148,748	15,649,402	314,117	506,753	1,114,257	23,243	4,915,913	369,914
-	(807,414)	802,150	-	-	-	3,088,000	-
-	-	-	-	-	-	-	-
-	286,407	-	-	-	-	-	-
-	-	(140,642)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	286,407	(140,642)	-	-	-	-	-
-	(521,007)	661,508	-	-	-	3,088,000	-
-	6,425,470	140,642	-	-	-	-	-
\$ -	\$ 5,904,463	\$ 802,150	\$ -	\$ -	\$ -	\$ 3,088,000	\$ -

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	288 Mobil Talent Military Connected Sch	289 Title IV SSAEP	386 Regional Day School for the Deaf	397 Advanced Placement Incentives
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	72,029	1,061
5900 Federal Program Revenues	175,355	410,216	-	-
5020 Total Revenues	<u>175,355</u>	<u>410,216</u>	<u>72,029</u>	<u>1,061</u>
EXPENDITURES:				
Current:				
0011 Instruction	167,546	279,211	72,029	-
0012 Instructional Resources and Media Services	-	1,774	-	-
0013 Curriculum and Instructional Staff Development	1,809	120,664	-	-
0021 Instructional Leadership	6,000	2,168	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	3,789	-	-
0032 Social Work Services	-	14	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	57	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	10	-	-
0053 Data Processing Services	-	29	-	-
0061 Community Services	-	2,500	-	-
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	<u>175,355</u>	<u>410,216</u>	<u>72,029</u>	<u>-</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,061</u>
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	-	-	-
7915 Transfers In	-	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balance	-	-	-	1,061
0100 Fund Balance - September 1 (Beginning)	<u>300</u>	<u>-</u>	<u>-</u>	<u>147,863</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,924</u>

410 Instructional Materials Allotment	428 SPED Fiscal Support	429 Read to Succeed	461 Campus Activity Funds	498 Music Enrichment Program	499 GEAR UP	Total Nonmajor Special Revenue Funds	599 Debt Service
\$ -	\$ -	\$ -	\$ 573,734	\$ 2,020	\$ -	\$ 2,402,893	\$ 15,589,814
3,349,374	420,000	2,153	-	-	22,110	3,978,175	12,100,232
-	-	-	-	-	-	41,376,692	-
3,349,374	420,000	2,153	573,734	2,020	22,110	47,757,760	27,690,046
2,892,011	301,374	-	269,146	-	15,660	18,392,606	-
-	-	-	-	-	-	543,482	-
202,444	-	2,001	-	-	6,450	4,178,208	-
-	-	-	-	-	-	38,161	-
-	-	-	80,336	-	-	262,689	-
253,750	118,626	-	-	-	-	1,161,673	-
-	-	-	-	-	-	537,528	-
-	-	-	-	-	-	311,697	-
-	-	-	-	-	-	1,630,202	-
-	-	-	-	-	-	16,049,763	-
-	-	-	121,850	1,946	-	123,853	-
-	-	-	-	-	-	250,264	-
-	-	-	-	-	-	258,000	-
-	-	-	-	-	-	337,982	-
-	-	-	-	-	-	9,477	-
-	-	-	-	-	-	484,581	-
-	-	-	-	-	-	-	8,490,000
-	-	-	-	-	-	-	18,264,314
-	-	-	-	-	-	-	163,520
-	-	-	-	-	-	-	-
3,348,205	420,000	2,001	471,332	1,946	22,110	44,570,166	26,917,834
1,169	-	152	102,402	74	-	3,187,594	772,212
-	-	-	-	-	-	-	12,020,000
-	-	-	-	-	-	286,407	-
-	-	-	-	-	-	-	992,624
-	-	-	-	-	-	(140,642)	-
-	-	-	-	-	-	-	(12,848,344)
-	-	-	-	-	-	145,765	164,280
1,169	-	152	102,402	74	-	3,333,359	936,492
100,065	-	987	803,713	64	-	7,619,104	1,361,461
\$ 101,234	\$ -	\$ 1,139	\$ 906,115	\$ 138	\$ -	\$ 10,952,463	\$ 2,297,953

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2020

Data Control Codes	645 Capital Improvement Projects	687 Impact Aid Section 8007	696 New School Furniture & Equipment	Total Nonmajor Capital Project Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 663	\$ 16,795	\$ 1,382	\$ 18,840
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	-	-	-
5020 Total Revenues	<u>663</u>	<u>16,795</u>	<u>1,382</u>	<u>18,840</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	-	2,240,713	2,240,713
0012 Instructional Resources and Media Services	-	-	103,739	103,739
0013 Curriculum and Instructional Staff Development	-	-	11,740	11,740
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	198,750	198,750
0031 Guidance, Counseling, and Evaluation Services	-	-	48,041	48,041
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	16,358	16,358
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	98,212	98,212
0036 Extracurricular Activities	-	-	302,448	302,448
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	4,074,434	-	520,751	4,595,185
0052 Security and Monitoring Services	31,569	-	124,471	156,040
0053 Data Processing Services	-	-	-	-
0061 Community Services	-	-	-	-
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	2,429,718	686,878	-	3,116,596
6030 Total Expenditures	<u>6,535,721</u>	<u>686,878</u>	<u>3,665,223</u>	<u>10,887,822</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,535,058)</u>	<u>(670,083)</u>	<u>(3,663,841)</u>	<u>(10,868,982)</u>
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	-	-	-
7915 Transfers In	5,892,332	-	3,663,841	9,556,173
7916 Premium or Discount on Issuance of Bonds	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>5,892,332</u>	<u>-</u>	<u>3,663,841</u>	<u>9,556,173</u>
1200 Net Change in Fund Balance	(642,726)	(670,083)	-	(1,312,809)
0100 Fund Balance - September 1 (Beginning)	<u>642,726</u>	<u>1,331,988</u>	<u>-</u>	<u>1,974,714</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ -</u>	<u>\$ 661,905</u>	<u>\$ -</u>	<u>\$ 661,905</u>

