

Annual Comprehensive Financial Report

of the

Killeen Independent School District

For the Fiscal Year Ended August 31, 2022

*Issued by:
John Craft, Ed.D.
Superintendent*

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2022

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KILLEEN INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED AUGUST 31, 2022

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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, 2022 at a meeting of the Board of Trustees of such school district on the 24th day of January, 2023.

Mavin Ramwater
Signature of Board Secretary

[Signature]
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 18, 2023

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

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

The Annual Comprehensive Financial Report of the Killeen Independent School District (District) for the fiscal year ended August 31, 2022, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. This is based upon a comprehensive framework of internal control established for this purpose. The cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introductory overview and analysis of the basic financial statements and should be read in conjunction with this letter.

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

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

ECONOMIC CONDITION AND OUTLOOK

The economy in Killeen remains strong. Home prices in Killeen were up 22.5 percent compared to the previous year. The unemployment rate as of July 2022 was 4.7 percent according to the Texas Workforce Commission. 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.

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

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

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

Killeen, Texas, is home to Fort 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.

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

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

VALUATION OF BUILDING PERMITS

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

ECONOMIC GROWTH RESULTS IN CONTINUED GROSS SALES INCREASE

The Killeen-Temple-Fort Hood Metropolitan Statistical Area (MSA) experienced a 33.82% increase in gross sales during the 2021 calendar year. This increase is due to a growing local economy and reduced deployments of military forces. Unemployment rates decreased from 6.6% in June of 2021 to 4.7% in July 2022. The Texas Comptroller of Public Accounts, Economic Analysis Center published the following information:

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

	2017	2018	2019	2020	2021
Motor Vehicle and Parts Dealers	\$1,334,952	\$1,395,588	\$1,458,642	\$1,564,493	\$1,880,890
Furniture and Home Furnishings Stores	107,627	118,778	122,119	123,402	\$148,137
Electronics and Appliance Stores	84,287	93,482	90,104	80,215	\$100,112
Building Material and Garden Equipment	480,178	515,222	507,998	618,444	\$1,702,119
Food and Beverage Stores	986,500	1,011,994	1,066,694	1,147,863	\$1,337,698
Health and Personal Care Stores	226,237	213,425	215,618	226,517	\$254,111
Gasoline Stations	452,884	567,092	593,480	537,103	\$736,443
Clothing and Accessories Stores	128,598	160,029	160,800	146,971	\$196,150
Sporting Goods, Hobby, Book & Movies	89,599	82,947	73,391	85,794	\$102,620
General Merchandise Stores	1,234,150	1,077,980	1,106,247	1,202,978	\$1,340,913
Miscellaneous Stores	125,599	306,484	315,779	349,426	\$432,919
Nonstore Retailers	32,778	30,848	29,249	32,088	\$44,044
Food Services and Drinking Places	<u>651,153</u>	<u>712,434</u>	<u>760,474</u>	<u>765,896</u>	<u>\$932,468</u>
Total	\$5,934,542	\$6,286,303	\$6,500,595	\$6,881,190	\$9,208,624

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 35,814 assigned soldiers and airmen, in addition to approximately 11,282 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 via American Airlines with daily flights to and from Dallas/Fort Worth International Airport (Dallas/Fort Worth, Texas). Centrally located along the Interstate 35 corridor, the Killeen-Fort Hood Regional Airport is only an hour drive from Austin, and less than three hours from Dallas and San Antonio. It is also close to the Killeen Mall and other shopping areas. The Killeen-Fort Hood Regional Airport is the first facility in the United States to feature glass walled aircraft boarding bridges giving a truly one-of-a-kind experience for every passenger.

HEALTH CARE

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

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

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

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

CULTURAL ACTIVITIES

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

The National Mounted Warfare Museum will represent the history of mounted soldiers and construction is currently underway. The state-of-the-art museum will be located just outside the main gate of Fort Hood and is expected to open its doors to guests in the Summer of 2023. The museum will be approximately 28,700 square feet with 13,000 square feet of interactive and permanent exhibits. These exhibits will coordinate with education lessons being taught throughout the local school districts. Groundbreaking ceremony for this museum occurred on November 19, 2020.

The Vive Les Arts Societe was founded in July of 1976 to provide a base for cultural activities in the greater Killeen area. Vive Les Arts not only supports both performing and visual arts, but also brings concerts, symphonies, and children's theater productions to the area. In 1991 The Societe opened a center for the performing arts. The center features a 400-seat theater, expansive proscenium stage and a combination gallery/reception area. Vive Les Arts has produced over 40 successful seasons of shows since July 1976 for the community. The 2021-2022 theater season featured seven plays/musicals including Aladdin Jr., Gentleman's Guide to Love and Murder, the SpongeBob SquarePants Musical and Newsies. The theater also offers skill building workshops such as theatre 101, makeup and vocal techniques.

EDUCATION

KILLEEN INDEPENDENT SCHOOL DISTRICT

The Killeen Independent School District (KISD) has grown from an enrollment of 41,172 students in 2011-2012 to a peak enrollment of 44,109 in 2021-2022. The projected enrollment for 2022-2023 is 44,319. KISD is the largest school district between Austin and Dallas and the 25th largest in the state of Texas. KISD employs over 7,000 faculty and support personnel to educate and serve more than 44,000 students on 51 separate educational campuses. The District's footprint includes 1414.7 acres of property and 7.04 million square feet of facilities across 356 square miles. Students from Killeen, Harker Heights, Fort Hood, Nolanville and rural West Bell County attend classes at thirty-one elementary schools (PK-5), eleven middle schools (6-8), five traditional high schools (9-12), four alternative schools, including the Career and Technology Education center (Career Center) and the Early College High School. The district's 218 portable buildings, of which 131 are used for instructional purposes, provide flexibility to meet the educational needs of a constantly changing population. The District has schools which vary in age. Six school buildings are over fifty years old, twenty-two are over twenty years old and twenty-three of the school buildings are between one and twenty years old. The District has remodeled and replaced many of the older structures.

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

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

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

CENTRAL TEXAS COLLEGE

Central Texas College (CTC) is a public, two-year community college offering associate degrees, certificates of completion and continuing education courses for personal or professional development. Programs are available in traditional classroom settings, online and multimedia delivery methods for academic, professional, and vocational/technical fields. In 2021-2022 CTC awarded 1,811 associate degrees and 994 certificates of completion at more than 100 locations around the world. In addition to these degrees and certificates CTC had 1504 students enrolled in “non-credit” programs which include programs such as career training, personal enrichment, and college for kids. Outside Texas, CTC offers classes on military installations, ships at sea and correctional institutions. CTC's central campus is situated on 583.9 acres between the cities of Killeen and Copperas Cove. Central Texas College has maintained its accredited status with the Southern Association of Colleges and Schools since first being awarded accreditation in 1969 and was reaffirmed most recently in June 2015. CTC is the third largest employer in the region.

TEXAS A&M UNIVERSITY – CENTRAL TEXAS

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

MAJOR INITIATIVES

KISD DIRECTIONAL PLAN FOR SCHOOL YEAR 2021/2022

VISION STATEMENT

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

MISSION:

Teach so that students learn to their maximum potential.

OBJECTIVES:

Achievement

Responsiveness

Classroom Support

Leadership Development

Financial Accountability

VALUES:

Teamwork

Quality

Integrity

Caring Attitude

Maximum Effort

Innovation

DISTRICT ACCOMPLISHMENTS

1. **Parent and Community-** The KISD Parent and Community Engagement Program offers a myriad of ways for parents to be involved in the education of their children. Opportunities are provided at the district and campus level. During the 2021-2022 school year, KISD Parent and Community Engagement Program served thirty-one elementary and five middle school Title I school-wide campuses. Local funds provided support and services for families at the district’s non-Title I elementary, middle, and high schools, including Early College High School and special campuses. Killeen ISD’s special campuses include Gateway High, Gateway Middle, KISD Career Center and Pathways Academic Campus. The Parenting-Specialist coordinates events and activities at the district level, supports and provides monthly training for parent liaisons/parent program contacts and coordinates the district’s volunteer services program.

2. **Parent Liaisons-** KISD had seventeen parent liaisons in place at elementary campuses during the 2021-2022 school year. Parenting program contacts facilitate parent engagement activities at elementary schools without parent liaison positions. Parent liaisons and program contacts assist campus principals with various parental involvement activities and serve as a primary link between the home and school. They facilitate distribution of parent education materials, offer informative workshop presentations, and provide campus-based orientation sessions for volunteers. They assist in coordinating, scheduling, and leading meetings among parents, teachers, and volunteers. Parent liaisons provide early literacy club activities for families with children 0-4 years of age who are not yet enrolled in school. Literary clubs serve as an early intervention strategy to help prepare children by building a basic learning foundation that is necessary for school success. KISD also provides two Special Education parent educators that host special education parenting workshops, provide monthly newsletters, and help our families navigate the world of special education.

3. **Adult Education** – Members of our community have the option to complete their high school education or increase their English language ability through a collaborative partnership between CTC Adult Education and the KISD Federal and State Programs Department. During the 2021-2022 school year, English as a Second Language and High School Equivalency Certificate classes were unable to resume at the JPLC location due to staffing shortages resulting from COVID-19. Computer classes were offered at JPLC and provided consistent opportunities for parents and community members to increase their computer literacy skills. A mobile unit containing 20 Dell laptops, a charging cart and one printer support this initiative.
4. **Newsletters for Parents** – The Parent and Family Engagement Connection is the parent engagement newsletter shared with families, community, and staff. The newsletter provides informative articles, at home support strategies, and research-based information on many relevant topics. It is translated and made available on the Federal and State Programs Department website in English, Spanish, German, Korean, Tagalog, and Vietnamese. Newsletters are distributed quarterly throughout the school year and may also be accessed from the Parents and Students tab of the KISD website.
5. **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.
6. **Recurring Activities and Events Serving Parents/Community** – The Federal and State Programs Department offers a variety of district-level events and activities to encourage parent, family, and community engagement.
 - Empowered Parents provides workshops for parents and community members
 - Early Literacy Clubs at elementary campuses meet throughout the year.
 - During the summer, early literacy education continues through the Summer Early Learners program.
 - The Summer Take-Home Backpack Program provides practice materials for students in grades K-8 in the areas of math and reading.
 - The KISD Parent Advisory Council provides parents with leadership opportunities.
 - The KISD Volunteer program is active on all campuses in the district.
 - Parent workshops are offered monthly by the Special Education Parent Educators.
 - Special Education Transition Fair
 - The annual Family Fitness and Wellness Fair is a successful collaborative among the KISD School Nutrition Department, the School Health Advisory Council, Student Services, Special Programs Department, and the City of Killeen’s Celebrate Killeen Committee. This event is a family affair focused on healthy eating and lifestyle choices.
7. **Parenting Program Curriculum** – Practical Parent Education is the research-based curriculum used for parent education workshops. Information provided supports families of the Killeen Independent School District. Sessions are designed to address topics and needs identified through the Parent Advisory Council, parent surveys and input from the KISD team of parent educators. We continue to receive implementation support and updated online curriculum access for each trained parent liaison and parent program contact. This curriculum includes online access, quick-tip handouts for parents/community, continued consultation, and evaluative support.
8. **Student Achievement** – Killeen ISD continues to address many challenges incurred throughout the pandemic. Reading and math support and interventions have been adopted and implemented in both the classroom and as part of HB 4545. In 2021-2022, the district received an overall accountability rating of “C”, with 58% of elementary and 60% of high school campuses receiving an accountability rating of “A” or “B” and 8 campuses receiving “No Rating.” On state STAAR assessments, 40% of students performed at “Meets Grade Level”, and 17% achieved “Masters” performance. Elementary campuses exceeded board goals, increasing in STAAR reading and math scores by 7% and 5% respectively. Reading results in grades 6-8 had an increase of 3%-6% over the prior school year, and the district exceeds the state in “Meets Grade Level” in US History.

9. **District-Wide Curriculum** – During the 2021-2022 school year, the district-wide curriculum and instruction focus continued to be on the implementation of the district curriculum (TEKS Resource System) through the districts 3+1 instructional framework. The implementation of the curriculum was supported and monitored through Common Unit Assessments, instructional coaching, and ongoing professional learning. The year began with intense instruction from Doug Fischer on the Gradual Release of Responsibility Instructional Model. District and campus leaders offer multiple professional development sessions throughout the year to ensure teachers remain abreast of research-based strategies that strengthen the instructional core.
10. **Response-to-Intervention** – The district continues to monitor Response-to-Intervention processes and practices.
- Reading Universal Screens: During the 2021-2022 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 2021-2022 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 2021-2022 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 2021-2022 school year, the Do the Math Intervention program was used in elementary classrooms to focus on “rebuilding” the foundations of mathematics – computation, number sense, and problem solving – for those students targeted for math intervention. Third grade teachers are also engaged in learning around the skills and strategies of Guided Math.
 - Students targeted for intervention in grades 6-8 utilized the Imagine Math intervention program.
11. **Induction** - Approximately 400 new professionals participated in comprehensive and differentiated training through New Teacher Induction. Teachers interacted face-to-face and On Demand Learning modules 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.

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

- District-wide Job Alike Learning
- Gradual Release of Responsibility
- Empowering Writers
- Grade Level and Content Specific Curriculum Study Sessions
- Comprehension Toolkit Training
- iLit Implementation and Coaching
- Writable Implementation
- Texas A&M Math Academy
- Elementary and Secondary Blended Learning Collaboratives
- Using Data to Drive Instruction
- Corwin Distance Learning Playbook
- Discovery Education
- Playposit & Nearpod
- Zoom & TEAMS
- Tools and Strategies when working with Autistic Students
- Non-Violent Crisis Prevention Institute
- Texas Behavior Support Initiative
- IEP Goal Development

13. **Teacher Recruiting Program** – The District's recruiting initiative with an annual budget of approximately \$117,959 continues to be effective in recruiting, hiring, and retaining between 300 to 400 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. In addition, KISD employment is profiled at www.killeenisd.org. The KISD online application and Hire Vue are used to screen and hire prospective employees. Additionally, the KISD Board of Trustees funds a \$2,080 sign-on bonus for every incoming teacher certified in critical shortage subject areas. Additionally, a recurring stipend of \$2,080 is provided for Bilingual and Special Education self-contained teachers and a \$3,120 stipend is offered to High School Chemistry, Physics, Biology and Mathematics teachers. Once again, KISD remained consistent in minority hiring this year; nearly 39% 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 needs for secondary math, chemistry, physics, special education, Spanish, and bilingual certificate holders.

TECHNOLOGY

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

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

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

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

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

SUPPORT

The role of professional school counselor remains vital in fostering the rich diversity of the Killeen Independent School District. From backgrounds as educators, these men and women bring a focus that is student-centered to academic, career, personal and social areas, understanding that the students of KISD will function and contribute to a changing global society. Whether it is attending to the needs of our military students and families or responding to the issues faced by all students in this changing economy and society, the professional school counselors of KISD bring heart to the climate of each campus and their efforts make a difference in the lives of more than 43,000 students. Soldiers at Fort Hood have had multiple deployments around the world. The families at Fort Hood feel the stress from having their family members away from home. KISD has addressed this need by providing ongoing professional development and training to ensure that counselors are knowledgeable of best practices and available resources to provide support to the students and families. KISD has also entered into a Memorandum of Agreement with Carl R. Darnall Army Medical Center to establish a School Behavioral Health Program for Military Children and Families to provide consultation and training for school staff and to offer behavior health services to military dependent children at on post schools. KISD has entered into an agreement with Advent Health to gradually extend School Behavioral Health to off-post campuses; the pilot will begin at 5 off-post campuses. KISD continues a partnership with Texas Health Child Access Through Telemedicine to provide behavior health services for 29 off-post campuses. Texas Educational Agency has designated a local mental health authority to partner with all school districts in Texas. Central Counties Services is the local mental health authority assigned to KISD. This is intended to help students in school with decreased absences, better student performance and emotional health.

INSTRUCTIONAL LEADERSHIP

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

The departments facilitated the following activities between August 2021 and August 2022:

OPERATIONAL SUPPORT

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

DISTRICT PLANNING

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

ASPIRE I & II

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

TEACHER OF THE YEAR

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

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

Candidates should:

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

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

INSTRUCTIONAL DEVELOPMENT- PRINCIPAL AND ASSISTANT PRINCIPAL PLCS

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

TEXAS TEACHER EVALUATION AND SUPPORT SYSTEM (T-TESS)

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

TEXAS PRINCIPAL EVALUATION AND SUPPORT SYSTEM (T-PESS)

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

MENTORING

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

CAMPUS VISITS

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

EXCEPTIONAL OPPORTUNITIES – DISTRICTWIDE

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

EXCEPTIONAL OPPORTUNITIES – ELEMENTARY

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

EXCEPTIONAL OPPORTUNITIES - MIDDLE SCHOOL

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

EXCEPTIONAL OPPORTUNITIES - HIGH SCHOOL

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

STRATEGIC PLANNING

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

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

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

Currently, the Strategic Facility Plan is being utilized to add on to the Sheridan Transportation Facility with an estimated completion date in the summer of 2023. These funds are also being used to build a new middle school. The new middle school should be completed in time to open in August 2024.

In addition, the Strategic Facility Plan was used in FY22 on several smaller projects. A track surface replacement project for the high schools was done during the year. Also, sound systems for several elementary campuses were replaced during the year. The SFP funded the moving and repairs of storage buildings and the high schools marching band storage buildings. Lettering and district numbering as well as replacement security readers were funded by SFP to help secure the campuses.

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, 2022, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

BUDGETARY CONTROLS

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

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

OTHER INFORMATION

INDEPENDENT AUDIT

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

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Killeen Independent School District for its annual comprehensive financial report for the fiscal year ended August 31, 2021. This was the thirty-first consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a District must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting for School Systems to the Killeen Independent School District for its annual comprehensive financial report for the fiscal year ended August 31, 2021. This award certifies that the annual comprehensive financial report substantially conforms to the principles and standards of financial reporting as recommended and adopted by ASBO. The award is granted only after an intensive review of the ACFR by an expert panel of certified public accountants and practicing school business officials.

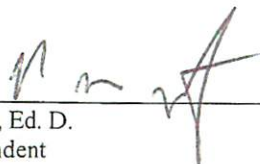
ASBO's Certificate of Excellence in Financial Reporting is valid for one year only. Killeen Independent School District has received a Certificate of Excellence in Financial Reporting for the past thirty consecutive years (fiscal years 1991-2021). We believe that our current ACFR continues to conform to the Certificate of Excellence program requirements, and we are submitting it to ASBO.

ACKNOWLEDGMENTS

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

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

Respectfully submitted,



John Craft, Ed. D.
Superintendent



Kallen Vaden
Chief Financial Officer



Killeen Independent School District

PRINCIPAL OFFICERS

BOARD OF TRUSTEES

Brett Williams -- *President*

Susan Jones -- *Vice President*

Marvin Rainwater -- *Secretary*

JoAnn Purser -- *Board Member*

Cullen Mills -- *Board Member*

Brenda Adams -- *Board Member*

Oliver Mintz -- *Board Member*

COL Chad Foster -- *Fort Hood Advisor*

School District Administration

John Craft, Ed.D.

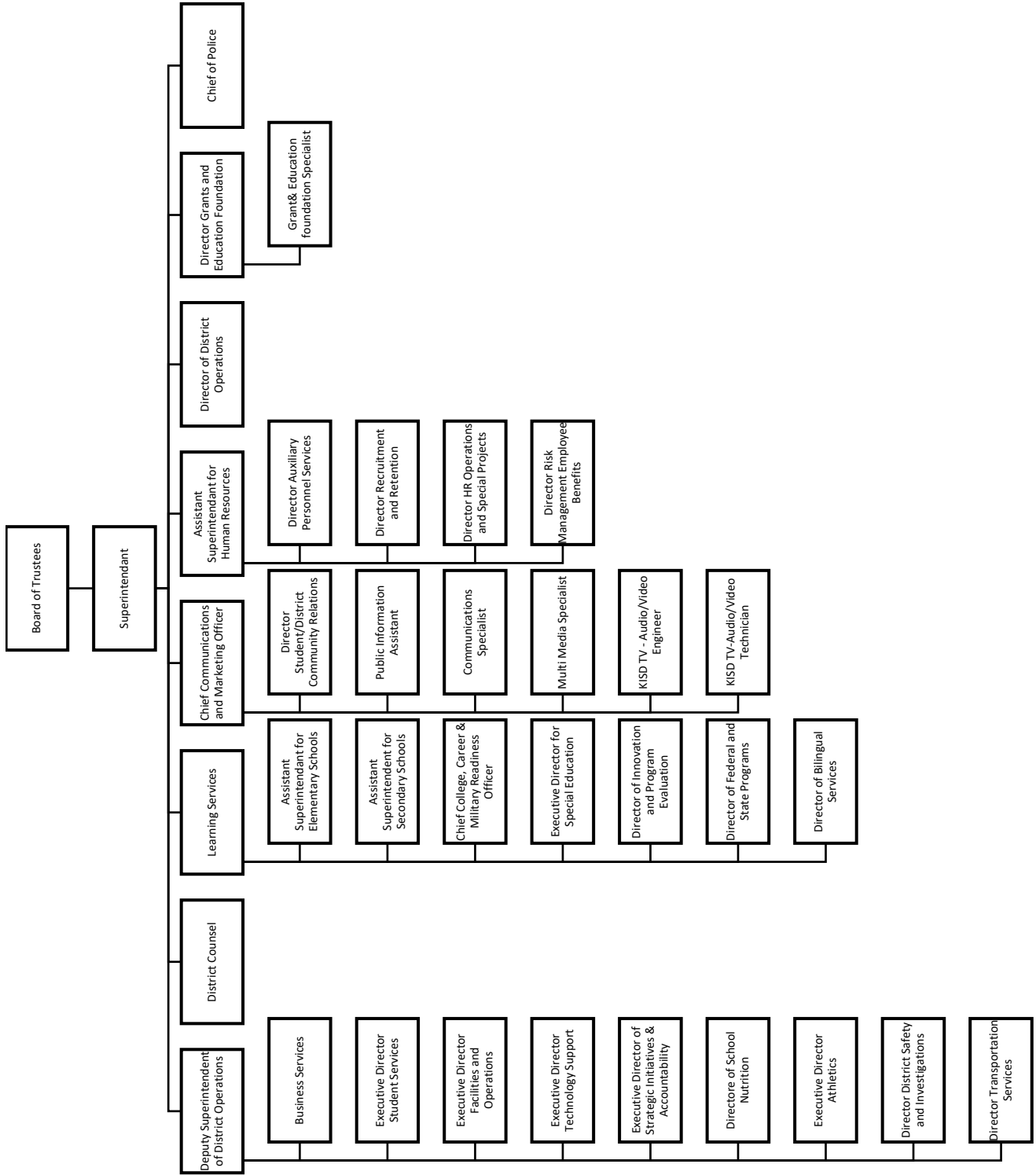
Superintendent

Megan Bradley

Deputy Superintendent



Killeen ISD Organizational Leadership Support





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Killeen Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Killeen Independent School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended August 31, 2021.

