

Annual Comprehensive Financial Report

For the Fiscal Year Ended August 31, 2024



KATY

Katy Independent School District
6301 South Stadium Lane
P.O. Box 159
Katy, Texas 77492-0159

**KATY INDEPENDENT
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED AUGUST 31, 2024

**PREPARED BY
THE FINANCIAL SERVICES DEPARTMENT**

**Christopher J. Smith
Chief Financial Officer**

**Jamey R. Hynds
Assistant Superintendent of Finance**

**Kayla A. Smith
Executive Director of Finance**

**Brandi L. Herrin
Director of Accounting**

**6301 S. Stadium Lane
P.O. Box 159
Katy, Texas 77492-0159**

KATY INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION



January 27, 2025

The Board of Trustees and Citizens
Katy Independent School District
6301 South Stadium Lane
P.O. Box 159
Katy, Texas 77492-0159

Dear Board Members and Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Katy Independent School District (the District) for the fiscal year ended August 31, 2024, is presented herein. The ACFR is management's report of the financial operations of the District for the Board of Trustees (the Board), patrons, taxpayers, employees, grantor agencies, the Texas Education Agency (TEA), and other interested parties. The Government-wide Financial Statements in this report provide an overview of the District's governmental activities, while detailed Fund Financial Statements describe specific activities of each fund group used in accounting for the District's financial transactions. This report has been prepared by the District's Financial Services Department in accordance with the accounting principles and reporting standards promulgated by the Governmental Accounting Standards Board (GASB) and the official rules published by the Texas Education Agency.

The ACFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, a list of principal officials and advisors, and an organizational chart. The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, and other supplementary information. The Statistical Section is designed to reflect social and economic data, financial and fiscal trends, and demographic information.

District management assumes full responsibility for the completeness, fairness, and accuracy of the information contained in this report. We believe the data presented is accurate in all material respects and is presented in a manner to fairly display the financial position of the District as measured by the financial activity of its various funds. We also believe all necessary disclosures are included to enable the reader to gain full understanding of the District's financial activities.

The Texas Education Code Section 44.008 requires an annual audit of the accounts, financial records, and transactions of the District by independent certified public accountants selected by the Board. This requirement has been complied with, and the Independent Auditor's Report has been included in this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of the federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

Generally Accepted Accounting Principles (GAAP) requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The Katy Independent School District was established in 1919 and is governed by an elected Board of seven trustees. The District is a recognized political subdivision of the State of Texas and has the responsibility for and control over all activities related to public education within its 181 square mile boundary. Located approximately 16 miles west of downtown Houston, the District extends beyond the City of Katy into Harris, Fort Bend, and Waller counties. The District and the City of Katy are governed independently, with each having individual taxing authority. The District is an independent entity and has no component units. Any charter school within the District's boundaries is funded separately by the State's Foundation School Program based on their student attendance as well as their program participation. Katy ISD has an enrollment of more than 94,785 students and is comprised of 75 campuses including 46 elementary schools, 17 junior high schools, 9 comprehensive high schools, a high school of choice, an alternative learning center, and a career and technology center. The ages of these facilities range from 0 to 77 years with an average age of 23.7 years. These ages and capacities can be found in Exhibit XVII of the Statistical Section.

Katy ISD provides a learning environment that ensures quality education. Its balanced, dynamic curriculum and cooperative partnership with parents and community prepare students for the changes and challenges of the future and empowers them to pursue productive and fulfilling lives. The District is a partnership of teachers, parents, and the community. Because of this working alliance, each year Katy ISD students, staff, schools, and volunteers win numerous state and national awards.

Attesting to the solid relationship between the District and the community, Katy ISD offers an award-winning Partners in Education program, providing a number of initiatives encouraging our campuses and community to forge long-term relationships beneficial to all involved.

Katy ISD teachers have access to a rigorous curriculum that is aligned to state standards. They collaboratively design instruction - promoting meaningful learning experiences; encourage connections between and among the disciplines; and promote academic, emotional, physical, social and positive behavioral skills. Relevant learning tasks are developed to assess student learning through a variety of strategies including formative, summative, formal, informal, and project-based activities. Students are encouraged to be actively involved in using evaluation criteria to self-monitor, self-reflect, and self-evaluate. Individual student data is used to inform and guide instruction. Student achievement on statewide tests consistently surpasses statewide achievement levels. Scores for the PSAT, SAT, and ACT rank above both state and national averages. The District's students consistently win individual and team competitions in academics, athletics, and fine arts. Katy ISD is ranked as the number one school district in the Greater Houston Area by Niche, a review site providing rankings and insight into more than 1,200+ school districts in Texas. This year five of the District's high schools were named to the organization's fifty best public high schools in the Houston area while eight of the District's junior high campuses were included in Niche's fifty best public middle schools in the Houston area. The District's elementary campuses also earned eighteen of the top fifty best elementary school spots ranked by Niche in the greater Houston area.

The District is a leader among Texas public school districts in the integration of technology and education. The user experience in the use of technology continues to be at the forefront for over 94,785 students. Katy ISD provides more than 37,000 centrally managed desktop and laptop computers with Windows operating system, 105,000 Chromebooks, and 22,000 tablet devices for our staff and students to achieve the work of teaching and learning. The District also uses more than 6,000 interactive whiteboards to enhance the learning experience through active participation, dynamic learning objects, collaboration, and an online experience for teachers and students.

The Technology Department supports students, staff, and parents through a variety of methods. A knowledge base is provided to allow all users to search and find information. One of the chief issues the technology department addresses each year is username and password support. Therefore, a self-service username and password recovery system is in place to support students, staff, and parents. To that end, staff, students, and parents can ask for assistance through the ticketing system which routes requests to the appropriate support team such as technology operations or instructional technology to ensure support is given when an issue arises.

The District's website, learning management system, data dashboards, home access center, and mobile app offer communication and information to assist students, parents, and teachers in day-to-day learning, communication, and activities. For example, parents can log in to see items such as grade reporting, lunch balances, bus tracking, library book check-outs, calendars, payment information, course schedules, and announcements.

Ensuring our students can access resources easily at home and school is a key to success; therefore, the single sign-on platform, MyKaty Cloud, offers resources based on a student's or staff member's role and campus. These resources include items such as online textbooks, Discovery Education, encyclopedias, core content applications, library system, Microsoft Office 365, as well as student grade reporting. My Katy Cloud allows our staff, students, and parents anytime, anywhere access to digital resources. Katy Virtual School is key for Katy ISD's high school students. The Katy Virtual School offers over 65 academic and Advanced Placement courses for students to access and complete year-round.

The implementation of a data warehouse that aggregates large amounts of siloed data into a rich display of easy-to-read visualizations has been a big win for stakeholders. The development of numerous data dashboards has aided decision-making for campuses and departments, while publicly accessible data is displayed on the District's website. The "Student Dashboard" is the newest dashboard that compiles data from multiple systems on the progress of a student's performance as well as addressing the social and emotional aspects of teaching and learning. This dashboard aids teachers in making better decisions for each student.

The passage of the 2023 Bond Referendum in November 2023 continues to allow the Katy ISD Technology Department to proceed with plans to implement technology for four new campuses, retrofit outdated technology for 44 campuses, distribute technology to every student in grades three through twelve, and upgrade the network infrastructure. A defined standard of technology was created as a strategic design goal and approved throughout the Katy Technology Oversight Committee (KTOC). The technology that is implemented includes items such as desktop computers, laptops, Chromebooks, interactive panels, network infrastructure, security cameras, projectors, document cameras, and visitor check-in stations. To ensure campuses remain equipped with up-to-date technology, Katy ISD follows a five-year retrofit cycle for all new equipment installations.

A strong infrastructure allows the District to support a wide variety of technologies. A few of the technologies that set the District apart is a multi-layered security infrastructure, an IP-based phone system and access points in each classroom. With the addition of filtered public Wi-Fi, the District continues to support well over 135,000 devices on its Wi-Fi each day. The building automation systems, lighting, and air conditioning controls also use the District technology infrastructure. The safety of the District's campuses relies on this strong technology infrastructure, and to that end, the installation of door-access controls and video cameras throughout each campus supports security throughout the District.

The Technology department continues to learn and understand the needs of our students and teachers to keep them at the forefront for support and the advancement of learning.

Katy ISD is comprised of dedicated and aspiring professionals with a common goal "to do whatever it takes" for student success. The emphasis is on meeting the needs of students through engaging instruction, a supportive classroom environment, and a wide variety of extracurricular activities. The success of the District could not be achieved without the efforts of outstanding teachers and staff. Katy ISD has been ranked in the top ten employers in Texas multiple times by the Forbes survey, *America's Best Employers by State*.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The area's economy is diverse with concentrations in healthcare, real estate, oil and gas, commercial building, retail trade, and service-producing industries. Many employers recruit their professional workers from the west Houston area; therefore, local educational institutions are a key component to producing employees with high educational backgrounds. The greatest strength of the area's economy is its human capital. Maintaining the competitive advantage of having well-educated and highly compensated workers requires several educational initiatives, including the public support of local schools as enrollments grow and become more diverse, and access to higher education for residents through partnerships between public schools, businesses, and local universities.

Katy ISD's reputation of strong educational programs is reflected by its academic achievements and the school district is expected to continue its strong growth and development. Amenities such as the school system, proximity to employment and activity centers, and an effective transportation system combine to attract new residents. Several large projects continue to draw people to the District including several master planned residential developments, healthcare facilities for Texas Medical Center staples like Texas Children's, Methodist, MD Anderson, and Memorial Hermann Hospitals, as well as numerous commercial projects including business parks, hotels, restaurants, entertainment venues, and shopping centers. In addition, residents have more mobility options with access to I-10 and the Grand Parkway, both of which bisect the district and provide major arteries to all parts of the District while the Westpark Tollway runs along the southern boundary of the District and provides access directly to Houston's Energy Corridor.

Growth and Long-Range Planning

Katy ISD continues to be one of the fastest-growing school districts in the state. With a 2023-2024 enrollment of 94,785 students, the District's growth continues. The latest demographic report predicts that, with the anticipated growth projections, approximately 103,000 students will attend Katy ISD schools by the year 2034. There are many reasons for the District's growth, but a community survey revealed the primary reason new residents move to the Katy area is because of its schools.

In November of 2017, a \$609.2 million bond referendum was passed by voters to address anticipated growth. A new Raines Academy facility was completed in December 2021. Existing facilities saw completion of projects including kitchen and serving line renovations, additions of floral coolers at four high schools, replacement of underground fuel tanks, renovations of Career and Technical Education areas, and renovation of the District's Outdoor Learning Center. Other bond projects completed consist of component replacements, technology upgrades, safety and security upgrades at existing facilities, additional school buses, and property acquisitions.

In May of 2021, a \$676.2 million bond referendum was passed by voters to address anticipated growth. Bond projects completed include three elementary schools as well as a junior high school and high school completed in the summer of 2024. The bond also includes the construction of a new transportation center in the northwest quadrant of the District. Existing facilities will see improvements through renovations to three elementary schools and one high school. Two elementary school and one junior high building addition have also been completed from this referendum. Other 2021 Bond Projects include component replacements, technology upgrades, safety and security upgrades at existing facilities, additional school buses, and property acquisitions for future campuses.

In November of 2023, an \$806.6 million bond referendum was passed by voters to address anticipated growth. This bond provides for three elementary schools and one junior high school. Existing facilities will see improvements through renovations to five elementary schools and two junior high schools. Additionally, one elementary and one high school as well as multiple sites throughout the district will receive additions or expansions. Other 2023 Bond Projects include component replacements, technology upgrades, safety and security upgrades at existing facilities, additional school buses, and property acquisitions for future campuses.

The population of the District continues to grow and all indicators point to continued growth over the next decade. This makes it imperative for Katy ISD to plan wisely for the future and the need for additional facilities and renovations remains a financial focal point. The District maintains a Long-Range Facilities Plan that projects and prioritizes facility needs over the next five to ten years. This plan, which includes both new and existing facilities, serves as a tool to assist bond planning committees. The plan is updated annually and used for each bond referendum and the District continuously develops and monitors both short-term and long-term budget priorities based on the schedule for opening new facilities and renovations, projected enrollments, and projected funding levels based on current law.

The District is an active member of a coalition of fast-growing school districts that work with legislators to address problems, needs, and challenges specific to districts in a fast-growth environment. Facility funding, operating costs associated with additional facilities, tax rate limitations, and other problem areas experienced by growing districts are the focus of the coalition.

FINANCIAL INFORMATION

Accounting Systems

The Board of Trustees maintains a system of accounting controls designed to assist the administration in meeting its responsibility for accurately reporting the financial condition of the District. The system is designed to provide reasonable assurance that assets are safeguarded against loss, theft, or misuse so activities can be recorded and transacted by the administration for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than an absolute, assurance the financial statements will be free from material misstatement. The cost of operating the District's schools and the revenues to cover these costs are accounted for through the General Fund. Food service operations and special programs funded by local, state and federal government grants designed to accomplish a particular objective are accounted for in the Special Revenue Fund.

The District accounts for school construction financed by bond sales through a Capital Projects Fund. A specific portion of the tax rate is dedicated to the payment of bond principal and interest. These transactions are recorded in the Debt Service Fund.

The District has established Internal Service Funds to account for the transactions of its print shop operations, self-insured workers' compensation, and health insurance plans. Income for these funds is derived primarily from charges to governmental funds based on usage.

The District has established an Enterprise Fund to account for repair and replacement Class 1:1 device parts. Income for this fund is derived from optional insurance and device payments from parents as all students in third through twelfth grade were issued a district owned personal computing device.

Custodial Funds are included in the ACFR in the financial schedules of student activity funds. Accounting for these funds is managed centrally by the Financial Services Department, using the same uniform accounting procedures and guidelines as the General Fund.

The District's accounting records are maintained on a modified accrual basis for governmental fund types and a full accrual basis for the proprietary fund types as prescribed by Texas Education Agency Financial Accountability System Resource Guide (the "Resource Guide" or "FASRG"). Additionally, the District has prepared the Government-wide Financial Statements on the full accrual basis as required by Governmental Accounting Standards Board Statement No. 34.

Financial data is submitted by the District to the Texas Education Agency through the Public Education Information Management System (PEIMS). The data is then analyzed, reviewed and presented to the State Board of Education.

Budgetary Process

State law requires every local education agency in Texas to prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency. The budget itself is prepared utilizing a detailed line-item approach for governmental fund types and is prepared in accordance with the budgeting requirements outlined in the State Resource Guide. The intent of the District's budgetary process is to allocate the most effective mix of educational and financial resources available for attaining the goals and objectives of the District. This includes the identification and prioritization of as many separate educational and education support components as reasonably possible. These components are initially identified and prioritized by the organizational manager most directly responsible and are later reviewed by principals, department heads, central administrators, and finally the Board of Trustees.

This priority budgeting approach allows the District to establish layers of expenditures that can be matched to the anticipated revenues and desired levels of fund balances. The ultimate decision on the level of funding and components to be funded is the responsibility of the Board.

The budget may be amended during the year to address unanticipated or changing needs of the District. Changes to functional expenditure categories, revenue objects, or other sources and uses require Board approval.

Significant Financial Activities

Tax rate compression, driven by the implementation of House Bill 3 and further action in Senate Bill 2, reduced the District’s Maintenance and Operations (M&O) tax rate for the 2023-2024 tax year to \$0.7294 from the previous year’s rate of \$0.9148. District enrollment increased from the prior year by approximately 2,118 students at the Public Education Information Management (PEIMS) snapshot date in October 2023. Growth continued throughout the year reaching 95,942 at the end of the 2023-2024 school year, surpassing the budgeted projection of 95,347 by 595 students. Katy ISD continues to be the fastest growing district by number of students. An attendance incentive was implemented during the school year which led to the District having average daily attendance percentages that exceeded anticipated levels.

The District’s 2023-2024 tax base grew \$2.7 billion, an increase of 4.9%. Residential properties, including multi-family residences, comprised 75.1% of the total tax base, commercial property 21.4%, and vacant land and other property 3.5%. Due to the District’s boundaries falling within three counties, property located in Katy ISD is appraised by three County Appraisal Districts (CAD’s).

The District has an inter-local agreement with the City of Katy to participate in a Tax Increment Reinvestment Zone (TIRZ). Maintenance and Operation (M&O) taxes collected on real property located within the reinvestment zone are contributed to the TIRZ and used to service bonded debt on a multipurpose facility located within the zone. Tax contributions exceeding the annual debt requirements and related expenses are returned to the District to be used within the TIRZ at the discretion of the District.

House Bill 3 of the 86th Legislature imposed property tax relief and compressed the District’s 2019-20 M&O tax rate to \$1.0531. Increases in property values in the District resulted in further M&O rate compression for the 2020-21 year to \$0.9988, 2021-22 to \$0.9617, and 2022-23 to \$0.9148. Senate Bill 2 of the 88th Legislature provided further compression in 2023-2024 to \$0.7294. The District’s I&S tax rate was held steady at \$0.3900 for the 2023-24 tax year.

The tax rates per \$100 of assessed value for the last five years are as follows:

	2019-20	2020-21	2021-22	2022-23	2023-24
General Fund	\$ 1.0531	\$ 0.9988	\$ 0.9617	\$ 0.9148	\$ 0.7294
Debt Service Fund	0.3900	0.3900	0.3900	0.3900	0.3900
Total	<u>\$ 1.4431</u>	<u>\$ 1.3888</u>	<u>\$ 1.3517</u>	<u>\$ 1.3048</u>	<u>\$ 1.1194</u>

AWARDS AND ACKNOWLEDGEMENTS

Financial Reporting Awards

For the twenty second consecutive year, the District scored the highest possible rating of “Superior Achievement” for the Schools FIRST (Financial Integrity Rating System of Texas), a financial accountability system for Texas School Districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to ensure quality performance in the management of school districts’ financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school finance system.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended August 31, 2023, the forty-first consecutive year the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only, and we will be submitting our current Annual Comprehensive Financial Report as we believe it continues to meet the requirements of the award program.


Additionally, the District was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its Annual Comprehensive Financial Report for the year ended August 31, 2023. This award has also been received for forty-one consecutive years. We believe the Annual Comprehensive Financial Report for the year ended August 31, 2024, continues to conform to the standards for which this award was granted.

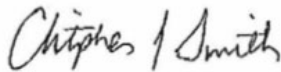
Acknowledgements


We appreciate the support of the Board, District staff, the residents of the District, and the business community, all of whom work cooperatively to ensure the best education for Katy ISD students and the prudent development of the District. This cooperation is indicative of the strong support for the attainment of excellence in the District's education programs.

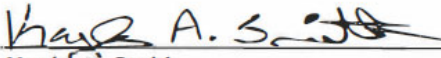
Also, we would like to express an appreciation to all employees in the District for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

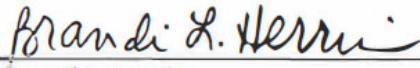
Finally, a special thanks to the Financial Services Department for its diligence and dedicated service in helping prepare this report on a timely basis.


Kenneth Gregorski, Ed.D.
Superintendent


Christopher J. Smith
Chief Financial Officer


Jamey R. Hynds
Assistant Superintendent of Finance


Kayla A. Smith
Executive Director of Finance


Brandi L. Herrin
Director of Accounting

KATY INDEPENDENT SCHOOL DISTRICT
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN
FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Katy Independent School District, Texas for its Annual Comprehensive Financial Report for the fiscal year ended August 31, 2023.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

Receiving the award is recognition that a school system has met the highest standards of excellence in government accounting and financial reporting.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Katy Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2023

Christopher P. Morill

Executive Director/CEO

KATY INDEPENDENT SCHOOL DISTRICT

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Katy Independent School District for its Annual Comprehensive Financial Report for the fiscal year ended August 31, 2023.

The Certificate of Excellence in Financial Reporting is an award of recognition granted by ASBO. The award certifies that the recipient school system has presented its Annual Comprehensive Financial Report to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO.

Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting.



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Katy Independent School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended August 31, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

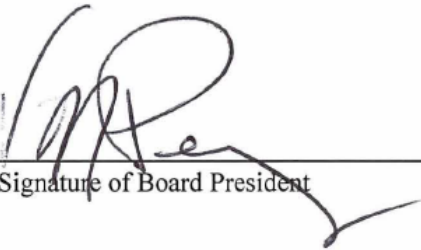
Certificate of Board

Katy Independent School District
Name of School District

Harris
County

101-914
County District
No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2024 at a meeting of the Board of Trustees of such school district on the 27th day of January 2025.