479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 565	\$ 18,012,112
-	16,078,407
-	41,376,692
565	75,467,211
3,819	20,637,138
-	647,221
-	4,189,948
-	38,161
510	461,949
-	1,209,714
-	537,528
-	328,055
-	1,630,202
-	16,147,975
815	427,116
-	250,264
5,489	4,858,674
-	494,022
-	9,477
908	485,489
-	8,490,000
-	18,264,314
-	163,520
-	3,116,596
11,541	82,387,363
(10,976)	(6,920,152)
-	12,020,000
-	9,842,580
-	992,624
-	(140,642)
-	(12,848,344)
-	9,866,218
(10,976)	2,946,066
229,577	11,184,856
\$ 218,601	\$ 14,130,922



KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 AUGUST 31, 2020

	865 Student Activity Account	882 FLEX	Total Custodial Funds
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 947,347	\$ 552,208	\$ 1,499,555
Investments - Current	-	45,115	45,115
Other Receivables	-	445	445
	<u>947,347</u>	<u>597,768</u>	<u>1,545,115</u>
Total Assets			
LIABILITIES			
Current Liabilities:			
Accounts Payable	117	-	117
Due to Student Groups	947,230	-	947,230
Payable from Restricted Assets	-	597,768	597,768
	<u>947,347</u>	<u>597,768</u>	<u>1,545,115</u>
Total Liabilities			

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 AUGUST 31, 2020

	820 Memorial Funds	821 Miscellaneous Scholarships	823 Endowed Scholarships	Total Private Purpose Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,491	\$ 7,946	\$ 5,786	\$ 17,223
Investments - Current	-	3,413	-	3,413
Long Term Investments	-	-	2,576,027	2,576,027
Total Assets	<u>3,491</u>	<u>11,359</u>	<u>2,581,813</u>	<u>2,596,663</u>
NET POSITION				
Unrestricted Net Position	<u>3,491</u>	<u>11,359</u>	<u>2,581,813</u>	<u>2,596,663</u>
Total Net Position	<u>\$ 3,491</u>	<u>\$ 11,359</u>	<u>\$ 2,581,813</u>	<u>\$ 2,596,663</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2020

	820 Memorial Funds	821 Miscellaneous Scholarships	823 Board Scholarships	Total Private Purpose Trust Funds
ADDITIONS:				
Earnings from Endowments	\$ -	\$ -	\$ 466,345	\$ 466,345
Earnings from Temporary Deposits	-	35	-	35
Contributions, Gifts and Donations	-	-	11	11
Total Additions	<u>-</u>	<u>35</u>	<u>466,356</u>	<u>466,391</u>
DEDUCTIONS:				
Other Deductions	-	-	83,322	83,322
Total Deductions	<u>-</u>	<u>-</u>	<u>83,322</u>	<u>83,322</u>
Change in Net Position	-	35	383,034	383,069
Net Position - September 1 (Beginning)	<u>3,491</u>	<u>11,324</u>	<u>2,198,779</u>	<u>2,213,594</u>
Net Position - August 31 (Ending)	<u>\$ 3,491</u>	<u>\$ 11,359</u>	<u>\$ 2,581,813</u>	<u>\$ 2,596,663</u>



REQUIRED TEA SCHEDULES

KILLEEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2020

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2011 and prior years	\$ 1.031190	\$ 0.110000	\$ 6,141,950,251
2012	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 (School year under audit)	0.970000	0.191100	8,000,980,866
1000 TOTALS			

(10) Beginning Balance 9/1/2019	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2020
\$ 269,570	\$ -	\$ 21,417	\$ 2,285	\$ (76,023)	\$ 169,845
81,943	-	13,005	1,387	(1,100)	66,451
87,103	-	12,400	1,085	(3,797)	69,821
94,132	-	15,662	1,325	(4,462)	72,683
92,408	-	15,089	1,277	(1,826)	74,216
131,875	-	24,472	2,071	(87)	105,245
186,536	-	34,279	2,835	(12,418)	137,004
334,109	-	36,122	2,431	(89,184)	206,372
839,873	-	133,333	28,205	(330,741)	347,594
-	97,553,813	79,841,917	15,729,680	(1,041,819)	940,397
<u>\$ 2,117,549</u>	<u>\$ 97,553,813</u>	<u>\$ 80,147,696</u>	<u>\$ 15,772,581</u>	<u>\$ (1,561,457)</u>	<u>\$ 2,189,628</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, 2020

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	\$ 2,049,383	\$ 1,827,135	\$ (222,248)
5800 State Program Revenues	113,000	111,448	111,448	-
5900 Federal Program Revenues	17,991,180	12,760,083	12,903,405	143,322
5020 Total Revenues	20,454,527	14,920,914	14,841,988	(78,926)
EXPENDITURES:				
0033 Health Services	-	47	45	2
0035 Food Services	20,380,464	16,535,261	15,592,854	942,407
0051 Facilities Maintenance and Operations	74,063	64,130	56,503	7,627
6030 Total Expenditures	20,454,527	16,599,438	15,649,402	950,036
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,678,524)	(807,414)	871,110
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	286,407	286,407	-
1200 Net Change in Fund Balances	-	(1,392,117)	(521,007)	871,110
0100 Fund Balance - September 1 (Beginning)	6,425,470	6,425,470	6,425,470	-
3000 Fund Balance - August 31 (Ending)	\$ 6,425,470	\$ 5,033,353	\$ 5,904,463	\$ 871,110

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, 2020

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	\$ 15,827,078	\$ 15,552,697	\$ 15,589,814	\$ 37,117
5800 State Program Revenues	10,932,272	12,478,550	12,100,232	(378,318)
5020 Total Revenues	26,759,350	28,031,247	27,690,046	(341,201)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Debt	26,759,350	8,491,154	8,490,000	1,154
0072 Interest on Long-Term Debt	-	18,266,795	18,264,314	2,481
0073 Bond Issuance Cost and Fees	-	163,542	163,520	22
6030 Total Expenditures	26,759,350	26,921,491	26,917,834	3,657
1100 Excess of Revenues Over Expenditures	-	1,109,756	772,212	(337,544)
OTHER FINANCING SOURCES (USES):				
7911 Capital Related Debt Issued	-	12,020,000	12,020,000	-
7916 Premium or Discount on Issuance of Bonds	-	992,624	992,624	-
8940 Payment to Bond Refunding Escrow Agent (Use)	-	-	(12,848,344)	(12,848,344)
8949 Other (Uses)	-	(12,848,344)	-	12,848,344
7080 Total Other Financing Sources (Uses)	-	164,280	164,280	-
1200 Net Change in Fund Balances	-	1,274,036	936,492	(337,544)
0100 Fund Balance - September 1 (Beginning)	1,361,461	1,361,461	1,361,461	-
3000 Fund Balance - August 31 (Ending)	\$ 1,361,461	\$ 2,635,497	\$ 2,297,953	\$ (337,544)