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



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
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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POST OFFICE BOX 160 800/460/4783
TEMPLE, TEXAS 76503 FAX 254/778/4792

KILLEEN • COPPERAS COVE • TEMPLE

Member of
American Institute & Texas Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Killeen Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the Killeen Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Killeen Independent School District, as of August 31, 2022, the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note S to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023, on our consideration of the Killeen Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Killeen Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Killeen Independent School District's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Jatt, Vernon + Co. P.C.".

Killeen, Texas
January 18, 2023



MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the Killeen Independent School District annual financial report presents our discussion and analysis of the District’s financial performance during the fiscal year ended August 31, 2022. 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

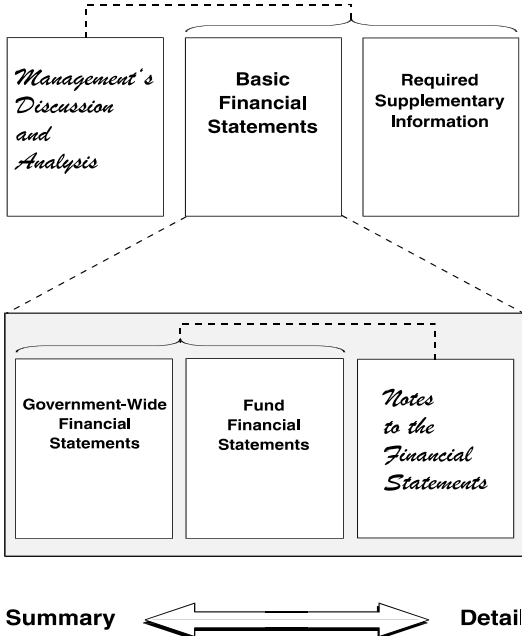
- The District’s total combined net position was \$439.9 million at August 31, 2022, compared to \$417.8 million at August 31, 2021 (see Table A-1). This is due to an increase in assets primarily arising from an increase in the amount of capital assets.
- The District transferred an additional \$39.5 million from the General fund to the School Building Projects fund to fund future construction needs and improvement projects and to decrease the General fund unassigned fund balance to three month’s operating expenditures in accordance with board policy CE (Local).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



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

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

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 began a partially self-funded insurance plan on January 1, 2022.

Fund Financial Statements

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

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

The District has two kinds of funds:

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

the assets belong. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

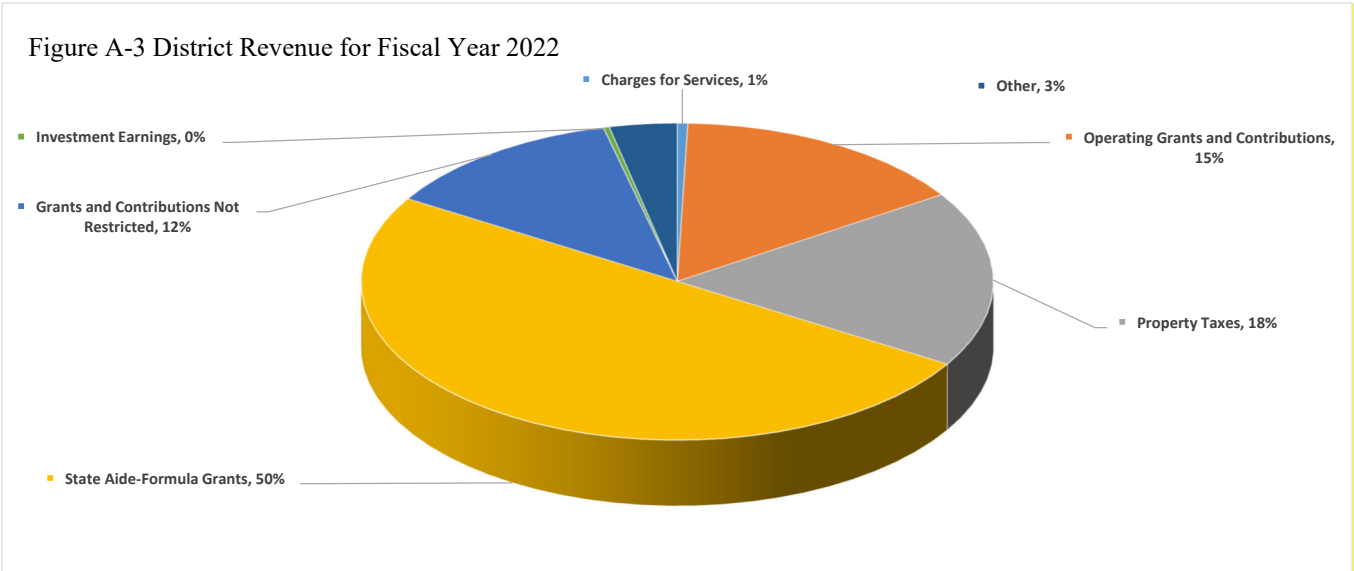
FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position – The District’s net position increased by \$22.1 million from the previous fiscal year. This is a result of an increase of capital assets due to increase of construction related to the bond passed in 2018 and a reduction in long term liabilities due to a decrease in the District’s share of pension liability. The District’s *combined* net position after the current year changes is \$439.9 million on August 31, 2022 (See Table A-1). The \$56.3 million of the District’s restricted net position represents fund balance that is restricted for federal and state programs (\$55 million), retirement of Long-Term Debt (\$0.3 million), and prepaid expenditures (\$1.0 million). The General and Capital Projects Funds unrestricted net position negative balance of \$12.6 million is due to the Net Pension Liability and Net OPEB deferred liability reported as required by the GASB 68 and 75. Total Assets increased \$2.7 million due primarily to an increase in capital assets (land and furniture/equipment). Additionally, long term liabilities decreased by \$79.9 million primarily due to the decrease of bonds payable and decreases in net pension liability and net OPEB liability.

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

	Governmental Activities		Percentage Change
	2022	2021	
Current and Other Assets	\$ 431.9	\$ 484.6	-10.9%
Capital Assets	777.2	721.8	7.7%
Total Assets	1,209.1	1,206.4	0.2%
Deferred Outflows of Resources	71.0	83.0	
Current Liabilities	64.2	58.4	9.9%
Long Term Liabilities	602.5	688.2	-12.5%
Total Liabilities	666.7	746.6	-10.7%
Deferred Inflows of Resources	173.5	125.0	
Net Position			
Net Investment in Capital Assets	396.2	408.7	-3.1%
Restricted	56.3	41.0	37.3%
Unrestricted	(12.6)	(31.9)	-60.5%
Total Net Position	\$ 439.9	\$ 417.8	5.3%

A significant portion, approximately fifty percent, of the District’s revenue comes from state aid. (See Figure A-3.) Eighteen percent comes from property taxes, while one percent relates to charges for services. The total cost of all programs and services was approximately \$525.3 million; seventy-eight percent of these costs are for instructional and student services.



Governmental Activities

- The District continues to build new instructional facilities with the bond proceeds from years 2017 and 2018. In 2022, a new high school and stadium was opened. Construction continues on a new middle school, renovations on an existing high school, and transportation facility expansion.
- Property values grew by approximately \$1.8 billion. Central Texas continues to see growth and rising property values.
- Student enrollment increased in 2022. The peak enrollment went up from 44,017 in 2021 to 44,109 in 2022.

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

	Governmental		Total %
	Activities		
	<u>2022</u>	<u>2021</u>	
Revenues			
<u>Program Revenues</u>			
Charges for Services	\$ 2.9	\$ 1.7	70.6%
Operating Grants and Contributions	89.3	70.2	27.2%
<u>General Revenues</u>			
Property Taxes	98.2	93.4	5.1%
State Aid - Formula Grants	273.7	284.0	-3.6%
Grants and Contributions Not Restricted	68.4	110.7	-38.2%
Investment Earnings	1.7	0.9	88.9%
Miscellaneous Revenues and Transfers	18.9	2.8	575.0%
On-Behalf Accrual for GASB 75	-5.9	-1.2	391.7%
Total Revenues	<u>547.2</u>	<u>562.5</u>	<u>-2.7%</u>
Expenses			
Instruction and instructional related	292.4	320.6	-8.8%
Instructional leadership/school administration	32.7	33.4	-2.1%
Guidance, social work, health, transportation	45.3	44.4	2.0%
Food services	26.1	19.2	35.9%
Extracurricular activities	13.9	10.5	32.4%
General administration	30.3	9.8	209.2%
Plant maintenance and security	60.1	55.5	8.3%
Data processing services	6.6	6.4	3.1%
Community services	1.3	1.2	8.3%
Debt service	15.7	14.8	6.1%
Other intergovernmental charges	0.9	0.9	0.0%
Total Expenses	<u>525.3</u>	<u>516.7</u>	<u>1.7%</u>
Increase in Net Position	22.1	45.8	
Beginning Net Position	<u>417.8</u>	<u>372.0</u>	
Ending Net Position	<u>\$ 439.9</u>	<u>\$ 417.8</u>	

Program Revenues – Operating grants increased by \$19.1 million. This is due to increased funding from the Federal government for child nutrition programs. Property taxes increased \$4.8 million due to an increase in property values. State Aid formula funds decreased \$8.3 million due to an adjustment by TEA and \$2.0 million as a result of one-time COVID funding received in FY 2021 that was not received in FY 2022. Investment earnings increased by \$0.8 million due to an increase in interest rates. Miscellaneous revenues increased by \$16.1 million due to implementing a partially self-funded insurance plan on January 1, 2022. The On-behalf accrual decreased by \$4.7 million due to a decrease in plan pension expense associated with the District.

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

- (a) Instructional and instructional related services decreased \$28.2 million due to position vacancies and a significant decrease in District’s share in pension liability. This is shown through the GASB 68 adjustments.
- (b) Food Services increased by \$6.9 million due to changing programs and cost of food has increased as well.
- (c) Extracurricular activities increased \$2.2 million as a result of opening Chaparral HS; \$0.5 million in capital projects; \$0.6 million in increased Athletics expenditures; and \$0.1 million increase in Career and Technical Education expenditures.
- (d) General administration increased by \$20.5 million due to the implementation of partially self-funded insurance plan on January 1, 2022.
- (e) Plant maintenance and security increased \$4.6 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 \$525.3 million.
- However, the amount that our taxpayers paid for these activities through property taxes was only \$98.2 million (which is approximately 19%).
- Most of the cost was paid by federal grants and State Aid (TEA foundation payments).
- Some of the cost was paid by those who directly benefited from the programs (\$2.9 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>2022</u>	<u>2021</u>		<u>2022</u>	<u>2021</u>	
Instruction	\$ 267.6	\$ 295.4	-9.4%	\$ 231.9	\$ 272.4	-14.9%
School Leadership	26.0	26.5	-1.9%	24.7	25.9	-4.6%
Guidance and Counseling	24.1	24.3	-0.8%	19.8	11.1	78.4%
Extracurricular	13.9	10.5	32.4%	13.0	9.9	31.3%
Facilities Maintenance & Operations	54.8	49.7	10.3%	52.7	49.2	7.1%

Fiduciary Funds

Fiduciary Funds (trust and custodial funds) are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

The District accounts for scholarship funds that are received by a school that is to be awarded to current and former students for post-secondary education purposes as private-purpose trust funds. The District accounts for student activity funds as custodial funds. These funds have no equity and do not include revenues and expenditures of the District.

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

General fund local revenue increased by \$2.5 million from the prior year. State program revenues decreased \$17.5 million while Federal program revenues decreased \$4.8 million. State Aid formula funds decreased \$8.3 million due to an adjustment by TEA and \$2.0 million as a result of one-time COVID funding received in FY 2021 that was not received in FY 2022. General fund expenditures increased by \$19.8 million due to several factors. One, guidance and counseling prior year expenditures were paid with ESSER II funds and current year expenditures were paid using general funds. Two, property insurance increased \$1.6 million. Three, two new schools were opened during 2021-2022 school year. There were \$26.7 million in revenue and expenditures in the ESSER III grant. Construction expenditures decreased \$53.3 million due to several project completions in prior fiscal year. The school building projects expenditures increased by \$10.5 million related to construction in progress for several projects.

General Fund Budgetary Highlights

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

- Accrued expenditures for outstanding purchase orders, and approved capital improvement and construction projects not yet completed at year end.
- \$39.5 million was transferred to the capital projects funds to decrease the general fund balance to 3 months of operating expenditures and fund future construction needs and capital improvement projects in accordance with CE (Local).

Table A-4 summarizes fiscal year 2022 significant budget amendments as well as actual expenditures made relating to eight affected functional categories. Budget amendments are presented to the Board of Trustees at regularly scheduled meetings. Each budget amendment must be approved by the Board and reflected in the official minutes of the Board before overspending in any functional category. The explanations for these budget amendments are detailed in the footnotes to the financial statements.

General Fund	Original Budget	Final Amended Budget	Amendment Increase (Decrease)	Actual Expense	Actual vs Final Amended Budget
199-11-6XXX	\$262.7	\$241.8	(\$20.9)	\$232	(\$9.8)
199-51-6XXX	40.9	45.4	4.5	45.4	0
199-00-58XX	301.1	293.0	(8.0)	292.2	(\$0.8)
199-00-59XX	51.0	60.4	9.4	60.6	.2
199-00-8XXX	5.5	45.0	39.5	45.0	0
199-53-6XXX	7.0	8.7	1.7	6.9	(1.8)
199-00-7XXX	.08	2.2	2.1	2.4	.2

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 \$190,264,740. This is a \$9.7 million decrease from the prior year. This decrease is largely due from a transfer out to school building projects through strategic facilities planning.

The General Fund unassigned fund balance as of August 31, 2022 is \$152,516,815. The decrease in the unassigned fund balance of \$16.2 million is primarily due to an increase in expenditures. The unassigned fund balance minimizes the likelihood that the District would be required to enter the short-term debt market to pay for current operating expenditures. In addition, \$34,830,564 of restricted fund balance is the amount remaining from state & federal grants.

The fund balances in the bond funds continue to decrease as the funds are expended on the bond projects. Bond proposition A fund balance decreased by \$39,415,773. Bond proposition B fund balance decreased by \$36,044,979. The only new income for these funds is interest income and other revenue from local sources. Therefore, the difference between the interest earned and the expenditures results in the decrease in fund balance. These funds will continue to decrease as the bond projects are completed.

The School Building Projects fund accounts for funds transferred from the general fund to use in constructing future building needs due to student growth. Fund balance in the School Building Projects fund increased by \$23,282,546. This increase is due primarily from the transfer in of \$39.5 from the general fund. Fund balance at year end is \$106,535,505 and is comprised of \$20,101,863 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 \$86,433,642 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 2022, the District had invested approximately \$776.1 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 \$54.3 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>2022</u>	<u>2021</u>	
Land	\$ 13.7	\$ 13.2	3.8%
Buildings and Improvements	792.7	673.5	17.7%
Furniture and Equipment	74.9	75.9	-1.3%
Construction in Progress	269.1	327.3	-17.8%
Totals at historical cost	1,150.4	1,089.9	5.6%
Total accumulated depreciation	(374.3)	(368.1)	1.7%
Net capital assets	\$ 776.1	\$ 721.8	7.5%

Long-Term Debt

Debt Service requirements for the general obligation bonds outstanding on August 31, 2022, totaled \$432,950,496. 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 \$605,297,738 (including principal, interest due and accrued interest) through 2044 to retire its outstanding general long-term bonds. The debt service fund has \$321,084 restricted in fund balance for retirement of funded indebtedness.

The District levied a debt service tax rate of \$0.1712 during the 2022 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 2023 fiscal year. While COVID-19 is still a factor in the economy, the central Texas area continues to grow. As more people locate here and more students return to in person learning, the projected student enrollment for 2023 is 44,319.

The District maintains a healthy fund balance both for operational purposes and for funding future facilities. With additional ESSER funding, the District is optimistic that we will be able to provide the facilities and instructional support for our students in the coming years. Additionally, the district's debt service fund is generated through the interest and sinking rate. The district has taken steps to decrease the amount of debt service owed for future years by refunding higher interest bonds. The maintenance and operations tax rate and the interest and sinking rate were decreased for 2023. The Board approved the maintenance and operations tax rate for the 2023 fiscal year of \$0.8546 and a debt service rate of \$0.1620 for a total of \$1.0166.

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, 2022

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 52,082,558
1120 Current Investments	338,540,920
1220 Property Taxes - Delinquent	2,371,963
1230 Allowance for Uncollectible Taxes	(355,794)
1240 Due from Other Governments	13,430,767
1290 Other Receivables, Net	2,044,286
1300 Inventories	1,900,400
1410 Prepayments	1,650,577
Capital Assets:	
1510 Land	13,682,653
1520 Buildings, Net	475,505,395
1530 Furniture and Equipment, Net	17,820,910
1550 Right-to-Use Leased Assets, Net	1,192,930
1580 Construction in Progress	269,061,330
1990 Other Assets	20,192,721
1000 Total Assets	1,209,121,616
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	616,490
1705 Deferred Outflow Related to TRS Pension	35,685,057
1706 Deferred Outflow Related to TRS OPEB	34,719,068
1700 Total Deferred Outflows of Resources	71,020,615
LIABILITIES	
2110 Accounts Payable	26,023,597
2120 Short Term Debt Payable	3,899,594
2150 Payroll Deductions and Withholdings	4,144,887
2160 Accrued Wages Payable	13,673,456
2177 Due to Fiduciary Funds	207
2180 Due to Other Governments	2,145,881
2300 Unearned Revenue	793,274
2400 Payable from Restricted Assets	191,902
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc.	13,364,728
Due in More than One Year:	
2502 Bonds, Notes, Loans, Leases, etc.	424,170,432
2540 Net Pension Liability (District's Share)	57,071,481
2545 Net OPEB Liability (District's Share)	121,303,062
2000 Total Liabilities	666,782,501
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	71,629,592
2606 Deferred Inflow Related to TRS OPEB	101,856,881
2600 Total Deferred Inflows of Resources	173,486,473
NET POSITION	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets	396,150,148
Restricted:	
3820 Restricted for Federal and State Programs	54,957,093
3850 Restricted for Debt Service	321,084
3890 Restricted for Other Purposes	1,058,418
3900 Unrestricted	(12,613,486)
3000 Total Net Position	\$ 439,873,257

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



KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	1	Program Revenues		6	
		3	4		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 267,647,424	\$ 992,734	\$ 34,735,166	\$ (231,919,524)
12	Instructional Resources and Media Services	12,888,248	-	2,228,506	(10,659,742)
13	Curriculum and Instructional Staff Development	11,760,711	-	4,562,863	(7,197,848)
21	Instructional Leadership	6,618,331	-	103,271	(6,515,060)
23	School Leadership	26,011,453	267,471	1,038,753	(24,705,229)
31	Guidance, Counseling, and Evaluation Services	24,125,510	-	4,371,038	(19,754,472)
32	Social Work Services	2,233,995	-	653,985	(1,580,010)
33	Health Services	5,118,968	-	367,369	(4,751,599)
34	Student (Pupil) Transportation	13,866,597	-	599,536	(13,267,061)
35	Food Services	26,131,392	721,554	31,262,581	5,852,743
36	Extracurricular Activities	13,939,949	807,313	108,444	(13,024,192)
41	General Administration	30,302,664	-	143,045	(30,159,619)
51	Facilities Maintenance and Operations	54,831,122	-	2,132,726	(52,698,396)
52	Security and Monitoring Services	5,314,355	-	429,816	(4,884,539)
53	Data Processing Services	6,564,814	-	65,544	(6,499,270)
61	Community Services	1,342,263	123,616	611,977	(606,670)
72	Debt Service - Interest on Long-Term Debt	15,688,377	-	-	(15,688,377)
73	Debt Service - Bond Issuance Cost and Fees	7,500	-	-	(7,500)
95	Payments to Juvenile Justice Alternative Ed. Prg.	14,022	-	-	(14,022)
99	Other Intergovernmental Charges	876,518	-	-	(876,518)
	[TP] TOTAL PRIMARY GOVERNMENT:	\$ 525,284,213	\$ 2,912,688	\$ 83,414,620	(438,956,905)

Data Control Codes	General Revenues: Taxes:	
MT	Property Taxes, Levied for General Purposes	82,194,420
DT	Property Taxes, Levied for Debt Service	16,153,428
SF	State Aid - Formula Grants	273,676,366
GC	Grants and Contributions not Restricted	68,380,547
IE	Investment Earnings	1,667,742
MI	Miscellaneous Local and Intermediate Revenue	18,939,957
TR	Total General Revenues	461,012,460
CN	Change in Net Position	22,055,555
NB	Net Position - Beginning	417,817,702
NE	Net Position - Ending	\$ 439,873,257