Signature of Board President


Signature of Board Vice President

KATY INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2024

PRINCIPAL OFFICIALS AND ADVISORS

Board of Trustees

Victor Perez	President
Retired	
Amy Alsheikh Thieme	Vice President
Realtor	
Mary Ellen Cuzela	Secretary
Volunteer	
Dawn Champagne	Member
Volunteer/Part-time Retail	
Lance Redmon	Member
Construction Material Sales	
Rebecca Fox	Member
Volunteer	
Morgan Calhoun	Member
Volunteer	

Administrative Staff

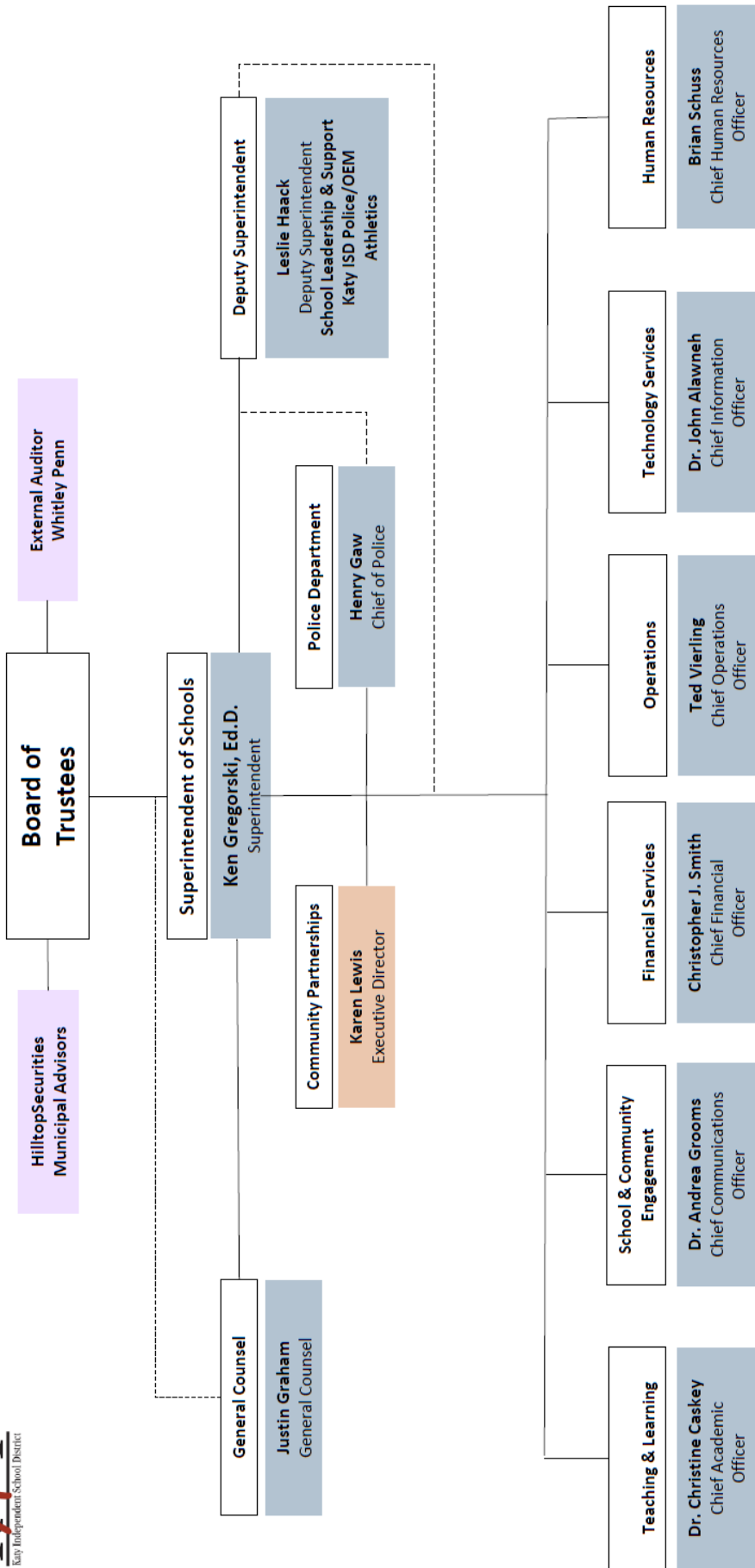
Kenneth Gregorski, Ed.D.	Superintendent
Leslie Haack	Deputy Superintendent
Christopher J. Smith	Chief Financial Officer
Brian Schuss	Chief Human Resources Officer
Christine Caskey, Ed.D.	Chief Academic Officer
John Alawneh, Ph.D.	Chief Information Officer
Andrea Grooms, Ph.D.	Chief Communications Officer
Ted Vierling	Chief Operations Officer
Justin Graham	General Counsel

Accountants and Advisors

Whitley Penn, L.L.P.	Auditors
Houston, Texas	
Jackson Walker, L.L.P.	Bond Counsel
Houston, Texas	
Hilltop Securities Inc.	Financial Advisors
Houston, Texas	



Organizational Chart: Superintendent of Schools



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Katy Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Katy Independent School District (the "District"), as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 District, as of August 31, 2024, and the respective changes in financial position, and, where applicable, cash flows where applicable, thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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.

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 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 GAAS 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 GAAS 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 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 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, budgetary comparison information, pension information, and other-post employment benefit 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 District's basic financial statements. The combining and individual fund financial statements and schedules and required Texas Education Agency compliance 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 fund financial statements and schedules and required Texas Education Agency compliance 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 and statistical sections 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 27, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Houston, Texas
January 27, 2025

KATY INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Katy Independent School District's (the District) financial performance provides an overview of the District's financial activities for the year ended August 31, 2024. It should be read in conjunction with the information in the letter of transmittal and the District's financial statements.

FINANCIAL HIGHLIGHTS

The District's assets and deferred outflows exceeded liabilities and deferred inflows as of August 31, 2024, resulting in a net position of \$322.0 million. Of this amount, unrestricted net position represents a deficit net position of \$150.5 million. The \$322.0 million of the District's total net position represents an increase of \$75.3 million. The deficit unrestricted net position is the result of adjustments required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which require the District to reflect its proportionate share of the post-employment pension and benefit liability in the financials. The inclusion of this financial data does not affect the financial stability of the District, nor does it influence financial decisions for the District.

The District's Governmental Fund Financial Statements reported a combined ending fund balance in fiscal year 2024 of \$766.8 million. The total fund balance for the General Fund was \$364.3 million or 35.5% of the total General Fund expenditures of just over \$1.0 billion. The Debt Service Fund ended its year with a fund balance of \$64.5 million which is to be used for the retirement of debt. The Capital Projects Fund ended the year with a fund balance of \$291.3 million which is restricted for school district construction projects and property acquisition. The Special Revenue Fund had a balance totaling \$46.6 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to introduce the District's Basic Financial Statements. The District's Basic Financial Statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves, including schedules required by the Texas Education Agency (TEA).

Government-wide Financial Statements

Government-wide Financial Statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. All the District's services are reported in the Government-wide Financial Statements, including instruction, student transportation, general administration, school leadership, facilities acquisition and construction, and child nutrition services. Property taxes, state aid, federal aid, and investment earnings finance most of the activities. Additionally, all capital and debt financing activities are reported here.

Statement of Net Position presents information on all the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, although the effects of accounting pronouncements such as GASB No. 68 and GASB No. 75 will require consideration as net position is analyzed.

Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and unused leave retirement bonuses).

The Government-wide Financial Statements distinguish functions of the District that are principally supported by taxes and revenues from other functions intended to recover all or a significant portion of their costs through user fees and charges.

KATY INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements

The District uses fund accounting to track specific sources of funding and spending for particular purposes. A fund is an accounting device used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the District's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. The Fund Financial Statements provide more detailed information about the District's most significant funds, not the District as a whole.

Governmental Funds are used to account for essentially the same functions reported as government activities in the Government-wide Financial Statements. Most of the District's activities 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 that are available for spending at year-end. Consequently, the Governmental Fund Statements provide a detailed short-term view that helps determine whether more or fewer financial resources 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, additional information is provided in Figure A-1 to explain the relationship between them.

The District maintains four governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, and Capital Projects Fund which are considered to be major funds. Data from the Special Revenue Fund programs are combined into a single, aggregated presentation which qualifies as a major fund, and data for each of these is provided in the form of combining schedules that can be found elsewhere in the financial statements.

The District adopted an annual appropriated budget for the General Fund, Debt Service Fund and Food Service Fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.

Proprietary Funds are used to account for operations that are financed similar to those found in the private sector. These funds provide both short-term and long-term financial information. There are two types of proprietary funds.

The first type is the Enterprise Fund, which is used to report the same functions presented as business type activities in the Government-wide Financial Statements. In the Enterprise Fund, the District collects payments from parents for optional device insurance and parts to repair Class 1:1 devices issued to third through twelfth grade students. The Class 1:1 initiative provides every third through twelfth grade student in Katy ISD with a personal computing device for both classroom and home use beginning Fall 2024.

The second type is the Internal Service Fund, which is used to accumulate and allocate costs internally among the various functions. Internal Service Funds are used to support governmental activities such as the District's Workers' Compensation, Health Insurance, and Print Shop funds. These three funds are combined into a single aggregated presentation in the Proprietary Fund Financial Statements.

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and other funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The Fiduciary Funds are excluded from the activities in the District's Government-wide Financial Statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information essential to a complete understanding of the data provided in the Government-wide and Fund Financial Statements.

KATY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The required supplementary information relates to a comparison of the original adopted budget, the final amended budget, and the actual expenditures for the fiscal year. This is Required Supplementary Information for the General Fund and any major special revenue funds. The General Fund is the only fund presented as required supplementary information. The Required Supplementary Information also provides data related to the District’s participation in pension and other post-employment benefit plans as required by GASB Statements No. 68 and 75.

Other Supplementary Information

Other Supplementary Information provides additional analysis and is not a required part of the basic financial statements. Other Supplementary Information includes comparative information on selected funds and additional detail of the General Fund’s revenues and expenditures. It also contains the combining statements referred to earlier in connection with the special revenue fund and certain compliance schedules required by state regulatory agencies.

The remainder of this overview section of the Management’s Discussion and Analysis explains the structure and contents of each of the statements. Figure A-1 summarizes the major features of the District’s financial statements, including the portion of the District covered and the types of information contained.

Figure A-1. Major Features of the District’s Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Funds Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District's government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private business	Instances in which the District is the trustee or custodian for someone else's resources
Required financial statements	Statement of net position	Balance sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balances	Statement of revenues, expenses, and changes in fund net position Statement of cash flows	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	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	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

KATY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Presented in the following pages, Tables I and II are the summarized Statement of Net Position and Statement of Changes in Net Position for both current and prior-year data. Our analysis focuses on the current year and the comparison of prior-year amounts on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net Position

Net position may serve over time as a useful indicator of a District's financial position. As of August 31, 2024, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$322.0 million, an increase of \$75.3 million.

Net Position Summary						
Table I						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 947,995,282	\$ 868,829,774	\$ 844,555	\$	\$ 948,839,837	\$ 868,829,774
Capital Assets	2,647,013,817	2,542,872,307			2,647,013,817	2,542,872,307
Total Assets	3,595,009,099	3,411,702,081	844,555		3,595,853,654	3,411,702,081
Total Deferred Outflows of Resources	290,876,774	272,890,409			290,876,774	272,890,409
Long-Term Liabilities	3,167,180,590	3,001,746,284			3,167,180,590	3,001,746,284
Other Liabilities	158,517,952	166,452,922			158,517,952	166,452,922
Total Liabilities	3,325,698,542	3,168,199,206			3,325,698,542	3,168,199,206
Total Deferred Inflows of Resources	239,031,088	269,697,550			239,031,088	269,697,550
Net Position:						
Net Investment in Capital Assets	367,644,476	296,161,462			367,644,476	296,161,462
Restricted	104,868,725	102,508,477			104,868,725	102,508,477
Unrestricted	(151,356,958)	(151,974,205)	844,555		(150,512,403)	(151,974,205)
Total Net Position	\$ 321,156,243	\$ 246,695,734	\$ 844,555	\$	\$ 322,000,798	\$ 246,695,734

Table I represents a summary of the District's net position as of August 31, 2024 and 2023 based on information from the Statement of Net Position in Exhibit A-1.

Net investment in capital assets of \$367.6 million reflects the District's investment of \$2.6 billion in capital assets (e.g., land, building and improvements, and furniture and equipment) less any related debt used to acquire those assets still outstanding. These assets are not available for future spending.

Restricted net position of \$104.9 million is an additional portion of the District's net position which represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position reflects a deficit of \$150.5 million, resulting from adjustments required by GASB Statement No. 68 for pension plan benefits and GASB Statement No. 75 for other post-employment benefits (OPEB). Although the District reports a deficit, the deficit is primarily due to reporting the District's proportionate share of the net pension and OPEB liability. The total District liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

KATY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Changes in Net Position

Changes in Net Position						
Table II						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 14,213,861	\$ 14,524,453	\$ 844,555	\$	\$ 15,058,416	\$ 14,524,453
Operating Grants and Contributions	205,453,507	188,580,889			205,453,507	188,580,889
General Revenues:						
Property Taxes	601,124,467	688,170,828			601,124,467	688,170,828
State Revenues	538,741,581	384,887,580			538,741,581	384,887,580
Extraordinary Item - Insurance Proceeds	2,500,000				2,500,000	
Other	46,517,388	37,167,177			46,517,388	37,167,177
Total Revenues	1,408,550,804	1,313,330,927	844,555		1,409,395,359	1,313,330,927
Expenses:						
Instruction	760,661,811	690,406,377			760,661,811	690,406,377
Instructional Resources and Media Services	14,102,304	13,062,526			14,102,304	13,062,526
Curriculum and Instructional Staff Development	22,878,070	21,775,227			22,878,070	21,775,227
Instructional Leadership	11,539,149	9,964,866			11,539,149	9,964,866
School Leadership	60,894,075	55,864,995			60,894,075	55,864,995
Guidance, Counseling and Evaluation Services	61,023,302	52,835,969			61,023,302	52,835,969
Social Work	1,753,573	1,368,861			1,753,573	1,368,861
Health Services	11,484,247	10,571,343			11,484,247	10,571,343
Student Transportation	32,967,369	30,535,139			32,967,369	30,535,139
Food Services	52,857,114	47,816,333			52,857,114	47,816,333
Extracurricular Activities	42,697,089	42,665,208			42,697,089	42,665,208
General Administration	22,276,384	20,113,343			22,276,384	20,113,343
Facilities Maintenance and Operations	98,380,117	96,823,157			98,380,117	96,823,157
Security and Monitoring Services	15,369,415	12,452,788			15,369,415	12,452,788
Data Processing Services	20,824,390	18,832,047			20,824,390	18,832,047
Community Services	2,344,924	1,362,195			2,344,924	1,362,195
Interest and Issuance Costs on Long-Term Debt	88,636,100	81,425,233			88,636,100	81,425,233
Facilities Planning	1,102,145	853,701			1,102,145	853,701
Payments to Shared Services Arrangements	1,031,611	882,086			1,031,611	882,086
Payments to Juvenile Justice Alternative Education Programs (JJAEP)	16,605	16,900			16,605	16,900
Payments to Tax Increment Reinvestment Zone	5,230,151	3,530,095			5,230,151	3,530,095
Other Intergovernmental Charges	6,020,350	5,415,547			6,020,350	5,415,547
Total Expenses	1,334,090,295	1,218,573,936			1,334,090,295	1,218,573,936
Increase (Decrease) in Net Position	74,460,509	94,756,991	844,555		75,305,064	94,756,991
Beginning Net Position	246,695,734	148,429,921			246,695,734	148,429,921
Prior Period Adjustment - Implement GASB 96		3,508,822				3,508,822
Ending Net Position	\$ 321,156,243	\$ 246,695,734	\$ 844,555	\$	\$ 322,000,798	\$ 246,695,734

As shown in Table II, the net position of the District's governmental activities increased by \$74.5 million for the year ended August 31, 2024. The total cost of all governmental activities this year was \$1.3 billion, which is a 9.5% increase from the previous year. The amount that the District's taxpayers paid for governmental activities through property taxes was \$601.1 million or 42.7%, with state funding of \$538.7 million or 38.2%, and operating grants and contributions of \$205.5 million or 14.6% as the next most significant sources of revenue. Other sources of revenue for governmental activities were \$46.5 million in other revenues, \$14.2 million in charges for services, and \$2.5 million in insurance proceeds related to Winter Storm Uri.

KATY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

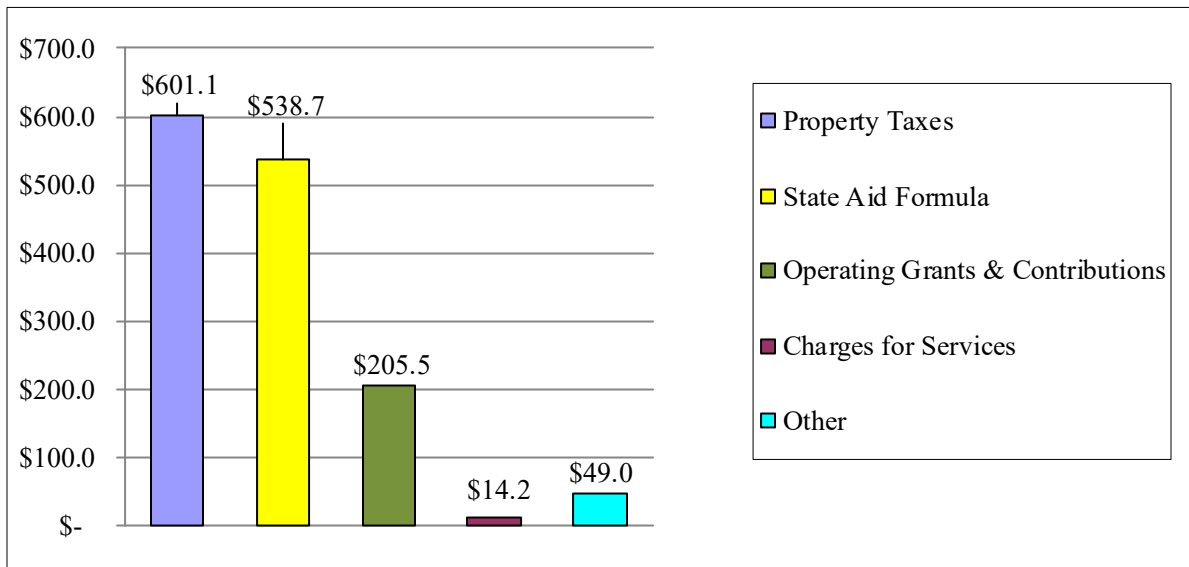
GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities

Further analysis of changes in governmental activities are summarized as follows:

- Tax revenues decreased by \$87.0 million. The decrease was attributable to increased tax compression and an increase in the homestead exemption from \$40,000 to \$100,000, offset by growth in the tax base of \$2.7 billion.
- State revenues increased \$153.9 million, mainly due to funding formulas offsetting the decrease in tax revenues and an increase in weighted average daily attendance over the prior year.
- Operating Grants and Contributions increased \$16.9 million. This is primarily due to a \$18.3 million increase in revenue related to additional state aid for the increased homestead exemption for interest and sinking tax collections.
- Other revenues increased \$9.4 million. This is primarily due to a \$11.3 million increase in investment earnings due to the rise in interest rates.
- Expenses increased \$115.5 million. This increase was primarily due to a 3% salary increase to all employees, additional staff for growth and new schools, and Pension and OPEB On Behalf expense allocations.

Figure A-2
Revenues by Source – Governmental Activities
In Millions

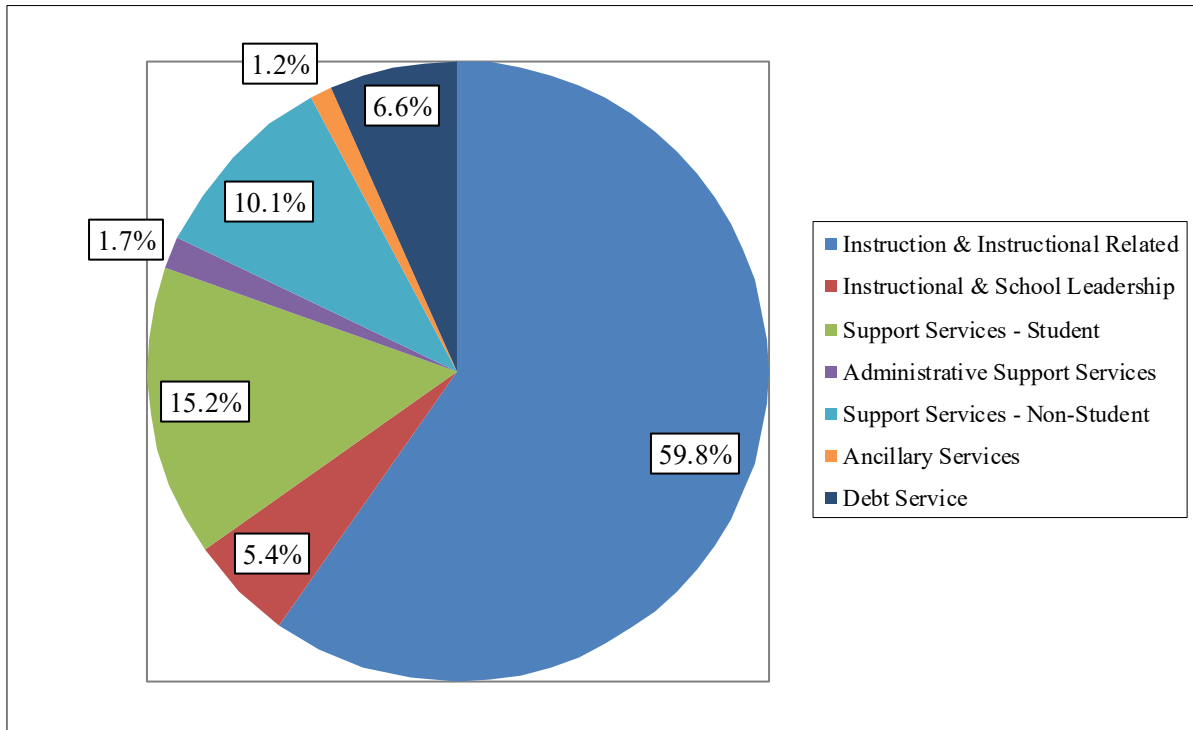


KATY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities (continued)

Figure A-3
Program Expenses by Major Function – Governmental Activities



Business-type Activities

Revenues for the District's business-type activities were \$0.8 million with no expenses for the year ended August 31, 2024. The enterprise fund was established at the end of fiscal year 2024 to account for insurance payments received from parents for the newly implemented Class 1:1 initiative for the 2024-2025 school year in which every third through twelfth grade student was issued a District owned personal computing device.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the Financial Accountability System Resource Guide, Texas Education Agency, with the revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded when services or goods are received, and the fund liabilities are incurred. The general governmental operations include the following major funds: General, Debt Service, Capital Projects and Special Revenue.