KILLEEN INDEPENDENT SCHOOL DISTRICT

Bond Schedule

Fiscal Year Ended August 31, 2020

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 9/1/19	20 Issued Current Year
7/1/2010	Unlimited Tax Refunding Bond, Series 2010	2.0 to 5.0%	41,895,000	16,385,000	-
2/15/2012	Unlimited Tax Refunding Bond, Series 2012	2.0 to 5.0%	28,290,000	13,720,000	-
6/15/2017	Unlimited Tax Refunding Bond, Series 2017	2.0 to 4.5%	8,550,000	8,215,000	-
8/21/2018	Unlimited Tax School Building Bonds, Series 2018	3.5 to 5.0%	269,785,000	268,835,000	-
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	-	12,020,000
	Sub-total:		476,150,000	422,765,000	12,020,000
	Unamortized Premiums (discount)		-	46,275,729	992,624
1000	TOTAL		<u>\$ 476,150,000</u>	<u>\$ 469,040,729</u>	<u>\$ 13,012,624</u>

*Bonds payable Series 2010
Principal amount of Capital Interest Bonds

\$ -

**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

30 Retired Current Year	40 Amounts Outstanding 8/31/20	50 Interest Current Year	Requirements				90	I 9/1/22 To Maturity Interest
			Year Ending - 8/31/21		Year Ending - 8/31/22			
			Principal	Interest	Principal	Interest		
16,385,000	-	90,000	-	-	-	-	-	
350,000	13,370,000	534,850	360,000	525,950	370,000	515,000	1,243,975	
95,000	8,120,000	335,025	95,000	333,125	95,000	331,225	1,324,363	
4,055,000	264,780,000	12,525,525	4,545,000	12,310,525	5,175,000	12,067,525	143,782,675	
-	115,610,000	4,340,500	-	4,340,500	-	4,340,500	65,039,900	
190,000	11,830,000	438,414	3,750,000	497,750	3,940,000	305,500	103,500	
21,075,000	413,710,000	18,264,314	8,750,000	18,007,850	9,580,000	17,559,750	211,494,413	
4,063,899	43,204,454	-	-	-	-	-	-	
<u>\$ 25,138,899</u>	<u>\$ 456,914,454</u>	<u>\$ 18,264,314</u>	<u>\$ 8,750,000</u>	<u>\$ 18,007,850</u>	<u>\$ 9,580,000</u>	<u>\$ 17,559,750</u>	<u>\$ 211,494,413</u>	

Other debt service expenditures:

6599 - Fees:	2010	-
	2012	500
	2017	450
	2018	400
	2019	162,170
		<u>\$ 163,520</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Mandated Programs Schedule
General Fund

Fiscal Year Ended August 31, 2020

Data Control Codes	11 Basic Educational Services	21 Gifted and Talented	22 Career and Technology	23 Special Education	24 Accelerated Education	25 Bilingual/ ESL	26 Non-Disciplinary Alternative Education	28 Disciplinary Alternative Education	29 Disciplinary Alternative Education
EXPENDITURES:									
11 INSTRUCTION-									
6100 Payroll costs	\$ 155,962,417	\$ -	4,255,472	\$ 27,409,934	\$ 2,194,640	\$ 393,639	\$ 1,294,547	\$ 1,688,351	\$ -
6200 Contract services	5,635,552	170	330,027	3,286,138	336,076	29,110	1,368		
6300 Supplies and materials	5,957,045	27,403	1,219,087	175,275	1,540,745	152,464	24,108	10,157	
6400 Other operating	416,997	1,496	26,588	61,222	2,713		2,653		
6500 Debt service									
6600 Capital outlay	1,815,799		124,348	16,203					
Total Instruction	169,787,810	29,069	5,955,522	30,948,772	4,074,174	575,213	1,322,676	1,698,508	
12-99 ALL OTHER FUNCTIONS-									
6100 Payroll costs			547,677	5,931,652	90,002	8,368	666,406	533,136	
6200 Contract services		26,280	127,424	762,850	762,332	1,200	11	506	
6300 Supplies and materials	3,998	298	31,076	62,719	28,283	21,915	2,796	3,396	
6400 Other operating		12,705	123,460	32,398	73,564	8,284	9,617	1,072	
6500 Debt service									
6600 Capital outlay									
6900 Facilities Acquisition & Construction									
Total Other Functions	3,998	39,283	829,637	6,789,619	954,181	39,767	678,830	538,110	
Total Expenditures	\$ 169,791,808	\$ 68,352	\$ 6,785,159	\$ 37,738,391	\$ 5,028,355	\$ 614,980	\$ 2,001,506	\$ 2,236,618	\$ -

30 Title I, Part A School Wide Campuses	31 High School Allotment	32 Prekindergarten	33 Prekindergarten Special Education	35 Pre-K Bilingual	36 Early Education	37 Dyslexia	38 College, Career & Military Read	91 Athletics	99 Other Expenditures	TOTALS August 31, 2020
\$ 1,335,446	\$ -	12,482,448	\$ 1,930,266	\$ 567,578	\$ 2,224,680	\$ 4,705,342	\$ 78			\$ 216,444,838
244,703	103,616		100,423						740	10,067,923
915,361	128,488		14,497			8,101				10,172,731
30,929			700							543,298
										1,956,350
2,526,439	232,104	12,482,448	2,045,886	567,578	2,224,680	4,713,443	78		740	239,185,140
70,257	19,766							4,219,149	102,575,448	114,661,861
46,584	9,000		595			1,000	440,968	655,591	17,914,253	20,748,594
17,064	4,405		44			6,313		1,128,785	7,141,049	8,452,141
79,761			953			358		1,054,678	2,624,609	4,021,459
								178,944	4,705,096	4,884,040.00
213,666	33,171		1,592		0	7,671	440,968	7,237,147	134,960,455	152,768,095
<u>\$ 2,740,105</u>	<u>\$ 265,275</u>	<u>12,482,448</u>	<u>\$ 2,047,478</u>	<u>\$ 567,578</u>	<u>\$ 2,224,680</u>	<u>\$ 4,721,114</u>	<u>\$ 441,046</u>	<u>\$ 7,237,147</u>	<u>\$ 134,961,195</u>	<u>\$ 391,953,235</u>