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2022

Data Control Codes	General Fund	ESSER III	2017 - 2018 Bond Proposition A
ASSETS			
1110 Cash and Cash Equivalents	\$ 12,644,150	\$ 361,310	\$ 130,002
1120 Investments - Current	174,158,910	-	61,043,938
1220 Property Taxes - Delinquent	2,035,480	-	-
1230 Allowance for Uncollectible Taxes	(305,322)	-	-
1240 Due from Other Governments	1,401	8,903,062	-
1260 Due from Other Funds	11,300,802	-	4,752
1290 Other Receivables	2,041,550	-	-
1300 Inventories	1,858,943	-	-
1410 Prepayments	1,058,418	-	-
1900 Other Assets	10,000,000	-	-
1000 Total Assets	<u>\$ 214,794,332</u>	<u>\$ 9,264,372</u>	<u>\$ 61,178,692</u>
LIABILITIES			
2110 Accounts Payable	\$ 4,482,557	\$ 34,094	\$ 7,256,231
2120 Short Term Debt Payable - Current	929,796	16,428	333
2150 Payroll Deductions and Withholdings Payable	4,144,887	-	-
2160 Accrued Wages Payable	12,657,580	326,259	-
2170 Due to Other Funds	161,480	8,887,591	2,435,574
2180 Due to Other Governments	5,135	-	-
2300 Unearned Revenue	226,097	-	-
2400 Payable from Restricted Assets	191,902	-	-
2000 Total Liabilities	<u>22,799,434</u>	<u>9,264,372</u>	<u>9,692,138</u>
DEFERRED INFLOWS OF RESOURCES			
2601 Unavailable Revenue - Property Taxes	1,730,158	-	-
2600 Total Deferred Inflows of Resources	<u>1,730,158</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable Fund Balance:			
3410 Inventories	1,858,943	-	-
3425 Endowment Principal	-	-	-
3430 Prepaid Items	1,058,418	-	-
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	34,830,564	-	-
3480 Retirement of Long-Term Debt	-	-	-
3490 Other Restricted Fund Balance	-	-	-
Committed Fund Balance:			
3510 Construction	-	-	1,940,760
3545 Other Committed Fund Balance	-	-	-
Assigned Fund Balance:			
3550 Construction	-	-	49,545,794
3600 Unassigned Fund Balance	152,516,815	-	-
3000 Total Fund Balances	<u>190,264,740</u>	<u>-</u>	<u>51,486,554</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 214,794,332</u>	<u>\$ 9,264,372</u>	<u>\$ 61,178,692</u>

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

School Building Projects	Other Funds	Total Governmental Funds
\$ 28,311,601	\$ 7,983,812	\$ 49,430,875
70,864,120	30,362,040	336,429,008
-	336,483	2,371,963
-	(50,472)	(355,794)
-	4,526,304	13,430,767
3,828,779	1,264,945	16,399,278
563	1,918	2,044,031
-	41,457	1,900,400
-	104,159	1,162,577
10,000,000	192,721	20,192,721
<u>\$ 113,005,063</u>	<u>\$ 44,763,367</u>	<u>\$ 443,005,826</u>
\$ 6,025,282	\$ 8,225,433	\$ 26,023,597
-	38,716	985,273
-	-	4,144,887
-	689,617	13,673,456
444,276	4,470,565	16,399,486
-	2,140,746	2,145,881
-	567,177	793,274
-	-	191,902
<u>6,469,558</u>	<u>16,132,254</u>	<u>64,357,756</u>
-	286,011	2,016,169
-	286,011	2,016,169
-	41,457	1,900,400
-	189,715	189,715
-	-	1,058,418
-	20,126,529	54,957,093
-	321,084	321,084
-	6,729	6,729
20,101,863	5,541,407	27,584,030
-	1,228,915	1,228,915
86,433,642	889,266	136,868,702
-	-	152,516,815
<u>106,535,505</u>	<u>28,345,102</u>	<u>376,631,901</u>
<u>\$ 113,005,063</u>	<u>\$ 44,763,367</u>	<u>\$ 443,005,826</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2022

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	376,631,901
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		2,337,530
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$1,089,997,658 and the accumulated depreciation was (\$368,153,727). 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) \$721,843,931 and long-term debt in the governmental activities of \$445,009,748 is to increase net position.		276,834,183
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2022 capital outlays of \$81,322,072 and debt principal payments of \$9,545,000 is to increase net position.		90,867,072
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68. The net position related to TRS included a deferred resource outflow in the amount of \$35,685,057, a deferred resource inflow in the amount of (\$71,629,592), and a net pension liability in the amount of (\$57,071,481). This resulted in a decrease in net position.		(93,016,016)
5 Included in the items related to debt is the recognition of the District's proportionate share of the net OPEB liability required by GASB 75. The net position related to TRS included a deferred resource outflow in the amount of \$34,719,068, a deferred resource inflow in the amount of (\$101,856,881), and a net OPEB liability in the amount of (\$121,303,062). This resulted in a decrease in net position.		(188,440,875)
6 The 2022 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(22,623,224)
7 The District has three, multiple years right-to-use leases that is shown as other financing sources in the fund financial statements. Current payments are viewed as expenditures in the governmental funds, but are treated as reductions of right-to-use leases on the Statement of Net Position. The net effect of the new leases and current payments towards these leases is to decrease net position.		(17,006)
8 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, reclassifying the 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 decrease net position.		(2,700,308)

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
AUGUST 31, 2022

EXHIBIT C-2

19	Net Position of Governmental Activities	<u><u>\$ 439,873,257</u></u>
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The notes to the financial statements are an integral part of this statement.

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	General Fund	ESSER III	2017 - 2018 Bond Proposition A
REVENUES:			
5700 Total Local and Intermediate Sources	\$ 87,413,736	\$ -	\$ 440,577
5800 State Program Revenues	292,226,764	-	-
5900 Federal Program Revenues	60,637,374	26,678,102	-
5020 Total Revenues	<u>440,277,874</u>	<u>26,678,102</u>	<u>440,577</u>
EXPENDITURES:			
Current:			
0011 Instruction	231,996,682	17,325,598	7,803,158
0012 Instructional Resources and Media Services	11,696,910	2,148,816	473,309
0013 Curriculum and Instructional Staff Development	7,228,122	446,923	37,931
0021 Instructional Leadership	5,264,669	76,059	6,289
0023 School Leadership	25,895,439	1,009,063	272,406
0031 Guidance, Counseling, and Evaluation Services	22,028,828	3,124,021	159,970
0032 Social Work Services	1,713,809	29,156	28,444
0033 Health Services	5,227,737	367,369	28,354
0034 Student (Pupil) Transportation	14,384,665	327,022	-
0035 Food Services	509,910	545,089	48,115
0036 Extracurricular Activities	11,047,516	47,710	1,896,463
0041 General Administration	10,933,168	138,510	-
0051 Facilities Maintenance and Operations	45,387,547	750,597	1,071,427
0052 Security and Monitoring Services	4,977,297	269,336	288,537
0053 Data Processing Services	6,945,461	65,544	-
0061 Community Services	865,619	7,289	391
Debt Service:			
0071 Principal on Long-Term Liabilities	346,559	-	-
0072 Interest on Long-Term Liabilities	40,556	-	-
0073 Bond Issuance Cost and Fees	-	-	-
Capital Outlay:			
0081 Facilities Acquisition and Construction	-	-	27,741,556
Intergovernmental:			
0095 Payments to Juvenile Justice Alternative Ed. Prg.	14,022	-	-
0099 Other Intergovernmental Charges	876,518	-	-
6030 Total Expenditures	<u>407,381,034</u>	<u>26,678,102</u>	<u>39,856,350</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>32,896,840</u>	<u>-</u>	<u>(39,415,773)</u>
OTHER FINANCING SOURCES (USES):			
7912 Sale of Real and Personal Property	806,997	-	-
7913 Right-to-Use Leases	1,556,495	-	-
7915 Transfers In	-	-	-
8911 Transfers Out (Use)	(44,956,604)	-	-
7080 Total Other Financing Sources (Uses)	<u>(42,593,112)</u>	<u>-</u>	<u>-</u>
1200 Net Change in Fund Balances	(9,696,272)	-	(39,415,773)
0100 Fund Balance - September 1 (Beginning)	<u>199,961,012</u>	<u>-</u>	<u>90,902,327</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 190,264,740</u>	<u>\$ -</u>	<u>\$ 51,486,554</u>

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

School Building Projects	Other Funds	Total Governmental Funds
\$ 350,108	\$ 18,921,579	\$ 107,126,000
-	13,803,220	306,029,984
3,652,909	53,376,331	144,344,716
4,003,017	86,101,130	557,500,700
134,804	21,071,215	278,331,457
-	123,139	14,442,174
-	4,123,688	11,836,664
-	27,212	5,374,229
2,820	251,009	27,430,737
-	1,297,013	26,609,832
17,435	624,829	2,413,673
-	3,968	5,627,428
-	272,514	14,984,201
-	24,960,918	26,064,032
439,239	434,999	13,865,927
14,637	34,575	11,120,890
4,367,486	7,209,490	58,786,547
234,158	285,023	6,054,351
-	-	7,011,005
-	604,688	1,477,987
-	9,545,000	9,891,559
-	17,592,875	17,633,431
-	7,500	7,500
15,035,433	32,480,779	75,257,768
-	-	14,022
-	-	876,518
20,246,012	120,950,433	615,111,931
(16,242,995)	(34,849,303)	(57,611,231)
-	-	806,997
-	-	1,556,495
39,529,193	10,733,992	50,263,185
(3,652)	(5,302,929)	(50,263,185)
39,525,541	5,431,063	2,363,492
23,282,546	(29,418,240)	(55,247,739)
83,252,959	57,763,342	431,879,640
\$ 106,535,505	\$ 28,345,102	\$ 376,631,901

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, 2022

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$ (55,247,739)
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to decrease net position.	(1,262,485)
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 2022 capital outlays of \$81,322,072 and debt principal payments of \$9,545,000 is to increase net position.	90,867,072
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.	(22,623,224)
The District has three, multiple years right-to-use leases that is shown as other financing sources in the fund financial statements. Current payments are viewed as expenditures in the governmental funds, but are treated as reductions of right-to-use leases on the Statement of Net Position. The net effect of the new leases and current payments towards these leases is to decrease net position.	(17,006)
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 decrease net position.	(4,142,271)
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 \$11,724,337. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused a decrease in the change in net position totaling (\$9,562,757). Finally, the proportionate share of the TRS pension expense on the plan as a whole had to be recorded. The net pension expense increased the change in net position by \$5,549,683. The net result is an increase in the change in net position.	7,711,263
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in net position to increase by \$2,778,877. 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 (\$2,455,769). Finally, the proportionate share of the TRS OPEB expense on the plan as a whole had to be recorded. The net OPEB expense increased the change in net position by \$6,446,837. The net result is an increase in net position.	6,769,945
Change in Net Position of Governmental Activities	\$ 22,055,555

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2022

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	\$ 87,228,792	\$ 87,334,324	\$ 87,413,736	\$ 79,412
5800 State Program Revenues	301,053,097	293,016,746	292,226,764	(789,982)
5900 Federal Program Revenues	50,990,000	60,426,546	60,637,374	210,828
5020 Total Revenues	439,271,889	440,777,616	440,277,874	(499,742)
EXPENDITURES:				
Current:				
0011 Instruction	262,732,726	241,813,313	231,996,682	9,816,631
0012 Instructional Resources and Media Services	11,665,071	11,793,228	11,696,910	96,318
0013 Curriculum and Instructional Staff Development	7,568,295	7,228,122	7,228,122	-
0021 Instructional Leadership	5,324,361	5,375,339	5,264,669	110,670
0023 School Leadership	25,288,140	26,256,801	25,895,439	361,362
0031 Guidance, Counseling, and Evaluation Services	21,696,301	22,157,641	22,028,828	128,813
0032 Social Work Services	1,700,527	1,782,973	1,713,809	69,164
0033 Health Services	5,345,632	5,295,564	5,227,737	67,827
0034 Student (Pupil) Transportation	15,556,011	15,201,781	14,384,665	817,116
0035 Food Services	510,524	513,587	509,910	3,677
0036 Extracurricular Activities	10,761,704	11,162,498	11,047,516	114,982
0041 General Administration	11,813,182	10,933,168	10,933,168	-
0051 Facilities Maintenance and Operations	40,913,556	45,388,154	45,387,547	607
0052 Security and Monitoring Services	4,179,246	5,089,120	4,977,297	111,823
0053 Data Processing Services	7,021,807	8,674,008	6,945,461	1,728,547
0061 Community Services	911,709	865,619	865,619	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	286,402	346,559	(60,157)
0072 Interest on Long-Term Liabilities	-	33,207	40,556	(7,349)
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	4,000	15,603	14,022	1,581
0099 Other Intergovernmental Charges	935,000	975,326	876,518	98,808
6030 Total Expenditures	433,927,792	420,841,454	407,381,034	13,460,420
1100 Excess of Revenues Over Expenditures	5,344,097	19,936,162	32,896,840	12,960,677
OTHER FINANCING SOURCES (USES):				
7912 Sale of Real and Personal Property	80,000	806,997	806,997	-
7913 Right-to-Use Leases	-	1,377,865	1,556,495	178,630
8911 Transfers Out (Use)	(5,424,097)	(44,956,604)	(44,956,604)	-
7080 Total Other Financing Sources (Uses)	(5,344,097)	(42,771,742)	(42,593,112)	178,630
1200 Net Change in Fund Balances	-	(22,835,580)	(9,696,272)	13,139,308
0100 Fund Balance - September 1 (Beginning)	-	199,961,012	199,961,012	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 177,125,432	\$ 190,264,740	\$ 13,139,308

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2022

	Governmental Activities -
	Total Internal Service Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 2,651,683
Investments - Current	2,111,912
Other Receivables	255
Prepayments	488,000
Total Assets	5,251,850
LIABILITIES	
Current Liabilities:	
Accounts Payable	2,880,478
Short Term Debt Payable	33,842
Total Liabilities	2,914,320
NET POSITION	
Unrestricted Net Position	2,337,530
Total Net Position	\$ 2,337,530

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Governmental Activities -
	Total Internal Service Funds
<hr/>	
OPERATING REVENUES:	
Insurance Premiums	\$ 18,354,652
Total Operating Revenues	18,354,652
OPERATING EXPENSES:	
Insurance and Bonding Costs	19,615,806
Miscellaneous Operating Costs	1,331
Total Operating Expenses	19,617,137
Operating Income (Loss)	(1,262,485)
Total Net Position - September 1 (Beginning)	3,601,340
Prior Period Adjustment	(1,325)
Total Net Position - August 31 (Ending)	\$ 2,337,530

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT D-3

	Governmental Activities -
	Total Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Premium payments	\$ 18,711,410
Cash Payments for Insurance Claims	(17,577,014)
Net Cash Provided by Operating Activities	1,134,396
<u>Cash Flows from Investing Activities:</u>	
Proceeds from Sale & Maturities of Securities	1,488,102
Net Increase in Cash and Cash Equivalents	2,622,498
Cash and Cash Equivalents at Beginning of Year	29,185
Cash and Cash Equivalents at End of Year	\$ 2,651,683
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income (Loss):	\$ (1,262,485)
Effect of Increases and Decreases in Current Assets and Liabilities:	
Decrease (increase) in Receivables	(255)
Decrease (increase) in Prepaid Expenses	(488,000)
Increase (decrease) in Accounts Payable	2,885,136
Net Cash Provided by Operating Activities	\$ 1,134,396
<u>Reconciliation of Total Cash and Cash Equivalents:</u>	
Cash and Cash Equivalents on Balance Sheet	\$ 2,651,683

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



KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2022

	Private Purpose Trust Funds	Total Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 25,722	\$ 1,365,369
Investments - Current	1,330	44,875
Due from Other Funds	-	207
Other Receivables	-	10,781
Long Term Investments	<u>2,543,424</u>	<u>-</u>
Total Assets	<u>2,570,476</u>	<u>\$ 1,421,232</u>
LIABILITIES		
Accounts Payable	-	1,296
Payable from Restricted Assets	<u>-</u>	<u>742,458</u>
Total Liabilities	<u>-</u>	<u>743,754</u>
NET POSITION		
Restricted for Student Clubs	-	677,478
Unrestricted Net Position	<u>2,570,476</u>	<u>-</u>
Total Net Position	<u>\$ 2,570,476</u>	<u>\$ 677,478</u>

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2022

	Private Purpose Trust Funds	Total Custodial Funds
ADDITIONS:		
Contributions and Donations	\$ -	\$ 11,472
Other	-	245,107
Dues	-	161,388
Fundraising	-	879,240
Earnings from Endowments	(413,699)	-
Earnings from Temporary Deposits	7	-
Total Additions	<u>(413,692)</u>	<u>1,297,207</u>
DEDUCTIONS:		
Professional and Contracted Services	-	23,244
Donations	-	3,213
Dues	-	3,336
Scholarship	-	7,500
Travel	-	366,894
Supplies and Materials	-	745,050
Other Deductions	82,494	120,206
Total Deductions	<u>82,494</u>	<u>1,269,443</u>
Change in Fiduciary Net Position	(496,186)	27,764
Total Net Position - September 1 (Beginning)	3,066,662	-
Adjusted for Implementation of GASB 84	<u>-</u>	<u>649,714</u>
Total Net Position - August 31 (Ending)	<u>\$ 2,570,476</u>	<u>\$ 677,478</u>

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

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

D. Fund Accounting

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

The District reports the following major governmental funds:

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

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

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.

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

Additionally, the District reports the following fund types:

Governmental Fund Types:

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

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

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

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

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

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

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

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

Title II Part A Teacher and Principal Training and Recruiting – Used to provide financial assistance to LEAs to (1) Increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools, and (2) hold local education agencies and schools accountable for improving student academic achievement.

Title III Part A English Language Acquisition – Used to account, on a project basis, for funds granted to improve the education of limited English proficient children, by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Permanent Fund accounts for a legally restricted endowment in the amount of \$189,715 to the extent that only earnings and not principal may be used by the District to supplement funding for programs for Shoemaker High School. The net amount of appreciation available for expenditure is \$6,729 and is reflected as restricted on the statement of net position. State law and District policies regarding the ability to spend net appreciation is addressed below under private purpose trust funds.

Fiduciary Fund Types:

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

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

Scholarship account:	Endowment	Long-term Investment Current Balance	Net Appreciation/(Loss) Available for Expenditure
Cross	\$ 724,896	\$ 1,591,197	\$ 866,301
Haynes	100,000	117,633	17,633
Wood	209,530	199,752	(9,778)
Pratt	83,195	179,057	95,862
Ware	100,000	445,898	345,898
Alt	9,394	9,887	493
		<u>\$ 2,543,424</u>	<u>\$ 1,316,409</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) expenses through flexible spending account.

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

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

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

E. Other Accounting Policies

Encumbrances

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

Inventories and prepaid items

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

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

Investments

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

Bonds Payable

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

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

Inter-fund Receivables and Payables

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

Capital Assets

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources until then. The District has two

items that qualify for reporting in this category. The first item is the deferred amount on refunding of debt. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is a combination of de-expended contributions made to TRS after the measurement date of August 31, 2021 and the district's share of the unrecognized deferred resource outflows used by TRS to calculate net pension liability in the Statement of Net Position.

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

Other Post-Employment Benefits

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

Fund Balance Classifications

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

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

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

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

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

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

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

Minimum Fund Balance

According to the District's policy, CE (Local), the unassigned fund balance of the general fund shall not be less than three months audited expenditures. The District's general fund unassigned balance of \$152,516,815 exceeds the required minimum fund balance of \$101,845,259.

Data Control Codes

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

Cash and Cash Equivalents

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

Compensated Absences

The State of Texas has created a minimum personal leave program consisting of five days per year personal leave with no limit on accumulation and transferability among districts for every teacher regularly employed in Texas Public Schools. This leave is funded by the State of Texas. Each District's local board is required to establish a personal leave plan. Local school districts may provide additional personal leave beyond the state minimum. The District's policy provides five additional sick leave days.

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

The compensated absences balance has been deemed due within one year, \$2,619,988.