KATY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

Governmental Funds (continued)

Revenues from all Governmental Funds totaled \$1.4 billion for the fiscal year ended August 31, 2024, an increase of 5.7% from the prior fiscal year. Local revenues, including property taxes, continued to be the largest source of revenue received by the District but decreased \$75.9 million from fiscal year 2023 due to a decrease of \$88.7 million in property taxes attributable to increased tax compression and an increase in the homestead exemption which is offset by an increase of \$11.2 million in investment income earned due to higher interest rates. State revenues increased by \$183.6 million, or 40.8% from fiscal year 2023, due to funding formulas offsetting the decrease in tax revenues as well as increased weighted average daily attendance. Federal revenues decreased \$30.9 million, or 23.6%. This reduction was mostly due to \$19.0 million less in federal funds received for COVID-19 impacts compared to prior year and \$9.7 million in reduced funding received during the year from School Health and Related Services (SHARS). The District has filed a formal appeal related to the District's allocation of SHARS funds.

Expenditures for governmental operations totaled \$1.6 billion during the fiscal year 2024, a decrease of \$24.9 million or 1.5%. This is primarily attributable to a decrease in expenditures in the Capital Projects fund of \$129.2 million as capital outlay from construction decreased on Youngblood Elementary and Faldyn Elementary which were completed in the prior year and substantial completion of Nelson Junior High and Freeman High School in the prior year. The decrease is offset by the new construction of Elementary #47 and Elementary #48 in the current year. Offsetting the Capital Projects decrease, the General Fund added an increase in expenditures of \$77.6 million of which \$64.3 million resulted from payroll expenses mostly related to a three percent salary increase to all employees along with increases in staffing to address an enrollment increase of over 2,600 students in the District. The Debt Service Fund also had an increase in expenditures of \$28.0 million due mainly to increased principal payments and defeasance of additional debt.

The Governmental Funds reported a combined fund balance of \$766.8 million, an increase of \$79.4 million from the combined fund balances for 2023. Changes to the combined fund balances include an \$11.5 million increase in the General Fund, a decrease in the Debt Service Fund of \$0.1 million, an increase in the Capital Projects fund of \$67.8 million, and an increase of \$0.2 million in the Special Revenue Fund. Out of the combined fund balances, \$273.7 million constitutes unassigned fund balances. Of the remainder of the fund balance, \$3.4 million is non-spendable, \$393.9 million is restricted for items such as debt service, food services, and capital projects, \$24.1 million is committed to self-funded insurance, unanticipated expenditures, and campus activity funds, and \$71.7 million is assigned for the opening of new schools, capital purchases, encumbered amounts, addressing current and future legislative impacts, addressing inflationary impacts, maintaining the debt service tax rate, property and liability insurance inflation, the technology retrofit schedule, and the compensation plan.

The General Fund is the primary operating fund of the District. Local revenue decreased due to tax compression and the state homestead exemption being increased from \$40,000 to \$100,000 but was offset by growth in tax base and increased interest earnings. Additionally, state revenue was more than expected due to funding formulas offsetting the decrease in tax revenues, large student growth, and increased attendance rates. Although the District increased costs by providing staff a 3% raise and adding staff to accommodate an increase in student growth, the District was able to increase fund balance by \$11.5 million. At the end of the current fiscal year, the fund balance for the General Fund was \$364.3 million. Unassigned fund balance represents 26.7% of the total General Fund expenditures, and total fund balance represents 35.5% of General Fund expenditures.

The Debt Service Fund ended the year with a fund balance of \$64.5 million, all of which was restricted for the payment of debt service. This was a reduction in fund balance of \$0.1 million. The District's increase in expenditures as a result of bond issuance costs and defeasance of additional debt exceeded the additional state aid received for the increased homestead exemption for interest and sinking tax collections. The District makes semi-annual debt service payments in February and August of each year. Debt service payments including bond fees for the year ended August 31, 2024, were \$237.6 million.

KATY INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

Governmental Funds (continued)

The Capital Projects Fund ended the year with a fund balance of \$291.3 million which is an increase of \$67.8 million over 2023. This increase is due to a bond sale of \$245.9 million exceeding expenditures in which Nelson Junior High and Freeman High School were completed but had substantial costs in the prior fiscal year. Additionally, construction on Elementary #47 and Elementary #48 commenced.

The Special Revenue Fund ended the year with a fund balance of \$46.6 million which is an increase of \$0.2 million from 2023. The Tax Increment Reinvestment Zone program saw an increase of \$3.9 million primarily attributable to an increase in revenue from higher taxable values and minimal expenditures from the fund. Additionally, campus activity funds had an increase of \$0.4 million due to additional fundraising activities. The Nutrition and Food Service Program ended the year with a decrease to ending fund balance of \$4.1 million due to replacement of kitchen equipment.

Proprietary Funds

The Enterprise Fund ended the year with a net position of \$0.8 million. This is the result of revenue received in August 2024 for the newly implemented Class 1:1 initiative in the 2024-25 school year in which each student in third through twelfth grade is issued a District owned personal computing device. The revenue was derived from optional insurance paid by parents of students.

The Internal Service Funds of the District consists of three difference funds. Information is presented separately in the Proprietary Funds Combining Statement of Net Position, Proprietary Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Position, and Proprietary Funds Combining Statement of Cash Flows for the Health Insurance, Workers' Compensation, and Print Shop Funds. Net position in these funds as of August 31, 2024, was \$7.9 million. Of this amount, \$4.1 million was for Health Insurance, \$3.8 million was for Workers' Compensation and the Print Shop ended the year with no fund balance. Net position for the fiscal year increased \$6.3 million, primarily due to increased health fund revenues due to health fund supplements from the general fund and worker's compensation costs being less than expected.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised its budget several times. Revisions to the revenue budget were necessary due to changes in estimates for local and state revenue based on updated information relating to tax collections, interest earnings, student attendance and federal revenue. Revisions to the expenditure budget were made to reflect actual expenditures associated with employee vacancies, contracted services for private transportation and special education services, note payable expenditures, subscription arrangements, and vehicle purchases.

The District's major budget amendments presented to the Board of Trustees throughout the year are summarized as follows:

- The total General Fund revenue budget was increased by \$3.4 million. Significant changes included:
 - The local revenue budget decreased by \$15.1 million. This is mostly related to a \$29.0 million reduction in tax collections due to tax compression and the homestead exemption increasing from \$40,000 to \$100,000 and tax refunds. This was offset by an \$11.4 million adjustment to interest earnings resulting from higher interest rates.
 - The state revenue budget increased by \$27.7 million mainly due to funding formulas offsetting the decrease in tax revenues along with an increase in weighted average daily attendance.
 - The federal revenue budget decreased by \$9.3 million. This decrease was mostly attributable to a \$9.8 million decrease in funding received during the year from School Health and Related Services (SHARS). The District has filed a formal appeal related to the District's allocation of SHARS funds.

KATY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)

GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

- The District increased the expenditure budget by \$12.2 million throughout the year. Significant changes included:
 - The payroll budget decreased \$5.0 million. This decrease is due to underspending related to vacancies throughout the year.
 - The contracted services budget increased \$5.3 million mostly attributable to contracted transportation and special education services. Much of this is directly related to the vacancies described above in the payroll budget.
 - The other operating expenses budget increased \$2.8 million of which \$1.5 million is due to an increase in property and liability insurance and an increase from the original budgeted payment to the Katy Development Authority. This increase is a result of increased property values. Additionally, a \$1.0 increase is related to property and liability insurance.
 - The capital outlay budget increased \$9.2 million of which \$7.6 million is attributable to subscription based information technology arrangements (SBITA’s) entered into during the fiscal year and \$0.8 million is related to vehicle purchases.

After revenue and expenditure budgets were adjusted as described above, the District’s actual General Fund amounts differed from the final budget as reported in the budgetary comparison schedules in Exhibits F-1, G-2, and G-3 of this report. Final revenues realized were over budgeted amounts by \$5.2 million or 0.5% of the final budgeted amount.

Expenditures were \$15.5 million less than final budgeted amounts. Of the remaining unspent funds, \$5.1 was related to underspending in professional and contracted services and \$4.3 million was attributable to payroll costs due to vacancies throughout the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District has invested \$2.6 billion, net of accumulated amortization and depreciation, in a broad range of capital assets, including land, equipment, buildings, and vehicles. This amount represents a net increase (including additions, deductions, accumulated amortization and depreciation) of \$104.1 million from the prior year.

Capital Assets (net of amortization and depreciation)				
Table III				
	Governmental Activities			
	2024	2023	Change	Percentage
Land	\$ 108,239,798	\$ 104,088,203	\$ 4,151,595	3.99%
Buildings and Improvements	2,290,261,486	2,015,673,363	274,588,123	13.62
Furniture and Equipment	146,364,711	137,440,116	8,924,595	6.49
Vehicles	31,414,712	33,876,456	(2,461,744)	(7.27)
SBITA Assets	11,071,807	10,276,790	795,017	7.74
Right to Use Leased Assets		81,929	(81,929)	(100.00)
Library Books and Media	1,876,292	1,716,776	159,516	9.29
Construction in Progress	57,785,011	239,718,674	(181,933,663)	(75.89)
Total Capital Assets, Net of Amortization and Depreciation	<u>\$ 2,647,013,817</u>	<u>\$ 2,542,872,307</u>	<u>\$ 104,141,510</u>	<u>4.10%</u>

The increase in capital assets net of amortization and depreciation was due mainly to an increase in construction in progress from Nelson Junior High, Freeman High School, Elementary #47, Elementary #48, and renovations to various schools across the District. These and other projects are part of the District’s building program, which is funded primarily by the District’s 2021 and 2023 bond authorizations. More detailed information about the District’s capital assets is presented in Note 9 to the financial statements.

KATY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration

At the end of the fiscal year, the District had total long-term liabilities of \$3.2 billion as illustrated in Table IV. This amount consists primarily of general obligation bonds backed by the full faith of the State of Texas's Permanent School Fund. Included in the outstanding debt of the District for financial reporting purposes is the Note Payable for the multi-purpose complex constructed for the District by the Katy Development Authority through a Tax Increment Reinvestment Zone (TIRZ). The \$1.6 million Note Payable will be paid from property taxes collected through the TIRZ.

The District's bonds are rated AAA by Standard & Poor's (S&P) and Aaa by Moody's Investor Service (Moody's) based on the guarantee of the Permanent School Fund of the State of Texas. The District's underlying ratings are AA by Standard & Poor's and Aa1 by Moody's Investor Service.

The District's net pension liability increased by \$74.5 million as a result of various factors including differences between projected and actual investment earnings. The net OPEB liability decreased by \$7.2 million mainly due to changes in actuarial assumptions.

More detailed information about the District's liabilities is presented in Note 10 to the financial statements.

Long-Term Liabilities			
Table IV			
	Governmental Activities		
	2024	2023	Change
General Obligation Bonds	\$ 2,379,055,000	\$ 2,267,265,000	\$ 111,790,000
Capital Appreciation Bonds		36,460	(36,460)
Accreted Interest on Capital Appreciation Bonds		42,067	(42,067)
Note Payable	1,565,000	3,115,000	(1,550,000)
Compensated Absences	38,771,985	37,316,947	1,455,038
SBITA Payable	3,402,482	4,008,901	(606,419)
Lease Payable		84,389	(84,389)
Premium on Bonds Issued	218,850,417	226,977,633	(8,127,216)
Capital Appreciation Bond Issuance Premiums		4,647,402	(4,647,402)
Net Pension Liability	373,665,294	299,161,093	74,504,201
Net OPEB Liability	151,870,412	159,091,392	(7,220,980)
Total Long-Term Liabilities	\$ 3,167,180,590	\$ 3,001,746,284	\$ 165,434,306

KATY INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As part of the budget development process, the District's management has taken into consideration all the factors that drive school district budgets: enrollments, property values, state funding, facility needs and the local economy.

The District prepared the 2024-25 budget with enrollment projected to increase to 96,637 and taxable value growth of 9.6% over ending values for the 2023-2024 fiscal year. This increase in tax base triggers property tax rate reductions implemented in House Bill 3 and further reduced in Senate Bill 2 resulting in the District M&O rate falling from \$0.7294 to \$0.7271 per \$100 valuation. The Debt Service Rate remains unchanged at \$0.3900 per \$100 valuation. The Board of Trustees adopted an operating budget for the 2024-2025 fiscal year with estimated revenues of \$1.06 billion and expenditures of \$1.08 billion. Estimated revenues included \$449.2 million from property taxes and other local revenues, an increase of 2.3% from the original 2023-2024 budget and \$594.6 million in state funding, an increase of 5.2%. Appropriated expenditures for the 2024-2025 fiscal year increased by \$51.7 million compared to 2023-24. Appropriated expenditures included an increase of \$56.5 million related to payroll expenses for new positions at the newly opened Nelson Junior High and Freeman High School as well as the associated benefits and TRS On-Behalf related to these positions. This is offset by a \$5.3 million reduction in TIRZ payment expense as the last payment to the Katy Development Authority is accrued in fiscal year 2024 related to taxes levied in tax year 2023.

Katy ISD continues to be one of the fastest growing school districts in the Houston metropolitan area, growing at an average of 3.4% from 2015 to 2024 with the 2024-25 budget built on projected enrollment of 96,637 students. The District has also experienced significant growth in property values over that same period with assessed values increasing at an average of 9.8% annually.

All of these factors were considered when adopting the 2024-2025 budgets. The District will continue to monitor economic data, refine budget estimates, and provide effective and efficient fiscal management to maximize the educational opportunities for students.

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. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Katy I.S.D., 6301 South Stadium Lane, P.O. Box 159, Katy, Texas 77492.

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Basic Financial Statements



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KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2024

Exhibit A-1

Data Control Codes		Primary Government		
		Governmental Activities	Business-type Activities	Total
	ASSETS			
1110	Pooled Cash and Cash Equivalents	\$ 790,264,087	\$ 815,780	\$ 791,079,867
1120	Current Investments	72,103,218		72,103,218
1225	Property Taxes Receivable (net)	16,892,523		16,892,523
1240	Due from Other Governments	38,090,793		38,090,793
1250	Accrued Interest	17,310		17,310
1290	Other Receivables (net)	8,211,525	28,775	8,240,300
1300	Inventories, at cost	2,283,961		2,283,961
1410	Prepaid Items	1,550,291		1,550,291
	Capital Assets not Being Depreciated:			
1510	Land	108,239,798		108,239,798
1580	Construction in Progress	57,785,011		57,785,011
	Capital Assets, net of Accumulated Depreciation/Amortization:			
1520	Buildings and Improvements (net)	2,290,261,486		2,290,261,486
1531	Vehicles (net)	31,414,712		31,414,712
1530	Furniture and Equipment (net)	146,364,711		146,364,711
1553	SBITA Assets (net)	11,071,807		11,071,807
1560	Library Books and Media (net)	1,876,292		1,876,292
1910	Long-Term Investments	18,581,574		18,581,574
1000	Total Assets	3,595,009,099	844,555	3,595,853,654
	DEFERRED OUTFLOWS OF RESOURCES			
1700	Deferred Outflows: Loss on Refunding	37,289,009		37,289,009
1700	Deferred Outflows: Related to TRS	167,676,304		167,676,304
1700	Deferred Outflows: Related to TRS Care	85,911,461		85,911,461
1700	Total Deferred Outflows of Resources	290,876,774		290,876,774

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2024

Exhibit A-1

Data Control Codes		Primary Government		
		Governmental Activities	Business-type Activities	Total
	LIABILITIES			
2110	Accounts Payable	\$ 78,991,012	\$	\$ 78,991,012
2140	Interest Payable	4,785,131		4,785,131
2150	Payroll Deductions and Withholdings	8,805,614		8,805,614
2160	Accrued Wages Payable	49,986,704		49,986,704
2180	Due to Other Governments	9,900,756		9,900,756
2200	Accrued Expenses	5,931,700		5,931,700
2300	Unearned Revenue	117,035		117,035
	Noncurrent Liabilities:			
	Due within One Year:			
2501	Compensated Absences	1,001,788		1,001,788
2501	SBITA Payable	1,744,710		1,744,710
2501	Bonds and Debt	142,105,000		142,105,000
2501	Note Payable	1,565,000		1,565,000
	Due in More than One Year:			
2502	Bonds and Debt	2,455,800,417		2,455,800,417
2502	SBITA Payable	1,657,772		1,657,772
2502	Compensated Absences	37,770,197		37,770,197
2540	Net Pension Liability (District's Share)	373,665,294		373,665,294
2545	Net OPEB Liability (District's Share)	151,870,412		151,870,412
2000	Total Liabilities	3,325,698,542		3,325,698,542
	DEFERRED INFLOWS OF RESOURCES			
2600	Deferred Inflows: Gain on Refunding	2,618,540		2,618,540
2600	Deferred Inflows: Leases	2,474,552		2,474,552
2600	Deferred Inflows: Related to TRS	13,173,529		13,173,529
2600	Deferred Inflows: Related to TRS Care	220,764,467		220,764,467
2600	Total Deferred Inflows of Resources	239,031,088		239,031,088
	NET POSITION			
3200	Net Investment in Capital Assets	367,644,476		367,644,476
	Restricted for:			
3820	Food Service	27,520,985		27,520,985
3850	Debt Service	64,779,516		64,779,516
3890	Tax Increment Reinvestment Zone	11,647,886		11,647,886
3890	Other Grant Programs	920,338		920,338
3900	Unrestricted	(151,356,958)	844,555	(150,512,403)
3000	Total Net Position	\$ 321,156,243	\$ 844,555	\$ 322,000,798

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2024

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 760,661,811	\$ 3,258,834	\$ 69,866,093
12	Instructional Resources and Media Services	14,102,304		1,047,777
13	Curriculum and Instructional Staff Development	22,878,070	5,759	8,766,929
21	Instructional Leadership	11,539,149	113,720	1,246,819
23	School Leadership	60,894,075		3,846,563
31	Guidance, Counseling, and Evaluation Services	61,023,302	77,949	16,590,699
32	Social Work	1,753,573		666,864
33	Health Services	11,484,247	43,581	4,969,006
34	Student Transportation	32,967,369	21,640	797,911
35	Food Services	52,857,114	964,060	48,076,325
36	Extracurricular Activities	42,697,089	5,147,846	8,940,374
41	General Administration	22,276,384	433,462	7,571,054
51	Facilities Maintenance and Operations	98,380,117	4,071,713	2,352,679
52	Security and Monitoring Services	15,369,415	5,391	697,049
53	Data Processing Services	20,824,390	22,549	748,186
61	Community Services	2,344,924	47,357	1,755,403
72	Interest and Issuance Costs on Long-Term Debt	88,636,100		23,564,730
81	Facilities Planning	1,102,145		3,949,046
93	Payments to Shared Services Arrangements	1,031,611		
95	Payments to JJAEP	16,605		
97	Payments to Tax Increment Reinvestment Zone	5,230,151		
99	Payments to Appraisal Districts	6,020,350		
TG	Total Governmental Activities	<u>1,334,090,295</u>	<u>14,213,861</u>	<u>205,453,507</u>
	Business-type Activities:			
01	Device Insurance		844,555	
TB	Total Business-type Activities		<u>844,555</u>	
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 1,334,090,295</u>	<u>\$ 15,058,416</u>	<u>\$ 205,453,507</u>

**Data
Control
Codes**

General Revenues:

MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants Unrestricted
IE	Investment Earnings
MI	Miscellaneous
E1	Extraordinary Item - Insurance Proceeds
TR	Total General Revenues and Special Items
CN	Change in Net Position
NB	Net Position - Beginning
NE	Net Position - Ending

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (687,536,884)	\$	\$ (687,536,884)
(13,054,527)		(13,054,527)
(14,105,382)		(14,105,382)
(10,178,610)		(10,178,610)
(57,047,512)		(57,047,512)
(44,354,654)		(44,354,654)
(1,086,709)		(1,086,709)
(6,471,660)		(6,471,660)
(32,147,818)		(32,147,818)
(3,816,729)		(3,816,729)
(28,608,869)		(28,608,869)
(14,271,868)		(14,271,868)
(91,955,725)		(91,955,725)
(14,666,975)		(14,666,975)
(20,053,655)		(20,053,655)
(542,164)		(542,164)
(65,071,370)		(65,071,370)
2,846,901		2,846,901
(1,031,611)		(1,031,611)
(16,605)		(16,605)
(5,230,151)		(5,230,151)
(6,020,350)		(6,020,350)
<u>(1,114,422,927)</u>		<u>(1,114,422,927)</u>
	844,555	844,555
	<u>844,555</u>	<u>844,555</u>
<u>(1,114,422,927)</u>	<u>844,555</u>	<u>(1,113,578,372)</u>
391,225,992		391,225,992
209,898,475		209,898,475
538,741,581		538,741,581
41,934,851		41,934,851
4,582,537		4,582,537
2,500,000		2,500,000
<u>1,188,883,436</u>		<u>1,188,883,436</u>
74,460,509	844,555	75,305,064
246,695,734		246,695,734
<u>\$ 321,156,243</u>	<u>\$ 844,555</u>	<u>\$ 322,000,798</u>

KATY INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2024

Data Control Codes		General	Debt Service Fund
	ASSETS		
1110	Pooled Cash and Cash Equivalents	\$ 355,561,622	\$ 59,197,351
1120	Current Investments	14,798,752	
	Receivables:		
1225	Property Taxes Receivable (net)	11,843,254	5,049,269
1240	Due from Other Governments	12,932,465	7,936
1250	Accrued Interest	17,310	
1260	Due from Other Funds	64,856,388	8,338,688
1290	Other Receivables	3,487,454	
1300	Inventories, at cost	1,860,157	
1410	Prepaid Items	1,534,587	
1910	Long-Term Investments	18,581,574	
1000	Total Assets	<u>\$ 485,473,563</u>	<u>\$ 72,593,244</u>
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	\$ 20,900,213	\$
2150	Payroll Withholding Payable	8,805,614	
2160	Accrued Wages Payable	47,099,849	
2170	Due to Other Funds	22,445,636	
2180	Due to Other Governments	6,872,159	3,028,597
2200	Accrued Expenditures	704,039	
2300	Unearned Revenues	29,680	
2000	Total Liabilities	<u>106,857,190</u>	<u>3,028,597</u>
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue - Property Taxes	11,843,254	5,049,269
2600	Deferred Inflows - Leases	2,474,552	
	Total Deferred Inflows of Resources	<u>14,317,806</u>	<u>5,049,269</u>
	FUND BALANCES		
	Fund Balances:		
3410-30	Nonspendable	3,394,744	
3450-90	Restricted		64,515,378
3510-45	Committed	15,500,000	
3550-90	Assigned	71,692,397	
3600	Unassigned	273,711,426	
3000	Total Fund Balances	<u>364,298,567</u>	<u>64,515,378</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 485,473,563</u>	<u>\$ 72,593,244</u>

Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
\$ 319,618,283	\$ 50,186,179	\$ 784,563,435
57,304,466		72,103,218
		16,892,523
24,058	25,126,334	38,090,793
		17,310
8,704,095		81,899,171
274,558	908,331	4,670,343
	304,577	2,164,734
	15,704	1,550,291
		18,581,574
<u>\$ 385,925,460</u>	<u>\$ 76,541,125</u>	<u>\$ 1,020,533,392</u>
\$ 52,266,943	\$ 4,879,906	\$ 78,047,062
		8,805,614
	2,886,855	49,986,704
42,321,405	22,065,023	86,832,064
		9,900,756
		704,039
	87,355	117,035
<u>94,588,348</u>	<u>29,919,139</u>	<u>234,393,274</u>
		16,892,523
		2,474,552
		<u>19,367,075</u>
		3,394,744
291,337,112	38,040,337	393,892,827
	8,581,649	24,081,649
		71,692,397
		273,711,426
<u>291,337,112</u>	<u>46,621,986</u>	<u>766,773,043</u>
<u>\$ 385,925,460</u>	<u>\$ 76,541,125</u>	<u>\$ 1,020,533,392</u>

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KATY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
AUGUST 31, 2024

Exhibit C-2

Total Fund Balances - Governmental Funds (from Exhibit C-1) **\$ 766,773,043**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. 2,646,543,808

Unavailable revenue on property taxes receivable and penalty and interest on delinquent taxes have been levied or assessed and are due this year but are not available soon enough to pay for current period's expenditures and are added back to Fund Balances for Statement of Net Position. 16,892,523

Deferred loss on refundings are not reported in the fund financial statements. 37,289,009

Deferred gain on refundings are not reported in the fund financial statements. (2,618,540)

Addition of Internal Service fund net position 7,888,313

Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.