STATISTICAL SECTION

This part of the Killeen Independent School District's comprehensive annual 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net Investment in Capital Assets	\$ 270,059,372	\$ 296,593,114	\$ 306,200,701	\$ 321,814,494
Restricted	15,184,153	13,943,286	22,819,760	18,618,614
Unrestricted	<u>195,791,730</u>	<u>188,997,779</u>	<u>180,349,773</u>	<u>183,203,050</u>
Total primary government net position	<u>\$ 481,035,255</u>	<u>\$ 499,534,179</u>	<u>\$ 509,370,234</u>	<u>\$ 523,636,158</u>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	321,215,852	\$ 329,712,403	\$ 379,077,668	\$ 363,526,616	\$ 389,562,467	\$ 418,269,956
	19,898,271	62,931,188	17,167,481	13,344,005	18,221,610	42,292,920
	158,322,950	123,742,246	129,304,444	(30,227,475)	(46,208,560)	(88,543,772)
\$	<u>499,437,073</u>	<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>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses				
Governmental activities:				
Instruction	\$ 216,292,883	\$ 206,705,132	\$ 212,883,076	\$ 219,653,770
Instructional resources and media services	9,554,349	8,699,637	8,843,440	9,830,820
Curriculum development/instructional staff development	11,459,567	10,149,414	10,657,196	12,384,948
Instructional leadership	3,601,090	2,609,858	2,733,025	3,334,539
School leadership	19,749,158	19,623,731	20,308,569	20,489,121
Guidance, counseling and evaluation services	13,787,485	12,306,051	12,435,594	13,481,571
Social work services	1,579,518	1,219,964	1,309,873	1,343,423
Health services	3,280,158	3,338,749	3,591,656	3,680,693
Student (pupil) transportation	10,926,652	10,413,483	12,221,430	11,710,173
Food services	18,621,362	19,134,181	20,604,127	20,865,230
Extracurricular activities	7,689,267	7,269,839	7,601,665	8,316,108
General administration	6,619,935	6,830,014	6,648,991	6,868,667
Facilities maintenance and operations	34,136,285	30,739,183	28,192,049	32,747,412
Security and monitoring services	2,883,182	2,762,881	3,182,865	3,104,059
Data processing services	6,209,988	4,829,066	4,787,836	4,838,653
Community services	1,224,852	1,196,690	1,114,516	1,238,953
Debt service	4,718,231	2,983,682	4,262,432	3,040,300
Bond issuance cost and fees	48,114	51,169	1,800	2,050
Facilities acquisition and construction	-	394,953	-	-
Payments to fiscal agent/member districts of SSA	-	-	-	-
Payments to JJAEP	129,830	378,193	-	-
Other Intergovernmental Charges	550,794	550,450	739,937	754,102
Total primary government expenses	<u>373,062,700</u>	<u>352,186,320</u>	<u>362,120,077</u>	<u>377,684,592</u>
Program Revenues				
Charges for services				
Instruction	864,707	1,781,493	1,437,176	1,568,456
Curriculum development/instructional staff development	-	11,264	-	-
Instructional leadership	-	-	-	-
School leadership	-	148,198	-	-
Food services	5,653,082	5,484,268	5,096,832	5,030,240
Extracurricular activities	1,648,734	716,203	1,518,143	1,539,570
General administration	98,212	11,264	48,326	46,319
Plant maintenance and operations	87,299	45,057	954,844	30,880
Security and monitoring services	10,912	11,264	4,957	-
Community services	71,585	141,009	148,868	30,880
Capital Outlay	-	22,528	-	-
Juvenile justice alternative education program	306,331	823,154	-	-
Operating grants and contributions	57,662,938	48,141,320	45,840,845	46,734,614
Total primary government program revenues	<u>66,403,800</u>	<u>57,337,022</u>	<u>55,049,991</u>	<u>54,980,959</u>
Net (Expense)/Revenue				
Total primary government net expense	<u>\$ (306,658,900)</u>	<u>\$ (294,849,298)</u>	<u>\$ (307,070,086)</u>	<u>\$ (322,703,633)</u>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	228,071,692	\$ 250,934,636	\$ 249,023,048	\$ 178,297,436	\$ 278,326,507	\$ 309,712,600
	10,268,629	10,784,665	10,834,224	7,337,556	11,963,196	12,223,515
	11,614,326	12,020,271	12,029,200	9,309,204	13,359,411	12,793,306
	3,750,220	4,979,844	5,086,230	4,233,292	6,083,804	6,766,239
	21,118,474	24,087,766	24,526,160	16,625,007	26,941,109	27,162,193
	13,970,302	16,097,201	15,794,318	11,202,602	19,849,307	22,812,605
	1,454,180	1,650,526	1,773,561	1,330,754	2,187,245	2,251,368
	3,910,343	4,346,573	4,557,775	3,192,477	5,171,915	5,503,853
	12,005,357	14,255,248	13,275,651	9,632,454	13,491,676	17,937,999
	20,350,881	23,876,939	22,130,762	17,438,093	21,915,692	18,992,469
	9,302,440	10,582,586	11,426,312	9,220,287	11,038,722	11,172,645
	7,356,181	9,247,770	9,566,569	7,750,993	9,915,304	10,938,006
	36,860,862	34,151,020	37,738,798	31,702,520	44,074,144	44,686,583
	3,020,471	3,738,461	3,418,675	2,918,987	4,183,384	4,760,110
	4,675,761	4,815,343	5,751,752	4,049,860	5,809,385	6,660,743
	1,152,262	1,248,317	1,352,246	924,337	1,283,431	1,260,899
	2,690,706	2,011,243	1,321,861	1,479,493	12,620,752	13,672,720
	142,598	-	-	2,011,140	1,015,066	163,520
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	8,446
	773,730	781,897	813,547	846,711	871,080	925,861
	<u>392,489,415</u>	<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>
	427,396	395,663	878,077	758,831	1,207,200	712,019
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	183,657	98,796
	4,821,777	3,935,898	3,364,061	2,869,827	2,791,433	460,882
	1,745,741	1,767,481	1,724,071	1,513,187	665,649	153,112
	41,357	52,691	134,091	5,831	-	-
	41,357	52,691	134,091	684,517	98,465	-
	-	-	-	20,303	72,832	17,173
	41,357	52,691	134,091	92,907	99,716	64,731
	-	-	-	-	-	247,495
	-	-	-	-	-	-