Pensions

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

II. Reconciliation of Government-Wide and Fund Financial Statements

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

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

<u>Capital Assets at the Beginning of the Year</u>	<u>Historic Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value at the Beginning of the Year</u>	<u>Change in Net Position</u>
Land	\$ 13,243,665	\$ -	\$ 13,243,665	
Buildings & Improvements	673,537,841	310,866,675	362,671,166	
Furniture & Equipment	75,896,334	57,287,052	18,609,282	
Construction in Progress	<u>327,319,818</u>	<u>-</u>	<u>327,319,818</u>	
Change in Net Position				\$ 721,843,931
<u>Long-term Liabilities at the Beginning of the Year</u>			<u>Payable at the Beginning of the Year</u>	
Bonds Payable			\$ (403,295,000)	
Less Unamortized Premiums			<u>(41,714,748)</u>	
Change in Net Position				<u>(445,009,748)</u>
Net Adjustment to Net Position				<u>\$ 276,834,183</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

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	\$ 2,016,169	\$ 2,016,169
<u>Reclassifications related to Bonds</u>		
Current year amortization bond premiums/discounts	2,514,252	2,514,252
Current year amortization deferred on refunding	(589,533)	(589,533)
Beginning Amount deferred on refunding	1,206,023	1,206,023
<u>Adjustments to Expenditures and Accrued Liabilities</u>		
Bond Interest Accrual Adjustment	(754,740)	(754,740)
Compensated absences	(2,619,988)	(2,619,988)
<u>Adjustments to Other Sources and Revenues for Loss on Sale of Assets</u>	<u>(4,472,491)</u>	<u>(4,472,491)</u>
Total		<u>\$ (2,700,308)</u>

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

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

	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
<u>Current Year Capital Outlay</u>			
Land	\$ 473,990		
Buildings & Improvements	135,633,689		
Furniture & Equipment	3,472,881		
Construction in Progress	(58,258,488)		
Total Capital Outlay	<u>\$ 81,322,072</u>	<u>\$ 81,322,072</u>	<u>\$ 81,322,072</u>
<u>Debt Principal Payments</u>			
Bond Principal	\$ 9,545,000		
Total Principal Payments	<u>\$ 9,545,000</u>	<u>\$ 9,545,000</u>	<u>\$ 9,545,000</u>
Total Adjustment to Net Position		<u>\$ 90,867,072</u>	<u>\$ 90,867,072</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

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	\$ 53,076	\$ 53,076
<u>Reclassifications related to Bonds</u>		
Current year amortization bond premiums/discounts	2,514,252	2,514,252
Current year amortization deferred on refunding	(589,533)	(589,533)
<u>Reclassify Liabilities Incurred but not Liquidated this Year</u>		
Unused Vacation Pay	(1,667,910)	(1,667,910)
<u>Adjustments to Expenditures and Accrued Liabilities</u>		
Bond Interest Accrual Adjustment	20,335	20,335
<u>Adjustments to Other Sources and Revenues for Loss on Sale of Assets</u>	<u>(4,472,491)</u>	<u>(4,472,491)</u>
Total		<u>\$ (4,142,271)</u>

III. Stewardship, Compliance, and Accountability**A. Budgetary Data**

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

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

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

<u>General Fund</u>	<u>Original School Budget</u>	<u>Final Amended Budget</u>	<u>Amendment Increase (Decrease)</u>	<u>Explanation Number</u>
199-11-6XXX	\$262,732,726	\$241,813,313	\$(20,919,413)	1
199-00-58XX	\$301,053,097	\$293,016,746	\$(8,036,351)	2
199-53-6XXX	\$7,021,807	\$8,674,008	\$1,652,201	3
199-00-7XXX	\$80,000	\$2,184,862	\$2,104,862	4
199-51-6XXX	\$40,913,556	\$45,388,154	\$4,474,598	5
199-00-59XX	\$50,990,000	\$60,426,546	\$9,436,546	6
199-00-8XXX	\$(5,424,097)	\$(44,956,604)	\$39,532,507	7

- (1.) The amended decrease in expenditures is due to a decrease of \$13.5 million in miscellaneous operating to include \$2.7 million in grant holding accounts for campuses; \$11.3 million in unspent salaries, benefits, supplemental pay and subs; a decrease of \$1.1 million for tuition; a decrease of \$0.4 million for rentals; an increase of \$0.3 million for furniture; and increase of \$0.5 million for textbooks and reading materials; an increase of \$0.7 million for controlled items; and increase of \$0.8 million for capital outlay; an increase of \$1.2 million for leases that needed to be recognized as a result of GASB 87; an increase of \$4.5 million for contracted services; and an increase of \$0.1 million in all other expenditures.
- (2.) The amended decrease in state revenue is due to our revenue template calculations. The initial student information calculated higher revenues and the subsequent student information used was more exact. This resulted in a decrease in the revenue calculation.
- (3.) The amended increase in expenditures is due to \$2.3 million decrease in controlled items; \$0.6 million decrease in parts; \$0.3 million decrease in salaries; \$0.2 million increase in labor/installation/maintenance services; \$0.3M increase in miscellaneous operating; \$0.3 million increase in professional services; \$0.2 million increase in all other services; \$0.6 million increase in insurance premiums; \$1.6 million increase in supplies; \$1.7 million increase in capital outlay.
- (4.) The amended increase in other uses is a result of \$1.4 million in capital lease per GASB 87; \$0.5 million from sale of buildings/land; and \$0.2 million from sale of equipment.
- (5.) The amended increase in expenditures is due \$7.7 million decrease in salaries; \$1.5 million decrease in supplies; \$0.8 million decrease in benefits; \$0.2 million increase all other payroll categories; \$0.2 million increase in fuel; \$0.8 million increase in parts; \$0.9 million increase in controlled items; \$1.7 million increase in capital outlay; \$2.4 million increase in insurance premiums; \$1.4 million increase in utilities; \$6.2 million increase in labor/installation/maintenance services; \$0.5 million increase in all other services; \$0.2 million increase in various other categories
- (6.) The amended increase in federal revenue is due to a \$9.4 million increase for impact aid funds.
- (7.) The amended increase in other uses is due to a \$39.5 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.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

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

Budgeted Fund - School Nutrition	\$	18,009,009
Unbudgeted Funds:		
Summer Feeding Program		359,150
Mobilizing Talent at Military Conn Schools		300
Advanced Placement Incentives		150,660
Instructional Materials Allotment		60,185
Read to Succeed		6,441
Campus Activity Funds		1,227,809
Music Enrichment Program		1,106
	\$	<u>19,814,660</u>

B. Excess of Actual Expenditures over Appropriations by Functional Categories

The District's actual expenditures exceeded budgeted expenditures in function 71 and 72 due to the implementation of GASB 87 (Leases) for fiscal year ended August 31, 2022.

IV. Detailed Notes on All Funds

A. Deposits, Securities, and Investments

Contracted Depository Bank:

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

At August 31, 2022, the carrying amount of the District's deposits was \$53,473,647 and the bank balance was \$56,604,702. 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: PNC
- b) The market value of bond and/or security pledged as of the date of the highest combined balance on deposit was \$114,054,858.
- c) Largest cash, savings and time deposit combined account balance amounted to \$100,528,410 and occurred on February 23, 2022.
- d) Total amount of FDIC coverage at the time of largest combined balance was \$250,000.

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

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

Deposit and Investment Risk:

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

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

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

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

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

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

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, 2022*

The School District has the following recurring fair value measurements as of August 31, 2022.

The District's investments at August 31, 2022, are shown below:

	Fair Value	Level 1
<u>Investments in Investment Pools and Money Markets:</u>		
TexStar	\$ 90,561,115	\$ 90,561,115
Texas CLASS	75,617,146	75,617,146
Lone Star	111,830,688	111,830,688
Frost	61,813,205	61,813,205
Schwab	714	714
Fair Valuation	(1,235,744)	(1,235,744)
Total Investments in Investment Pools and Money Markets:	<u>338,587,124</u>	<u>338,587,124</u>
<u>Long-term and Other Assets:</u>		
Frost	20,000,000	20,000,000
Vanguard Group	\$ 2,543,423	\$ 2,543,423
Schwab	192,722	192,722
Total:	<u>\$ 22,736,145</u>	<u>\$ 22,736,145</u>
Total Investments	<u>\$ 361,323,269</u>	<u>\$ 361,323,269</u>

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

External Investment Pools:

The District uses the following external investment pools:

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

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

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

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

Vanguard Group:

Most of the money available for endowed scholarships has been invested in Vanguard Group. Approximately 15.41% of the endowed funds are invested in the Vanguard Treasury Money Market Fund (VUSXX). This is a fund that seeks to provide current income while maintaining liquidity and a stable share price of \$1. Approximately 18.59% 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 58.47% 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 7.14% of the endowed funds are invested in the Vanguard International Growth Fund Admiral Shares (VWILX). In addition, approximately, 0.39% 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, 2022

Frost Bank:

The District has deposited funds in Frost Bank which are invested in money market funds and U.S. Government Agencies. The U.S. Government Agencies are invested in Federal Home Loan Mortgage Company and Federal Farm Credit Banks. The account is currently earning around 2.1% interest.

Charles Schwab:

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

The detail of the total of the District's Cash, Short-Term and Long-Term Investments as shown on the Statement of Net Position and Schedule E as of August 31, 2022 is shown below:

<u>Cash & Cash Equivalents 1110</u>		<u>Current Investments 1120</u>		<u>Long Term Investments 1990</u>	
Cash	\$ 51,362,679	Tex Star Investments	\$ 90,514,910	Tex Star Investments	
BBVA Bond Fund A	130,002	Texas Class	75,617,146	Texas Class	
BBVA Bond Fund B	589,877	Lone Star	111,830,688	Lone Star	
		Frost	61,813,205	Frost	20,000,000.00
		Endowment Fund	714	Endowment Fund	\$ 192,722
		Fair Vaultation	(1,235,744)	Fair Vaultation	
	<hr/>		<hr/>		<hr/>
Total	\$ 52,082,558		\$ 338,540,919		\$ 20,192,722
 <u>Custodial & Private Purpose Trust Funds:</u>					
Cash	\$ 1,391,091	Cash	\$ -	Cash	\$ -
Tex Star-Flex	-	Tex Star-Flex	44,875	Tex Star-Flex	-
Tex Star -Scholarships	-	Tex Star -Scholarships	1,330	Tex Star -Scholarships	-
Vanguard Custodial Funds	-	Vanguard Custodial Funds	-	Vanguard Custodial Funds	2,543,424
	<hr/>		<hr/>		<hr/>
Total	\$ 1,391,091		\$ 46,205		\$ 2,543,424
	<hr/>		<hr/>		<hr/>
Total Cash & Investments	\$ 53,473,649		\$ 338,587,124		\$ 22,736,146
	<hr/>		<hr/>		<hr/>

B. Property Taxes Receivable (Delinquent)

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

Property tax calendar information is as follows:

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

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

C. Receivables from Other Governments

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

	General Fund	ESSER III Fund	Nonmajor Governmental Funds	Total
Meal Reimbursement	\$ -	\$ -	\$ 1,683,051	\$ 1,683,051
Grant Programs	201	8,903,062	2,843,253	11,746,516
Other	1,200	-	-	1,200
Total Due from State Government	<u>\$ 1,401</u>	<u>\$ 8,903,062</u>	<u>\$ 4,526,304</u>	<u>\$ 13,430,767</u>

D. Inter-fund Receivables and Payables

The District uses a pooled cash account that is used by multiple funds. Inter-fund balances are created when there are transactions that span more than one fund and cash is not transferred between the funds at that time. Inter-fund balances are summarized in the governmental fund financial statements and labeled as due from/to other funds. Inter-fund balances on August 31, 2022, consisted of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund:		
ESSER III	\$ 8,889,926	\$ -
Bond Proposition A	-	4,752
Non-Major Governmental Funds	2,410,876	156,492
School Building Projects	-	29
Custodial	-	207
Total General Fund	<u>11,300,802</u>	<u>161,480</u>
ESSER III		
General Fund	\$ -	\$ 8,887,591
Total ESSER III	<u>-</u>	<u>8,887,591</u>
Bond Proposition A		
General Fund	4,753	11,506
School Building Projects	-	2,424,068
Total Bond Proposition A	<u>4,753</u>	<u>2,435,574</u>
School Building Projects		
General Fund	29	-
Bond Proposition A	2,424,068	-
Non-Major Governmental Funds	1,404,682	444,276
Total School Building Projects	<u>3,828,779</u>	<u>444,276</u>
Non-Major Governmental Funds		
General Fund	45,591	2,290,805
School Building Projects	444,276	1,404,682
Non-Major Governmental Funds	775,078	775,078
Total Non-Major Governmental Funds	<u>1,264,945</u>	<u>4,470,565</u>
Custodial Fund		
General Fund	207	-
Total Custodial Fund	<u>207</u>	<u>-</u>
Totals	<u>\$ 16,399,486</u>	<u>\$ 16,399,486</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, 2022

E. Capital Asset Activity

Capital asset activity for the year ended August 31, 2022 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Additions	Retirements	
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 13,243,665	\$ 473,990	\$ (35,002)	\$ 13,682,653
Construction in Progress	327,319,818	77,375,201	(135,633,689)	269,061,330
Total non-depreciable assets	<u>340,563,483</u>	<u>77,849,191</u>	<u>(135,668,691)</u>	<u>282,743,983</u>
Capital assets, being depreciated				
Buildings and Improvements	673,537,841	135,633,689	(16,488,299)	792,683,231
Furniture and Equipment	75,896,334	3,472,881	(4,410,864)	74,958,351
Total depreciable assets	<u>749,434,175</u>	<u>139,106,570</u>	<u>(20,899,163)</u>	<u>867,641,582</u>
Less accumulated depreciation for:				
Buildings and Improvements	(310,866,675)	(18,415,145)	12,103,984	(317,177,836)
Furniture and Equipment	(57,287,052)	(4,208,079)	4,357,690	(57,137,441)
Total accumulated depreciation	<u>(368,153,727)</u>	<u>(22,623,224)</u>	<u>16,461,674</u>	<u>(374,315,277)</u>
Governmental activities capital assets, net	<u>\$ 721,843,931</u>	<u>\$ 194,332,537</u>	<u>\$ (140,106,180)</u>	<u>\$ 776,070,288</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 15,686,677
Instructional Resources and Media	120,532
Curriculum Development	889,296
Instructional Administration	1,510,448
School Leadership	847,870
Guidance, Counseling & Evaluation	458
Student Transportation	524,522
Food Services	1,741,028
Extracurricular Activities	871,489
General Administrative	1,845
Plant Maintenance and Operations	379,774
Security and Monitoring Services	27,244
Data Processing Services	22,041
Total depreciation expense	<u>\$ 22,623,224</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

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, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities					
Bonds and notes payable:					
School Refunding Bond Series Series 2012	335,000	-	335,000	-	-
School Refunding Bond Series Series 2017	8,025,000	-	95,000	7,930,000	95,000
School Building Bond Series Series 2018	260,235,000	-	5,175,000	255,060,000	5,730,000
School Building Bond Series Series 2019	115,610,000	-	-	115,610,000	-
School Refunding Bond Series Series 2019	8,080,000	-	3,940,000	4,140,000	4,140,000
School Refunding Bond Series Series 2020	11,010,000	-	-	11,010,000	25,000
Total Bonds and notes payable	<u>\$ 403,295,000</u>	<u>\$ -</u>	<u>\$ 9,545,000</u>	<u>\$ 393,750,000</u>	<u>\$ 9,990,000</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>
2023	9,990,000	17,110,950	27,100,950
2024	10,725,000	16,596,950	27,321,950
2025	11,270,000	16,050,850	27,320,850
2026	11,970,000	15,484,138	27,454,138
2027	12,430,000	14,902,750	27,332,750
2028-2032	70,725,000	64,829,925	135,554,925
2033-2037	94,560,000	44,289,600	138,849,600
2038-2042	118,250,000	20,596,075	138,846,075
2043-2044	53,830,000	1,686,500	55,516,500
	<u>\$ 393,750,000</u>	<u>\$ 211,547,738</u>	<u>\$ 605,297,738</u>

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

On February 15, 2012, the District issued \$28,290,000 in Unlimited Tax Refunding Bonds with an interest rate between 2.0% to 5.0%, along with additional funds of the district, to refund \$31,175,000 of the 2002 Unlimited Tax School Building and Refunding Bonds. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded 2002 Series bonds. As a result, this portion of the 2002 Series bonds are considered under Texas State law, Article 717K, V.A.T.C.S., as amended to be defeased in-substance and the liability for those bonds has been removed from the Statement of Net Position.

The difference between the principal amount of \$28,290,000 and the sales price of \$31,690,383 of the Series 2012 bonds represents the unamortized premium. The premium is being amortized over the life of the bonds using the interest method and is presented as an addition to the face value of the bonds. The amortization for the year ended August 31, 2022 was \$9,790.

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 is considered under Texas State law, Article 717K, V.A.T.C.S., as amended to be defeased in-substance and the liability for those bonds has been removed from the Statement of Net Position.

The difference between the principal amount of \$8,550,000 and the sales price of \$9,943,776 of the Series 2017 bonds represents the unamortized premium. The premium is being amortized over the life of the bonds using the interest method and is presented as an addition to the face value of the bonds. The amortization for the year ended August 31, 2022 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, 2022 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, 2022 was \$465,730.

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

The difference between the principal amount of \$12,020,000 and the sales price of \$13,012,624 of the Series 2019 bonds represents the unamortized premium. The premium is being amortized over the life of the bonds using the interest method and is presented as an addition to the face value of the bonds. The amortization for the year ended August 31, 2022 was \$305,745.

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

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

The difference between the principal amount of \$11,115,000 and the sales price of \$13,089,183 of the Series 2020 bonds represents the unamortized premium. The premium is being amortized over the life of the bonds using the interest method and is presented as an addition to the face value of the bonds. The amortization for the year ended August 31, 2022 was \$272,430.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

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

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

Changes in bonds payable for the year ended August 31, 2022 are as follows:

Description	Balance September 1, 2021	Additions	Reductions	Balance August 31, 2022
General Obligation Bonds	\$ 403,295,000	\$ -	\$ 9,545,000	\$ 393,750,000
Unamortized (Discount)/Premium on Current Interest Term Bonds	41,714,748	-	2,514,252	39,200,496
Outstanding Bonds Payable	\$ 445,009,748	\$ -	\$ 12,059,252	\$ 432,950,496

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, 2022.

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

The defeased bonds outstanding at August 31, 2022 are as follows:

Unlimited Tax School Building and Refunding Bonds, Series 2012	\$ 33,420,000
Unlimited Tax School Building and Refunding Bonds, Series 2017	8,620,000
Unlimited Tax School Building and Refunding Bonds, Series 2019	4,140,000
Unlimited Tax School Building and Refunding Bonds, Series 2020	12,640,000
Total Defeased	\$ 58,820,000

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

Net Investment in Capital Assets

The amount of net investment in capital assets is calculated each year by adding the amount of net capital assets at the end of the year to unspent bond proceeds and subtracting the debt related to the capital assets; including any unmatured premium or discount on bonds related to capital assets. The net investment in capital assets for FY22 is shown below:

Net Capital Assets from Exhibit A-1	\$ 776,070,288
Unspent Bond proceeds from Exhibit C-1	71,403,365
Less accounts payable related to capital from Exhibit C-1	(18,989,499)
Less debt related to Capital Assets from bond schedule Note R	(393,750,000)
Less unmatured premium or discount from changes in bond schedule Note R	(39,200,496)
Less amount deferred on refunding from Exhibit A-1	<u>616,490</u>
Net investment in capital assets	<u>\$ 396,150,148</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, 2021	\$ 952,078
Additions - New Entrants and Salary Increments	1,673,679
Deductions - Payments to and Uses by Participants	<u>(5,769)</u>
Balance August 31, 2022	<u><u>\$ 2,619,988</u></u>

H. Employee Benefit Plan*Plan Description*

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [Annual Comprehensive Financial Report Archived Editions \(texas.gov\)](#); by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592. The information provided in the Notes to the Financial Statements in the 2021 Annual Comprehensive Financial Report for TRS provides the following information regarding the components of the Net Pension Liability of the Pension Plan as of August 31, 2021.

<u>Net Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 227,273,463,630
Less: Plan Fiduciary Net Position	<u>(201,807,002,496)</u>
Net Pension Liability	<u>\$ 25,466,461,134</u>
Net Position as percentage of Total Pension Liability	88.79%

Benefits Provided

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

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

Contributions

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

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

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

The following table shows employer contribution rates for fiscal years 2021 and 2022:

	<u>Contribution Rates</u>	
	<u>2021</u>	<u>2022</u>
Member	7.70%	8.00%
Non-Employer Contributing Entity (State)	7.50%	7.75%
Employers	7.50%	7.75%
Current fiscal year Employer Contributions		\$ 11,724,337
Current fiscal year Member Contributions		\$ 23,837,010
2021 measurement year NECE On-Behalf Contributions		\$ 15,783,721

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

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

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

- All public schools, charter schools and regional education service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2017 and were adopted in July 2018.

KILLEEN INDEPENDENT SCHOOL DISTRICT*Notes To The Basic Financial Statements (Continued)**Year Ended August 31, 2022*

The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2019	1.95%. 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)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad hoc post-employment benefit changes	None

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

Categories of permissible investments include cash equivalents, debt securities, private markets, derivative instruments, mutual funds, closed-end funds, publicly traded or Rule 144A assets, and commingled funds. The target asset allocation, long-term expected real rate of return, and expected contribution to long-term portfolio returns by asset class set forth in the Investment Policy Statement is shown as of August 31, 2021.

Asset Class*	Target Allocation** %	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns ***
Global Equity			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity			
Risk Parity	8.00%	2.80%	0.28%
Asset Allocation Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag****			-0.95%
Expected Return	100.00%		6.90%

*Absolute Return includes Credit Sensitive Investments.

**Target allocations are based on the FY2021 policy model.

***Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).

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

For the fiscal year ended August 31, 2021, the annual money-weighted rate of return on pension plan investments was 25.0 percent. The annual money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A single discount rate of 7.25 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 active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

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

Discount Rate Sensitivity Analysis

The following table presents the net pension liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	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	\$ 124,710,244	\$ 57,071,481	\$ 2,195,913

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

At August 31, 2022, Killeen Independent School district reported a liability of \$57,071,481 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	\$ 57,071,481
State's proportionate share that is associated with the District	94,190,475
Total	<u>\$ 151,261,956</u>

The net pension liability was measured as of August 31, 2021 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, 2020 through August 31, 2021.

At August 31, 2021 the employer's proportion of the collective net pension liability was 0.2241044828% which was a decrease of - 0.0115920663% from its proportion measured as of August 31, 2020.

Actuarial Methods and Assumptions

Roll Forward

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2017 and were adopted in July 2018.

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

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 rates of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

KILLEEN INDEPENDENT SCHOOL DISTRICT*Notes To The Basic Financial Statements (Continued)**Year Ended August 31, 2022*

For the year ended August 31, 2022, Killeen Independent School District recognized pension expense of (\$23,275,880) and revenue of \$376,562 for support provided by the State.

At August 31, 2022, 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	\$ 95,507	\$ 4,017,877
Changes in actuarial assumptions	20,173,654	8,793,983
Differences between projected and actual investment earnings	-	47,853,696
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,691,559	10,964,036
Total as of August 31, 2020 measurement date	<u>\$ 23,960,720</u>	<u>\$ 71,629,592</u>
Contributions paid to TRS subsequent to the measurement date	<u>11,724,337</u>	<u>-</u>
Total as of fiscal year-end	<u><u>\$ 35,685,057</u></u>	<u><u>\$ 71,629,592</u></u>

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

Year ended August 31,	Pension Expense Amount
2023	\$ (7,867,381)
2024	\$ (8,350,907)
2025	\$ (12,820,544)
2026	\$ (16,569,937)
2027	\$ (1,685,792)
Thereafter	\$ (374,311)

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

At August 31, 2022, 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, 2021 Measurement Date	\$ 23,960,720	\$ 71,629,592
Contributions made subsequent to the Measurement Date	11,724,337	-
Total	<u>\$ 35,685,057</u>	<u>\$ 71,629,592</u>

Funding Policy – Retirement Plan

Contribution rates and contributions for fiscal years 2022-2020 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
2022	8.00%	\$23,837,010	7.75%	\$15,783,721	\$4,266,513
2021	7.70%	\$21,906,148	7.50%	\$15,876,513	\$3,970,733
2020	7.70%	\$22,262,975	7.50%	\$13,142,206	\$4,121,760

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, 2020, 2021 and 2022 was \$289,129,534, \$284,495,442, and \$297,962,528 respectively, and total District payroll for these years was \$300,541,723, \$301,364,196, and \$320,256,440 respectively.