Deferred outflows relating to TRS Pension	167,676,304
Deferred inflows relating to TRS Pension	(13,173,529)
Deferred outflows relating to TRS Care	85,911,461
Deferred inflows relating to TRS Care	(220,764,467)

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. Long-term liabilities at year end consist of:

Bonds Payable and Premiums	(2,597,905,417)
Note Payable	(1,565,000)
Compensated Absences - Long-term Portion	(38,067,946)
Accreted Interest on Capital Appreciation Bonds	
Interest Payable	(4,785,131)
SBITA Payable	(3,402,482)
Net Pension Liability	(373,665,294)
Net OPEB Liability	(151,870,412)

Net Position of Governmental Activities (from Exhibit A-1) **\$ 321,156,243**

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED AUGUST 31, 2024

Data Control Codes		General	Debt Service Fund
REVENUES			
5700	Local, Intermediate, and Out-of-State	\$ 425,820,387	\$ 214,468,678
5800	State Program Revenues	595,820,541	22,762,550
5900	Federal Program Revenues	11,462,688	
5020	Total Revenues	<u>1,033,103,616</u>	<u>237,231,228</u>
EXPENDITURES			
Current:			
0011	Instruction	667,726,691	
0012	Instructional Resources and Media Services	10,489,784	
0013	Curriculum and Instructional Staff Development	14,191,290	
0021	Instructional Leadership	10,276,247	
0023	School Leadership	57,297,356	
0031	Guidance, Counseling, and Evaluation Services	45,115,886	
0032	Social Work	1,070,237	
0033	Health Services	11,064,745	
0034	Student Transportation	28,469,063	
0035	Food Services		
0036	Extracurricular Activities	21,867,260	
0041	General Administration	20,603,171	
0051	Facilities Maintenance and Operations	85,418,119	
0052	Security and Monitoring Services	15,625,388	
0053	Data Processing Services	19,315,817	
0061	Community Services	599,046	
Debt Service:			
0071	Principal on Long-Term Debt	2,645,575	133,741,460
0072	Interest on Long-Term Debt	1,199	100,596,915
0073	Bond Issuance Costs and Fees		3,237,071
0081	Capital Outlay: Facilities Acquisition and Construction	1,075,283	
Intergovernmental Charges:			
0093	Payments to Fiscal Agents SSA	1,031,611	
0095	Payments to JJAEP	16,605	
0097	Payments to Tax Increment Reinvestment Zone	6,810,990	
0099	Other Intergovernmental Charges	6,020,350	
6030	Total Expenditures	<u>1,026,731,713</u>	<u>237,575,446</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,371,903</u>	<u>(344,218)</u>
OTHER FINANCING SOURCES/(USES)			
7901	Refunding Bonds Issued		31,495,000
7911	Capital-Related Debt Issued		
7912	Sale of Real and Personal Property	54,193	
7916	Premium on Issuance of Bonds		619,192
7949	SBITAs Issued	2,589,034	
8940	Payment to Bond Refunding Escrow Agent		(31,915,000)
7080	Total Other Financing Sources/(Uses)	<u>2,643,227</u>	<u>199,192</u>
7919	Extraordinary Item - Insurance Recovery	2,500,000	
1200	Net Change in Fund Balances	11,515,130	(145,026)
0100	Fund Balance - September 1 (Beginning)	352,783,437	64,660,404
3000	Fund Balance - August 31 (Ending)	<u>\$ 364,298,567</u>	<u>\$ 64,515,378</u>

Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
\$ 12,550,950	\$ 38,405,837	\$ 691,245,852
	14,738,322	633,321,413
959,953	87,331,518	99,754,159
<u>13,510,903</u>	<u>140,475,677</u>	<u>1,424,321,424</u>
	43,537,031	711,263,722
	636,897	11,126,681
	8,242,570	22,433,860
	956,806	11,233,053
	1,523,866	58,821,222
	14,840,673	59,956,559
	623,473	1,693,710
	197,640	11,262,385
	(1,592)	28,467,471
	47,637,007	47,637,007
	8,136,618	30,003,878
	421,771	21,024,942
	7,777,439	93,195,558
	107,915	15,733,303
	52,024	19,367,841
	1,729,712	2,328,758
	787,638	137,174,673
	30,705	100,628,819
1,700,695		4,937,766
195,681,369	3,024,950	199,781,602
		1,031,611
		16,605
		6,810,990
		6,020,350
<u>197,382,064</u>	<u>140,263,143</u>	<u>1,601,952,366</u>
<u>(183,871,161)</u>	<u>212,534</u>	<u>(177,630,942)</u>
		31,495,000
245,915,000		245,915,000
		54,193
5,785,694		6,404,886
		2,589,034
		(31,915,000)
<u>251,700,694</u>		<u>254,543,113</u>
		2,500,000
67,829,533	212,534	79,412,171
223,507,579	46,409,452	687,360,872
<u>\$ 291,337,112</u>	<u>\$ 46,621,986</u>	<u>\$ 766,773,043</u>

KATY INDEPENDENT SCHOOL DISTRICT**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2024**

Exhibit C-4

Net Change in Fund Balances - Total Governmental Funds (from Exhibit C-3) \$ 79,412,171

Amounts reported for governmental activities in the Statement of Activities (Exhibit B-1) are different because:

Internal Service Funds are used by management to charge the cost of various insurance programs and printing operations to individual funds. The net activity of the Internal Service Funds is included in the Statement of Activities. 6,317,806

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation and amortization expense. 217,882,145

Depreciation and amortization 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 and amortization is to decrease net position. (113,571,275)

Repayment of bond and note payable principal is an expenditure in the governmental funds and payment to the escrow agent to refund bonds is an other financing use in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net 167,206,460

Payment of SBITA payable is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. 3,195,453

Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities. (277,410,000)

Proceeds from subscription based information technology arrangements are reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in liabilities. (2,589,034)

Premium received from issuance of long-term debt. (6,404,886)

Interest accrual on capital appreciation bonds and interest accruals through year end on bonds are not recorded in the fund financial statements but are accrued in the government-wide statements. 5,053,818

Net loss on disposal of assets is not recorded in the fund financial statements but is included in the government-wide statements. 2,957

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements. 1,342,574

KATY INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2024

Exhibit C-4

Amortization of deferred losses and gains on refunding issues, and bond premiums are recorded in the Statement of Activities.	\$ 12,146,411
Pension contributions made after the net pension liability date are reported as expenditures in the fund financial statements and are reported as deferred outflows in the government-wide statements and TRS contribution adjustments.	31,048,722
OPEB contributions made after the net OPEB liability date are reported as expenditures in the fund financial statements and are reported as deferred outflows in the government-wide statements and TRS contribution adjustments.	6,469,103
Pension expense for the pension plan measurement year is not recorded in the fund financial statements but are expensed in the government-wide statements.	(74,021,302)
OPEB expense for the OPEB plan measurement year is not recorded in the fund financial statements but are expensed in the government-wide statements.	20,052,561
Increase in long-term compensated absence liability is included in the government-wide statements.	<u>(1,673,175)</u>
Change in Net Position of Governmental Activities (see Exhibit B-1)	<u><u>\$ 74,460,509</u></u>

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2024

Exhibit D-1

Data Control Codes		Business-type Activities	Governmental Activities
		Enterprise Fund Device Insurance	Total Internal Service Funds
	ASSETS		
	Current Assets:		
1110	Pooled Cash and Cash Equivalents	\$ 815,780	\$ 5,700,652
1260	Due from Other Funds		5,402,853
1290	Other Receivables	28,775	3,541,182
1300	Inventories		119,227
	Total Current Assets	844,555	14,763,914
	Noncurrent Assets:		
	Capital Assets:		
1540	Furniture and Equipment		1,059,699
1573	Accumulated Depreciation		(589,690)
	Total Noncurrent Assets		470,009
1000	Total Assets	844,555	15,233,923
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable		943,950
2170	Due to Other Funds		469,960
2200	Accrued Expenses		5,931,700
	Total Current Liabilities		7,345,610
2000	Total Liabilities		7,345,610
	NET POSITION		
3200	Investment in Capital Assets		470,009
3900	Unrestricted	844,555	7,418,304
3000	Total Net Position	\$ 844,555	\$ 7,888,313

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
FUND NET POSITION
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED AUGUST 31, 2024

Exhibit D-2

Data Control Codes		Business-type Activities	Governmental Activities
		Enterprise Fund Device Insurance	Total Internal Service Funds
	OPERATING REVENUES		
5754	Charges for Services	\$	\$ 87,524,280
5759	Charges for Device Insurance and Payments	844,555	
5020	Total Operating Revenues	<u>844,555</u>	<u>87,524,280</u>
	OPERATING EXPENSES		
6100	Salary and Benefits		131,084
6200	Administrator Fees		4,951,188
6200	Insurance Premiums		1,466,225
6200	Claims Expense		70,425,565
6200	Repair and Maintenance Expense		16,518
6200	Equipment Rental		28,512
6200	Contracted Services		2,355,221
6300	Supplies		1,788,292
6400	Miscellaneous Operating Expenses		85,518
6400	Depreciation/Amortization		172,949
6030	Total Operating Expenses	<u></u>	<u>81,421,072</u>
1200	Operating Income (Loss)	<u>844,555</u>	<u>6,103,208</u>
	NON-OPERATING REVENUES (EXPENSES)		
7955	Investment Income		215,113
8030	Net Loss on Disposal of Capital Assets		(106)
8989	Interest Expense		(1,147)
7950	Total Net Non-operating Revenue	<u></u>	<u>213,860</u>
	Income (Loss) before Contributions and Transfers	844,555	6,317,068
7900	Capital Contributions	<u></u>	<u>738</u>
1300	Change in Net Position	844,555	6,317,806
0100	Total Net Position - September 1 (Beginning)		1,570,507
3000	Total Net Position - August 31 (Ending)	<u>\$ 844,555</u>	<u>\$ 7,888,313</u>

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED AUGUST 31, 2024

Exhibit D-3

	Business-type Activities	Governmental Activities
	Enterprise Fund Device Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts from Internal Services Provided	\$	\$ 84,870,987
Cash Receipts from Customers	815,780	
Cash Payments to Suppliers		(1,981,654)
Cash Payments to Pay Claims		(73,621,012)
Cash Payments for Contracted Services		(7,464,471)
Cash Payments for Insurance Premiums		(1,466,225)
Cash Payments to Employees		(131,084)
Net Cash Provided by Operating Activities	815,780	206,541
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets		
Principal Payment on Right to Use Lease Asset		(84,389)
Interest Payment on Right to Use Lease Asset		(1,147)
Net Cash (Used for) Capital and Related Financing Activities		(85,536)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received		215,113
Net Cash Provided by Investing Activities		215,113
Net Decrease in Pooled Cash and Cash Equivalents	815,780	336,118
Pooled Cash and Cash Equivalents at Beginning of Year		5,364,534
Pooled Cash and Cash Equivalents at End of Year	\$ 815,780	\$ 5,700,652
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 844,555	\$ 6,103,208
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation/Amortization		172,949
Change in Assets and Liabilities:		
(Increase) Decrease in Receivables	(28,775)	76,592
(Increase) Decrease in Interfund Receivables		(2,253,605)
(Increase) Decrease in Inventories		10,109
Increase (Decrease) in Accounts Payable		(1,311,132)
Increase (Decrease) in Interfund Payables		(476,280)
Increase (Decrease) in Accrued Expenses		(2,115,300)
Net Cash Provided by Operating Activities	\$ 815,780	\$ 206,541
Noncash Investing, Capital, and Financing Activities		
Contributions of Capital Assets from Government		\$ 738
Transfers of Capital Assets to Government		529
Capital Assets Retired		106

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
AUGUST 31, 2024

Exhibit E-1

Data Control Codes		Custodial Fund
	ASSETS	
1110	Pooled Cash and Cash Equivalents	\$ 1,380,769
1290	Receivables	61,722
1000	Total Assets	<u>1,442,491</u>
	LIABILITIES	
2110	Accounts Payable	57,980
2000	Total Liabilities	<u>57,980</u>
	NET POSITION	
3800	Restricted for Student Activities	1,384,511
	Total Net Position	<u>\$ 1,384,511</u>

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED AUGUST 31, 2024

Exhibit E-2

Data Control Codes		Custodial Fund
	ADDITIONS	
	Contributions:	
5700	Revenues from Student and Staff Activities	\$ 2,291,388
5020	Total Contributions	<u>2,291,388</u>
5742	Investment Earnings	5,426
5740	Total Additions	<u>2,296,814</u>
	DEDUCTIONS	
6400	Payments for Student and Staff Activities	<u>2,241,036</u>
	Total Deductions	<u>2,241,036</u>
CN	Change in Net Position	55,778
NB	Total Net Position - September 1 (Beginning)	<u>1,328,733</u>
NE	Total Net Position - August 31 (Ending)	<u><u>\$ 1,384,511</u></u>

KATY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Katy Independent School District (the District) was formed in February 1919 by a special act of the Texas State Legislature. The District is an independent public educational agency operating under applicable laws and regulations of the State of Texas. A seven-member Board of Trustees elected to staggered three-year terms by the District's residents autonomously governs the District. The District prepares its Basic Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) 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 the Texas Education Agency's *Financial Accountability System Resource Guide* (the "Resource Guide" or "FASRG") and the requirements of contracts and grants of agencies from which it received funds.

The following is a summary of the most significant accounting policies:

A. Reporting Entity

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by Generally Accepted Accounting Principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. Based on these considerations, the District's Basic Financial Statements do not include any other entities. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District's financial reporting entity are based on criteria prescribed by Generally Accepted Accounting Principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments.

Additionally, prescribed criteria under Generally Accepted Accounting Principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board of Trustees (the Board) is elected by the public and 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. 61, "The Financial Reporting Entity." There are no component units included with 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 Katy Independent School District operating activities and activities other than the District's fiduciary (custodial type) activities. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. Business-type activities include operations that rely to a significant extent on fees and charges for support.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements (continued)

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 school lunch charges, community education tuition, summer school tuition, etc. The “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. Property taxes are always general revenues.

Interfund activities between 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. In the Government-wide statements, eliminations have been made to minimize double-counting of internal activities. Interfund balances between governmental funds and also between governmental funds and internal service funds are eliminated on the Government-wide Statement of Net Position. Since the internal service funds support the District’s activities, the financial activities of these funds are presented in the governmental activities column in the Government-wide Statement of Activities as a direct expense in the proper functional category. In the Government-wide Statement of Activities, the net activities of the Internal Service such as Health Insurance, Workers’ Compensation, and Print Shop have been allocated to the appropriate functional expense in order to present a more accurate and complete picture of the direct expenses of the functions. The District has no interfund services provided and used between functions that would qualify as program revenue; therefore, there is no need for eliminating entries in the consolidation process.

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 fund cannot be used for district operations, they are not included in the Government-wide Statements. The District considers some governmental funds as major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. 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. 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, deferred inflows of resources 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).

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable, available financial resources. Compensated absences are reported in governmental funds only to the extent unused reimbursable leave is outstanding following an employee's resignation or retirement.

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. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be 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 may require the District to refund all or part of the unused amount.

The Proprietary and Fiduciary Fund Types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

D. Fund Accounting

The accounts of the District are organized on the basis of funds in accordance with the provisions of the Resource Guide. Each fund is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses. For financial statement presentation, the District's Fund Financial Statements provide more detailed information about the District's most significant funds, not the District as a whole. The funds shown on the Fund Financial Statements are considered significant funds because of the size and activity of the funds in relation to all of the funds.

The District reports the following Governmental Funds:

1. General Fund

The General Fund is the government's primary operating fund. It is used to account for all financial transactions not properly included in other funds. The principal sources of revenues include local property taxes, state funding under the Foundation School Program, interest earnings on fund investments, federal source revenues for indirect costs reimbursed by the programs accounted for in the Special Revenue Fund, and revenues received for School Health and Related Services. Expenditures include all costs associated with the daily operations of the District except for food service, debt service, capital projects, and specific programs funded by the federal or state government.

2. Debt Service Fund

The Debt Service Fund is used to account for the payment of interest and principal on all bonds of the District. The primary sources of revenue for debt service are local property taxes and hold harmless funds.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting (continued)

3. Capital Projects Fund

The Capital Projects Fund is used to account for the proceeds of the District's bond sales and related interest earnings, and expenditures are restricted to the construction and acquisition of major capital facilities.

4. Special Revenue Fund

The Special Revenue Fund is used to account for all financial resources restricted to, or designated for, specific purposes by a grantor. Specifically, this type of fund is used to account for funds that are used for the District's food service program, including local and federal revenue sources, for federally financed programs (grants) where unused balances are returned to the grantor at the close of specified project periods and other revenue specific programs. Project accounting is employed to maintain integrity for the various sources of funds. Resources accounted for in these programs are awarded to the District for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements.

Additionally, the District reports the following Proprietary Funds:

5. Enterprise Fund

The Enterprise Fund is used to account for revenues and expenses associated with the District's Class 1:1 Initiative in which each third through twelfth grade student is issued a District owned device. Revenues are generated from optional device insurance payments and charges for parts. Expenses consist of device parts.

6. Internal Service Fund

The Internal Service Fund is used to account for revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis. The following Internal Service Funds are used by the District:

The Workers' Compensation Fund is used to account for the operations of the District's workers' compensation insurance plan, which is supported principally by employer contributions. Expenses include plan benefit payments to insured employees for claims and premium charges. Estimated amounts due for claims incurred but not reported at year-end are included as fund liabilities.

Similar to the Workers' Compensation Fund, the Health Insurance Fund is used to account for the District's health insurance plan, which is supported by both district and employee contributions. Expenses include plan benefit payments to health care providers for claims incurred. Estimated amounts due for claims incurred but not reported at year-end are included as fund liabilities.

The Print Shop Fund is used to account for the District's internal printing operations. All costs and expenses of operating the print shop are accounted for in the fund. Users of the printing services are charged fees based on amounts estimated to cover the cost of operations.

Finally, the District reports the following Fiduciary Fund:

7. Custodial Fund

The Custodial Fund is used to account for activities of student groups. The Custodial Fund accounts for resources held in a custodial capacity by the District and consist of funds that are the property of students and others and cannot be used by the District in operations.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Cash and Cash Equivalents

The District's cash and cash equivalents are cash on hand, demand deposits, certificates of deposit, balances in privately managed public funds investment pools (TexPool, Texas CLASS and Lone Star), and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the Proprietary Fund Types consider temporary investments, with maturity of three months or less when purchased, to be cash equivalents.

The District's investment pools are valued and reported at amortized cost as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

2. Investments

Investments consist of treasury coupon securities and federal agency coupon securities. The District's investments are carried at fair value based on quoted market prices at year-end, in accordance with U.S. generally accepted accounting principles. Investments having a maturity of three months or less when purchased are reported as cash and cash equivalents.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: 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.

3. Short-Term Interfund Receivables/Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as due from other funds or due to other funds on the combined balance sheet.