	47,029,247	56,430,116	55,929,625	(12,542,980)	73,741,613	47,757,760
	<u>54,148,232</u>	<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>(338,341,183)</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>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (Expense)/Revenue				
Total primary government net expense	\$ (306,658,900)	\$ (294,849,298)	\$ (307,070,086)	\$ (322,703,633)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	60,011,527	61,048,573	62,872,968	65,963,530
Property taxes levied for debt service	6,407,804	6,518,522	5,492,532	5,575,030
State Aid - formula grants	195,922,441	192,717,006	192,837,128	207,448,819
Grants and contributions not restricted	70,036,517	50,508,209	54,388,504	55,592,180
Investment earnings	432,508	377,267	549,981	336,491
Miscellaneous	1,269,888	2,178,645	1,609,962	2,053,507
Transfers In (Out)	-	-	-	-
Total primary government	<u>334,080,685</u>	<u>313,348,222</u>	<u>317,751,075</u>	<u>336,969,557</u>
Change in Net Position				
Total primary government	<u>\$ 27,421,785</u>	<u>\$ 18,498,924</u>	<u>\$ 10,680,989</u>	<u>\$ 14,265,924</u>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	(338,341,183)	\$ (366,923,075)	\$ (368,122,582)	\$ (326,100,780)	\$ (411,240,565)	\$ (480,893,712)
	67,180,493	67,273,276	69,658,384	74,984,816	75,133,779	76,798,462
	5,682,338	5,689,987	5,757,954	5,035,811	15,898,018	15,120,375
	216,884,667	233,776,942	216,501,752	241,170,378	246,608,767	274,807,668
	69,680,229	74,217,287	81,267,076	60,900,168	75,025,066	110,227,218
	261,972	1,148,363	1,844,819	3,181,496	12,873,548	9,560,925
	4,608,713	1,765,984	2,256,353	1,919,401	1,561,827	4,822,652
	-	-	-	(800,000)	(928,069)	-
	<u>364,298,412</u>	<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>25,957,229</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>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 1,911,172	\$ 4,348,666	\$ 4,866,605	\$ 4,575,275
Restricted	3,757,127	4,558,481	6,281,016	6,553,517
Committed	-	-	-	-
Assigned	4,236,364	3,456,194	3,270,965	4,984,664
Unassigned	83,281,649	90,466,078	94,710,097	84,503,633
Total general fund	<u>\$ 93,186,312</u>	<u>\$ 102,829,419</u>	<u>\$ 109,128,683</u>	<u>\$ 100,617,089</u>
All Other Governmental Funds				
Nonspendable, reported in:				
Special revenue funds	530,399	1,122,149	634,897	977,403
Permanent funds	189,715	189,715	189,715	189,715
Restricted, reported in:				
Special revenue funds	4,481,545	4,752,235	3,142,256	2,968,592
Capital projects funds	6,661,891	5,206,412	1,561,734	1,230,451
Permanent funds	24,807	36,698	29,980	34,418
Debt service funds	2,288,897	1,760,992	1,707,213	1,659,815
Committed, reported in:				
Special revenue funds	4,630,979	1,099,220	2,827,789	629,613
Capital projects funds	15,506,349	14,714,826	20,598,281	6,226,068
Assigned, reported in:				
Capital projects funds	85,741,539	87,795,673	80,753,750	102,645,745
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 120,056,121</u>	<u>\$ 116,677,920</u>	<u>\$ 111,445,615</u>	<u>\$ 116,561,820</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 3,826,566	\$ 1,102,617	\$ 1,311,418	\$ 1,865,829	\$ 1,728,536	\$ 6,135,880
9,496,601	9,154,279	10,004,817	7,519,241	8,872,402	25,482,573
-	-	-	-	-	3,600,000
4,451,711	3,966,710	3,304,334	355,977	1,200,000	3,000,000
91,411,595	98,771,776	106,538,733	115,125,757	125,075,120	108,314,584
<u>\$ 109,186,473</u>	<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>
691,042	963,702	766,592	785,343	891,105	898,613
189,715	189,714	189,715	189,714	189,715	189,715
3,677,106	2,593,609	2,609,659	2,855,951	5,924,222	9,147,597
3,287,663	3,287,663	3,051,903	1,592,460	1,331,988	661,905
34,121	22,182	18,303	1,638	39,862	28,886
1,313,597	1,437,818	1,343,090	1,214,042	1,361,461	2,297,953
681,270	698,812	727,775	673,824	803,777	906,253
2,773,041	46,278,947	1,799,339	39,654,154	136,892,948	170,017,409
116,901,486	77,720,153	84,359,885	360,558,756	361,944,107	192,584,061
-	-	-	-	-	-
<u>\$ 129,549,041</u>	<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>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Federal sources:			
Distributed through governmental entities	\$ -	\$ -	\$ -
Distributed by TEA	44,259,775	35,770,592	32,896,927
Distributed by other State of Texas Government Agencies	2,321,198	1,418,060	2,630,062
Distributed directly from the Federal Government	64,060,240	50,922,491	53,084,329
Shared services arrangements	-	-	-
Total federal sources	<u>110,641,213</u>	<u>88,111,143</u>	<u>88,611,318</u>
State sources:			
Per capital and foundation school program act revenues	185,679,439	183,773,170	185,078,088
Program revenues distributed by TEA	15,627,792	7,856,203	8,159,049
Revenues from State of Texas Government Agencies	11,583,264	11,571,514	11,218,021
Shared services arrangements	90,188	54,505	-
Total state sources	<u>212,980,683</u>	<u>203,255,392</u>	<u>204,455,158</u>
Local and intermediate sources:			
Real and personal property taxes	67,419,249	69,761,855	70,000,019
Services rendered to other school districts	306,331	823,155	-
Tuition and fees	2,625	31,744	960
Other revenues	1,686,203	1,982,422	3,171,495
Cocurricular, enterprising services or activities	7,279,991	7,032,660	6,590,813
Intermediate sources	55,064	-	-
Total local and intermediate sources	<u>76,749,463</u>	<u>79,631,836</u>	<u>79,763,287</u>
Total revenues	<u>\$ 400,371,359</u>	<u>\$ 370,998,371</u>	<u>\$ 372,829,763</u>