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

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

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

The General Appropriations Act passed by the 86th Legislature included funding to maintain TRS-Care premiums at their current level through 2021. The 86th legislature also passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$271,311,000 as of August 31, 2021.

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state’s contribution rate which is 1.25 percent of the employee’s salary. Section 1575.203 establishes the active employee’s rate which is 0.65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public school. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee’s pay for fiscal year 2021. The following table shows contributions to the TRS-Care plan by the type of contributor.

2022 Contribution Rates

	<u>2021</u>	<u>2022</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	\$	2,778,877
Current fiscal year member contributions	\$	1,936,757
2020 measurement year NECE on-behalf contributions	\$	3,291,408

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 2021 totaled \$10,876,829.

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

Actuarial Assumptions

Roll Forward

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021.

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

In addition to the Demographic assumptions, salary increases, inflation rates used for members of TRS are identical to the assumptions employed in the August 31, 2021 TRS annual pension actuarial valuation.

Demographic Assumptions

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

Mortality Assumptions

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

Health Care Trend Rates

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

Actuarial Methods and Assumptions:

<u>Component</u>	<u>Result</u>
Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

Discount Rate

A single discount rate of 1.95 percent was used to measure the total OPEB liability. This was a decrease of .38 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.

Change of Assumptions Since the Prior Measurement Date

The single discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent, as of August 31, 2021. This change increased the Total OPEB Liability.

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

The following presents the Net OPEB Liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/As or higher, as well as what the Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, .95 percent or one percentage point higher, 2.95 percent, than the AA/Aa rate. The 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.”

1% Decrease	Current Single Discount Rate	1% Increase
0.95%	1.95%	2.95%
\$ 146,319,444	\$ 121,303,062	\$ 101,614,356

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

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$98,251,461	\$121,303,062	\$152,232,586

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

At August 31, 2022, the District reported a liability of \$121,303,062 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	\$ 121,303,062
State's proportionate share that is associated with the District	<u>162,519,070</u>
Total	<u><u>\$ 283,822,132</u></u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

The net OPEB liability was measured as of August 31, 2021 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, 2020 through August 31, 2021.

At August 31, 2022 the employer’s proportion of the collective net OPEB liability was 0.3144646360% which was a decrease of -0.0182571439% from its proportion measured as of August 31, 2021.

For the year ended August 31, 2022, the District recognized OPEB expense of (\$9,989,263) and revenue of \$ (5,998,195) for support provided by the State.

At August 31, 2022, 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	\$ 5,222,671	\$ 58,719,168
Changes in actuarial assumptions	13,435,738	25,653,353
Differences between projected and actual investment earnings	131,696	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	13,150,086	17,484,360
Total as of August 31, 2021 measurement date	<u>\$ 31,940,191</u>	<u>\$ 101,856,881</u>
Contributions paid to TRS subsequent to the measurement date	2,778,877	-
Total as of Fiscal Year-End	<u><u>\$ 34,719,068</u></u>	<u><u>\$ 101,856,881</u></u>

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

Fiscal year ended August 31,	OPEB Expense Amount
2023	\$ (12,720,618)
2024	\$ (12,723,589)
2025	\$ (12,722,775)
2026	\$ (9,529,361)
2027	\$ (5,206,063)
Thereafter	\$ (17,014,284)

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

The District reported a net OPEB liability of \$121,303,062 as of August 31, 2022:

	Beginning Balance	Additions	Retirements	Ending Balance
Net OPEB Liability	\$ 126,482,574	\$ (2,722,829)	\$ 2,456,683	\$ 121,303,062

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 2020, 2021 and 2022, the subsidy payment received by TRS-Care on behalf of Killeen Independent School District was \$1,235,978, \$1,354,275, and \$1,226,862 respectively.

Contributions Made

Contributions made by the State, the District and its employees, and the District's covered payroll for the fiscal years 2022, 2021, and 2020 are as follows:

	2022	2021	2020
Covered payroll	\$ 297,962,528	\$ 284,495,442	\$ 289,129,534
Contributions made by the State	\$ 19,281,535	\$ 19,274,725	\$ 18,511,682
Retirement plan rate	7.75%	7.50%	7.50%
Retiree health care rate	1.25%	1.25%	1.25%
Medicare Part D	\$ 1,226,862	\$ 1,252,986	\$ 1,235,978
District required and actual contributions to TRS & TRS-Care	\$ 11,724,337	\$ 8,568,858	\$ 8,740,447
Employee contributions to TRS & TRS-Care	\$ 25,773,767	\$ 23,755,367	\$ 24,142,317

Operating Grants and Contributions – Statement of Activities

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

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

Function	Operating Grants and Contributions (Including on-behalf accruals)	On-Behalf Accruals	Operating Grants and Contributions
11 Instruction	\$ 38,277,635	\$ (3,542,469)	\$ 34,735,166
12 Instructional Resources	2,404,089	(175,583)	\$ 2,228,506
13 Curriculum & Development	4,705,422	(142,559)	\$ 4,562,863
21 Instructional Leadership	180,649	(77,378)	\$ 103,271
23 School Leadership	1,460,128	(421,375)	\$ 1,038,753
31 Guidance, Counseling, & Evaluation	4,763,297	(392,259)	\$ 4,371,038
32 Social Work Services	679,765	(25,780)	\$ 653,985
33 Health Services	451,096	(83,727)	\$ 367,369
34 Student (Pupil) Transportation	807,207	(207,671)	\$ 599,536
35 Food Services	31,425,773	(163,192)	\$ 31,262,581
36 Extra Curricular Activities	204,877	(96,433)	\$ 108,444
41 General Administration	281,847	(138,802)	\$ 143,045
51 Facilities Maintenance & Operations	2,516,426	(383,700)	\$ 2,132,726
52 Security & Monitoring Services	489,943	(60,127)	\$ 429,816
53 Data Processing Services	132,621	(67,077)	\$ 65,544
61 Community Services	632,040	(20,063)	\$ 611,977
Total	\$ 89,412,815	\$ (5,998,195)	\$ 83,414,620

J. Health Care Coverage

During the year ended August 31, 2022, employees of the Killeen Independent School District were covered by a Cafeteria Plan (the Plan) from September 1, 2021 through December 31, 2021. 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 included Baylor Scott and White Health Plan and United Concordia Dental Plan.

In January 2022, the District moved to a partially self-insurance plan through United Health Insurance. The District still contributes \$325 per month plus the state contribution of \$75 month for each full-time employee and the \$200 per month for full time employees without health coverage.

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 2022, the District obtained insurance against risks through commercial carriers, with some degree of self-insurance through the use of large deductibles. Management believes the amount and types of coverage are adequate to protect the District from losses that could reasonably be expected to occur. There have been no insurance settlements exceeding the District's insurance coverage for any of the past three years.

Cyber insurance coverage decreased from \$21 million to \$20 million aggregate limit, with an increase in cost of \$294,390.00. The cyber market is very hard due to increased threats.

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

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

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>	School Building <u>Projects</u>	<u>Other Funds</u>	<u>Total</u>
<u>Nonspendable:</u>					
Inventories	\$ 1,858,943	\$ -	\$ -	\$ 41,457	\$ 1,900,400
Endowments	-	-	-	189,715	\$ 189,715
Prepaid Items	1,058,418	-	-	-	\$ 1,058,418
Total Nonspendable	<u>2,917,361</u>	-	-	231,172	<u>3,148,533</u>
<u>Restricted:</u>					
Federal/State Funds Grant Restriction	34,830,564	-	-	20,126,529	54,957,093
Retirement of Long-Term Debt	-	-	-	321,084	321,084
Other Restricted Fund Balance	-	-	-	6,729	6,729
Total Restricted	<u>34,830,564</u>	-	-	20,454,342	<u>55,284,906</u>
<u>Committed:</u>					
Construction	-	1,940,760	20,101,863	5,541,407	27,584,030
Other Committed Fund Balance	-	-	-	1,228,915	1,228,915
Total Committed	<u>-</u>	<u>1,940,760</u>	<u>20,101,863</u>	<u>6,770,322</u>	<u>28,812,945</u>
<u>Assigned:</u>					
Construction	-	49,545,794	86,433,642	889,266	136,868,702
Other Assigned Fund Balance	-	-	-	-	-
Total Assigned	<u>-</u>	<u>49,545,794</u>	<u>86,433,642</u>	<u>889,266</u>	<u>136,868,702</u>
Unassigned	152,516,815	-	-	-	152,516,815
Total Fund Balances	<u>\$ 190,264,740</u>	<u>\$ 51,486,554</u>	<u>\$ 106,535,505</u>	<u>\$ 28,345,102</u>	<u>\$ 376,631,901</u>

M. Federal Source Revenues

For the year ended August 31, 2022, revenues from Federal programs included in the General Fund consisted of the following:

Federally Distributed:	CFDA Number	Amount
PL 103-382 (Impact Aid)	84.041	\$ 53,290,637
ROTC Salaries	12.00	330,876
Academic Expansion Program	N/A	5,701
		53,627,214
Other State Distributed -- Federal Program		
Shars Reimbursement	N/A	5,829,218
Indirect Cost Revenue	N/A	1,180,942
		7,010,160
Total Federal Source Revenues		\$ 60,637,374

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

Federally Distributed	CFDA Number	Amount
PL 110-417 (Impact Aid) Section 551	84.041	\$ 3,652,909

N. Transfers

During the year \$39,529,193 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, \$5,424,097 was transferred from the General Fund to the Capital Improvement Projects fund for future capital improvement expenditures. There was a transfer of \$5,302,929 from the Summer Feeding program to the School Nutrition Program for the 2021 net profit. A transfer of \$2,030 was transferred from General Fund to the Campus Activity Funds for startup funds and change funds. There was a \$1,284 transfer from the general fund to the Music Enrichment Program for the Killeen High School Choir.

O. Significant Commitments and Contingencies

The District participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at August 31, 2022 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 Projects Funds will be used for future school construction and renovation.

KILLEEN INDEPENDENT SCHOOL DISTRICT*Notes To The Basic Financial Statements (Continued)**Year Ended August 31, 2022*

At August 31, 2022, the District had the following uncompleted construction and architectural contracts in progress:

Project Description	Adjusted Contract Amount	Expended To Date	Committed
KHS Renovation	\$ 89,088,206	\$ 80,729,701	\$ 8,358,505
Chapparral High School	\$ 127,787,014	\$ 125,846,255	\$ 1,940,759
Chapparral High School Stadium Expansion	\$ 11,123,849	\$ 10,216,902	\$ 906,947
Killeen Elementary School	\$ 42,671,777	\$ 38,591,744	\$ 4,080,033
New Middle School #15	\$ 3,340,689	\$ 2,488,807	\$ 851,882
Sheirdan Transportaion Expansion	\$ 18,659,297	\$ 8,238,591	\$ 10,420,706
EHS Roof Replacement	\$ 3,974,528	\$ 2,949,330	\$ 1,025,197
Total Construction in Progress	<u>\$ 296,645,360</u>	<u>\$ 269,061,330</u>	<u>\$ 27,584,030</u>

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

General Fund	\$ 11,335,900
National Breakfast & Lunch Program	3,531,541
ESSER III	43,633
Bond Proposition A	10,762,255
Bond Proposition B	19,821,252
School Building Projects	94,692,004
Nonmajor Governmental Funds	<u>3,722,644</u>
Total	\$ 143,909,229

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, 2021	\$ 1,485,689
Increases	2,413,905
Decreases	<u>-</u>
Balance, August 31, 2022	<u>\$ 3,899,594</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT*Notes To The Basic Financial Statements (Continued)**Year Ended August 31, 2022***Q. Unearned Revenue**

Unearned revenue for the Statement of Net Position at August 31, 2022 consisted of the following:

	General Fund	Special Revenue Fund	Total
Child Nutrition Receipts	\$ -	\$ 271,353	\$ 271,353
Other Unearned Revenue	226,097	295,824	521,921
Total Unearned Revenue	<u>\$ 226,097</u>	<u>\$ 567,177</u>	<u>\$ 793,274</u>

R. Changes in Long-term Liabilities

Long-term liability activity for the year ended August 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds and Lease Payable:					
General Obligation Bonds	\$ 403,295,000	\$ -	\$ 9,545,000	\$ 393,750,000	\$ 9,990,000
Unamortized Premiums on Bonds	41,714,748	-	2,514,252	39,200,496	-
Total Bonds and Lease Payable	<u>445,009,748</u>	<u>-</u>	<u>12,059,252</u>	<u>432,950,496</u>	<u>9,990,000</u>
Other Liabilities:					
Net Pension Liability	126,234,263	(59,599,179)	9,563,603	57,071,481	-
Net OPEB Liability	126,482,574	(2,722,829)	2,456,683	121,303,062	-
Right to Use Leases	-	1,556,495	346,559	1,209,936	-
Accrued Interest	775,075	-	20,335	754,740	754,740
Compensated Absences	952,078	1,673,679	5,769	2,619,988	2,619,988
Total Other Liabilities	<u>254,443,990</u>	<u>(60,648,329)</u>	<u>12,046,390</u>	<u>182,959,207</u>	<u>3,374,728</u>
Total Governmental Activities	<u>\$ 699,453,738</u>	<u>\$ (60,648,329)</u>	<u>\$ 24,105,642</u>	<u>\$ 615,909,703</u>	<u>\$ 13,364,728</u>

S. Leases

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

KILLEEN INDEPENDENT SCHOOL DISTRICT

Notes To The Basic Financial Statements (Continued)

Year Ended August 31, 2022

Lease asset activity for the year ended August 31, 2022 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Additions	Retirements	
Governmental activities:				
Lease assets, being depreciated				
Equipment Leases	\$ -	\$ 1,556,495	\$ -	\$ 1,556,495
Total depreciable leases	<u>-</u>	<u>1,556,495</u>	<u>-</u>	<u>1,556,495</u>
Less accumulated depreciation for:				
Equipment Leases	-	363,565	-	363,565
Total accumulated depreciation	<u>-</u>	<u>363,565</u>	<u>-</u>	<u>363,565</u>
Governmental activities capital assets, net	<u>\$ -</u>	<u>\$ 1,192,930</u>	<u>\$ -</u>	<u>\$ 1,192,930</u>

The lease liability amortization schedule is below:

	Principal	Interest
2022-2023	\$ 289,028	\$ 32,345
2023-2024	297,819	23,554
2024-2025	306,878	14,496
2025-2026	316,211	5,162
	<u>\$ 1,209,936</u>	<u>\$ 75,558</u>

T. Subsequent Events

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

(Concluded)



KILLEEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST 8 FISCAL YEARS

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Pension Liability (Asset)	0.224104483%	0.235696549%	0.257261398%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 57,071,481	\$ 126,234,263	\$ 133,732,517
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	94,190,475	206,085,647	195,193,804
Total	<u>\$ 151,261,956</u>	<u>\$ 332,319,910</u>	<u>\$ 328,926,321</u>
District's Covered Payroll	\$ 284,495,442	\$ 289,129,534	\$ 274,897,917
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	20.06%	43.66%	48.65%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.79%	75.54%	75.24%

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, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

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

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST 8 FISCAL YEARS

	2022	2021	2020
Contractually Required Contribution	\$ 11,724,337	\$ 9,562,757	\$ 9,684,262
Contribution in Relation to the Contractually Required Contribution	(11,724,337)	(9,562,757)	(9,684,262)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 297,962,528	\$ 284,495,442	\$ 289,129,534
Contributions as a Percentage of Covered Payroll	3.93%	3.36%	3.35%

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.

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

KILLEEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST 5 FISCAL YEARS

	FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.314464636%	0.33272178%	0.347975384%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 121,303,062	\$ 126,482,574	\$ 164,561,822
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	162,519,070	169,962,260	218,665,852
Total	<u>\$ 283,822,132</u>	<u>\$ 296,444,834</u>	<u>\$ 383,227,674</u>
District's Covered Payroll	\$ 284,495,442	\$ 289,124,534	\$ 274,897,917
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	42.64%	43.75%	59.86%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	6.18%	4.99%	2.66%

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

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

<u>FY 2019</u> <u>Plan Year 2018</u>	<u>FY 2018</u> <u>Plan Year 2017</u>
0.328993368%	0.313678687%
\$ 164,269,400	\$ 136,407,094
226,652,934	203,611,856
<u>\$ 390,922,334</u>	<u>\$ 340,018,950</u>
\$ 271,061,550	\$ 259,686,266
60.60%	52.53%
1.57%	0.91%

KILLEEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST 5 FISCAL YEARS

	2022	2021	2020
Contractually Required Contribution	\$ 2,778,877	\$ 2,455,769	\$ 2,518,875
Contribution in Relation to the Contractually Required Contribution	(2,778,877)	(2,455,769)	(2,518,875)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 297,962,528	\$ 284,495,442	\$ 289,129,534
Contributions as a Percentage of Covered Payroll	0.93%	0.86%	0.87%

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.

<hr/>	
2019	2018
<hr/>	<hr/>
\$ 2,420,419	\$ 2,319,737
(2,420,419)	(2,298,166)
<hr/>	<hr/>
\$ -	\$ 21,571
<hr/>	<hr/>
\$ 274,897,197	\$ 271,061,550
0.88%	0.86%

KILLEEN INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY
INFORMATION FOR THE YEAR ENDED AUGUST 31, 2022

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

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

Changes of Assumptions.

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

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefits.

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

Changes in Assumptions.

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

- The discount rate changed from 2.33 percent as of August 31, 2020, to 1.95 percent as of August 31, 2021. This change increased the Total OPEB Liability.
- A single discount rate of 1.95 percent was used to measure the total OPEB liability. This was a decrease of .38 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.



KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2022

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool	
ASSETS					
1110	Cash and Cash Equivalents	\$ -	\$ 250,954	\$ -	\$ 983
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	-	997,052	750,584	21,212
1260	Due from Other Funds	13	1,560	-	300
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1900	Other Assets	-	-	-	-
1000	Total Assets	<u>\$ 13</u>	<u>\$ 1,249,566</u>	<u>\$ 750,584</u>	<u>\$ 22,495</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 20,620	\$ -	\$ -
2120	Short Term Debt Payable - Current	-	8,720	10,010	136
2160	Accrued Wages Payable	-	242,090	229,744	10,481
2170	Due to Other Funds	-	976,795	510,430	11,878
2180	Due to Other Governments	13	1,341	400	-
2300	Unearned Revenue	-	-	-	-
2000	Total Liabilities	<u>13</u>	<u>1,249,566</u>	<u>750,584</u>	<u>22,495</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	-	-	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3510	Construction	-	-	-	-
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3550	Construction	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 13</u>	<u>\$ 1,249,566</u>	<u>\$ 750,584</u>	<u>\$ 22,495</u>

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	281 ESSER II	286 Student Achievement Military Conn
\$ 672,859	\$ -	\$ 91,260	\$ 65,319	\$ -	\$ -	\$ 213,767	\$ 285
18,234,460	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,683,051	-	55,121	137,994	78,771	-	39,795	-
207,386	568,097	-	-	39	-	-	-
1,918	-	-	-	-	-	-	-
41,457	-	-	-	-	-	-	-
-	-	27	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 20,841,131</u>	<u>\$ 568,097</u>	<u>\$ 146,408</u>	<u>\$ 203,313</u>	<u>\$ 78,810</u>	<u>\$ -</u>	<u>\$ 253,562</u>	<u>\$ 285</u>
\$ 1,341,252	\$ -	\$ -	\$ -	\$ 4,767	\$ -	\$ -	\$ -
17,349	522	320	882	290	-	-	-
146,634	1,178	-	17,956	25,179	-	-	-
671,592	207,247	145,784	184,475	48,535	-	-	-
383,942	-	304	-	39	-	253,562	285
271,353	-	-	-	-	-	-	-
<u>2,832,122</u>	<u>208,947</u>	<u>146,408</u>	<u>203,313</u>	<u>78,810</u>	<u>-</u>	<u>253,562</u>	<u>285</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
41,457	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
17,967,552	359,150	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>18,009,009</u>	<u>359,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 20,841,131</u>	<u>\$ 568,097</u>	<u>\$ 146,408</u>	<u>\$ 203,313</u>	<u>\$ 78,810</u>	<u>\$ -</u>	<u>\$ 253,562</u>	<u>\$ 285</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2022

Data Control Codes	287 COVID 19 School Health Support Grant	288 Mobile Talent Military Connected Sch	289 Title IV SSAEP	386 Regional Day School for the Deaf	
ASSETS					
1110	Cash and Cash Equivalents	\$ 295,824	\$ 20,870	\$ -	\$ -
1120	Investments - Current	-	-	-	-
1220	Property Taxes - Delinquent	-	-	-	-
1230	Allowance for Uncollectible Taxes	-	-	-	-
1240	Due from Other Governments	-	68,063	235,797	9,568
1260	Due from Other Funds	-	-	63	-
1290	Other Receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepayments	-	-	-	-
1900	Other Assets	-	-	-	-
1000	Total Assets	<u>\$ 295,824</u>	<u>\$ 88,933</u>	<u>\$ 235,860</u>	<u>\$ 9,568</u>
LIABILITIES					
2110	Accounts Payable	\$ -	\$ 46,476	\$ 20,487	\$ -
2120	Short Term Debt Payable - Current	-	64	316	77
2160	Accrued Wages Payable	-	2,234	7,957	5,390
2170	Due to Other Funds	-	39,859	207,037	4,101
2180	Due to Other Governments	-	-	63	-
2300	Unearned Revenue	295,824	-	-	-
2000	Total Liabilities	<u>295,824</u>	<u>88,633</u>	<u>235,860</u>	<u>9,568</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	-	-
3480	Retirement of Long-Term Debt	-	-	-	-
3490	Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:					
3510	Construction	-	-	-	-
3545	Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:					
3550	Construction	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 295,824</u>	<u>\$ 88,933</u>	<u>\$ 235,860</u>	<u>\$ 9,568</u>