4. Inventories and Prepaid Items

Inventories consisting of supplies and materials are stated at cost (average cost method) and include consumable custodial, maintenance, transportation, instructional, food consumables, and office supplies. Inventories of governmental funds are recorded as expenditures when the supplies and materials are used or consumed (consumption method) rather than when purchased. Inventories of food commodities are recorded as revenues at fair market value supplied by the Texas Department of Agriculture on the date received and are recorded as expenditures when the commodities are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when the supplies or materials are used and consumed (consumption method) rather than when purchased.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

5. Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, furniture and equipment, vehicles, subscription assets, and right to use assets, are reported in the applicable governmental column in the Government-wide Financial Statements. Primarily, capital assets are defined by the District as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Costs of the Facilities Acquisition and Construction Function that relate to overall planning of District facilities, managing overall District assets and overall construction projects are treated as period costs and are not capitalized unless related to specific assets. 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

Buildings and improvements, furniture, equipment, subscription assets, and right to use assets of the District are depreciated and amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building & Improvements	10-50
Furniture & Equipment	1-25
Vehicles	15
Library Books & Media	7

Land and construction in progress are not depreciated.

6. Leases

Lessor: The District is a lessor for a noncancellable lease agreement. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements and in the governmental funds balance sheet.

At the commencement of the lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

7. Subscription Based Information Technology Arrangements (SBITA)

The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with capital assets, in the government-wide and proprietary fund financial statements. The District recognizes subscription liabilities with an initial individual value of \$1,000,000 or more.

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments. The subscription asset is initially measured at the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgements related to subscriptions include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The District uses its incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The District monitors changes in circumstances that would require re-measurement of its subscription and will re-measure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription asset and liability.

Subscription assts are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category:

- Deferred outflows loss on refunding - The loss on refunding bonds is reported in the Government-wide Statement of Net Position in this category and will be amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows related to TRS - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between expected and actual actuarial experiences; 2) changes in actuarial assumptions; 3) net difference between projected and actual earnings on pension plan investments and 4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over the closed five-year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred outflows related to TRS Care - Reported in the government-wide financial statement of net position, this deferred outflow results from other post-employment benefit (OPEB) plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between expected and actual actuarial experiences; 2) changes in actuarial assumptions; 3) net difference between projected and actual earnings on OPEB plan investments; and 4) changes in the District's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over the closed five-year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the plan.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

8. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow or resource (revenue) until that time. The District has four items that qualify for reporting in this category.

- Deferred inflows gain on refunding - The gain on refunding bonds is reported in the Government-wide Statement of Net Position in this category and will be amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows related to leases – Reported in the government-wide financial statement of net position, this deferred inflow results from the lease agreements where the District is the lessor. This deferred inflow of resources is initially measured as the initial amount of the lease receivable. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.
- Deferred inflows related to TRS - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between expected and actual actuarial experiences; and 2) changes in actuarial assumptions. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred inflows related to TRS Care - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between expected and actual actuarial experiences; and 2) changes in actuarial assumptions. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEBs through the OPEB plan.

In addition to liabilities, the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents unavailable revenue that applies to a future period(s) and so will not be recognized as an inflow or resource (revenue) until that time. The District has two items that qualify for reporting in this category. The unavailable revenue - property taxes and deferred inflows - leases are reported as deferred inflows of resources and will be recognized as collected.

9. Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS 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.

10. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

11. Long-Term Obligations

In the Government-wide Financial Statements and in the 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 life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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 issuances 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.

12. Transactions Between Funds

Transactions between funds that would be treated as revenues, expenditures or expenses if they involved organizations external to the District are accounted for as revenues, expenditures, or expenses in the applicable funds.

Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund, which are properly attributable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expenses in the fund that is reimbursed.

Other legally authorized transfers are included in the results of operations of the governmental funds.

13. Compensated Absences – Accumulated Vacation Pay, Sick Leave, and State Leave

The District has a vacation pay policy for twelve-month employees whereby eligible employees shall receive vacation of one to fifteen days dependent upon the number of years of service. Employees become eligible for vacation days after six months of employment. All vacation days are forfeited if not taken by June 30 of the following calendar year; therefore, the liability for unused vacation days at August 31, 2024, is not material to the financial statements.

The District pays a portion of accrued sick leave to employees who retire with five or more years of continuous employment in the District and whose retirement can be verified by the Teacher Retirement System. The compensated absences are normally paid through the General Fund when the amounts are due. Payment is limited to the current salary rate for one-half of the locally accumulated sick leave and state leave days up to a maximum of 90 accumulated days.

In the Governmental Funds, compensated absences that are expected to be liquidated with expendable available resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in long-term liabilities on the statement of net position.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

14. Fund Balance Classifications

The fund balance in governmental funds has been classified as follows to describe the relative strength of the spending constraints:

Non-spendable fund balance represents amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

Restricted fund balance consists of amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors. The fund balance for the Debt Service Fund, Capital Project Fund, and Child Nutrition Program and other grants are classified as restricted.

Committed fund balances are amounts constrained to specific purposes by the District itself, using its highest decision-making authority (the Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint. The General Fund has committed \$10,000,000 for unanticipated expenditures and/or revenue loss and \$5,500,000 for self-insurance purposes. The District has committed the fund balance in the Campus Activity Fund for uses benefitting the respective campuses where the funds were raised.

Assigned fund balances are the amount the District intends to use for a specific purpose. The Board of Trustees delegates the responsibility to assign fund balances to the Superintendent or his designees. The District has assigned fund balances in the General Fund in the amount of \$71,692,397 which is detailed in Note 14.

Unassigned fund balances are the amounts that are available for any purpose. Positive numbers can only be reported in the general fund.

The District establishes (and modifies or rescinds) fund balance commitments and assignments by passage of resolution. Per the local policy, assigned fund balance amounts are established by the Superintendent or his designee.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy; however, minimum fund balances and targeted percentages are addressed in Administrative Regulations.

15. Use of Estimates

The presentation of financial statements, in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

16. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by TEA 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.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Other Accounting Policies – Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

17. Implementation of New Accounting Standards

GASB issued Statement No. 99, *Omnibus 2022*, in April 2022. This Statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The requirements of this statement had various effective dates and specific provisions were implemented prior to fiscal year 2024. The remaining requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The remaining requirements of this statement were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

GASB issued Implementation Guide 2021-1, *Implementation Guidance Update – 2021*, in May 2021. The primary objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. The requirements of this Implementation Guide had various effective dates and specific provisions were implemented prior to fiscal year 2024. The remaining requirement, an amendment to Question 7.9.8 in Implementation Guide 2015-1 effective for reporting periods beginning after June 15, 2023, requires governments to capitalize assets whose individual acquisition costs are less than the threshold for an individual asset if those assets in the aggregate are significant. The requirements of this statement were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

GASB issued Implementation Guide 2023-1, *Implementation Guide Update – 2023*, in June 2023. The primary objective of this Implementation Guide is to provide guidance that clarifies, explains, or elaborates on GASB Statements. This Implementation Guide amends Implementation Guide No. 2019-3, *Leases*, Question 4.16, and Implementation Guide No. 2021-1, *Implementation Guidance Update – 2021*, Question 4.13. The requirements of this Implementation Guide are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements of this Implementation Guide were implemented in fiscal year 2024 and did not have a material impact on the financial statements.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 – 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. Major elements of that reconciliation include capital assets which are not financial resources and are therefore not reported in governmental funds, long-term liabilities, including bonds payable, which are not due and payable in the current period and are not reported as liabilities in the Fund Financial Statements, and property taxes receivable which are included as unavailable in the Fund Financial Statements are adjusted based on when the tax levy was made and for uncollectible amounts.

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 debt payments on retirement of debt are recorded as expenditures for Fund Basis Financial Statements but are recorded as a reduction of debt in the Government-wide Financial Statements. The capital asset additions are expenditures in the Fund Basis Financial Statements but are capitalized in the Government-wide Financial Statements. The Fund Basis Financial Statements do not include the current amortization and depreciation expense.

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. As indicated above, if new debt is issued, it is treated as a source of revenue on the Fund Basis Financial Statements, while in the Government-wide Financial Statements the amount is recorded as a liability. Property taxes are adjusted for the accrual basis and the unavailable revenues are adjusted based on prior year levies and current year uncollectible amounts.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The Board of Trustees adopts an appropriated budget for the General Fund, Debt Service Fund, and the Nutrition and Food Service Program included in the Special Revenue Fund. Budgets are prepared using the same method of accounting as for financial reporting. The District is required to present the adopted and final amended budgeted revenues and expenditures for the General Fund and each major special revenue program. The General Fund budget report appears in the required supplementary information section where the District compares the final amended budget to actual revenues and expenditures. Per regulatory requirements, the Debt Service Fund and Nutrition and Food Services Fund are required to be reported with the original budget, amended budget and actual expenditures. These schedules are included in the Other Supplementary Information section of this report.

The Capital Projects Fund budget is prepared on a project basis based on the proceeds available from bond issues and planned expenditures outlined in applicable bond ordinances. Capital Projects Fund equity, which represents unexpended appropriations, is re-appropriated in the subsequent fiscal year's budget until available funds for acquisition and construction of facilities have been utilized. Each major construction contract is approved based on the existing availability of bond proceeds and/or approved but unissued bonds. The non-budgeted Special Revenue programs (primarily federal, state, and local grant programs) utilize a managerial type of financial plan reviewed at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to state-imposed project length budgets and monitored through submission of reimbursement reports to the state.

The following procedures are followed in establishing the budgetary data reflected in the Fund Financial Statements:

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are 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, several amendments were necessary during the year.
4. Each budget is controlled by the Director of Budget and Treasury at the revenue and expenditure function/object level. Budgeted amounts are amended by the Board. All budget appropriations lapse at year end.
5. During the fiscal year ended August 31, 2024, the District did not have any expenditures over appropriations in major funds.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Data (continued)

6. A reconciliation of fund balances for both appropriated budget and non-appropriated budget Special Revenue Programs is as follows:

	Special Revenue Fund	Unbudgeted Programs	Budgeted Programs
Revenues	\$ 140,475,677	\$ 89,793,007	\$ 50,682,670
Expenditures	140,263,143	85,446,576	54,816,567
Net Change in Fund Balances	212,534	4,346,431	(4,133,897)
Fund Balance Beginning	46,409,452	16,103,224	30,306,228
Fund Balance Ending	<u>\$ 46,621,986</u>	<u>\$ 20,449,655</u>	<u>\$ 26,172,331</u>

Budgeted programs include fund 240 Nutrition and Food Services and fund 242 Summer Food Service Program as shown in exhibit J-1.

7. During the fiscal year the operating budget must be amended by the Board for changes to function appropriation amounts. All supplemental appropriations must be within limits of available revenues and fund equity.

The following table summarizes changes to the originally adopted budgets for all budgeted funds:

Fund	Appropriations as of September 1, 2023 (Original Budget)	Supplemental Appropriations and Revisions	Appropriations as of August 31, 2024 (Amended Budget)
General Fund	\$ 1,030,067,442	\$ 12,188,863	\$ 1,042,256,305
Special Revenue Fund	61,125,203	(2,948,187)	58,177,016
Debt Service Fund	240,670,000	(2,050,813)	238,619,187
Total all Budgeted Funds	<u>\$ 1,331,862,645</u>	<u>\$ 7,189,863</u>	<u>\$ 1,339,052,508</u>

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all governmental funds. Encumbrances outstanding at year-end are commitments that do not constitute expenditures or liabilities but are reported as assignments of fund balances. Since appropriations lapse at the end of each fiscal year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments. As shown in Note 14, the general fund has assigned a portion of fund balance for these outstanding encumbrances.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4 – DEPOSITS (CASH) AND INVESTMENTS

A. Deposits (Cash)

Deposits and investment transactions of the District are regulated by State statutes of the Texas Education Code and other regulations regarding security for District funds in depository institutions.

In accordance with applicable statutes, the District has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the District incurs as a result of banking services received. All depository contracts have a term of two years, commencing with the start of every odd-numbered fiscal year. However, the contract can be extended for three additional two-year periods should the depository and the District agree to the extension. Depository contracts are awarded on the basis of competitive proposals received from area banks and can be awarded to more than one bank.

The District may place funds with the depository in interest and non-interest-bearing accounts. Statutes and the depository contract require that all funds in the depository institution be fully secured by federal depository insurance or a combination of federal depository insurance and acceptable collateral securities and/or an acceptable surety bond. The collateral securities are placed with an independent third-party custodian or trustee institution. In accordance with State statutes pertaining to lawful collateralization of District deposits, safekeeping reports are issued in the name of the depository with proper identification that the collateral securities are pledged by the depository to secure funds of the District.

Acceptable collateral securities include direct obligations of the United States of America (U.S.), bonds of any agency of the U.S., bonds of the State of Texas or of any county, school district, city, or town of the State of Texas that have been rated A or better and other securities as authorized by Chapter 2257 Collateral for Public Funds of the Government Code and Chapter 2256 Public Fund Investment Act.

The District may approve all collateral securities prior to their being pledged. The depository can release or replace collateral securities pledged to secure District funds only upon obtaining the written approval of the District.

All demand and time deposits in the depository bank were entirely covered by federal depository insurance and by acceptable collateral securities pledged in the District's name by Prosperity Bank and held in safekeeping by Federal Home Loan Bank of Dallas at year-end in accordance with provisions of the depository contract.

At August 31, 2024, the carrying amount on the District's books of combined deposits was \$269,003,133. The difference between the District's carrying amount and the cash in bank is a result of normal operating timing differences. As of August 31, 2024, the deposits and amount of pledged collateral and FDIC coverage was as follows:

Financial Institution	Cash in the Bank	Pledged Collateral and Surety Bond	Available FDIC Coverage	Month
Prosperity Bank	\$ 282,296,587	\$ 330,248,804	\$ 500,000	August 31, 2024

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4 – DEPOSITS (CASH) AND INVESTMENTS (Continued)

B. Investments

The Board of Trustees of the District has adopted a written investment policy (the “Investment Policy”) regarding the investment of the funds as defined in the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The Public Funds Investment Act requires an annual audit of investment practices. The results of the audit disclosed that in the area of investment practices, management reports, and establishment of appropriate policies, the District was in substantial compliance with the requirements of the Act. Additionally, the investments and investment practices of the District are in compliance with the Trustees’ Investment Policy.

The District’s Investment Policy emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. The Investment Policy includes a list of authorized investment instruments, a maximum allowable stated maturity of any individual investment and the maximum average dollar weighted maturity allowed for fund groups.

The District is authorized to invest in the following investment instruments:

1. Obligations of, or guaranteed by, the U.S. Government and its agencies and instrumentalities as permitted by Government Code 2256.009. This excludes collateralized mortgage obligations. Maximum maturity shall be three years.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully Collateralized repurchase agreements as permitted by Government Code 2256.011.
4. A1/P1 Commercial paper as defined by Government Code 2256.013 and not to exceed 270 days to maturity.
5. No-load money market mutual funds as permitted by Government Code 2256.014.
6. Constant dollar public funds investment pools as permitted by Government Codes 2256.016 – 2256.019.

A summary of the District’s cash and investments at August 31, 2024 is shown below.

	Cash on Hand	Bank Deposits	Money Market	Investment Pools	Securities	Total
General	\$ 16,957	\$ 213,246,317	\$ 78,209	\$ 142,220,139	\$ 33,380,326	\$ 388,941,948
Debt Service		682,767		58,514,584		59,197,351
Capital Projects		42,040,848	70,906	277,506,529	57,304,466	376,922,749
Special Revenue Fund	15,692	11,872,501		38,297,986		50,186,179
Total Governmental Funds	<u>32,649</u>	<u>267,842,433</u>	<u>149,115</u>	<u>516,539,238</u>	<u>90,684,792</u>	<u>875,248,227</u>
Internal Service Funds		1,160,700		4,539,952		5,700,652
Total Governmental Activities	<u>32,649</u>	<u>269,003,133</u>	<u>149,115</u>	<u>521,079,190</u>	<u>90,684,792</u>	<u>880,948,879</u>
Enterprise Funds				815,780		815,780
Total Government Wide Statements	<u>32,649</u>	<u>269,003,133</u>	<u>149,115</u>	<u>521,894,970</u>	<u>90,684,792</u>	<u>881,764,659</u>
Fiduciary Fund				1,380,769		1,380,769
Total Cash and Investments	<u>\$ 32,649</u>	<u>\$ 269,003,133</u>	<u>\$ 149,115</u>	<u>\$ 523,275,739</u>	<u>\$ 90,684,792</u>	<u>\$ 883,145,428</u>

For reporting purposes, cash and deposits, along with money market and investment pools, are all considered by the District as cash equivalents.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4 – DEPOSITS (CASH) AND INVESTMENTS (continued)

B. Investments (continued)

The District generally holds all securities to maturity. The District did not purchase any derivative instrument investment products during the current year nor participate in any reverse repurchase agreements or security lending agreements during the fiscal year 2024.

The following table includes the portfolio balances, credit rating, and weighted average maturity of the portfolio balance by investment type of the District as of August 31, 2024:

Investment Type	Fair Value	Percent of Investments	Weighted Avg. Maturity
Money Market	\$ 149,115	0.0%	1 day
Local Government Investment Pools: *			
Lone Star - Public Funds Investment Pool	7,103,129	1.2%	23 days
TexPool - Public Funds Investment Pool	471,862,051	76.8%	36 days
Texas CLASS - Public Funds Investment Pool	44,310,559	7.2%	35 days
Total Local Government Investment Pools	523,275,739		
Federal Agency Coupon Securities	17,909,890	2.9%	463 days
Treasury Coupon Securities	72,774,902	11.9%	211 days
Total Investments	\$ 614,109,646	100.0%	

* Per GASB 79, valued at amortized cost.

The value of District portions in TexPool, Texas CLASS, and Lone Star are the same as the value of the Shares. The external pooled funds use amortized cost rather than fair value in their computation of share price; such funds have daily liquidity.

Credit Risk Related to Investments

Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the fair value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement, will decline. Market risk is not depicted in this note.

In compliance with GASB 40, local policy also addresses credit risk by monitoring investment diversification through specific identification disclosure and weighted average maturity disclosure.

The District's investment policy permits investment pools authorized by government codes 2256.016 – 2256.019 which requires investment pools to be continuously rated no lower than AAA or AAAM or at an equivalent rating by at least one nationally recognized rating service. As of August 31, 2024, the District's TexPool, Texas CLASS, and Lone Star Public Funds Investment Pools were all rated AAAM.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4 – DEPOSITS (CASH) AND INVESTMENTS (continued)

B. Investments (continued)

Credit Risk Related to Investments (continued)

The District's investment in federal agency coupon securities and treasury coupon securities that conform as follows: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks.

In accordance with GASB Statement No. 79, Certain External Investment Pools and Pool Participants, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amount. These pools do not impose any liquidity fees or redemption gates. The District's municipal bonds are reported at fair value using Level 2 inputs, which are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices, e.g. interest rates and yield curves. The District's money market, federal agency coupon securities, and treasury coupon securities are reported at fair value using Level 1 inputs, which are based on observable, quoted prices for identical assets or liabilities in active markets. There has been no change in valuation technique for the current year.

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the District's Investment Policy requires that investment maturities in the pooled fund groups for General Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue Fund will not exceed the lesser of a pooled fund group's dollar weighted average maturity of 365 days or the anticipated cash flow requirements of that fund. The District's Investment Policy also limits that no individual investment security shall have a maturity greater than three years from the date of purchase.

As of August 31, 2024, the District's investments included TexPool, Texas CLASS, and Lone Star Public Funds Investment Pools. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the maximum maturity length of investments to three years. Investment pool investments can be withdrawn at any time without restriction.

Investment Pool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act of 1987, as amended. Oversight responsibility for TexPool is provided by The Texas State Comptroller of Public Accounts, for Texas CLASS by an advisory board and member elected Board of Trustees, and for Lone Star by The Texas Association of School Boards.

Custodial Credit Risk

The District's agent holds the securities in the General Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue Fund in the District's name; therefore, the District is not exposed to custodial credit risk. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District's policy requires that a third-party custodian or a bank trust department hold all securities owned by, or pledged as collateral to the District.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5 – PROPERTY TAXES

The current assessment ratio of the District is 100% of market valuation of all property within the District's boundaries. The local maintenance and debt service tax rates for the 2023-24 school year were \$0.7294 and \$0.3900 respectively per \$100 of assessed valuation. The 2023-24 assessed valuation was \$56,623,488,063 and resulted in a final adjusted tax levy of \$608,934,640.

Property taxes are levied by October 1 on the assessed value listed the prior January 1 for all real and business personal property located in the District 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 lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Local taxes assessed on valuations made as of January 1 each year are recorded in the District's Financial Statements net of the related allowance for uncollectible taxes. The resulting net taxes receivable is stated at the amount estimated to be collectible based upon the District's collection experience. Uncollectible taxes are periodically reviewed and written off by the District, as provided by specific statutory authority from the State Legislature. Net property taxes receivable at August 31, 2024 consisted of the following:

	General Fund	Debt Service Fund	Total
Property Taxes Receivable-Current Year Levy	\$ 4,411,608	\$ 2,358,825	\$ 6,770,433
Property Taxes Receivable-Prior Years' Levies	6,793,272	2,595,305	9,388,577
Total Property Taxes Receivable	11,204,880	4,954,130	16,159,010
Penalty and Interest on Delinquent Property Taxes	5,418,461	2,108,037	7,526,498
Total Property Taxes and Penalty and Interest	16,623,341	7,062,167	23,685,508
Less Allowance for Uncollectible Taxes	4,780,087	2,012,898	6,792,985
Net Property Taxes Receivable	<u>\$ 11,843,254</u>	<u>\$ 5,049,269</u>	<u>\$ 16,892,523</u>

Appraisal District

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code which established an appraisal district and an appraisal review board in each county in the State of Texas. The District has property in Harris, Fort Bend, and Waller Counties. Beginning January 1, 2008, the District contracted with each county for the appraisal of property for all taxing units in the county's boundaries, including the District. The District paid Harris Central Appraisal District, Fort Bend Central Appraisal District, and Waller County Appraisal District \$3,047,375, \$2,477,605 and \$495,370 respectively in fiscal year 2024 for appraising property.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6 – AMOUNTS DUE TO/FROM OTHER FUNDS AND INTERFUND TRANSFERS

Amounts Due To/From Other Funds at August 31, 2024 include the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 64,856,388	\$ 22,445,636
Debt Service Fund	8,338,688	
Capital Projects Fund	8,704,095	42,321,405
Special Revenue Fund		22,065,023
Total - Governmental Funds	<u>81,899,171</u>	<u>86,832,064</u>
Internal Service Funds	<u>5,402,853</u>	<u>469,960</u>
Total - All Funds	<u><u>\$ 87,302,024</u></u>	<u><u>\$ 87,302,024</u></u>

The District uses the General Fund cash account for accounts payable and payroll, creating interfund balances. The interfund balances are cleared monthly. Most of the amounts represent short-term borrowings between funds for payroll and operating expense payments made from the General Fund cash accounts.