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33,359,786	30,361,069	32,926,542	33,708,782	36,782,602	38,789,203	40,878,075
3,886,513	4,961,289	3,793,693	2,279,614	2,246,190	8,376,995	4,378,130
51,292,229	65,963,676	66,991,757	58,703,837	59,446,028	63,892,818	60,319,579
-	-	-	-	-	-	-
<u>88,538,528</u>	<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>
201,671,615	211,910,115	229,236,893	231,676,865	241,170,378	246,124,796	274,807,668
7,144,870	7,152,677	9,886,094	9,525,298	7,356,372	8,585,124	15,852,875
12,420,600	13,245,317	13,513,457	14,852,817	18,317,609	17,347,378	20,290,361
-	-	-	-	-	-	-
<u>221,237,085</u>	<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>
73,398,051	74,692,255	72,963,263	74,918,791	80,695,531	93,152,622	94,265,395
-	-	-	-	-	-	-
2,000	1,880	-	7,356	3,472	4,764	2,140
2,338,126	3,421,943	2,009,383	6,034,933	5,764,160	14,544,621	10,925,520
6,521,491	6,535,560	7,352,515	4,997,023	4,462,140	4,165,639	2,803,327
-	-	-	-	-	-	-
<u>82,259,668</u>	<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>392,035,281</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>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction	\$ 204,972,902	\$ 196,689,116	\$ 201,626,059
Instructional resources and media services	8,812,481	8,269,075	8,159,885
Curriculum development/instructional staff development	8,743,744	7,713,184	8,220,125
Instructional leadership	3,595,405	2,614,074	2,729,858
School leadership	19,044,822	18,914,539	19,525,190
Guidance, counseling and evaluation services	13,789,608	12,308,098	12,437,747
Social work services	1,580,314	1,220,046	1,309,625
Health services	3,280,123	3,337,830	3,591,864
Student (pupil) transportation	9,932,901	9,735,768	11,354,655
Food services	17,098,161	17,929,048	19,188,346
Extracurricular activities	7,328,739	7,058,935	7,370,227
General administration	6,612,441	6,831,647	6,644,716
Facilities maintenance and operations	33,809,532	30,896,266	27,683,922
Security and monitoring services	2,873,286	2,763,303	3,161,865
Data processing services	6,190,297	4,939,332	4,753,874
Community services	1,234,929	1,195,950	1,116,242
Debt service:			
Principal	8,725,000	9,685,000	7,850,000
Interest	5,353,062	4,569,660	4,125,875
Bond issuance cost and fees	1,900	323,668	1,800
Facilities acquisition and construction	35,747,287	17,200,939	20,195,403
Payments to fiscal agent/member districts of SSA	-	-	-
Payments to JJAEP	129,830	378,193	-
Other Intergovernmental Charges	550,794	551,494	739,937
Total expenditures	<u>\$ 399,407,558</u>	<u>\$ 365,125,165</u>	<u>\$ 371,787,215</u>
Debt service as a percentage of noncapital expenditures	3.87%	4.09%	3.41%

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	204,760,286	\$ 215,299,368	\$ 227,775,912	\$ 231,999,253	\$ 242,443,311	\$ 247,585,173	\$ 260,562,371
	9,900,213	10,443,520	10,519,075	10,948,965	11,141,064	11,201,465	11,363,185
	10,044,774	10,289,246	10,611,670	11,042,199	11,622,818	12,374,533	11,490,382
	3,334,971	3,780,972	3,506,106	3,880,609	4,016,563	4,427,104	5,080,699
	20,477,342	21,357,493	22,409,791	23,432,538	24,005,138	24,583,813	25,363,301
	13,477,688	14,087,689	15,530,650	15,430,398	16,941,396	18,575,667	21,853,282
	1,346,852	1,467,253	1,599,313	1,741,440	1,839,830	1,946,995	2,184,858
	3,680,296	3,941,271	4,183,341	4,453,356	4,816,611	4,915,233	5,287,480
	12,582,534	12,401,323	15,269,972	13,875,703	13,931,901	15,263,283	14,937,092
	20,848,980	20,279,084	21,867,280	20,476,261	19,737,220	19,042,941	16,900,191
	8,340,390	9,335,627	9,712,028	11,351,955	10,439,993	9,947,755	9,933,270
	6,882,657	7,397,209	9,015,913	9,450,141	9,979,509	9,739,316	10,561,111
	33,783,186	35,781,749	34,636,647	40,337,428	37,686,494	42,825,435	43,112,359
	3,095,529	3,019,210	3,728,292	3,598,038	3,751,418	4,171,899	4,497,388
	4,955,560	4,681,864	4,767,932	6,188,265	5,695,568	5,883,997	6,162,707
	1,237,944	1,163,669	1,205,068	1,327,691	1,326,055	1,281,379	1,215,606
	8,180,000	8,845,000	9,000,000	9,560,000	8,290,000	5,005,001	8,490,000
	3,800,525	3,133,742	2,978,025	2,417,413	2,066,450	14,241,949	18,264,314
	2,050	142,598	2,400	164,188	2,011,140	1,015,066	163,520
	23,964,398	9,402,258	22,180,540	44,638,032	8,600,017	52,399,228	169,366,279
	-	-	-	-	-	-	-
	-	-	-	-	-	-	8,446
	754,102	773,730	781,897	813,547	846,711	871,080	925,861
	<u>\$ 395,450,277</u>	<u>\$ 397,023,875</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>
	3.28%	3.12%	2.87%	2.64%	2.42%	4.28%	5.68%