397 Advanced Placement Incentives	410 Instructional Materials Allotment	427 School Safety	429 Read to Succeed	461 Campus Activity Funds	498 Music Enrichment Program	499 GEAR UP	Total Nonmajor Special Revenue Funds
\$ 150,660	\$ -	\$ 12,102	\$ 7,215	\$ 1,227,809	\$ 1,106	\$ -	\$ 3,011,013
-	-	-	-	-	-	-	18,234,460
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	448,021	-	-	-	-	1,275	4,526,304
-	17	-	-	-	-	-	777,475
-	-	-	-	-	-	-	1,918
-	-	-	-	-	-	-	41,457
-	104,132	-	-	-	-	-	104,159
-	-	-	-	-	-	-	-
<u>\$ 150,660</u>	<u>\$ 552,170</u>	<u>\$ 12,102</u>	<u>\$ 7,215</u>	<u>\$ 1,227,809</u>	<u>\$ 1,106</u>	<u>\$ 1,275</u>	<u>\$ 26,696,786</u>
\$ -	\$ 448,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,881,623
-	-	-	-	-	-	-	38,686
-	-	-	774	-	-	-	689,617
-	43,964	12,102	-	-	-	1,275	3,065,074
-	-	-	-	-	-	-	639,949
-	-	-	-	-	-	-	567,177
-	<u>491,985</u>	<u>12,102</u>	<u>774</u>	<u>-</u>	<u>-</u>	<u>1,275</u>	<u>6,882,126</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	41,457
-	-	-	-	-	-	-	-
150,660	60,185	-	6,441	-	-	-	18,544,288
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,227,809	1,106	-	1,228,915
-	-	-	-	-	-	-	-
<u>150,660</u>	<u>60,185</u>	<u>-</u>	<u>6,441</u>	<u>1,227,809</u>	<u>1,106</u>	<u>-</u>	<u>19,814,660</u>
<u>\$ 150,660</u>	<u>\$ 552,170</u>	<u>\$ 12,102</u>	<u>\$ 7,215</u>	<u>\$ 1,227,809</u>	<u>\$ 1,106</u>	<u>\$ 1,275</u>	<u>\$ 26,696,786</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 AUGUST 31, 2022

Data Control Codes	599 Debt Service	618 2017 - 2018 Bond Proposition B	645 Capital Improvement Projects	687 Impact Aid Section 8007
ASSETS				
1110 Cash and Cash Equivalents	\$ 1,218,832	\$ 589,877	\$ 2,110,015	\$ 4,759
1120 Investments - Current	576,774	9,617,927	-	1,932,164
1220 Property Taxes - Delinquent	336,483	-	-	-
1230 Allowance for Uncollectible Taxes	(50,472)	-	-	-
1240 Due from Other Governments	-	-	-	-
1260 Due from Other Funds	26,275	16,869	440,624	-
1290 Other Receivables	-	-	-	-
1300 Inventories	-	-	-	-
1410 Prepayments	-	-	-	-
1900 Other Assets	-	-	-	-
1000 Total Assets	<u>\$ 2,107,892</u>	<u>\$ 10,224,673</u>	<u>\$ 2,550,639</u>	<u>\$ 1,936,923</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ 5,707,624	\$ 636,176	\$ -
2120 Short Term Debt Payable - Current	-	30	-	-
2160 Accrued Wages Payable	-	-	-	-
2170 Due to Other Funds	-	809	-	354,682
2180 Due to Other Governments	1,500,797	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>1,500,797</u>	<u>5,708,463</u>	<u>636,176</u>	<u>354,682</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	286,011	-	-	-
2600 Total Deferred Inflows of Resources	<u>286,011</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	-	-	-	1,582,241
3480 Retirement of Long-Term Debt	321,084	-	-	-
3490 Other Restricted Fund Balance	-	-	-	-
Committed Fund Balance:				
3510 Construction	-	4,516,210	1,025,197	-
3545 Other Committed Fund Balance	-	-	-	-
Assigned Fund Balance:				
3550 Construction	-	-	889,266	-
3000 Total Fund Balances	<u>321,084</u>	<u>4,516,210</u>	<u>1,914,463</u>	<u>1,582,241</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 2,107,892</u>	<u>\$ 10,224,673</u>	<u>\$ 2,550,639</u>	<u>\$ 1,936,923</u>

696 New School Furniture & Equipment	Total Nonmajor Capital Project Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 1,046,308	\$ 3,750,959	\$ 3,008	\$ 7,983,812
-	11,550,091	715	30,362,040
-	-	-	336,483
-	-	-	(50,472)
-	-	-	4,526,304
3,702	461,195	-	1,264,945
-	-	-	1,918
-	-	-	41,457
-	-	-	104,159
-	-	192,721	192,721
<u>\$ 1,050,010</u>	<u>\$ 15,762,245</u>	<u>\$ 196,444</u>	<u>\$ 44,763,367</u>
\$ 10	\$ 6,343,810	\$ -	\$ 8,225,433
-	30	-	38,716
-	-	-	689,617
1,050,000	1,405,491	-	4,470,565
-	-	-	2,140,746
-	-	-	567,177
<u>1,050,010</u>	<u>7,749,331</u>	<u>-</u>	<u>16,132,254</u>
-	-	-	286,011
-	-	-	286,011
-	-	-	41,457
-	-	189,715	189,715
-	1,582,241	-	20,126,529
-	-	-	321,084
-	-	6,729	6,729
-	5,541,407	-	5,541,407
-	-	-	1,228,915
-	889,266	-	889,266
-	8,012,914	196,444	28,345,102
<u>\$ 1,050,010</u>	<u>\$ 15,762,245</u>	<u>\$ 196,444</u>	<u>\$ 44,763,367</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	206 ESEA Title X, Pt.C Homeless	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	-	9,536,947	7,348,782	148,936
5020 Total Revenues	-	9,536,947	7,348,782	148,936
EXPENDITURES:				
Current:				
0011 Instruction	-	5,950,786	6,438,046	85,416
0012 Instructional Resources and Media Services	-	79,690	-	-
0013 Curriculum and Instructional Staff Development	-	2,381,397	163,983	-
0021 Instructional Leadership	-	21,212	-	-
0023 School Leadership	-	26,390	-	-
0031 Guidance, Counseling, and Evaluation Services	-	224,793	121,924	63,520
0032 Social Work Services	-	-	624,829	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	272,514	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	580,165	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	-	9,536,947	7,348,782	148,936
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	-	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ -	\$ -	\$ -

240 National Breakfast and Lunch Program	242 Summer Feeding Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	266 ESSER -School Emergency Relief	281 ESSER II	286 Student Achievement Military Conn
\$ 823,270	\$ 693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95,319	-	-	-	-	-	-	-
30,093,404	567,403	605,251	926,658	345,626	-	185,777	-
31,011,993	568,096	605,251	926,658	345,626	-	185,777	-
-	-	302,581	531	106,562	-	-	-
-	-	-	-	-	-	-	-
-	-	-	926,127	213,241	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,300	-	-	-
-	-	302,670	-	-	-	124,543	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
24,634,813	208,946	-	-	-	-	-	-
-	-	-	-	-	-	61,234	-
-	-	-	-	-	-	-	-
38,634	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	24,523	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
24,673,447	208,946	605,251	926,658	345,626	-	185,777	-
6,338,546	359,150	-	-	-	-	-	-
5,302,929	-	-	-	-	-	-	-
-	(5,302,929)	-	-	-	-	-	-
5,302,929	(5,302,929)	-	-	-	-	-	-
11,641,475	(4,943,779)	-	-	-	-	-	-
6,367,534	5,302,929	-	-	-	-	-	-
\$ 18,009,009	\$ 359,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	287 COVID 19 School Health Support Grant	288 Mobile Talent Military Connected Sch	289 Title IV SSAEP	386 Regional Day School for the Deaf
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	79,109
5900 Federal Program Revenues	1,343,495	148,299	584,059	-
5020 Total Revenues	1,343,495	148,299	584,059	79,109
EXPENDITURES:				
Current:				
0011 Instruction	-	140,068	310,748	79,109
0012 Instructional Resources and Media Services	-	-	-	-
0013 Curriculum and Instructional Staff Development	-	2,231	221,156	-
0021 Instructional Leadership	-	6,000	-	-
0023 School Leadership	-	-	2,000	-
0031 Guidance, Counseling, and Evaluation Services	-	-	9,657	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	3,500	-
0051 Facilities Maintenance and Operations	1,343,495	-	-	-
0052 Security and Monitoring Services	-	-	36,998	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
0073 Bond Issuance Cost and Fees	-	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	-	-	-
6030 Total Expenditures	1,343,495	148,299	584,059	79,109
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	-	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	-	-	-	-
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - September 1 (Beginning)	-	300	-	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 300	\$ -	\$ -

397 Advanced Placement Incentives	410 Instructional Materials Allotment	427 School Safety	429 Read to Succeed	461 Campus Activity Funds	498 Music Enrichment Program	499 GEAR UP	Total Nonmajor Special Revenue Funds
\$ -	\$ 17	\$ -	\$ -	\$ 1,273,673	\$ 9,467	\$ -	2,107,120
1,736	4,600,010	123,482	731	-	-	2,394	4,902,781
-	-	-	-	-	-	-	51,834,637
1,736	4,600,027	123,482	731	1,273,673	9,467	2,394	58,844,538
-	3,991,160	-	710	499,049	-	2,394	17,907,161
-	-	-	-	-	-	-	79,690
-	207,905	-	-	-	-	-	4,116,040
-	-	-	-	-	-	-	27,212
-	-	-	-	189,062	-	-	218,752
-	448,111	-	-	-	-	-	1,295,218
-	-	-	-	-	-	-	624,829
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	272,514
-	-	-	-	-	-	-	24,843,759
-	-	-	-	208,343	10,742	-	280,319
-	1,035	-	-	-	-	-	4,535
-	-	-	-	-	-	-	1,382,129
-	-	123,482	-	-	-	-	160,480
-	-	-	-	-	-	-	604,688
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	4,648,211	123,482	710	896,454	10,742	2,394	51,817,325
1,736	(48,184)	-	21	377,219	(1,275)	-	7,027,213
-	-	-	-	2,030	1,284	-	5,306,243
-	-	-	-	-	-	-	(5,302,929)
-	-	-	-	2,030	1,284	-	3,314
1,736	(48,184)	-	21	379,249	9	-	7,030,527
148,924	108,369	-	6,420	848,560	1,097	-	12,784,133
\$ 150,660	\$ 60,185	\$ -	\$ 6,441	\$ 1,227,809	\$ 1,106	\$ -	\$ 19,814,660

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	599 Debt Service	618 2017 - 2018 Bond Proposition B	645 Capital Improvement Projects	687 Impact Aid Section 8007
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 16,687,410	\$ 111,426	\$ -	\$ 9,942
5800 State Program Revenues	8,900,439	-	-	-
5900 Federal Program Revenues	-	-	-	1,541,694
5020 Total Revenues	<u>25,587,849</u>	<u>111,426</u>	<u>-</u>	<u>1,551,636</u>
EXPENDITURES:				
Current:				
0011 Instruction	-	3,163,581	467	-
0012 Instructional Resources and Media Services	-	43,449	-	-
0013 Curriculum and Instructional Staff Development	-	7,648	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	28,153	-	-
0031 Guidance, Counseling, and Evaluation Services	-	1,795	-	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	3,968	-	-
0034 Student (Pupil) Transportation	-	-	-	-
0035 Food Services	-	117,159	-	-
0036 Extracurricular Activities	-	147,815	-	-
0041 General Administration	-	531	-	-
0051 Facilities Maintenance and Operations	-	377,037	5,274,831	171,645
0052 Security and Monitoring Services	-	37,966	86,577	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	9,545,000	-	-	-
0072 Interest on Long-Term Liabilities	17,592,875	-	-	-
0073 Bond Issuance Cost and Fees	7,500	-	-	-
Capital Outlay:				
0081 Facilities Acquisition and Construction	-	32,227,303	70,438	183,038
6030 Total Expenditures	<u>27,145,375</u>	<u>36,156,405</u>	<u>5,432,313</u>	<u>354,683</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,557,526)</u>	<u>(36,044,979)</u>	<u>(5,432,313)</u>	<u>1,196,953</u>
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	-	5,424,097	-
8911 Transfers Out (Use)	-	-	-	-
7080 Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>5,424,097</u>	<u>-</u>
1200 Net Change in Fund Balance	(1,557,526)	(36,044,979)	(8,216)	1,196,953
0100 Fund Balance - September 1 (Beginning)	<u>1,878,610</u>	<u>40,561,189</u>	<u>1,922,679</u>	<u>385,288</u>
3000 Fund Balance - August 31 (Ending)	<u>\$ 321,084</u>	<u>\$ 4,516,210</u>	<u>\$ 1,914,463</u>	<u>\$ 1,582,241</u>

696 New School Furniture & Equipment	Total Nonmajor Capital Project Funds	479 Permanent Fund	Total Nonmajor Governmental Funds
\$ 458	\$ 121,826	\$ 5,223	\$ 18,921,579
-	-	-	13,803,220
-	1,541,694	-	53,376,331
458	1,663,520	5,223	86,101,130
6	3,164,054	-	21,071,215
-	43,449	-	123,139
-	7,648	-	4,123,688
-	-	-	27,212
4,104	32,257	-	251,009
-	1,795	-	1,297,013
-	-	-	624,829
-	3,968	-	3,968
-	-	-	272,514
-	117,159	-	24,960,918
-	147,815	6,865	434,999
-	531	29,509	34,575
-	5,823,513	3,848	7,209,490
-	124,543	-	285,023
-	-	-	604,688
-	-	-	9,545,000
-	-	-	17,592,875
-	-	-	7,500
-	32,480,779	-	32,480,779
4,110	41,947,511	40,222	120,950,433
(3,652)	(40,283,991)	(34,999)	(34,849,303)
3,652	5,427,749	-	10,733,992
-	-	-	(5,302,929)
3,652	5,427,749	-	5,431,063
-	(34,856,242)	(34,999)	(29,418,240)
-	42,869,156	231,443	57,763,342
\$ -	\$ 8,012,914	\$ 196,444	\$ 28,345,102

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 AUGUST 31, 2022

	865 Custodial Fund Student Activity Acct	882 FLEX	Total Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ 678,567	\$ 686,802	\$ 1,365,369
Investments - Current	-	44,875	44,875
Due from Other Funds	207	-	207
Other Receivables	-	10,781	10,781
Total Assets	<u>678,774</u>	<u>742,458</u>	<u>1,421,232</u>
LIABILITIES			
Accounts Payable	1,296	-	1,296
Payable from Restricted Assets	-	742,458	742,458
Total Liabilities	<u>1,296</u>	<u>742,458</u>	<u>743,754</u>
NET POSITION			
Restricted for Student Clubs	<u>677,478</u>	-	<u>677,478</u>
Total Net Position	<u>\$ 677,478</u>	<u>\$ -</u>	<u>\$ 677,478</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

	865 Custodial Fund Student Activity Acct	882 FLEX	Total Custodial Funds
ADDITIONS:			
Contributions and Donations	\$ 11,472	\$ -	\$ 11,472
Other	245,107	-	245,107
Dues	161,388	-	161,388
Fundraising	879,240	-	879,240
Total Additions	1,297,207	-	1,297,207
DEDUCTIONS:			
Professional and Contracted Services	23,244	-	23,244
Donations	3,213	-	3,213
Dues	3,336	-	3,336
Scholarship	7,500	-	7,500
Travel	366,894	-	366,894
Supplies and Materials	745,050	-	745,050
Other Deductions	120,206	-	120,206
Total Deductions	1,269,443	-	1,269,443
Change in Net Position	27,764	-	27,764
Net Position - September 1 (Beginning)	-	-	-
Adjusted for Implementation of GASB	649,714	-	649,714
Net Position - August 31 (Ending)	\$ 677,478	\$ -	\$ 677,478

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 AUGUST 31, 2022

	820 Campus Scholarships	821 Miscellaneous Scholarships	823 Board Scholarships	Total Private Purpose Trust Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,096	\$ 9,838	\$ 13,788	\$ 25,722
Investments - Current	-	1,330	-	1,330
Long Term Investments	-	-	2,543,424	2,543,424
Total Assets	<u>2,096</u>	<u>11,168</u>	<u>2,557,212</u>	<u>2,570,476</u>
NET POSITION				
Unrestricted Net Position	<u>2,096</u>	<u>11,168</u>	<u>2,557,212</u>	<u>2,570,476</u>
Total Net Position	<u>\$ 2,096</u>	<u>\$ 11,168</u>	<u>\$ 2,557,212</u>	<u>\$ 2,570,476</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 PRIVATE PURPOSE TRUST FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2022

	820 Campus Scholarships	821 Miscellaneous Scholarships	823 Board Scholarships	Total Private Purpose Trust Funds
ADDITIONS:				
Earnings from Endowments	\$ -	\$ -	\$ (413,699)	\$ (413,699)
Earnings from Temporary Deposits	-	7	-	7
Total Additions	<u>-</u>	<u>7</u>	<u>(413,699)</u>	<u>(413,692)</u>
DEDUCTIONS:				
Other Deductions	<u>1,394</u>	<u>100</u>	<u>81,000</u>	<u>82,494</u>
Total Deductions	<u>1,394</u>	<u>100</u>	<u>81,000</u>	<u>82,494</u>
Change in Net Position	(1,394)	(93)	(494,699)	(496,186)
Net Position - September 1 (Beginning)	<u>3,490</u>	<u>11,261</u>	<u>3,051,911</u>	<u>3,066,662</u>
Net Position - August 31 (Ending)	<u><u>\$ 2,096</u></u>	<u><u>\$ 11,168</u></u>	<u><u>\$ 2,557,212</u></u>	<u><u>\$ 2,570,476</u></u>



REQUIRED TEA SCHEDULES

KILLEEN INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2022

Last 10 Years Ended August 31	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2013 and prior years	\$ 1.040000	\$ 0.091000	\$ 6,425,421,436
2014	1.040000	0.088000	6,752,661,759
2015	1.040000	0.088000	6,874,498,077
2016	1.040000	0.088000	6,875,938,224
2017	1.040000	0.086000	7,134,304,781
2018	1.040000	0.070000	7,687,533,454
2019	1.040000	0.220000	7,771,452,212
2020	0.970000	0.191100	8,000,980,866
2021	0.920000	0.169400	8,666,050,314
2022 (School year under audit)	0.872000	0.171200	9,537,515,047
1000 TOTALS			

(10) Beginning Balance 9/1/2021	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 8/31/2022
\$ 226,903	\$ -	\$ 17,708	\$ 1,548	\$ (49,847)	\$ 157,800
67,811	-	5,851	495	-	61,465
67,203	-	3,916	331	-	62,956
91,577	-	8,134	688	40	82,795
115,476	-	13,752	1,137	(1,033)	99,554
156,668	-	20,916	1,408	(8,212)	126,132
213,178	-	41,254	8,727	(8,170)	155,027
386,151	-	33,051	6,512	(122,222)	224,366
984,555	-	196,236	36,129	(405,212)	346,978
-	105,318,428	86,149,248	16,913,705	(1,200,585)	1,054,890
<u>\$ 2,309,522</u>	<u>\$ 105,318,428</u>	<u>\$ 86,490,066</u>	<u>\$ 16,970,680</u>	<u>\$ (1,795,241)</u>	<u>\$ 2,371,963</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED AUGUST 31, 2022

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	\$ 1,015,745	\$ 817,257	\$ 823,270	\$ 6,013
5800 State Program Revenues	120,847	95,319	95,319	-
5900 Federal Program Revenues	24,368,226	29,437,701	30,093,404	655,703
5020 Total Revenues	25,504,818	30,350,277	31,011,993	661,716
EXPENDITURES:				
Current:				
0035 Food Services	25,503,043	26,004,688	24,634,813	1,369,875
0051 Facilities Maintenance and Operations	1,775	42,401	38,634	3,767
6030 Total Expenditures	25,504,818	26,047,089	24,673,447	1,373,642
1100 Excess of Revenues Over Expenditures	-	4,303,188	6,338,546	2,035,358
OTHER FINANCING SOURCES (USES):				
7915 Transfers In	-	5,302,929	5,302,929	-
1200 Net Change in Fund Balances	-	9,606,117	11,641,475	2,035,358
0100 Fund Balance - September 1 (Beginning)	-	6,367,534	6,367,534	-
3000 Fund Balance - August 31 (Ending)	\$ -	\$ 15,973,651	\$ 18,009,009	\$ 2,035,358

KILLEEN INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2022

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	\$ 16,981,752	\$ 16,550,382	\$ 16,687,410	\$ 137,028
5800 State Program Revenues	8,566,911	9,765,331	8,900,439	(864,892)
5020 Total Revenues	25,548,663	26,315,713	25,587,849	(727,864)
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	9,545,000	9,545,000	9,545,000	-
0072 Interest on Long-Term Liabilities	17,592,875	17,592,875	17,592,875	-
0073 Bond Issuance Cost and Fees	-	2,600	7,500	(4,900)
6030 Total Expenditures	27,137,875	27,140,475	27,145,375	(4,900)
1200 Net Change in Fund Balances	(1,589,212)	(824,762)	(1,557,526)	(732,764)
0100 Fund Balance - September 1 (Beginning)	-	1,878,610	1,878,610	-
3000 Fund Balance - August 31 (Ending)	\$ (1,589,212)	\$ 1,053,848	\$ 321,084	\$ (732,764)

KILLEEN INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
 FOR THE YEAR ENDED AUGUST 31, 2022