The District had no transfers between funds in fiscal year ending August 31, 2024.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7 – AMOUNTS DUE FROM AND TO OTHER GOVERNMENTS

Receivables Due from Other Governments at August 31, 2024 consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Fund	Special Revenue Fund	Total
Due from State Agencies:					
State Grant Expenditure Reimbursement	\$ 600,051	\$	\$	\$ 25,072,652	\$ 25,672,703
State Summary of Finances	12,238,210	7,936			12,246,146
Due from Federal Agencies:					
Federal Grant Expenditure Reimbursement	94,204		24,058		118,262
Due from Local Agencies:					
Local Grant Expenditure Reimbursement				53,682	53,682
Total Due from Other Governments	<u>\$ 12,932,465</u>	<u>\$ 7,936</u>	<u>\$ 24,058</u>	<u>\$ 25,126,334</u>	<u>\$ 38,090,793</u>

Payables Due to Other Governments at August 31, 2024 consisted of the following:

	General Fund	Debt Service Fund	Total
Due to Federal Agencies:			
Internal Revenue Service	\$	\$ 3,028,597	\$ 3,028,597
Due to Local Agencies:			
Katy Development Authority	6,872,159		6,872,159
	<u>\$ 6,872,159</u>	<u>\$ 3,028,597</u>	<u>\$ 9,900,756</u>

NOTE 8 – OTHER RECEIVABLES

	General Fund	Capital Projects Fund	Special Revenue Fund	Internal Service Fund	Enterprise Fund	Total
Other Receivables:						
Lease Receivable	\$ 2,579,073	\$	\$	\$	\$	\$ 2,579,073
Facility Rentals	336,384					336,384
Other	571,997	274,558	908,331			1,754,886
Total - Governmental Funds	<u>3,487,454</u>	<u>274,558</u>	<u>908,331</u>			<u>4,670,343</u>
Pharmacy Rebates				3,395,334		3,395,334
Other				145,848		145,848
Total - Governmental Activities	<u>\$ 3,487,454</u>	<u>\$ 274,558</u>	<u>\$ 908,331</u>	<u>\$ 3,541,182</u>	<u>\$</u>	<u>\$ 8,211,525</u>
Device Insurance					28,775	28,775
Total - Business-type Activities	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 28,775</u>	<u>\$ 28,775</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the governmental activities of the District for the year ended August 31, 2024 is as follows:

	Balance September 1, 2023	Additions	Retirements and Transfers	Balance August 31, 2024
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 104,088,203	\$ 4,151,595	\$	\$ 108,239,798
Construction in Progress	239,718,674	133,608,297	(315,541,960)	57,785,011
Total Capital Assets, not being Depreciated	343,806,877	137,759,892	(315,541,960)	166,024,809
Capital Assets being Depreciated/Amortized:				
Buildings and Improvements	2,773,800,830	34,074,257	315,350,215	3,123,225,302
Furniture and Equipment	258,691,027	36,553,724	(18,118,576)	277,126,175
Vehicles	67,550,485	1,656,129	(147,682)	69,058,932
SBITA Assets	14,518,857	7,071,993	(5,458,186)	16,132,664
Right to Use Asset	300,449		(300,449)	
Library Books and Media	4,723,742	766,888	(492,591)	4,998,039
Total Capital Assets, being Depreciated/Amortized at Historical Cost	3,119,585,390	80,122,991	290,832,731	3,490,541,112
Total Capital Assets	3,463,392,267	217,882,883	(24,709,229)	3,656,565,921
Less: Accumulated Depreciation/Amortization:				
Buildings and Improvements	(758,127,467)	(74,838,143)	1,794	(832,963,816)
Furniture and Equipment	(121,250,911)	(27,840,615)	18,330,062	(130,761,464)
Vehicles	(33,674,029)	(4,107,664)	137,473	(37,644,220)
Subscription Based IT Arrangements	(4,242,067)	(6,276,976)	5,458,186	(5,060,857)
Right to Use Asset	(218,520)	(81,929)	300,449	
Library Books and Media	(3,006,966)	(598,897)	484,116	(3,121,747)
Total Accumulated Depreciation/Amortization	(920,519,960)	(113,744,224)	24,712,080	(1,009,552,104)
Governmental Activities				
Capital Assets, Net	\$ 2,542,872,307	\$ 104,138,659	\$ 2,851	\$ 2,647,013,817

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – CAPITAL ASSETS (continued)

Depreciation and amortization expense of the governmental activities was charged to functions/programs as follows:

Governmental Activities Depreciation and Amortization Expense:

Instruction	\$ 59,334,482
Instructional Resources and Media Services	3,104,842
Curriculum and Instructional Staff Development	378,203
Instructional Leadership	408,120
School Leadership	2,806,922
Guidance, Counseling, and Evaluation Services	814,189
Social Work Services	26,619
Health Services	384,308
Student Transportation	5,403,294
Food Service	5,689,198
Extracurricular Activities	13,340,782
General Administration	3,040,752
Facilities Maintenance and Operations	15,759,504
Security and Monitoring Services	576,090
Data Processing Services	2,478,863
Community Services	212
Facilities Acquisition and Construction	197,844
Total Depreciation and Amortization Expense Governmental Activities	<u>\$ 113,744,224</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – CAPITAL ASSETS (continued)

Construction in progress and remaining commitments under related construction contracts at August 31, 2024 are as follows:

Construction in Progress:

Project	Contract Expenditures	Other Project Costs	Construction in Progress
Elementary #47	\$ 14,086,081	\$ 309,378	\$ 14,395,459
Elementary #48	13,252,693	229,638	13,482,331
Northwest Transportation Center	5,134,517	76,012	5,210,529
Bear Creek Elementary Renovation	225,068	125	225,193
Cimmaron Elementary Library/Front Office Renovation	21,535	262	21,797
Nottingham Elementary Library/Front Office Renovation	21,535	264	21,799
Mayde Creek Elementary Renovation	244,499		244,499
Pattison Elementary Classroom Addition	369,600	38,312	407,912
Katy Junior High Renovation	808,000	30,580	838,580
Katy High Music Hall Addition	462,000	57,840	519,840
Cinco Ranch High Renovation	12,312,679	324,702	12,637,381
Ag Barn #10	87,710	23,070	110,780
Shaw Center Expansion	88,378	5,700	94,078
Support Services Center Renovation	519,125		519,125
Merchants Way Building Buildout	154,800	15,327	170,127
Life Systems Upgrades	158,340	130,916	289,256
Chiller Replacements	2,334,148		2,334,148
Building Controls Upgrades	4,540,203		4,540,203
Kitchen Equipment Replacements	277,391	10,191	287,582
Track Surface Replacements	1,425,121	9,271	1,434,392
	<u>\$ 56,523,423</u>	<u>\$ 1,261,588</u>	<u>\$ 57,785,011</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 9 – CAPITAL ASSETS (continued)

Contract and related commitments:

Project	Authorized Contract	Contract Expenditures	Remaining Commitment
Elementary #47	\$ 42,165,920	\$ 14,086,081	\$ 28,079,839
Elementary #48	42,013,460	13,252,693	28,760,767
Northwest Transportation Center	22,583,156	5,134,517	17,448,639
Bear Creek Elementary Renovation	1,125,340	225,068	900,272
Cimmaron Elementary Library/Front Office Renovation	53,838	21,535	32,303
Nottingham Elementary Library/Front Office Renovation	53,838	21,535	32,303
Mayde Creek Elementary Renovation	244,499	244,499	
Pattison Elementary Classroom Addition	616,000	369,600	246,400
Katy Junior High Renovation	2,015,000	808,000	1,207,000
Katy High Music Hall Addition	1,155,000	462,000	693,000
Cinco Ranch High Renovation	30,959,273	12,312,679	18,646,594
Ag Barn #10	2,456,174	87,710	2,368,464
Shaw Center Expansion	294,594	88,378	206,216
Support Services Center Renovation	1,000,000	519,125	480,875
Merchants Way Building Buildout	240,000	154,800	85,200
Life Systems Upgrades	243,600	158,340	85,260
Chiller Replacements	5,078,321	2,334,148	2,744,173
Building Controls Upgrades	7,454,350	4,540,203	2,914,147
Kitchen Equipment Replacements	317,719	277,391	40,328
Track Surface Replacements	1,799,534	1,425,121	374,413
	<u>\$ 161,869,616</u>	<u>\$ 56,523,423</u>	<u>\$ 105,346,193</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM LIABILITIES

The District's liabilities consist of general obligation bonds, capital appreciation bonds, net pension liability, net OPEB liability, a note payable, compensated absences, subscriptions, and lease payable.

Changes in Long-Term Liabilities

A summary of long-term debt transactions of the District for the year ended August 31, 2024 is as follows:

	Balance at September 1, 2023	Additions	Retirements	Balance at August 31, 2024	Due Within One Year
General Obligation Bonds	\$ 2,267,265,000	\$ 277,410,000	\$ 165,620,000	\$ 2,379,055,000	\$ 142,105,000
Capital Appreciation Bonds	36,460		36,460		
Accreted Interest on Capital Appreciation Bonds	42,067	9,070	51,137		
Bond Issuance Premiums	226,977,633	6,404,886	14,532,102	218,850,417	
Capital Appreciation Bond Issuance Premiums	4,647,402		4,647,402		
Total Bonds Payable	2,498,968,562	283,823,956	184,887,101	2,597,905,417	142,105,000
Net Pension Liability	299,161,093	102,466,334	27,962,133	373,665,294	
Net OPEB Liability	159,091,392	15,702,742	22,923,722	151,870,412	
Note Payable	3,115,000		1,550,000	1,565,000	1,565,000
Compensated Absences	37,316,947	1,455,038		38,771,985	1,001,788
SBITA Payable	4,008,901	2,589,034	3,195,453	3,402,482	1,744,710
Lease Payable	84,389		84,389		
Total	<u>\$ 3,001,746,284</u>	<u>\$ 406,037,104</u>	<u>\$ 240,602,798</u>	<u>\$ 3,167,180,590</u>	<u>\$ 146,416,498</u>

The District is in compliance with all significant bond and note limitations and restrictions.

General Obligation Bonds

General long-term debt of the District consists of General Obligation Bonds which provide funds to construct, acquire, and equip school buildings, to purchase necessary sites for school buildings, and to purchase school buses. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond orders. The District has never defaulted on any principal or interest payment.

In November 2023, voters authorized \$806,559,414 of General Obligation Bonds, and in July 2024, the District issued \$245,915,000 in Unlimited Tax School Building Bonds, Series 2024 with a related premium of \$5,785,694. The bonds have an average coupon interest rate of 4.5% and were issued as the first sale of the \$806,559,414 authorization. The proceeds of the tax school building bonds are to be used for the construction, acquisition, and equipment of school buildings, the purchase of necessary sites for school buildings, and the purchase of new school buses.

In August 2024, the District remarketed the Series 2021C Variable Rate Unlimited Tax School Building Bonds from the 2017 Bond Election that was approved by voters in November 2017. The total amount of remarketed bonds was \$31,495,000. The remarketed debt was issued with an initial interest rate of 3.65 percent, and the bonds convert to a stepped-up rate of 7.00 percent after the initial period in the event the bonds are not remarketed. In this remarketing transaction, the District defeased an additional \$7.0 million of the Series 2021C bonds.

General long-term debt consists of voted bonds payable. Bonds are payable solely from revenues of the Debt Service Fund which consists primarily of property taxes collected by the District. The note payable is paid from General Fund property tax revenues generated within the Tax Increment Reinvestment Zone.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM LIABILITIES (continued)

Outstanding bonded debt at August 31, 2024 consisted of the following:

Issue	Series Description	Interest Rate	Matures	Debt Outstanding
\$ 133,970,000	2014-A Unlimited Tax Refunding Bonds	3.00-5.00	2036	\$ 74,465,000
18,150,000	2014-B Limited Tax Refunding Bonds	3.00-5.00	2028	2,905,000
155,310,000	2015-A Unlimited Tax School Building Bonds	3.00-5.00	2045	125,310,000
52,955,000	2015-B Unlimited Tax Refunding Bonds	4.00-5.00	2037	49,945,000
245,095,000	2016-A Unlimited Tax School Building Bonds	4.00-5.00	2046	209,175,000
23,515,000	2016-B Unlimited Tax Refunding Bonds	3.00-5.00	2038	23,065,000
152,315,000	2016-D Unlimited Tax Refunding Bonds	3.00-5.00	2032	89,325,000
261,640,000	2017 Unlimited Tax School Building Bonds	4.00-5.00	2047	221,055,000
186,225,000	2018 Unlimited Tax School Building Bonds	3.00-5.00	2048	158,050,000
190,695,000	2019 Unlimited Tax School Building Bonds	4.00-5.00	2049	172,070,000
169,169,942	2019-A Unlimited Tax Refunding Bonds, Taxable Series	1.867-4.00	2043	157,945,000
135,490,000	2019-B Unlimited Tax Refunding Bonds	4.00-5.00	2041	106,430,000
141,240,000	2020 Unlimited Tax School Building Bonds	3.00-5.00	2045	123,070,000
79,999,919	2021-A Unlimited Tax Refunding Bonds	0.20-5.00	2036	74,095,000
26,905,000	2021-B Unlimited Tax Refunding Bonds, Taxable Series	1.906-3.00	2036	22,405,000
38,915,000	2021-C Variable Rate Unlimited Tax School Building Bonds	4.50-5.00	2050	31,495,000
134,815,000	2021-D Unlimited Tax School Building Bonds	3.00-5.00	2051	89,320,000
265,890,000	2022 Unlimited Tax School Building Bonds	4.00-5.00	2052	213,330,000
242,960,000	2023 Unlimited Tax School Building Bonds	4.00-5.00	2053	189,685,000
245,915,000	2024 Unlimited Tax School Building Bonds	4.00-5.00	2054	245,915,000
Total Bonded Debt				<u>2,379,055,000</u>
Plus Unamortized Premiums				<u>218,850,417</u>
Total Bonds Payable				<u>2,597,905,417</u>
Less Amounts Due Within One Year				<u>(142,105,000)</u>
Total Bonded Debt Long-Term				<u><u>\$ 2,455,800,417</u></u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM LIABILITIES (continued)

Annual requirements to amortize all bonded long-term debt outstanding (including accretion) as of August 31, 2024 are as follows:

Fiscal Year Ending	Principal	Interest	Totals
2025	\$ 142,105,000	\$ 99,498,975	\$ 241,603,975
2026	70,020,000	93,497,220	163,517,220
2027	73,475,000	90,014,895	163,489,895
2028	76,925,000	86,378,145	163,303,145
2029	81,265,000	82,747,370	164,012,370
2030	85,580,000	79,024,808	164,604,808
2031	84,450,000	75,194,016	159,644,016
2032	86,860,000	71,499,237	158,359,237
2033	85,010,000	67,937,721	152,947,721
2034	88,550,000	64,408,571	152,958,571
2035	92,105,000	60,854,464	152,959,464
2036	95,840,000	57,119,817	152,959,817
2037	88,330,000	53,289,827	141,619,827
2038	88,935,000	49,450,073	138,385,073
2039	89,615,000	45,514,763	135,129,763
2040	93,645,000	41,488,484	135,133,484
2041	97,810,000	37,329,232	135,139,232
2042	97,135,000	33,141,828	130,276,828
2043	94,760,000	29,031,546	123,791,546
2044	98,855,000	24,938,150	123,793,150
2045	103,055,000	20,737,925	123,792,925
2046	91,580,000	16,860,675	108,440,675
2047	82,350,000	13,319,500	95,669,500
2048	69,435,000	10,222,950	79,657,950
2049	55,930,000	7,711,800	63,641,800
2050	47,120,000	5,710,500	52,830,500
2051	43,780,000	3,821,850	47,601,850
2052	37,270,000	2,236,000	39,506,000
2053	25,565,000	979,300	26,544,300
2054	11,700,000	234,000	11,934,000
	<u>2,379,055,000</u>	<u>1,324,193,642</u>	<u>3,703,248,642</u>
Less: Current Portion	142,105,000	99,498,975	241,603,975
Long Term Debt	<u>\$ 2,236,950,000</u>	<u>\$ 1,224,694,667</u>	<u>\$ 3,461,644,667</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM LIABILITIES (continued)

Defeased Debt

The District defeased certain outstanding School Building and Refunding Bonds in prior years by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At August 31, 2024, all funds in the irrevocable trust had been applied to debt service payments resulting in no remaining funds in the trust.

Note Payable Arrangement

Under a series of agreements, the District agreed to provide funding to finance \$25,590,000 of tax-exempt bonds issued in September 2002 by the Katy Development Authority (KDA). The Bonds are legally described as The Katy Development Authority Tax Increment Contract Revenue Bonds (Katy ISD Contract), Series 2002. The Bonds were issued pursuant to the terms and conditions of a Bond Resolution approved by the KDA Board. The issuance of the bonds was approved by the Zone Board and the City Council of the City of Katy (City). In June 2012 the KDA refunded the \$18,800,000 outstanding Series 2002 Bonds by issuing Series 2012 Refunding Bonds in the amount of \$17,360,000. In October 2020 the KDA refunded the \$6,050,000 outstanding Series 2012 Bonds by issuing Series 2020 Refunding Bonds in the amount of \$6,270,000.

The arrangements under the series of agreements constitute a note payable arrangement for the District in constructing a multi-purpose complex and this arrangement is not altered by the refunding. The District recorded a note payable obligation and a related asset in the approximate amount of the original bonds.

The bond proceeds were used to construct a multi-purpose complex for large District functions. It is also available for rent by outside entities. Although the KDA legally owns the multi-purpose center, the agreements provide that the District lease, construct, and control the use of this facility during the life of the bonds issued to construct it. Ownership of the multi-purpose complex will revert to the District once the bonds are retired. District collected tax increments from the General Fund will be used to pay the debt during this term through a note payable arrangement between the District and the KDA. No rent paid to the District for use of the multi-purpose complex will be pledged as security for the bonds.

Pursuant to an Amended and Restated Interlocal Agreement between the City and the District (the Interlocal Agreement), the District has agreed to pay to the City for deposit to a special account of the Tax Increment Fund established for the Zone (the Tax Increment Fund) certain of its tax collections resulting from its taxation of the increase, if any, in the appraised value of real property located in the Zone since the designated base year of 1997 (the District Tax Increments). The City, the KDA, and the Zone have entered into an agreement (the Tri-Party Agreement) which sets forth, among other things, the agreement of the City on behalf of itself and the Zone, to pay to the KDA the District Tax Increments. Once debt service on the bonds for the current bond year has been deposited and the applicable fees have been paid, the District may use any surplus as specified in the Interlocal Agreement.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM LIABILITIES (continued)

Note Payable Arrangement (continued)

The KDA has pledged to the payment of the bonds all of its rights to the District Tax Increments and all of its rights in the project and project site.

Significant aspects of the bonds in the note payable obligation of the District as of August 31, 2024 are shown below:

Series	Amount Outstanding	Interest Rates	Maturity Date Serially, Beginning/Ending	Interest Payment Dates	Callable Dates
2020	\$ 1,565,000	0.99%	5/15/24 to 5/15/25	May 15/November 15	2020*

*Bonds maturing on or after May 15, 2021 are subject to redemption in whole, or from time to time in part, at the option of KDA prior to their maturity dates on May 15, 2020 or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption.

The debt service requirements on the bonds in the note payable obligation of the District are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Annual Debt Service
2025	\$ 1,565,000	\$ 15,494	\$ 1,580,494
Total	1,565,000	15,494	1,580,494
Less: Current Portion	1,565,000	15,494	1,580,494
Long Term Payable	\$	\$	\$

The average annual debt service on the bonds is \$1,580,494 through maturity. The maximum annual debt service on the bonds is \$1,580,494 through maturity.

Through the fiscal year ended August 31, 2024, the District has paid \$72,630,125 in collected tax increments and state revenues to the KDA. The District will pay additional tax increments of \$3,075,186 collected in fiscal 2023-24 and state revenues of \$3,796,973 to the KDA in fiscal 2024-25, and these amounts have been included as a liability in these financial statements. This will be the last payment to the KDA under the TIRZ agreement. The District has received \$31,258,701 in tax collections in excess of bond payment requirements and related expenses. These proceeds have been placed in a special revenue fund to be used within the TIRZ at the discretion of the District.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM LIABILITIES (continued)

Note Payable Arrangement (continued)

Other Significant Information

The KDA, a public not-for-profit local government corporation, was authorized to be established by the City of Katy, Texas in 1998, to aid, assist, and act on behalf of the City in the performance of the City's governmental functions and to provide a means of financing certain project costs in connection with Reinvestment Zone Number One, City of Katy, Texas (the Zone). The KDA is governed by a board of directors (the Board), whose voting members are appointed by the City. KDA is the administrator of the Zone. The KDA is considered a discretely presented component unit of the City in accordance with accounting principles generally accepted in the United States of America applicable to state and local governments.