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Excess of Revenues over (under) Expenditures	\$ 963,801	\$ 5,873,206	\$ 1,042,548	\$ (3,414,996)
Other Financing Sources (Uses)				
General Long-term Debt Issued	-	28,290,000	-	-
Bond Refunding Escrow Agent	-	(31,357,014)	-	-
Premium on Bond Issue	-	3,400,383	-	-
Sale of Capital Assets	61,680	58,331	24,411	19,607
Other Uses	-	-	-	-
Transfers In	19,712,546	23,244,492	11,819,889	31,605,046
Transfers Out	(19,712,546)	(23,244,492)	(11,819,889)	(31,605,046)
Total Other Financing Sources (Uses)	<u>61,680</u>	<u>391,700</u>	<u>24,411</u>	<u>19,607</u>
Net Change in Fund Balances	<u>\$ 1,025,481</u>	<u>\$ 6,264,906</u>	<u>\$ 1,066,959</u>	<u>\$ (3,395,389)</u>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	21,221,906	\$ 7,391,845	\$ (30,422,104)	\$ 15,055,275	\$ (12,314,352)	\$ (123,200,632)
	10,255,000	-	8,550,000	269,785,000	115,610,000	12,020,000
	(10,885,500)	-	(9,781,988)	-	-	-
	773,775	-	1,393,776	32,236,582	11,414,841	992,624
	191,424	60,624	97,897	90,266	80,137	46,534
	-	-	-	(800,000)	(928,069)	(12,848,344)
	18,034,498	28,712,522	19,580,886	322,342,659	155,509,072	41,152,026
	(18,034,498)	(28,712,522)	(19,580,885)	(322,342,659)	(155,509,072)	(41,152,026)
	<u>334,699</u>	<u>60,624</u>	<u>259,686</u>	<u>301,311,848</u>	<u>126,176,909</u>	<u>210,814</u>
\$	<u>21,556,605</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>

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		
2011	6,739,445,518	514,563,260	1,112,058,527	6,141,950,251
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

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	7,254,008,778	84.67%
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%

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
2011	1.0312	0.1100	1.1412	0.4119	0.1409	0.7428	0.6770	0.4460
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

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

	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Taxable Value	Taxable Assessed Value	Rank	Percentage of Taxable Value
Taxpayer						
ONCOR Electric Delivery Company	\$ 123,416,929	1	1.35%	\$ 71,476,493	1	1.16%
DRP Market Heights LTD	62,933,548	2	0.69%	23,816,394	4	0.39%
HH/Killeen Health System LLC - Seton Medical Center	55,342,962	3	0.61%			
Wal-Mart Stores Texas	30,634,831	4	0.34%			
MFT IP Killeen LLC	26,949,350	5	0.29%			
Wal-Mart Real Estate Trust	26,602,858	6	0.29%	36,652,436	2	0.60%
Amber Chase Townhomes & Huntington Apartments	23,419,584	7	0.26%			
LHCS LLC	23,206,187	8	0.25%			
HEB LP	22,229,753	9	0.24%	18,198,384	5	0.30%
Central Telephone Company	21,439,000	10	0.23%	27,790,931	3	0.45%
Killeen Mall LLC				16,892,015	6	0.28%
TWE Advance/Newhouse "Waco"				15,103,377	7	0.25%
Watercress Place LP				13,789,553	8	0.22%
Stone Creek Investment LLC				13,616,813	9	0.22%
Feiga/Sierra Creek LP				11,023,520	10	0.18%
Subtotal	\$ 416,175,002		4.55%	\$ 248,359,916		4.04%
All other taxpayers	8,724,260,268		95.45%	5,893,590,335		95.96%
Total	\$ 9,140,435,270		100.00%	\$ 6,141,950,251		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
2011	68,995,097	67,992,566	98.55%	925,685	68,918,251	99.89%
2012	70,938,241	70,279,728	99.07%	576,571	70,856,299	99.88%
2013	71,741,042	71,076,277	99.07%	577,661	71,653,938	99.88%
2014	75,361,893	74,690,031	99.11%	577,730	75,267,761	99.88%
2015	76,828,096	76,196,881	99.18%	538,807	76,735,688	99.88%
2016	76,791,859	75,528,591	98.35%	1,131,393	76,659,984	99.83%
2017	79,492,678	78,777,376	99.10%	528,767	79,306,143	99.77%
2018	84,325,958	83,406,950	98.91%	584,900	83,991,850	99.60%
2019	96,220,996	95,381,122	99.13%	492,280	95,873,402	99.64%
2020	97,553,813	96,613,415	99.04%		96,613,415	99.04%

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
2011	115,585,010	7.62%	3,112	113,296,113	1.56%	3,050
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

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, 2020

<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	\$ 104,405,000	43.95%	\$ 45,885,998
Central Texas College	\$ -	0.00%	-
Coryell County ^a	\$ 3,488,416	0.00%	-
City of Killeen	\$ 163,510,000	100.00%	\$ 163,510,000
City of Harker Heights	\$ 48,480,001	100.00%	\$ 48,480,001
City of Nolanville	\$ 3,120,000	100.00%	\$ 3,120,000
Subtotal, overlapping debt			\$ 260,995,999
District direct debt			456,914,454
Total direct and overlapping debt			\$ 717,910,453

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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed value ^a	\$ 6,141,950,251	\$6,308,031,607	\$ 6,425,421,436	\$6,752,661,759
Debt Limit ^b	614,195,025	630,803,161	642,542,144	675,266,176
Amount of debt applicable to debt limit:				
Total bonded debt	115,585,010	103,691,068	95,743,386	86,573,213
Less: Net assets available in debt service fund	<u>2,288,897</u>	<u>1,760,992</u>	<u>1,707,213</u>	<u>1,659,815</u>
Total net debt applicable to limit	<u>113,296,113</u>	<u>101,930,076</u>	<u>94,036,173</u>	<u>84,913,398</u>
Legal debt margin	<u>\$ 500,898,912</u>	<u>\$ 528,873,085</u>	<u>\$ 548,505,971</u>	<u>\$ 590,352,778</u>
Total net debt applicable to the limit as a percentage of debt limit.	18.45%	16.16%	14.64%	12.57%

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$6,874,498,077	\$6,875,938,224	\$7,134,301,781	\$7,687,553,454	\$7,307,091,368	\$8,534,156,812
687,449,808	687,593,822	713,430,178	768,755,345	730,709,137	853,415,681
76,396,395	66,396,444	57,129,867	349,165,772	469,040,729	456,914,454
<u>1,313,597</u>	<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>75,082,798</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>\$ 612,367,010</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>
10.92%	9.47%	7.78%	45.26%	64.00%	53.27%

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
2010	408,366	\$ 15,167,523	\$ 37,142	8.60
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