Section A: Compensatory Education Programs

AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
<hr/>		
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
<hr/>		
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$41,451,335
<hr/>		
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year.	\$9,581,604
<hr/>		

Section B: Bilingual Education Programs

AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
<hr/>		
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
<hr/>		
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$2,507,129
<hr/>		
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25,35)	\$1,142,493
<hr/>		



KILLEEN INDEPENDENT SCHOOL DISTRICT

Bond Schedule

Fiscal Year Ended August 31, 2022

Date of Issue	Description	Interest Rate Payable	Amounts Original Issue	10 Amounts Outstanding 9/1/21	20 Issued Current Year
2/15/2012	Unlimited Tax Refunding Bond, Series 2012	2.0 to 5.0%	* 28,290,000	335,000	-
6/15/2017	Unlimited Tax Refunding Bond, Series 2017	2.0 to 4.5%	** 8,550,000	8,025,000	-
8/21/2018	Unlimited Tax School Building Bonds, Series 2018	3.5 to 5.0%	*** 269,785,000	260,235,000	-
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	8,080,000	-
11/19/2020	Unlimited Tax Refunding Bond, Series 2020	3.0 to 5.0%	***** 11,115,000	11,010,000	-
	Sub-total:		445,370,000	403,295,000	-
	Unamortized Premiums (discount)		-	41,714,748	-
1000	TOTAL		<u>\$ 445,370,000</u>	<u>\$ 445,009,748</u>	<u>\$ -</u>

*Bonds payable Series 2012
Principal amount of Capital Interest Bonds

\$ 28,290,000

**Bonds payable Series 2017
Principal amount of Capital Interest Bonds

\$ 8,550,000

***Bonds payable Series 2018
Principal amount of Capital Interest Bonds

\$ 269,785,000

****Bonds payable Series 2019
Principal amount of Capital Interest Bonds

\$ 115,610,000

*****Bonds payable Series 2019
Principal amount of Capital Interest Bonds

\$ 12,020,000

*****Bonds payable Series 2020
Principal amount of Capital Interest Bonds

\$ 11,115,000

30 Retired Current Year	40 Amounts Outstanding 8/31/22	50 Interest Current Year	Requirements				I 9/1/24 To Maturity Interest
			Year Ending - 8/31/23		Year Ending - 8/31/24		
			60 Principal	70 Interest	80 Principal	90 Interest	
335,000	-	5,025	-	-	-	-	-
95,000	7,930,000	331,225	95,000	329,325	100,000	327,375	667,663
5,175,000	255,060,000	12,067,525	5,730,000	11,794,900	6,255,000	11,495,275	120,492,500
-	115,610,000	4,340,500	-	4,340,500	70,000	4,339,450	56,359,950
3,940,000	4,140,000	305,500	4,140,000	103,500	-	-	-
-	11,010,000	543,100	25,000	542,725	4,300,000	434,850	319,725
9,545,000	393,750,000	17,592,875	9,990,000	17,110,950	10,725,000	16,596,950	177,839,838
2,514,252	39,200,496	-	-	-	-	-	-
<u>\$ 12,059,252</u>	<u>\$ 432,950,496</u>	<u>\$ 17,592,875</u>	<u>\$ 9,990,000</u>	<u>\$ 17,110,950</u>	<u>\$ 10,725,000</u>	<u>\$ 16,596,950</u>	<u>\$ 177,839,838</u>

Other debt service expenditures:

6599 - Fees:	2012	1,000
	2017	4,500
	2018	400
	2019	800
	ref 2019	400
	2020	400
	<u>\$</u>	<u>7,500</u>

KILLEEN INDEPENDENT SCHOOL DISTRICT

Mandated Programs Schedule
General Fund

Fiscal Year Ended August 31, 2022

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	\$ 140,230,640	\$ 9,223	\$ 4,069,039	\$ 28,022,417	\$ 1,755,721	\$ 426,831	\$ 1,224,239	\$ 1,552,275	\$ -
6200 Contract services	5,810,446	138,766	284,752	4,018,656	625,259	27,789	2,959	-	-
6300 Supplies and materials	7,920,885	215,870	1,335,679	617,438	637,823	199,339	20,727	14,520	-
6400 Other operating	549,253	42,099	60,428	66,518	80	-	3,697	146	-
6500 Debt service	-	-	-	-	-	-	-	-	-
6600 Capital outlay	1,292,721	-	380,972	12,514	-	-	-	-	-
Total Instruction	155,803,945	405,958	6,130,870	32,737,543	3,018,883	653,959	1,251,622	1,566,941	-
12-99 ALL OTHER FUNCTIONS-									
6100 Payroll costs	-	-	588,593	6,620,603	39,298	12,187	606,837	478,154	16,158
6200 Contract services	-	15,675	1,339,743	650,697	646,371	4,025	4,255	-	-
6300 Supplies and materials	-	4,452	44,721	206,120	19,483	22,130	9,445	6,685	-
6400 Other operating	-	120,079	265,659	41,357	103,612	12,225	4,854	483	-
6500 Debt service	-	-	-	-	-	-	-	-	-
6600 Capital outlay	-	-	29,439	-	-	-	-	-	-
6900 Facilities Acquisition & Constructio	-	-	-	-	-	-	-	-	-
Total Other Functions	-	140,206	2,268,155	7,518,777	808,764	50,567	625,391	485,322	16,158
Total Expenditures	\$ 155,803,945	\$ 546,164	\$ 8,399,025	\$ 40,256,320	\$ 3,827,647	\$ 704,526	\$ 1,877,013	\$ 2,052,263	\$ 16,158

30	32	33	35	36	37	38	43	91	99	TOTALS
Title I, Part A School Wide Campuses	Prekindergarten	Prekindergarten Special Education	Pre-K Bilingual	Early Education	Dyslexia	College, Career & Military Read	Dyslexia SpEd	Athletics	Other Expenditures	August 31, 2022
\$ 1,131,980	\$ 11,221,080	\$ 1,973,455	\$ 437,967	\$ 10,169,524	\$ 4,764,704	\$ -	\$ -	\$ -	\$ -	\$ 206,989,095
163,671	-	51,038	-	-	-	15,000	-	-	567	11,138,903
345,741	-	77,827	-	-	13,135	9,650	-	-	-	11,408,634
51,620	-	-	-	-	-	-	-	-	-	773,841
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	1,686,207
<u>1,693,012</u>	<u>11,221,080</u>	<u>2,102,320</u>	<u>437,967</u>	<u>10,169,524</u>	<u>4,777,839</u>	<u>24,650</u>	<u>-</u>	<u>-</u>	<u>567</u>	<u>231,996,680</u>
720	-	10,391	-	-	2,942	480,611	15,764	4,783,145	112,373,112	126,028,516
35,400	-	-	-	-	9,750	4,238	-	957,462	21,986,031	25,653,647
20,698	-	1,576	-	-	8,567	38,468	-	1,223,012	10,444,330	12,049,686
58,695	-	4,526	-	-	11,800	3,963	-	1,396,528	6,079,131	8,102,912
-	-	-	-	-	-	-	-	-	387,115	-
-	-	-	-	-	-	-	-	55,483	3,077,556	3,162,478
-	-	-	-	-	-	-	-	-	-	-
<u>115,513</u>	<u>-</u>	<u>16,493</u>	<u>-</u>	<u>-</u>	<u>33,059</u>	<u>527,280</u>	<u>15,764</u>	<u>8,415,630</u>	<u>154,347,275</u>	<u>175,384,354</u>
<u>\$ 1,808,525</u>	<u>\$ 11,221,080</u>	<u>\$ 2,118,813</u>	<u>\$ 437,967</u>	<u>\$ 10,169,524</u>	<u>\$ 4,810,898</u>	<u>\$ 551,930</u>	<u>\$ 15,764</u>	<u>\$ 8,415,630</u>	<u>\$ 154,347,842</u>	<u>\$ 407,381,034</u>



STATISTICAL SECTION

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

Contents

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net Investment in Capital Assets	\$ 306,200,701	\$ 321,814,494	\$ 321,215,852	\$ 329,712,403
Restricted	22,819,760	18,618,614	19,898,271	62,931,188
Unrestricted	180,349,773	183,203,050	158,322,950	123,742,246
Total primary government net position	<u>\$ 509,370,234</u>	<u>\$ 523,636,158</u>	<u>\$ 499,437,073</u>	<u>\$ 516,385,837</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 379,077,668	\$ 363,526,616	\$ 389,562,467	\$ 418,269,956	\$ 408,700,785	\$ 396,841,897
17,167,481	13,344,005	18,221,610	42,292,920	40,952,442	56,336,595
129,304,444	(30,227,475)	(46,208,560)	(88,543,772)	(31,835,525)	(13,305,235)
<u>\$ 525,549,593</u>	<u>\$ 346,643,146</u>	<u>\$ 361,575,517</u>	<u>\$ 372,019,104</u>	<u>\$ 417,817,702</u>	<u>\$ 439,873,257</u>

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	250,934,636	\$ 249,023,048	\$ 178,297,436	\$ 278,326,507	\$ 309,712,600	\$ 295,387,640	\$ 267,647,424
	10,784,665	10,834,224	7,337,556	11,963,196	12,223,515	12,089,943	12,888,248
	12,020,271	12,029,200	9,309,204	13,359,411	12,793,306	13,086,089	11,760,711
	4,979,844	5,086,230	4,233,292	6,083,804	6,766,239	6,859,999	6,618,331
	24,087,766	24,526,160	16,625,007	26,941,109	27,162,193	26,475,667	26,011,453
	16,097,201	15,794,318	11,202,602	19,849,307	22,812,605	24,344,882	24,125,510
	1,650,526	1,773,561	1,330,754	2,187,245	2,251,368	2,216,473	2,233,995
	4,346,573	4,557,775	3,192,477	5,171,915	5,503,853	5,457,958	5,118,968
	14,255,248	13,275,651	9,632,454	13,491,676	17,937,999	12,449,328	13,866,597
	23,876,939	22,130,762	17,438,093	21,915,692	18,992,469	19,176,841	26,131,392
	10,582,586	11,426,312	9,220,287	11,038,722	11,172,645	10,538,968	13,939,949
	9,247,770	9,566,569	7,750,993	9,915,304	10,938,006	9,835,589	30,302,664
	34,151,020	37,738,798	31,702,520	44,074,144	44,686,583	49,662,936	54,831,122
	3,738,461	3,418,675	2,918,987	4,183,384	4,760,110	5,765,864	5,314,355
	4,815,343	5,751,752	4,049,860	5,809,385	6,660,743	6,447,708	6,564,814
	1,248,317	1,352,246	924,337	1,283,431	1,260,899	1,251,917	1,342,263
	2,011,243	1,321,861	1,479,493	12,620,752	13,672,720	14,656,215	15,688,377
	-	-	2,011,140	1,015,066	163,520	163,245	7,500
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	8,446	3,621	14,022
	781,897	813,547	846,711	871,080	925,861	861,240	876,518
	<u>429,610,306</u>	<u>430,420,689</u>	<u>319,503,203</u>	<u>490,101,130</u>	<u>530,405,680</u>	<u>516,732,123</u>	<u>525,284,213</u>
	395,663	878,077	758,831	1,207,200	712,019	461,589	992,734
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	183,657	98,796	150,896	267,471
	3,935,898	3,364,061	2,869,827	2,791,433	460,882	468,474	721,554
	1,767,481	1,724,071	1,513,187	665,649	153,112	441,611	807,313
	52,691	134,091	5,831	-	-	-	-
	52,691	134,091	684,517	98,465	-	-	-
	-	-	20,303	72,832	17,173	35,111	-
	52,691	134,091	92,907	99,716	64,731	102,525	123,616
	-	-	-	-	247,495	-	-
	-	-	-	-	-	-	-
	56,430,116	55,929,625	(12,542,980)	73,741,613	47,757,760	69,014,384	83,414,620
	<u>62,687,231</u>	<u>62,298,107</u>	<u>(6,597,577)</u>	<u>78,860,565</u>	<u>49,511,968</u>	<u>70,674,590</u>	<u>86,327,308</u>
\$	<u>(366,923,075)</u>	<u>(368,122,582)</u>	<u>(326,100,780)</u>	<u>(411,240,565)</u>	<u>(480,893,712)</u>	<u>(446,057,533)</u>	<u>(438,956,905)</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (Expense)/Revenue				
Total primary government net expense	\$ (307,070,086)	\$ (322,703,633)	\$ (338,341,183)	\$ (366,923,075)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	62,872,968	65,963,530	67,180,493	67,273,276
Property taxes levied for debt service	5,492,532	5,575,030	5,682,338	5,689,987
State Aid - formula grants	192,837,128	207,448,819	216,884,667	233,776,942
Grants and contributions not restricted	54,388,504	55,592,180	69,680,229	74,217,287
Investment earnings	549,981	336,491	261,972	1,148,363
Miscellaneous	1,609,962	2,053,507	4,608,713	1,765,984
Transfers In (Out)	-	-	-	-
Total primary government	<u>317,751,075</u>	<u>336,969,557</u>	<u>364,298,412</u>	<u>383,871,839</u>
Change in Net Position				
Total primary government	<u>\$ 10,680,989</u>	<u>\$ 14,265,924</u>	<u>\$ 25,957,229</u>	<u>\$ 16,948,764</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ (368,122,582)	\$ (326,100,780)	\$ (411,240,565)	\$ (480,893,712)	\$ (446,057,533)	\$ (438,956,905)
69,658,384	74,984,816	75,133,779	76,798,462	78,824,359	82,194,420
5,757,954	5,035,811	15,898,018	15,120,375	14,645,866	16,153,428
216,501,752	241,170,378	246,608,767	274,807,668	283,956,504	273,676,366
81,267,076	60,900,168	75,025,066	110,227,218	110,688,111	68,380,548
1,844,819	3,181,496	12,873,548	9,560,925	930,740	1,667,742
2,256,353	1,919,401	1,561,827	4,822,652	2,811,875	18,939,956
-	(800,000)	(928,069)	-	-	-
<u>377,286,338</u>	<u>386,392,070</u>	<u>426,172,936</u>	<u>491,337,300</u>	<u>491,857,455</u>	<u>461,012,460</u>
<u>\$ 9,163,756</u>	<u>\$ 60,291,290</u>	<u>\$ 14,932,371</u>	<u>\$ 10,443,588</u>	<u>\$ 45,799,922</u>	<u>\$ 22,055,555</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 4,866,605	\$ 4,575,275	\$ 3,826,566	\$ 1,102,617
Restricted	6,281,016	6,553,517	9,496,601	9,154,279
Committed	-	-	-	-
Assigned	3,270,965	4,984,664	4,451,711	3,966,710
Unassigned	94,710,097	84,503,633	91,411,595	98,771,776
Total general fund	<u>\$ 109,128,683</u>	<u>\$ 100,617,089</u>	<u>\$ 109,186,473</u>	<u>\$ 112,995,382</u>
All Other Governmental Funds				
Nonspendable, reported in:				
Special revenue funds	634,897	977,403	691,042	963,702
Permanent funds	189,715	189,715	189,715	189,714
Restricted, reported in:				
Special revenue funds	3,142,256	2,968,592	3,677,106	2,593,609
Capital projects funds	1,561,734	1,230,451	3,287,663	3,287,663
Permanent funds	29,980	34,418	34,121	22,182
Debt service funds	1,707,213	1,659,815	1,313,597	1,437,818
Committed, reported in:				
Special revenue funds	2,827,789	629,613	681,270	698,812
Capital projects funds	20,598,281	6,226,068	2,773,041	46,278,947
Assigned, reported in:				
Capital projects funds	80,753,750	102,645,745	116,901,486	77,720,153
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 111,445,615</u>	<u>\$ 116,561,820</u>	<u>\$ 129,549,041</u>	<u>\$ 133,192,600</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,311,418	\$ 1,865,829	\$ 1,728,536	\$ 6,135,880	\$ 3,412,944	\$ 2,917,361
10,004,817	7,519,241	8,872,402	25,482,573	24,804,146	34,830,564
-	-	-	3,600,000	-	-
3,304,334	355,977	1,200,000	3,000,000	3,000,000	-
106,538,733	115,125,757	125,075,120	108,314,584	168,743,922	152,516,815
<u>\$ 121,159,302</u>	<u>\$ 124,866,804</u>	<u>\$ 136,876,058</u>	<u>\$ 146,533,037</u>	<u>\$ 199,961,012</u>	<u>\$ 190,264,740</u>
766,592	785,343	891,105	898,613	70,521	41,457
189,715	189,714	189,715	189,715	189,715	189,715
2,609,659	2,855,951	5,924,222	9,147,597	11,863,955	18,544,288
3,051,903	1,592,460	1,331,988	661,905	385,288	1,582,241
18,303	1,638	39,862	28,886	41,728	6,729
1,343,090	1,214,042	1,361,461	2,297,953	1,878,610	321,084
727,775	673,824	803,777	906,253	849,657	1,228,915
1,799,339	39,654,154	136,892,948	170,017,409	78,048,718	27,584,030
84,359,885	360,558,756	361,944,107	192,584,061	138,590,436	136,868,702
-	-	-	-	-	-
<u>\$ 94,866,262</u>	<u>\$ 407,525,882</u>	<u>\$ 509,379,185</u>	<u>\$ 376,732,392</u>	<u>\$ 231,918,628</u>	<u>\$ 186,367,161</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Federal sources:			
Distributed through governmental entities	\$ -	\$ -	\$ -
Distributed by TEA	32,896,927	33,359,786	30,361,069
Distributed by other State of Texas Government Agencies	2,630,062	3,886,513	4,961,289
Distributed directly from the Federal Government	53,084,329	51,292,229	65,963,676
Shared services arrangements	-	-	-
Total federal sources	<u>88,611,318</u>	<u>88,538,528</u>	<u>101,286,034</u>
State sources:			
Per capital and foundation school program act revenues	185,078,088	201,671,615	211,910,115
Program revenues distributed by TEA	8,159,049	7,144,870	7,152,677
Revenues from State of Texas Government Agencies	11,218,021	12,420,600	13,245,317
Shared services arrangements	-	-	-
Total state sources	<u>204,455,158</u>	<u>221,237,085</u>	<u>232,308,109</u>
Local and intermediate sources:			
Real and personal property taxes	70,000,019	73,398,051	74,692,255
Services rendered to other school districts	-	-	-
Tuition and fees	960	2,000	1,880
Other revenues	3,171,495	2,338,126	3,421,943
Cocurricular, enterprising services or activities	6,590,813	6,521,491	6,535,560
Intermediate sources	-	-	-
Total local and intermediate sources	<u>79,763,287</u>	<u>82,259,668</u>	<u>84,651,638</u>
Total revenues	<u>\$ 372,829,763</u>	<u>\$ 392,035,281</u>	<u>\$ 418,245,781</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32,926,542	33,708,782	36,782,602	38,789,203	40,878,075	63,678,927	79,551,085
3,793,693	2,279,614	2,246,190	8,376,995	4,378,130	6,027,137	5,829,218
66,991,757	58,703,837	59,446,028	63,892,818	60,319,579	63,177,109	58,964,413
-	-	-	-	-	-	-
<u>103,711,992</u>	<u>94,692,233</u>	<u>98,474,820</u>	<u>111,059,016</u>	<u>105,575,784</u>	<u>132,883,173</u>	<u>144,344,716</u>
229,236,893	231,676,865	241,170,378	246,124,796	274,807,668	287,586,620	271,581,099
9,886,094	9,525,298	7,356,372	8,585,124	15,852,875	14,457,292	13,863,726
13,513,457	14,852,817	18,317,609	17,347,378	20,290,361	24,297,563	20,585,159
-	-	-	-	-	-	-
<u>252,636,444</u>	<u>256,054,980</u>	<u>266,844,359</u>	<u>272,057,298</u>	<u>310,950,904</u>	<u>326,341,475</u>	<u>306,029,984</u>
72,963,263	74,918,791	80,695,531	93,152,622	94,265,395	96,433,073	101,796,581
-	-	-	-	-	-	-
-	7,356	3,472	4,764	2,140	1,856	9,467
2,009,383	6,034,933	5,764,160	14,544,621	10,925,520	3,876,751	2,819,823
7,352,515	4,997,023	4,462,140	4,165,639	2,803,327	1,310,383	2,500,129
-	-	-	-	-	-	-
<u>82,325,161</u>	<u>85,958,103</u>	<u>90,925,303</u>	<u>111,867,646</u>	<u>107,996,382</u>	<u>101,622,063</u>	<u>107,126,000</u>
<u>\$ 438,673,597</u>	<u>\$ 436,705,316</u>	<u>\$ 456,244,482</u>	<u>\$ 494,983,960</u>	<u>\$ 524,523,070</u>	<u>\$ 560,846,711</u>	<u>\$ 557,500,700</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction	\$ 201,626,059	\$ 204,760,286	\$ 215,299,368	\$ 227,775,912
Instructional resources and media services	8,159,885	9,900,213	10,443,520	10,519,075
Curriculum development/instructional staff development	8,220,125	10,044,774	10,289,246	10,611,670
Instructional leadership	2,729,858	3,334,971	3,780,972	3,506,106
School leadership	19,525,190	20,477,342	21,357,493	22,409,791
Guidance, counseling and evaluation services	12,437,747	13,477,688	14,087,689	15,530,650
Social work services	1,309,625	1,346,852	1,467,253	1,599,313
Health services	3,591,864	3,680,296	3,941,271	4,183,341
Student (pupil) transportation	11,354,655	12,582,534	12,401,323	15,269,972
Food services	19,188,346	20,848,980	20,279,084	21,867,280
Extracurricular activities	7,370,227	8,340,390	9,335,627	9,712,028
General administration	6,644,716	6,882,657	7,397,209	9,015,913
Facilities maintenance and operations	27,683,922	33,783,186	35,781,749	34,636,647
Security and monitoring services	3,161,865	3,095,529	3,019,210	3,728,292
Data processing services	4,753,874	4,955,560	4,681,864	4,767,932
Community services	1,116,242	1,237,944	1,163,669	1,205,068
Debt service:				
Principal	7,850,000	8,180,000	8,845,000	9,000,000
Interest	4,125,875	3,800,525	3,133,742	2,978,025
Bond issuance cost and fees	1,800	2,050	142,598	2,400
Facilities acquisition and construction	20,195,403	23,964,398	9,402,258	22,180,540
Payments to fiscal agent/member districts of SSA	-	-	-	-
Payments to JJAEP	-	-	-	-
Other Intergovernmental Charges	739,937	754,102	773,730	781,897
Total expenditures	<u>\$ 371,787,215</u>	<u>\$ 395,450,277</u>	<u>\$ 397,023,875</u>	<u>\$ 431,281,852</u>
Debt service as a percentage of noncapital expenditures	3.41%	3.28%	3.12%	2.87%