The Zone was created by the City Council of the City, pursuant to the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code (the TIF Act), to facilitate development of the land within the boundaries of the Zone, consisting of land located entirely within the City and Fort Bend County (the County). The majority of the Zone, consisting of 479 acres, is bounded by Interstate 10 on the north, Pin Oak Village and Falcon Point on the south, Katy Fort Bend Road on the east, and Pin Oak Road on the west. An interchange on Interstate provides direct access to the Zone. The remainder of the property in the Zone is located north of Interstate 10 and is owned by the District.

The ordinance of the City establishing the Zone also established a board of directors of the Zone (the Zone Board). The Board of Directors of the Zone consists of nine persons: five appointed by the City, one appointed by the County, one appointed by the District, one appointed by the state senator in whose district the Zone is located, and one appointed by the state representative in whose district the Zone is located.

As required under the TIF Act, the Zone Board adopted, and the City Council of the City approved, a Project Plan and Reinvestment Zone Financing Plan, which has been amended (as amended, the Plan). The Plan sets out the public improvements needed to develop or induce development within the Zone (the Public Improvements). The cost of the Public Improvements, the cost of creation of the Zone, and related organizational costs (the Project Costs) constitute eligible project costs under the TIF Act, which may be financed with proceeds of the bonds.

NOTE 11 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

SBITA Payable

The District has entered into arrangements for the right to use other party's information technology software which have been accounted for in accordance with GASB Statement No. 96. The District is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied in the subscription term which ranges from 5.50% to 8.50%. The content matter of these subscriptions includes education, technology, finance, transportation, and athletics and range from 2 to 8 years in length.

The future principal and interest subscription payments as of August 31, 2024 are as follows:

Fiscal Year Ending			
August 31,	Principal	Interest	Payment
2025	\$ 1,744,710	\$ 271,988	\$ 2,016,698
2026	888,526	136,206	1,024,732
2027	367,949	65,386	433,335
2028	401,297	34,110	435,407
Total	<u>\$ 3,402,482</u>	<u>\$ 507,690</u>	<u>\$ 3,910,172</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 12 – LEASES

Lease Receivable

The District is leasing property to third parties for cell towers. The leases are for fifteen years and the District will receive monthly payments. The District recognized \$206,213 in lease revenue and \$5,083 in interest revenue during the current fiscal year related to these leases. As of August 31, 2024, the District’s receivable for lease payments is \$2,579,073. Also, the District has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of August 31, 2024, the balance of the deferred inflow of resources is \$2,474,552.

NOTE 13 – UNEARNED REVENUES AND DEFERRED INFLOWS OF RESOURCES

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Government funds also record unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue at August 31, 2024 reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Deferred Inflows of Resources		
Net Property Taxes Receivable (General Fund)	\$ 11,843,254	\$
Net Property Taxes Receivable (Debt Service Fund)	5,049,269	
Lease Receivable (General Fund)	2,474,552	
Unearned Revenue		
Proceeds-Expenditure Driven State Grants (Special Revenue Fund)		87,355
Revenues and Inventory Received Prior to Meeting all		
Expenditure Requirements (General Fund)		29,680
Total	<u><u>\$ 19,367,075</u></u>	<u><u>\$ 117,035</u></u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 14 – FUND EQUITY

Nonspendable, Restricted, Committed and Assigned Fund Balance

A summary of nonspendable, restricted, committed and assigned fund balance at August 31, 2024 is as follows:

Fund Balances:	General	Debt Service	Capital Projects	Special Revenue
Nonspendable:				
Inventory	\$ 1,860,157	\$	\$	\$
Prepaid Items	1,534,587			
Total Nonspendable	<u>\$ 3,394,744</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Restricted for:				
Long-Term Debt	\$	\$ 64,515,378	\$	\$
Capital Acquisitions and Contracts			291,337,112	
Food Services				26,172,331
Tax Increment Reinvestment Zone				11,623,443
Other Grant Programs				244,563
Total Restricted	<u>\$</u>	<u>\$ 64,515,378</u>	<u>\$ 291,337,112</u>	<u>\$ 38,040,337</u>
Committed to:				
Self Funded Insurance	\$ 5,500,000	\$	\$	\$
Unanticipated Expenditures or Revenue Loss	10,000,000			
Campus Activity Funds				8,581,649
Total Committed	<u>\$ 15,500,000</u>	<u>\$</u>	<u>\$</u>	<u>\$ 8,581,649</u>
Assigned to:				
Maintain Debt Service Rate	\$ 6,200,000	\$	\$	\$
Maintain Salary Schedule Increase	15,000,000			
Opening Additional Schools	6,108,286			
Property/Liability Insurance Reserve	7,500,000			
Maintain Technology Retrofit Schedule	15,000,000			
Capital/Technology Expenditures/1:1/Inflation	10,000,000			
Address Current/Future Legislative Impacts	10,000,000			
Other Assignments-Encumbrances	1,884,111			
Total Assigned	<u>\$ 71,692,397</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTE 15 – NET INVESTMENT IN CAPITAL ASSETS

The net investment in capital assets at August 31, 2024, consists of the following:

Governmental activities capital assets, net of accumulated amortization and depreciation	\$ 2,647,013,817
Capital related debt:	
Bonds payable (note 10, less accreted interest)	(2,597,905,417)
Note payable	(1,565,000)
SBITA payable	(3,402,482)
Net deferred gains/loss on refunding	34,670,469
Unspent bond proceeds	385,925,460
Capital related accounts and retainage payable - capital projects fund	(94,588,348)
Capital related accounts and retainage payable - other funds	(2,504,023)
Net Investment in Capital Assets	<u>\$ 367,644,476</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 16 – REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General	Debt Service	Capital Projects	Special Revenue	Total
Property Taxes	\$ 387,871,303	\$ 207,839,563	\$	\$	\$ 595,710,866
Penalties, Interest, and					
Other Tax Related Income	2,742,410	1,328,617			4,071,027
Summer School, Tuition and Fees	3,622,372				3,622,372
Investment Income	21,738,117	5,300,498	12,550,950	2,134,740	41,724,305
Food Sales				15,788,012	15,788,012
Facility Rental	3,206,938				3,206,938
Co-curricular Student Activities	2,802,908				2,802,908
Other	3,836,339			20,483,085	24,319,424
Total	\$ 425,820,387	\$ 214,468,678	\$ 12,550,950	\$ 38,405,837	\$ 691,245,852

The Enterprise Fund had a receivable of \$28,775 as of August 31, 2024.

NOTE 17 – GENERAL FUND FEDERAL PROGRAM REVENUES

For purposes of regulatory requirements of the Texas Education Agency, a summary of federal program revenues received in the General Fund for the year ended August 31, 2024 follows:

Program or Source	ALN	Amount
Naval Junior Reserve Officers Training Program	n/a	\$ 88,504
Federal Flood Control Funds	12.112	51
E-Rate School and Libraries Universal Support	n/a	66,619
Summer School LEP	84.369A	15,971
SHARS	n/a	4,386,638
Medicaid Administrative Claiming (MAC) Revenue	93.778	436,500
Indirect Costs		
National School Breakfast Program	10.553	495,895
National School Lunch Program	10.555	2,061,151
Summer Food Service Program	10.559	17,702
ESEA Title I, Part A - Improving Basic Programs	84.010A	454,120
IDEA Part B - Formula	84.027A	489,729
IDEA Part B - Deaf	84.027A	6,139
IDEA Part B - Preschool	84.173A	8,863
Texas Education for Homeless Children & Youth	84.196A	1,430
Carl D. Perkins Basic Grant	84.048A	23,818
ESEA Title II, Part A - Supporting Effective Instruction	84.367A	53,955
ESEA Title III, Part A - English Lang. Acquisition and Language Enhancement	84.365A	65,951
Title IV, Part A, Subpart 1, Student Support	84.424A	22,764
COVID-19 - ARPA Act ESSER III	84.425U	2,679,783
COVID-19 - Texas Education for Homeless Children & Youth Supplemental - ARP	84.425W	9,517
COVID-19 - Homeless II - ARP	84.425W	35,741
Early Childhood Intervention	Various	41,760
IDEA Part C - Deaf	84.181A	87
Total		\$ 11,462,688

KATY INDEPENDENT SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 18 – DEFINED BENEFIT PENSIONS PLAN

A. Plan Description

The District participates in a multiple-employer, cost-sharing, defined benefit pension that has a special funding situation. The Plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan 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 exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

B. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512)542-6592.

C. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered under a previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan Description in (A) above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the Systems actuary.

D. Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for the fiscal years 2019 thru 2025.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 18 – DEFINED BENEFIT PENSIONS PLAN (continued)

D. Contributions (continued)

<u>Contribution Rates</u>	<u>2023</u>	<u>2024</u>
Member (Employee)	8.00%	8.25%
Non-employer contributing entity (State)	8.00%	8.25%
District (Employer)	8.00%	8.25%

<u>TRS Contributions</u>	<u>Fiscal Year 2024</u>
Member (Employee)	\$ 63,442,667
Non-employer contributing agency (State)	43,861,648
District (Employer)	31,054,212

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local 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% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is a surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.8 percent of the member's salary beginning in fiscal year 2023, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 18 – DEFINED BENEFIT PENSIONS PLAN (continued)

E. Actuarial Assumptions

The total pension liability in the August 31, 2022 actuarial valuation was determined using the below actuarial assumptions. The following table discloses the assumptions that were applied to this measurement period.

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2023	4.13% *
Last year ending August 31 in Projection	
Period (100 years)	2122
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

* The source for this 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"

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions please see the actuarial valuation report dated November 22, 2022.

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. 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 session. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 increasing to 9.56% in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments 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.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 18 – DEFINED BENEFIT PENSIONS PLAN (continued)

Discount Rate (continued)

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2023, are summarized below:

Asset Class*	Target Allocation **	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.0 %	4.0 %	1.0 %
Non-U.S. Developed	13.0	4.5	0.9
Emerging Markets	9.0	4.8	0.7
Private Equity	14.0	7.0	1.5
Stable Value			
Government Bonds	16.0 %	2.5 %	0.5 %
Absolute Return*	0.0	3.6	0.0
Stable Value Hedge Funds	5.0	4.1	0.2
Real Return			
Real Estate	15.0 %	4.9 %	1.1 %
Energy, Natural Resources & Infrastructure	6.0	4.8	0.4
Commodities	0.0	4.4	0.0
Risk Parity			
Risk Parity	8.0 %	4.5 %	0.4 %
Asset Allocation Leverage			
Cash	2.0 %	3.7 %	0.0 %
Asset Allocation Leverage	(6.0)	4.4	(0.1)
Inflation Expectation			2.3
Volatility Drag ****			(0.9)
Total	100.0 %		8.0 %

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on FY2023 policy model.

** Capital Market Assumptions come from Aon Hewitt (as of 6/30/2023).

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

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 18 – DEFINED BENEFIT PENSIONS PLAN (continued)

F. Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportional share of the net pension liability	\$ 558,650,308	\$ 373,665,294	\$ 219,850,156

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

At August 31, 2024, the District reported a liability of \$373,665,294 for its proportionate share of the TRS 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	\$ 373,665,294
State's proportionate share that is associated with the District	505,948,034
Total	<u>\$ 879,613,328</u>

The net pension liability was measured as of August 31, 2022, and rolled forward to August 31, 2023, 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 proportion 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, 2022, thru August 31, 2023.

On August 31, 2023, the employer's proportion of the collective net pension liability was 0.5440% which was an increase of 0.0401% from its proportion measured as of August 31, 2022.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 18 – DEFINED BENEFIT PENSIONS PLAN (continued)

Changes in Assumptions and Benefits since the Prior Actuarial Valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected in the liability measurement as of August 31, 2023.

For the year ended August 31, 2024, the District recognized pension expense of \$74,021,300 and revenue of \$76,393,776 for support provided by the State.

On August 31, 2024, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual actuarial experience	\$ 13,313,821	\$ (4,524,678)
Changes in actuarial assumptions	35,341,418	(8,648,851)
Net difference between projected and actual earnings on pension plan investments	54,377,371	
Changes in proportion and difference between District contributions and proportionate share of contributions	33,589,482	
District contributions subsequent to the measurement date	31,054,212	
Total	<u>\$ 167,676,304</u>	<u>\$ (13,173,529)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$31,054,212 will be recognized as a reduction of the net pension liability in the year ending August 31, 2025.

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 ending August 31,	Pension Expense Amount	Balance of Deferred Outflows (Inflows)
2025	\$ 28,272,394	\$ 95,176,169
2026	19,867,867	75,308,302
2027	52,962,700	22,345,602
2028	18,801,011	3,544,591
2029	3,544,591	
Thereafter	<u>\$ 123,448,563</u>	

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN

A. Plan Description

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

The TRS Board of Trustees 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.

B. 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 (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_publications.aspx ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

C. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public and charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

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. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for retirees are reflected in the following table.

TRS-Care Plan Monthly Premium Rates		
	Medicare	Non-Medicare
Retiree or Surviving Spouse	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (Continued)

D. 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 participating employers based on active employee compensation. The TRS Board 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% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

<u>Contribution Rates</u>	<u>2023</u>	<u>2024</u>
Active Employee	0.65%	0.65%
Non-employer contributing entity (State)	1.25%	1.25%
District (Employer)	0.75%	0.75%
Federal/private Funding remitted by Employers	1.25%	1.25%

<u>TRS Contributions</u>	<u>Fiscal Year 2024</u>
Active Employee	\$ 4,998,486
Non-employer contributing agency (State)	13,184,385
District (Employer)	6,470,334

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to. When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$21.3 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total OPEB liability to August 31, 2023. The actuarial valuation was determined using the following actuarial assumptions:

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. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2022 TRS pension actuarial valuation that was rolled forward to August 31, 2023:

Rates of Mortality	Rates of Disability
Rates of Retirement	General Inflation
Rates of Termination	Wage Inflation

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 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-2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2022, rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	4.13% as of August 31, 2023
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	2.95% to 8.95%, including inflation
Ad hoc post-employment benefit changes	None

Health Care Trend Rates - The initial medical trend rates were 7.75 percent for Medicare retirees and 7.00 percent for non-Medicare retirees. The initial prescription drug trend rate was 7.75 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)

Discount Rate

A single discount rate of 4.13% was used to measure the total OPEB liability. This was a increase of 0.22% in the discount rate since the previous year.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2023, using the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

F. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (4.13%) in measuring the Net OPEB Liability:

	Discount Rate		
	<u>1% Decrease in Discount Rate (3.13%)</u>	<u>Current Single Discount Rate (4.13%)</u>	<u>1% Increase in Discount Rate (5.13%)</u>
District's proportional share of the net OPEB liability	\$ 178,871,722	\$ 151,870,412	\$ 129,836,705

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

At August 31, 2024, the District reported a liability of \$151,870,412 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	\$ 151,870,412
State's proportionate share that is associated with the District	183,254,996
Total	<u>\$ 335,125,408</u>

The Net OPEB Liability was measured as of August 31, 2022 and rolled forward to August 31, 2023, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer’s proportion of the Net OPEB Liability was based on the employer’s contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2022 thru August 31, 2023.

At August 31, 2023 the employer’s proportion of the collective Net OPEB Liability was 0.6860% which was an increase of 0.0216% from its proportion measured as of August 31, 2022.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)

G. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	Discount Rate		
	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportional share of the net OPEB liability	\$ 125,057,684	\$ 151,870,412	\$ 186,365,079

Changes Since the Prior Actuarial Valuation - The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB Liability (TOL) since the prior measurement period:

- The single discount rate changed from 3.91% as of August 31, 2022, to 4.13% as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

Changes of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

For the year ended August 31, 2024, the District recognized OPEB expense of (\$20,052,560) and revenue of (\$39,176,050) for support provided by the State.

On August 31, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,870,985	\$ (127,770,185)
Changes of actuarial assumptions	20,729,204	(92,994,282)
Net difference between projected and actual earnings on OPEB investments	65,617	
Changes in proportion and differences between District contributions and proportionate share of contributions	51,775,321	
District contributions subsequent to the measurement date	6,470,334	
Total	<u>\$ 85,911,461</u>	<u>\$ (220,764,467)</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)

G. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (continued)

The \$6,470,334 reported as deferred outflows of resources related to TRS-Care resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2025. 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:

<u>Year ending August 31,</u>	<u>OPEB Expense Amount</u>	<u>Balance of Deferred Outflows (Deferred Inflows)</u>
2025	\$ (32,693,339)	\$ (108,630,001)
2026	(25,727,713)	(82,902,288)
2027	(16,297,499)	(66,604,789)
2028	(22,206,498)	(44,398,291)
2029	(18,648,734)	(25,749,557)
Thereafter	(25,749,557)	
	<u><u>\$ (141,323,340)</u></u>	

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2024, 2023, and 2022, the subsidy payments received by TRS-Care on-behalf of the District were \$4,143,566, \$3,898,594, and \$2,741,866, respectively. The contributions made on behalf of the District have been recorded in the financial statements of the District as both revenue and payroll expenditure.

Compensated Absences

The District pays one-half of the locally accumulated sick leave and state leave days up to a maximum of 90 accumulated days to employees who retire with five or more years of continuous employment in the District and who retire from the state Teacher Retirement System. The majority of the payments are administered through Public Agency Retirement Services (PARS). During 2024, \$1,141,053 was disbursed to 113 members. No assets are being held or accumulated for future distribution. The District has accrued \$38,771,985 in the Government-wide Financial Statements to pay for compensated absences.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 20 – RISK MANAGEMENT

The District is exposed to various risks related to torts: theft of, damage to and destruction of assets, errors and omissions, natural disasters, health and welfare of employees for which the District carries commercial insurance or self-insures.

Property, Casualty, General Liability, Professional Liability, and Unemployment

The District purchases commercial insurance for property loss with limits of \$250 million and \$50 million for named windstorms. The policy covers up to \$50 million per year for flood losses. In addition, the policy covers \$5 million for the one property currently in a flood plain. Casualty risks are insured by a risk pool through an Interlocal agreement with Texas Association of School Boards (TASB) Risk Management Fund, with limits of \$1 million per occurrence and \$3 million aggregate for commercial general liability and a \$0.5 million combined single limit automobile policy. Professional liability risks are insured with limits of \$3 million in the aggregate. Within these policy limits, the District's exposure is limited to deductibles.

In addition to purchasing insurance for property, casualty, and liability risks, the District is a member of the Texas Association of School Board Risk Management Fund Property/Casualty Joint Account, a public entity risk pool. The District uses the risk pool for its unemployment insurance coverage. The District's participation in the risk pool is limited to payment premiums for its unemployment coverage. The risk pool is fully funded through annual premiums, and excess loss policies are purchased by the pool as considered necessary.

In the past three years, there has been one claim settled that exceeds insurance which was attributable to Winter Storm Uri. The District had damage to some facilities but it did not have a substantial negative effect on the operations of the District. The District received \$2.5 million in insurance proceeds and has a \$90,000 receivable from the Federal Emergency Management Agency (FEMA) as of August 31, 2024.

Health Insurance

Effective January 1, 2004, the District established a partially self-insured program for health insurance coverage. Contributions are paid from all governmental funds to the Health Insurance Internal Service Fund from which all claims and administrative expenses are paid. Claims administration and consulting services are provided to the District through a third-party administrator.

An accrual for incurred but not reported claims in the amount of \$5.9 million has been recorded in the fund as of August 31, 2024. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on an estimate of the remaining liability of known claims.

The general fund provided a supplement to the health fund in the amount of \$17.5 million in fiscal year 2024.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 20 – RISK MANAGEMENT (continued)

Health Insurance (continued)

At August 31, 2024, the fund had net position of \$4,095,661. Because of past history and the method of calculation, the District considers all claims to be current liabilities. Changes in incurred but not paid claims liability for the fiscal years ended August 31, 2024 and 2023 are as follows:

	Health Insurance	
	2024	2023
Beginning Accrual	\$ 8,047,000	\$ 7,346,000
Current Estimates	70,513,843	68,925,834
Payments for Claims	(72,629,143)	(68,224,834)
Ending Accrual	<u>\$ 5,931,700</u>	<u>\$ 8,047,000</u>

Workers' Compensation

The District established a limited risk management program for Workers' Compensation in 1992 by setting up the Workers' Compensation Internal Service Fund to account for its insured and self-insured risk of loss.

The Internal Service Fund charges the General Fund and Special Revenue Funds on the basis of payroll incurred by each fund in order to provide for Workers' Compensation claims of District employees. The ending retained earnings balance in the Internal Service Fund has been accumulated by the District's management to reserve for losses which may be incurred under its partially self-insured plan. The Internal Service Fund services all claims for risk of loss to which the District is exposed.

Workers' Compensation liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but were not reported until after August 31, 2024. Because of past history, the District considers all claims to be current liabilities. Because actual claims liabilities depend on such complex factors as inflation, changes in legal requirements and impairment benefits, the process used in computing claims liability results in an estimate. Claims liabilities are re-evaluated periodically to take into consideration recently closed claims, the frequency of claims, and other economic and social factors.

Claims liability activities for 2024 compared to 2023 are as follows:

	Workers' Compensation	
	2024	2023
Beginning Accrual	\$ 417,616	\$ 417,616
Current Estimates	991,869	1,148,985
Payments for Claims	(991,869)	(1,566,601)
Ending Accrual	<u>\$ -</u>	<u>\$ -</u>

At August 31, 2024, the District had \$4.1 million in cash available for payment of Workers' Compensation claims. The District has also purchased an excess Workers' Compensation policy for coverage relating to excessive Workers' Compensation claims. The District has a \$550,000 Self-Insured Retention (SIR) per any one occurrence. The policy has an obligation to pay all costs required by the Texas Workers' Compensation Act in excess of the District's SIR for each workers' compensation occurrence.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 21 – ARBITRAGE

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of 1) the amount earned on investments purchased with bond proceeds over 2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. Based on arbitrage calculations as of August 31, 2024, the District has recorded a liability of \$3.0 million.