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>	2020			2011		
	<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	37,004	1	56.99%	52,000	1	71.66%
Military Defense Contractors	8,327	2	12.82%			
Killeen ISD	6,000	3	9.24%	6,079	2	8.38%
Civilian Personnel Office	5,373	4	8.27%	5,580	3	7.69%
Teleperformance	1,800	5	2.77%			
Central Texas College	1,488	6	2.29%	1,500	4	2.07%
City of Killeen	1,173	7	1.81%	1,100	6	1.52%
Metroplex/Advent Health System	1,000	8	1.54%	1,200	5	1.65%
Seton Medical Center Harker Heights	480	9	0.74%			
Z-Systems	413	10	0.64%			
Westar Aerospace & Defense				1,050	7	1.45%
Aegis Communications				600	8	0.83%
L-3 Communications Vertex Aerospace				600	9	0.83%
ESP Incorporated				510	10	0.70%
Subtotal	63,058		97.11%	70,219		96.77%
All other employers	1,874		2.89%	2,347		3.23%
Principal employment	64,932		100.00%	72,566		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>2011</u>	<u>2012*</u>	<u>2013*</u>	<u>2014*</u>	<u>2015*</u>
Supervisory					
Instructional administrators	38	41	42	41	42
Noninstructional administrators	35	35	37	36	37
Consultants/supervisors of instruction	62	58	59	58	60
Principals	48	51	53	50	51
Assistant principals	103	113	120	117	120
Total supervisory	<u>286</u>	<u>298</u>	<u>311</u>	<u>302</u>	<u>310</u>
Instruction					
Elementary classroom teachers	1,538	1,525	1,425	1,381	1,425
Secondary classroom teachers	1,170	1,173	1,471	1,358	1,388
ESL teachers	16	49	68	56	59
Special Education teachers^					
Other professionals (instructional)	54	56	75	71	70
Aides	878	953	1,055	976	996
Total instruction	<u>3,656</u>	<u>3,756</u>	<u>4,094</u>	<u>3,842</u>	<u>3,938</u>
Student Services					
Guidance counselors	107	105	115	113	116
Visiting teacher/social workers	4	4	4	4	4
Librarians	46	48	49	47	46
Other professionals (noninstructional)	168	196	217	207	203
Technicians	18	15	13	13	13
Total student services	<u>343</u>	<u>368</u>	<u>398</u>	<u>384</u>	<u>382</u>
Support and Administration					
Clerical/secretarial	284	300	311	304	309
Service workers	339	503	512	526	533
Skilled crafts	107	104	115	116	119
Unskilled laborers	624	680	671	671	701
Total support and administration	<u>1,354</u>	<u>1,587</u>	<u>1,609</u>	<u>1,617</u>	<u>1,662</u>
Total	<u><u>5,639</u></u>	<u><u>6,009</u></u>	<u><u>6,412</u></u>	<u><u>6,145</u></u>	<u><u>6,292</u></u>

Source: Killeen Independent School District data warehouse department.

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

<u>2016*</u>	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	Percentage Change 2011-2020
35	37	39	36	37	-3%
45	47	46	44	47	34%
62	62	60	60	60	-3%
51	51	51	52	52	8%
125	127	126	128	129	25%
318	324	322	320	325	14%
1,477	1,432	1,457	1,620	1,500	-2%
1,371	1,508	1,607	1,334	1,141	-2%
59	64	68	70	68	325%
76	82	133	137	358	156%
984	1,002	1,039	1,072	138	25%
3,967	4,088	4,304	4,233	1,097	18%
120	129	129	131	4,302	24%
6	6	8	8	17	325%
46	49	49	49	49	7%
219	242	202	197	448	167%
35	36	46	58	54	200%
426	462	434	443	701	104%
321	328	335	422	404	42%
530	529	530	485	494	46%
173	174	178	190	195	82%
665	708	707	810	886	42%
1,689	1,739	1,750	1,907	1,979	46%
6,400	6,613	6,810	6,903	7,307	30%



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
2011	40,609	\$ 399,407,558	\$ 9,835	2,839	14.3	55%
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%

Source: Nonfinancial information from district records.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Schools</u>				
Elementary				
Buildings	32	32	32	32
Square feet	2,749,377	2,783,044	2,783,044	2,874,837
Capacity	23,543	23,568	23,568	25,051
Enrollment	23,391	23,814	23,579	24,210
Middle				
Buildings	11	11	11	11
Square feet	1,320,705	1,323,777	1,323,777	1,329,153
Capacity	9,300	9,300	9,300	9,300
Enrollment	8,525	8,445	8,409	8,660
High				
Buildings	4	4	4	4
Square feet	1,325,400	1,358,040	1,358,040	1,366,680
Capacity	8,476	8,476	8,476	8,476
Enrollment	9,002	9,093	9,269	9,482
Other:				
CATE, Pathways & Gateway School				
Buildings	3	4	3	3
Square feet	185,159	332,509	266,720	266,720
Enrollment	658	617	494	577
<u>Administrative</u>				
Buildings	7	8	9	9
Square feet	296,706	309,476	424,266	424,266
<u>Transportation</u>				
Garages	1	1	1	1
Buses	269	266	278	294
<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	40	46	46	47
Running tracks	4	4	4	4
Baseball/softball	8	8	8	8

Source: Killeen Independent School District departments.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
32	32	32	32	32	32
2,884,299	2,884,299	3,019,812	3,019,812	2,879,676	2,902,485
25,051	25,051	26,101	25,489	25,489	25,999
24,284	24,365	24,383	24,409	24,409	23,038
11	11	11	11	11	11
1,336,065	1,336,065	1,447,320	1,409,322	1,402,258	1,415,452
9,300	8,500	9,750	9,750	9,800	10,425
8,653	8,693	8,830	9,394	9,011	9,589
4	4	5	5	5	5
1,369,752	1,369,752	1,457,601	1,457,601	1,476,801	1,386,763
8,476	8,476	9,276	9,276	8,476	9,607
9,768	8,759	9,689	9,944	9,694	10,058
3	3	3	3	3	3
266,720	266,720	266,720	277,472	276,704	271,364
1335	2,015	1,476	1,344	1,977	1,303
10	10	10	10	10	10
531,359	531,359	531,359	531,359	531,359	324,279
2	2	2	2	2	2
309	364	366	368	346	350
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	47	50	50	50	50
4	4	4	4	4	4
8	8	8	8	8	8