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	231,999,253	\$ 242,443,311	\$ 247,585,173	\$ 260,562,371	\$ 273,873,979	\$ 278,331,457
	10,948,965	11,141,064	11,201,465	11,363,185	13,220,790	14,442,174
	11,042,199	11,622,818	12,374,533	11,490,382	11,914,699	11,836,664
	3,880,609	4,016,563	4,427,104	5,080,699	5,364,144	5,374,229
	23,432,538	24,005,138	24,583,813	25,363,301	24,999,852	27,430,737
	15,430,398	16,941,396	18,575,667	21,853,282	23,672,660	26,609,832
	1,741,440	1,839,830	1,946,995	2,184,858	2,159,234	2,413,673
	4,453,356	4,816,611	4,915,233	5,287,480	5,301,558	5,627,428
	13,875,703	13,931,901	15,263,283	14,937,092	13,968,645	14,984,201
	20,476,261	19,737,220	19,042,941	16,900,191	17,219,396	26,064,032
	11,351,955	10,439,993	9,947,755	9,933,270	9,769,583	13,865,927
	9,450,141	9,979,509	9,739,316	10,561,111	9,674,957	11,120,890
	40,337,428	37,686,494	42,825,435	43,112,359	50,472,400	58,786,547
	3,598,038	3,751,418	4,171,899	4,497,388	5,872,514	6,054,351
	6,188,265	5,695,568	5,883,997	6,162,707	7,584,283	7,011,005
	1,327,691	1,326,055	1,281,379	1,215,606	1,212,379	1,477,986
	9,560,000	8,290,000	5,005,001	8,490,000	8,855,000	9,891,559
	2,417,413	2,066,450	14,241,949	18,264,314	17,899,393	17,633,431
	164,188	2,011,140	1,015,066	163,520	163,245	7,500
	44,638,032	8,600,017	52,399,228	169,366,279	145,119,838	75,257,768
	-	-	-	-		
	-	-	-	8,446	3,621	14,022
	813,547	846,711	871,080	925,861	861,240	876,518
<u>\$</u>	<u>467,127,420</u>	<u>\$ 441,189,207</u>	<u>\$ 507,298,312</u>	<u>\$ 647,723,702</u>	<u>\$ 649,183,410</u>	<u>\$ 615,111,931</u>
	2.64%	2.42%	4.28%	5.53%	5.39%	5.16%

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Excess of Revenues over (under) Expenditures	\$ 1,042,548	\$ (3,414,996)	\$ 21,221,906	\$ 7,391,845
Other Financing Sources (Uses)				
General Long-term Debt Issued	-	-	10,255,000	-
Bond Refunding Escrow Agent	-	-	(10,885,500)	-
Premium on Bond Issue	-	-	773,775	-
Sale of Capital Assets	24,411	19,607	191,424	60,624
Right-to-Use Leases	-	-	-	-
Other Uses	-	-	-	-
Transfers In	11,819,889	31,605,046	18,034,498	28,712,522
Transfers Out	(11,819,889)	(31,605,046)	(18,034,498)	(28,712,522)
Total Other Financing Sources (Uses)	<u>24,411</u>	<u>19,607</u>	<u>334,699</u>	<u>60,624</u>
Net Change in Fund Balances	<u>\$ 1,066,959</u>	<u>\$ (3,395,389)</u>	<u>\$ 21,556,605</u>	<u>\$ 7,452,469</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ (30,422,104)	\$ 15,055,275	\$ (12,314,352)	\$ (123,200,632)	\$ (88,336,699)	\$ (57,611,231)
8,550,000	269,785,000	115,610,000	12,020,000	11,115,000	-
(9,781,988)	-	-	-	-	-
1,393,776	32,236,582	11,414,841	992,624	1,974,183	-
97,897	90,266	80,137	46,534	389,172	806,997
-	-	-	-	-	1,556,495
-	(800,000)	(928,069)	(12,848,344)	(12,927,445)	-
19,580,886	322,342,659	155,509,072	41,152,026	18,356,095	50,263,185
<u>(19,580,885)</u>	<u>(322,342,659)</u>	<u>(155,509,072)</u>	<u>(41,152,026)</u>	<u>(21,956,095)</u>	<u>(50,263,185)</u>
<u>259,686</u>	<u>301,311,848</u>	<u>126,176,909</u>	<u>210,814</u>	<u>(3,049,090)</u>	<u>2,363,492</u>
<u>\$ (30,162,418)</u>	<u>\$ 316,367,123</u>	<u>\$ 113,862,557</u>	<u>\$ (122,989,818)</u>	<u>\$ (91,385,789)</u>	<u>\$ (55,247,739)</u>

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		
2013	7,125,103,190	512,350,466	1,212,032,220	6,425,421,436
2014	7,457,079,389	576,774,352	1,281,191,982	6,752,661,759
2015	7,674,451,745	605,574,568	1,405,528,236	6,874,498,077
2016	8,011,967,463	651,426,723	1,787,455,962	6,875,938,224
2017	8,416,172,949	666,263,098	1,948,134,266	7,134,301,781
2018	9,233,976,415	666,209,330	2,212,652,291	7,687,533,454
2019	9,620,844,578	649,358,336	2,498,750,702	7,771,452,212
2020	10,632,844,790	683,577,706	2,782,265,684	8,534,156,812
2021	11,644,702,848	705,568,983	3,061,320,644	9,288,951,187
2022	13,203,146,695	746,918,741	3,663,552,539	10,286,512,897

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
1.1310	7,637,453,656	84.13%
1.1280	8,033,853,741	84.05%
1.1280	8,280,026,313	83.03%
1.1280	8,663,394,186	79.37%
1.1260	9,082,436,047	78.55%
1.1100	9,900,185,745	77.65%
1.2600	10,270,202,914	75.67%
1.1611	11,316,422,496	75.41%
1.0895	12,350,271,831	75.21%
1.0432	13,950,065,436	73.74%

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
2013	1.0400	0.0910	1.1310	0.4511	0.1400	0.7428	0.6770	0.5195
2014	1.0400	0.0880	1.1280	0.4212	0.1370	0.7428	0.6770	0.5118
2015	1.0400	0.0880	1.1280	0.4212	0.1348	0.7498	0.6770	0.5054
2016	1.0400	0.0880	1.1280	0.4511	0.1366	0.7498	0.6770	0.5054
2017	1.0400	0.0860	1.1260	0.4511	0.1366	0.7498	0.6770	0.5020
2018	1.0400	0.0700	1.1100	0.4511	0.1399	0.7498	0.6770	0.5020
2019	1.0400	0.2200	1.2600	0.4511	0.1386	0.7498	0.6770	0.5265
2020	0.9700	0.1911	1.1611	0.4500	0.1279	0.7330	0.6770	0.5156
2021	0.9201	0.1694	1.0895	0.4253	0.1116	0.7330	0.6770	0.5303
2022	0.8720	0.1712	1.0432	0.3943	0.1116	0.7330	0.6519	0.4674

Source: Bell County Tax Appraisal District rate table.

Note:

^aIncludes levies for operating, debt service costs and other (Road District) levies.

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

Taxpayer	2022			2013		
	Taxable	Percentage of		Taxable	Percentage of	
	Assessed Value	Rank	Taxable Value	Assessed Value	Rank	Taxable Value
ONCOR Electric Delivery Company	\$ 140,395,413	1	1.47%	\$ 94,930,846	1	1.48%
DRP Market Heights LTD	67,639,600	2	0.71%	-		0.00%
MGC Pure Chemicals America, INC	61,688,182	3	0.65%	-		0.00%
HH/Killeen Health System LLC	56,499,876	4	0.59%	28,553,430	5	0.44%
5002 Thayer Drive LLC	41,000,000	5	0.43%	-		0.00%
LHCS LLC	40,382,131	6	0.42%	-		0.00%
MFT - IP Killeen LLC	36,205,327	7	0.38%	-		0.00%
Z-Modular LLC	32,842,442	8	0.34%	-		0.00%
Wal-Mart Stores Texas llc	31,366,784	9	0.33%	-		0.00%
Amber Chase Townhomes LLC & Huntington Apartments	30,800,000	10	0.32%	-		0.00%
HH/Killeen Health System LLC - Seton Medical Center				51,737,009	2	0.81%
Wal-Mart Real Estate Business				37,376,751	3	0.58%
Market Heights LTD				28,735,680	4	0.45%
Central Telephone Company				26,036,511	6	0.41%
HEB Grocery Company				18,727,987	7	0.29%
Killeen Mall LLC				16,555,404	8	0.26%
Stone Creek Investment LLC				13,611,988	9	0.21%
Watercrest Place LP				11,720,061	10	0.18%
Subtotal	\$ 538,819,755		5.64%	\$ 327,985,667		5.11%
All other taxpayers	8,998,695,292		94.36%	6,097,435,769		94.89%
Total	\$ 9,537,515,047		100.00%	\$ 6,425,421,436		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
2013	71,741,042	71,076,277	99.07%	605,085	71,681,362	99.92%
2014	75,361,893	74,690,031	99.11%	610,397	75,300,428	99.92%
2015	76,828,096	76,196,881	99.18%	568,259	76,765,140	99.92%
2016	76,791,859	75,528,591	98.35%	1,180,473	76,709,064	99.89%
2017	79,492,678	78,777,376	99.10%	615,748	79,393,124	99.87%
2018	84,325,958	83,406,950	98.91%	792,876	84,199,826	99.85%
2019	96,220,996	95,381,122	99.13%	684,847	96,065,969	99.84%
2020	97,553,813	96,613,415	99.04%	716,032	97,329,447	99.77%
2021	99,636,750	98,652,195	99.01%	637,577	99,289,772	99.65%
2022	105,318,428	104,263,538	99.00%		104,263,538	99.00%

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
2013	95,743,386	5.77%	2,426	94,036,173	1.23%	2,382
2014	86,573,213	5.18%	2,191	84,913,398	1.06%	2,149
2015	76,396,395	4.61%	1,958	75,082,798	0.91%	1,924
2016	66,396,444	3.83%	1,650	65,082,847	0.79%	1,617
2017	57,129,867	3.17%	1,443	55,530,262	0.64%	1,403
2018	349,165,772	2.62%	8,575	347,951,730	3.83%	8,546
2019	469,040,729	24.94%	11,266	467,679,268	4.72%	11,233
2020	456,914,454	23.16%	10,404	454,616,501	4.43%	10,351
2021	445,009,748	20.84%	9,765	443,131,138	3.92%	9,723
2022	432,950,496	18.65%	9,066	432,629,412	3.50%	9,059

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, 2022

<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	\$ 147,845,000	44.91%	\$ 66,397,190
Central Texas College	\$ -	0.00%	\$ -
Coryell County ^a	\$ 2,371,522	0.00%	\$ -
City of Killeen	\$ 167,910,000	98.78%	\$ 165,861,498
City of Harker Heights	\$ 40,175,000	99.21%	\$ 39,857,618
City of Nolanville	\$ 2,610,000	97.84%	\$ 2,553,625
Subtotal, overlapping debt			\$ 274,669,930
District direct debt			<u>393,750,000</u>
Total direct and overlapping debt			<u><u>\$ 668,419,930</u></u>

Source: confirmations received from the above listed entities.

Notes:

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

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

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed value ^a	\$ 6,425,421,436	\$ 6,752,661,759	\$ 6,874,498,077	\$ 6,875,938,224
Debt Limit ^b	642,542,144	675,266,176	687,449,808	687,593,822
Amount of debt applicable to debt limit:				
Total bonded debt	95,743,386	86,573,213	76,396,395	66,396,444
Less: Net assets available in debt service fund	1,707,213	1,659,815	1,313,597	1,313,595
Total net debt applicable to limit	<u>94,036,173</u>	<u>84,913,398</u>	<u>75,082,798</u>	<u>65,082,849</u>
Legal debt margin	<u>\$ 548,505,971</u>	<u>\$ 590,352,778</u>	<u>\$ 612,367,010</u>	<u>\$ 622,510,973</u>
Total net debt applicable to the limit as a percentage of debt limit.	14.64%	12.57%	10.92%	9.47%

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>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 7,134,301,781	\$ 7,687,553,454	\$ 7,307,091,368	\$ 8,534,156,812	\$ 9,288,951,187	\$ 10,286,512,897
713,430,178	768,755,345	730,709,137	853,415,681	928,895,119	1,028,651,290
57,129,867	349,165,772	469,040,729	456,914,454	445,009,748	432,950,496
1,599,605	1,214,042	1,361,461	2,297,953	1,878,610	321,084
<u>55,530,262</u>	<u>347,951,730</u>	<u>467,679,268</u>	<u>454,616,501</u>	<u>443,131,138</u>	<u>432,629,412</u>
<u>\$ 657,899,916</u>	<u>\$ 420,803,615</u>	<u>\$ 263,029,869</u>	<u>\$ 398,799,180</u>	<u>\$ 485,763,981</u>	<u>\$ 596,021,878</u>
7.78%	45.26%	64.00%	53.27%	47.71%	42.06%

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
2012	420,375	\$ 16,592,415	\$ 39,471	7.10
2013	423,257	\$ 16,727,204	\$ 39,520	7.20
2014	424,858	\$ 16,576,889	\$ 39,017	5.40
2015	431,032	\$ 17,343,479	\$ 40,237	4.50
2016	436,744	\$ 17,289,992	\$ 39,588	4.20
2017	443,653	\$ 18,064,319	\$ 40,717	4.20
2018	451,679	\$ 18,804,982	\$ 41,634	3.70
2019	460,303	\$ 19,726,228	\$ 43,919	3.70
2020	475,367	\$ 21,349,269	\$ 45,574	6.60
2021	486,101	\$ 23,213,690	\$ 47,755	5.70

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>	2022*			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
III Corps & Fort Hood	36,786	1	58.74%	43,508	1	51.62%
Military Defense Contractors	6,800	2	10.86%			0.00%
Killeen ISD	6,209	3	9.92%	6,412	3	
Civilian Personnel Office	5,083	4	8.12%	20,741	2	24.61%
Teleperformance	1,800	5	2.87%	-		
Central Texas College	1,488	6	2.38%	1,396	4	1.66%
City of Killeen	1,173	7	1.87%	1,294	5	1.54%
Metroplex/Advent Health System	1,000	8	1.60%	1,200	6	1.42%
Seton Medical Center Harker Heights	480	9	0.77%	-		0.00%
Texas A&M University - Central Texas	305	10	0.49%	-		0.00%
Westar Aerospace & Defense				1,050	7	1.25%
Aegis Communications				600	9	0.71%
L-3 Communications Vertex Aerospace				600	8	0.71%
ESP Incorporated				510	10	0.61%
Subtotal	61,124		97.62%	77,311		91.72%
All other employers	1,497		2.38%	6,979		8.28%
Principal employment	<u>62,621</u>		<u>100.00%</u>	<u>84,290</u>		<u>100.00%</u>

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

Notes: N/A = information not available.

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

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

	<u>2013*</u>	<u>2014*</u>	<u>2015*</u>	<u>2016*</u>	<u>2017*</u>
Supervisory					
Instructional administrators	42	41	42	35	37
Noninstructional administrators	37	36	37	45	47
Consultants/supervisors of instruction	59	58	60	62	62
Principals	53	50	51	51	51
Assistant principals	120	117	120	125	127
Total supervisory	<u>311</u>	<u>302</u>	<u>310</u>	<u>318</u>	<u>324</u>
Instruction					
Elementary classroom teachers	1,425	1,381	1,425	1,477	1,432
Secondary classroom teachers	1,471	1,358	1,388	1,371	1,508
ESL teachers	68	56	59	59	64
Special Education teachers					
Other professionals (instructional)	75	71	70	76	82
Aides	1,055	976	996	984	1,002
Total instruction	<u>4,094</u>	<u>3,842</u>	<u>3,938</u>	<u>3,967</u>	<u>4,088</u>
Student Services					
Guidance counselors	115	113	116	120	129
Visiting teacher/social workers	4	4	4	6	6
Librarians	49	47	46	46	49
Other professionals (noninstructional)	217	207	203	219	242
Technicians	13	13	13	35	36
Total student services	<u>398</u>	<u>384</u>	<u>382</u>	<u>426</u>	<u>462</u>
Support and Administration					
Clerical/secretarial	311	304	309	321	328
Service workers	512	526	533	530	529
Skilled crafts	115	116	119	173	174
Unskilled laborers	671	671	701	665	708
Total support and administration	<u>1,609</u>	<u>1,617</u>	<u>1,662</u>	<u>1,689</u>	<u>1,739</u>
Total	<u><u>6,412</u></u>	<u><u>6,145</u></u>	<u><u>6,292</u></u>	<u><u>6,400</u></u>	<u><u>6,613</u></u>

Source: Killeen Independent School District data warehouse department.

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

<u>2018*</u>	<u>2019*</u>	<u>2020*</u>	<u>2021*</u>	<u>2022*</u>	Percentage Change 2013-2022
39	36	37	39	43	2%
46	44	47	41	39	5%
60	60	60	48	61	3%
51	52	52	54	53	0%
126	128	129	121	129	8%
322	320	325	303	325	5%
1,457	1,620	1,500	1,423	1,459	2%
1,607	1,334	1,141	1,211	1,137	-23%
68	70	68	57	58	-15%
		358	362	386	8%
133	137	138	142	179	139%
1,039	1,072	1,097	1,079	1,242	18%
4,304	4,233	4,302	4,274	4,461	9%
129	131	133	184	176	53%
8	8	17	7	12	200%
49	49	49	52	46	-6%
202	197	448	245	329	52%
46	58	54	39	73	462%
434	443	701	527	636	60%
335	422	404	326	347	12%
530	485	494	410	456	-11%
178	190	195	198	75	-35%
707	810	886	1204	968	44%
1,750	1,907	1,979	2,138	1,846	15%
6,810	6,903	7,307	7,242	7,268	13%



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
2013	41,969	\$ 371,787,215	\$ 8,859	2,805	15.0	58%
2014	41,414	\$ 395,450,277	\$ 9,549	2,824	14.7	57%
2015	42,929	\$ 397,023,875	\$ 9,248	2,872	14.9	61%
2016	43,486	\$ 431,281,852	\$ 9,918	2,905	15.0	61%
2017	43,856	\$ 467,127,420	\$ 10,651	3,003	14.6	61%
2018	44,378	\$ 441,189,207	\$ 9,942	3,132	14.2	68%
2019	45,091	\$ 507,298,312	\$ 11,251	3,024	14.9	67%
2020	45,492	\$ 647,723,700	\$ 14,238	3,001	15.2	62%
2021	44,017	\$ 649,183,410	\$ 14,748	3,053	14.4	100%
2022	44,109	\$ 615,111,931	\$ 13,945	3,040	14.5	60%

Source: Nonfinancial information from district records.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Schools</u>				
Elementary				
Buildings	32	32	32	32
Square feet	2,783,044	2,874,837	2,884,299	2,884,299
Capacity	23,568	25,051	25,051	25,051
Enrollment	23,579	24,210	24,284	24,365
Middle				
Buildings	11	11	11	11
Square feet	1,323,777	1,329,153	1,336,065	1,336,065
Capacity	9,300	9,300	9,300	8,500
Enrollment	8,409	8,660	8,653	8,693
High				
Buildings	4	4	4	4
Square feet	1,358,040	1,366,680	1,369,752	1,369,752
Capacity	8,476	8,476	8,476	8,476
Enrollment	9,269	9,482	9,768	8,759
Other:				
CATE, Pathways & Gateway School and Old Nolan				
Buildings	3	3	3	3
Square feet	266,720	266,720	266,720	266,720
Enrollment	494	577	1335	2,015
<u>Administrative</u>				
Buildings	9	9	10	10
Square feet	424,266	424,266	531,359	531,359
<u>Transportation</u>				
Garages	1	1	2	2
Buses	278	294	309	364
<u>Athletics</u>				
Warehouse	1	1	1	1
Square feet	31,608	31,608	31,608	31,608
Stadium	1	1	1	1
Football/soccer fields	46	47	47	47
Running tracks	4	4	4	4
Baseball/softball	8	8	8	8

Source: Killeen Independent School District departments.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
32	32	32	32	31	31
3,019,812	3,019,812	2,879,676	2,902,485	3,089,177	3,089,177
26,101	25,489	25,489	25,999	27,847	27,847
24,383	24,409	24,409	23,038	24,843	22,862
11	11	11	11	11	11
1,447,320	1,409,322	1,402,258	1,415,452	1,415,452	1,416,477
9,750	9,750	9,800	10,425	10,425	10,425
8,830	9,394	9,011	9,589	8,900	9,127
5	5	5	5	5	6
1,457,601	1,457,601	1,476,801	1,386,763	1,441,524	1,891,444
9,276	9,276	8,476	9,607	9,750	12,750
9,689	9,944	9,694	10,058	10,087	11,588
3	3	3	3	4	4
266,720	277,472	276,704	271,364	399,350	399,350
1,476	1,344	1,977	1,303	1,303	1,303
10	10	10	10	10	10
531,359	531,359	531,359	324,279	324,279	324,279
2	2	2	2	2	2
366	368	346	350	361	326
1	1	1	1	1	1
31,608	31,608	31,608	31,608	31,608	31,608
1	1	1	1	1	2
50	50	50	50	50	52
4	4	4	4	4	5
8	8	8	8	8	10