NOTE 22 – JOINT VENTURE SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Service Arrangement (SSA) which provides services for deaf students of the District, Bellville ISD, Hempstead ISD, Royal ISD and Sealy ISD. All services are provided by the fiscal agent, and funds are received directly by the fiscal agent from the granting agency. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in the appropriate Special Revenue Fund Program and has accounted for these funds using Model 2 in the SSA section of the Resource Guide. Expenditures for the year ended August 31, 2024, of the SSA are summarized below:

	Katy ISD	Bellville ISD	Hempstead ISD	Royal ISD	Sealy ISD
IDEA-B Discretionary, Deaf	\$ 171,249	\$ 1,730	\$ 1,730	\$ 3,460	\$ 1,730
IDEA-C Early Intervention	2,402	24	24	49	24
Regional Day School For the Deaf	567,916	5,737	5,737	11,473	5,737
Local Share, Deaf	1,031,611	10,420	10,420	20,841	10,420
	<u>\$ 1,773,178</u>	<u>\$ 17,911</u>	<u>\$ 17,911</u>	<u>\$ 35,823</u>	<u>\$ 17,911</u>

NOTE 23 – LITIGATION AND CONTINGENCIES

From time to time, the District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

NOTE 24 – SUBSEQUENT EVENTS

In December 2024, the District issued \$218,785,000 in Unlimited Tax Refunding Bonds, Series 2024. The refunding bonds have an average interest rate of 3.53% and were issued to refund portions of outstanding Series 2014-A, 2015-A, and 2015-B bonds with an average interest rate of 4.65%. The refunding resulted in \$27,432,284 in debt service savings and \$18,036,830 in present value savings.

Required Supplementary Information



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KATY INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****ORIGINAL BUDGET, AMENDED FINAL, AND ACTUAL - GENERAL FUND**

YEAR ENDED AUGUST 31, 2024

With comparative actual balances for the Year Ended August 31, 2023

Data Control Codes		2024	
		Budgeted Amounts	
		Original	Final
	REVENUES		
5700	Local, Intermediate, and Out-of-State	\$ 439,153,271	\$ 424,092,891
5800	State Program Revenues	565,444,224	593,193,696
5900	Federal Program Revenues	19,891,018	10,574,988
5020	Total Revenues	<u>1,024,488,513</u>	<u>1,027,861,575</u>
	EXPENDITURES		
	Current:		
0011	Instruction	668,167,051	667,958,733
0012	Instructional Resources and Media Services	10,372,084	10,748,011
0013	Curriculum and Instructional Staff Development	14,681,722	15,008,505
0021	Instructional Leadership	9,547,119	10,776,334
0023	School Leadership	56,516,453	57,756,302
0031	Guidance, Counseling, and Evaluation Services	51,282,123	45,575,501
0032	Social Work	1,071,753	1,141,299
0033	Health Services	10,613,241	11,324,064
0034	Student Transportation	25,802,906	29,879,091
0036	Extracurricular Activities	22,477,211	23,599,119
0041	General Administration	19,826,065	21,610,219
0051	Facilities Maintenance and Operations	90,088,284	91,931,361
0052	Security and Monitoring Services	14,569,558	16,000,876
0053	Data Processing Services	18,947,571	19,642,691
0061	Community Services	640,168	708,552
0071	Debt Service	1,740,859	3,000,000
0081	Facilities Acquisition and Construction	1,354,327	1,294,410
0093	Payments to Fiscal Agents SSA	850,000	1,182,290
0095	Payments to JJAEP	75,000	75,000
0097	Payments to Tax Increment Reinvestment Zone	5,433,947	6,933,947
0099	Other Intergovernmental Charges	6,010,000	6,110,000
6030	Total Expenditures	<u>1,030,067,442</u>	<u>1,042,256,305</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>(5,578,929)</u>	<u>(14,394,730)</u>
	OTHER FINANCING SOURCES/(USES)		
7912	Sales of Real and Personal Property		34,514
7915	Transfers In	500,000	500,000
7949	SBITAs Issued		3,083,227
8911	Transfers Out	(3,000,000)	
7080	Total Other Financing Sources/(Uses)	<u>(2,500,000)</u>	<u>3,617,741</u>
	EXTRAORDINARY ITEMS		
7919	Insurance Recovery		2,500,000
1200	Net Change in Fund Balances	(8,078,929)	(8,276,989)
0100	Fund Balances - Beginning	352,783,437	352,783,437
3000	Fund Balances - Ending	<u>\$ 344,704,508</u>	<u>\$ 344,506,448</u>

See accompanying notes to the Required Supplementary Information

		2023
Actual	Variance with Final Budget Positive (Negative)	Actual
\$ 425,820,387	\$ 1,727,496	\$ 511,465,656
595,820,541	2,626,845	436,291,350
11,462,688	887,700	23,937,423
1,033,103,616	5,242,041	971,694,429
667,726,691	232,042	612,614,541
10,489,784	258,227	9,871,447
14,191,290	817,215	13,135,330
10,276,247	500,087	8,584,659
57,297,356	458,946	53,810,843
45,115,886	459,615	45,760,712
1,070,237	71,062	823,286
11,064,745	259,319	9,846,120
28,469,063	1,410,028	26,187,008
21,867,260	1,731,859	21,402,732
20,603,171	1,007,048	17,129,454
85,418,119	6,513,242	84,165,260
15,625,388	375,488	13,308,887
19,315,817	326,874	17,403,237
599,046	109,506	262,449
2,646,774	353,226	1,631,483
1,075,283	219,127	1,764,742
1,031,611	150,679	882,086
16,605	58,395	16,900
6,810,990	122,957	5,106,081
6,020,350	89,650	5,415,547
1,026,731,713	15,524,592	949,122,804
6,371,903	20,766,633	22,571,625
54,193	19,679	222,318
	(500,000)	644,837
2,589,034	(494,193)	2,556,216
2,643,227	(974,514)	3,423,371
2,500,000		
11,515,130	19,792,119	25,994,996
352,783,437		326,788,441
\$ 364,298,567	\$ 19,792,119	\$ 352,783,437

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KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2024

Budgets and Budgetary Accounting

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General Fund, the Child Nutrition Fund, and the Debt Service Fund for the fiscal year beginning September 1. The Texas Education Code requires the budget to be prepared no later than August 20th and adopted by August 31st of each year. The Budgets are prepared on a basis of accounting that is used for reporting in accordance with Generally Accepted Accounting Principles.

The District annually adopts legally authorized appropriated budgets for the General Fund, Debt Service Fund, and Child Nutrition Program.

The District's administration performs budget reviews during the year by which budget requirements are re-evaluated and revisions recommended to the Board. The Board may approve amendments to the budget, which are required when a change is made to any one of the functional expenditure categories or revenue object accounts defined by the TEA. Expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at year-end.

The following procedures were followed in establishing the budgetary data reflected in the Fund Financial Statements:

1. Prior to August 20th, 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 1st, the budget is legally adopted 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 before the fact, are 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, several amendments were necessary during the year.
4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are amended by the Board. All budget appropriations lapse at year end.

During the fiscal year ended August 31, 2024, the District did not have any expenditures over appropriations on all required legally adopted budgets.

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM
FOR THE LAST TEN MEASUREMENT YEARS ENDED AUGUST 31

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's Proportion of the Net Pension Liability	0.23%	0.40%	0.39%	0.40%
District's Proportionate Share of Net Pension Liability	\$ 61,442,566	\$ 141,271,770	\$ 148,128,053	\$ 129,492,973
State's Proportionate Share of the Net Pension Liability associated with the District	<u>217,114,716</u>	<u>267,896,675</u>	<u>287,808,897</u>	<u>243,448,882</u>
Total	<u>\$ 278,557,282</u>	<u>\$ 409,168,445</u>	<u>\$ 435,936,950</u>	<u>\$ 372,941,855</u>
District's Covered Payroll	\$ 384,948,688	\$ 426,358,194	\$ 452,806,263	\$ 475,674,264
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	15.96%	33.13%	32.71%	27.22%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability *	83.25%	78.43%	78.00%	82.17%
Plan's Net Pension Liability as a Percentage of Covered Payroll *	72.89%	91.94%	92.75%	75.93%

The amounts presented are for each Plan year which ends the preceding August 31 of the District's fiscal year.

* Per Teacher Retirement System of Texas' annual comprehensive financial report.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.43%	0.43%	0.45%	0.47%	0.50%	0.54%
\$ 236,900,889	\$ 223,796,599	\$ 239,987,931	\$ 120,591,481	\$ 299,161,093	\$ 373,665,294
<u>415,190,842</u>	<u>390,749,576</u>	<u>415,119,555</u>	<u>200,816,644</u>	<u>446,251,336</u>	<u>505,948,034</u>
<u>\$ 652,091,731</u>	<u>\$ 614,546,175</u>	<u>\$ 655,107,486</u>	<u>\$ 321,408,125</u>	<u>\$ 745,412,429</u>	<u>\$ 879,613,328</u>
\$ 504,268,992	\$ 526,358,404	\$ 579,192,169	\$ 612,268,883	\$ 653,949,543	\$ 714,359,953
46.98%	42.52%	41.43%	19.70%	45.75%	52.31%
73.74%	75.24%	75.54%	88.79%	75.62%	73.15%
126.11%	114.93%	110.36%	51.08%	112.72%	122.32%

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM
FOR THE LAST TEN FISCAL YEARS ENDED AUGUST 31

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 11,839,803	\$ 12,454,547	\$ 13,273,105	\$ 14,500,023
Contribution in Relation to the Contractually Required Contribution	<u>11,839,803</u>	<u>12,454,547</u>	<u>13,273,105</u>	<u>14,500,023</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered Payroll	\$ 426,358,194	\$ 452,806,263	\$ 475,674,264	\$ 504,268,992
Contributions as a Percentage of Covered Payroll	2.78%	2.75%	2.79%	2.88%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 15,056,236	\$ 18,473,081	\$ 20,198,052	\$ 23,500,830	\$ 27,967,623	\$ 31,054,212
<u>15,056,236</u>	<u>18,473,081</u>	<u>20,198,052</u>	<u>23,500,830</u>	<u>27,967,623</u>	<u>31,054,212</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 526,358,404	\$ 579,192,169	\$ 612,268,883	\$ 653,949,543	\$ 714,359,953	\$ 769,002,486
2.86%	3.19%	3.30%	3.59%	3.92%	4.04%

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2024

Effective September 1, 2014, employers who did not contribute Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

Changes in Assumptions

2023: No change.

2022: The discount rate changed from 7.25% to 7.00%.

2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

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KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT SYSTEM - CARE
FOR THE LAST SEVEN MEASUREMENT YEARS ENDED AUGUST 31

	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's Proportion of the Net OPEB Liability	0.54%	0.59%	0.59%
District's Proportionate Share of Net OPEB Liability	\$ 235,241,949	\$ 292,809,737	\$ 281,189,550
State's Proportionate Share of the Net OPEB Liability associated with the District	<u>380,851,640</u>	<u>439,287,541</u>	<u>373,638,019</u>
Total	<u>\$ 616,093,589</u>	<u>\$ 732,097,278</u>	<u>\$ 654,827,569</u>
District's Covered Payroll	\$ 475,674,264	\$ 504,268,992	\$ 526,358,404
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	49.45%	58.07%	53.42%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability *	0.91%	1.57%	2.66%
Plan's Net OPEB Liability as a Percentage of Covered Payroll *	132.55%	146.64%	135.21%

The amounts presented are for each Plan year which ends the preceding August 31 of the District's fiscal year.

Ten years of data should be presented in this schedule, however data is unavailable prior to 2017. Net OPEB liability and related ratios will be presented prospectively as data becomes available.

* Per Teacher Retirement System of Texas' annual comprehensive financial report.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
0.61%	0.63%	0.66%	0.69%
\$ 232,773,193	\$ 244,188,502	\$ 159,091,392	\$ 151,870,412
<u>312,791,374</u>	<u>327,158,173</u>	<u>194,066,503</u>	<u>183,254,996</u>
<u>\$ 545,564,567</u>	<u>\$ 571,346,675</u>	<u>\$ 353,157,895</u>	<u>\$ 335,125,408</u>
\$ 579,192,169	\$ 612,268,883	\$ 653,949,543	\$ 714,359,953
40.19%	39.88%	24.33%	21.26%
4.99%	6.18%	11.52%	14.94%
101.46%	100.13%	59.10%	51.86%

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM - CARE
FOR THE LAST TEN YEARS ENDED AUGUST 31

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually Required Contribution	\$ 2,493,897	\$ 2,648,206	\$ 2,812,442	\$ 4,046,597
Contribution in Relation to the Contractually Required Contribution	<u>2,493,897</u>	<u>2,648,206</u>	<u>2,812,442</u>	<u>4,046,597</u>
Contribution Deficiency (Excess)	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
District's Covered Payroll	\$ 426,358,194	\$ 452,806,263	\$ 475,674,264	\$ 504,268,992
Contributions as a Percentage of Covered Payroll	0.58%	0.58%	0.59%	0.80%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 4,217,204	\$ 4,650,683	\$ 4,942,639	\$ 5,456,033	\$ 5,952,172	\$ 6,470,334
<u>4,217,204</u>	<u>4,650,683</u>	<u>4,942,639</u>	<u>5,456,033</u>	<u>5,952,172</u>	<u>6,470,334</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 526,358,404	\$ 579,192,169	\$ 612,268,883	\$ 653,949,543	\$ 714,359,953	\$ 769,002,486
0.80%	0.80%	0.81%	0.83%	0.83%	0.84%

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY OTHER POST-EMPLOYMENT
BENEFIT INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2024

Changes in Assumptions

2023: The discount rate changed from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023, lowered the participation rates, and updated the healthcare trend rate assumption.

2022: The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022, lowered the participation rates, and updated the healthcare trend rate assumptions.

2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

Changes in Benefit Terms

Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates. This change in plan benefits significantly lowered the OPEB liability and had an immediate effect on the OPEB expenses recognized by participating entities.

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

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

Other Supplementary Information



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**COMPARATIVE STATEMENTS, COMBINING SCHEDULES
AND BUDGET COMPARISONS**

GENERAL FUND

The General Fund is used to account for all financial transactions not properly included in other funds. The principal sources of revenues include local property taxes, state reimbursement for professional salaries and other operating expenditures, and earnings on investments. Expenditures include all costs associated with the daily operations of the schools.

KATY INDEPENDENT SCHOOL DISTRICT
COMPARATIVE BALANCE SHEET
GENERAL FUND
AUGUST 31, 2024 and 2023

Exhibit G-1

Data Control Codes		August 31, 2024	August 31, 2023
	ASSETS		
1110	Pooled Cash and Cash Equivalents	\$ 355,561,622	\$ 323,883,079
1120	Current Investments	14,798,752	9,976,185
	Receivables:		
1225	Property Taxes Receivable (net)	11,843,254	11,230,976
1240	Due from Other Governments	12,932,465	32,480,713
1250	Accrued Interest	17,310	63,638
1260	Due from Other Funds	64,856,388	60,102,107
1290	Other Receivables	3,487,454	3,976,070
1300	Inventories, at Cost	1,860,157	1,909,107
1410	Prepaid Items	1,534,587	1,457,905
1910	Long-Term Investments	18,581,574	21,728,312
1000	Total Assets	\$ 485,473,563	\$ 466,808,092
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	\$ 20,900,213	\$ 38,237,477
2150	Payroll Withholding Payable	8,805,614	8,916,026
2160	Accrued Wages Payable	47,099,849	43,695,746
2170	Due to Other Funds	22,445,636	3,156,227
2180	Due to Other Governments	6,872,159	5,147,432
2200	Accrued Expenditures	704,039	922,176
2300	Unearned Revenue	29,680	37,830
2000	Total Liabilities	106,857,190	100,112,914
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue - Property Taxes	11,843,254	11,230,976
2600	Unavailable Revenue - Leases	2,474,552	2,680,765
2600	Total Deferred Inflows or Resources	14,317,806	13,911,741
	FUND BALANCE		
	Fund Balances:		
3410/30	Nonspendable	3,394,744	3,367,012
3540	Committed	15,500,000	15,500,000
3580	Assigned	71,692,397	76,276,031
3600	Unassigned	273,711,426	257,640,394
3000	Total Fund Balance	364,298,567	352,783,437
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 485,473,563	\$ 466,808,092

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2024
with comparative actual balances for the year ended August 31, 2023

Exhibit G-2

	2024			2023
	Budget	Actual	Variance Positive (Negative)	Actual
Local Sources				
Real and Personal Property Taxes	\$ 387,279,266	\$ 387,572,857	\$ 293,591	\$ 480,299,415
Taxes Collected on Tax				
Increment Zone	3,044,259	3,040,856	(3,403)	2,864,481
Tuition and Fees from Patrons	3,433,470	3,622,372	188,902	3,180,800
Investment Income	21,414,432	21,738,117	323,685	15,079,117
Rental Income	3,043,858	3,206,938	163,080	3,324,872
Athletics	2,685,957	2,802,908	116,951	3,195,893
Other	3,191,649	3,836,339	644,690	3,521,078
Revenues - Local Sources	<u>424,092,891</u>	<u>425,820,387</u>	<u>1,727,496</u>	<u>511,465,656</u>
State Sources				
Per Capita and Foundation	537,061,704	538,741,581	1,679,877	384,887,580
TRS On-Behalf Benefit	56,121,022	57,046,034	925,012	51,320,297
Other State Revenue	10,970	32,926	21,956	83,473
Revenues - State Sources	<u>593,193,696</u>	<u>595,820,541</u>	<u>2,626,845</u>	<u>436,291,350</u>
Federal Sources				
Indirect Costs - Federal Grants	5,969,343	6,468,405	499,062	9,562,515
Federal Grants	284,864	607,645	322,781	264,914
SHARS	4,320,781	4,386,638	65,857	14,109,994
Revenues - Federal Sources	<u>10,574,988</u>	<u>11,462,688</u>	<u>887,700</u>	<u>23,937,423</u>
Total Revenues	<u><u>\$ 1,027,861,575</u></u>	<u><u>\$ 1,033,103,616</u></u>	<u><u>\$ 5,242,041</u></u>	<u><u>\$ 971,694,429</u></u>

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2024
with comparative actual balances for the year ended August 31, 2023

Exhibit G-3
Page 1 of 4

Function	2024		Variance Positive (Negative)	2023
	Budget	Actual		Actual
Instruction and Instruction-Related Services				
Instruction				
6100 Payroll Costs	\$ 637,274,287	\$ 638,825,823	\$ (1,551,536)	\$ 592,015,491
6200 Purchased and Contracted Services	5,849,972	5,704,547	145,425	4,577,073
6300 Supplies and Materials	18,891,034	17,923,482	967,552	12,994,697
6400 Other Operating Expenditures	957,346	789,248	168,098	816,065
6600 Capital Outlay	4,986,094	4,483,591	502,503	2,211,215
Total Instruction	667,958,733	667,726,691	232,042	612,614,541
Instructional Resources and Media Services				
6100 Payroll Costs	9,723,987	9,513,425	210,562	8,900,827
6200 Purchased and Contracted Services	4,065	3,300	765	1,743
6300 Supplies and Materials	1,008,996	964,941	44,055	958,806
6400 Other Operating Expenditures	10,963	8,118	2,845	10,071
Total Instructional Resources/Media Svc.	10,748,011	10,489,784	258,227	9,871,447
Curriculum and Instructional Staff Development				
6100 Payroll Costs	12,763,029	12,366,619	396,410	11,358,676
6200 Purchased and Contracted Services	406,941	328,489	78,452	204,502
6300 Supplies and Materials	534,275	390,302	143,973	437,656
6400 Other Operating Expenditures	1,304,260	1,105,880	198,380	1,134,496
Total Curriculum/Instr. Staff Development	15,008,505	14,191,290	817,215	13,135,330
Total Instruction and Instruction-Related Services	693,715,249	692,407,765	1,307,484	635,621,318
Instruction and School Leadership				
Instructional Leadership				
6100 Payroll Costs	9,857,390	9,607,806	249,584	7,785,321
6200 Purchased and Contracted Services	522,741	339,191	183,550	505,997
6300 Supplies and Materials	130,683	117,392	13,291	107,954
6400 Other Operating Expenditures	265,520	211,858	53,662	185,387
Total Instructional Leadership	10,776,334	10,276,247	500,087	8,584,659
School Leadership				
6100 Payroll Costs	56,284,576	55,917,159	367,417	52,670,045
6200 Purchased and Contracted Services	16,543	12,066	4,477	19,933
6300 Supplies and Materials	590,462	539,056	51,406	458,630
6400 Other Operating Expenditures	857,722	822,076	35,646	662,235
6600 Capital Outlay	6,999	6,999		
Total School Leadership	57,756,302	57,297,356	458,946	53,810,843
Total Instruction and School Leadership	68,532,636	67,573,603	959,033	62,395,502

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND

Exhibit G-3
Page 2 of 4

YEAR ENDED AUGUST 31, 2024

with comparative actual balances for the year ended August 31, 2023

	2024			2023
	Budget	Actual	Variance Positive (Negative)	Actual
Support Services - Student				
Guidance, Counseling and Evaluation Services				
6100 Payroll Costs	\$ 42,730,220	\$ 42,645,830	\$ 84,390	\$ 43,297,444
6200 Purchased and Contracted Services	777,290	666,376	110,914	795,083
6300 Supplies and Materials	1,743,939	1,534,408	209,531	1,492,222
6400 Other Operating Expenditures	324,052	269,272	54,780	175,963
Total Guidance, Counsel. and Eval. Services	45,575,501	45,115,886	459,615	45,760,712
Social Work Services				
6100 Payroll Costs	1,094,409	1,045,722	48,687	820,022
6200 Purchased and Contracted Services	12,008	7,007	5,001	
6300 Supplies and Materials	11,582	7,439	4,143	1,816
6400 Other Operating Expenditures	23,300	10,069	13,231	1,448
Total Social Work Services	1,141,299	1,070,237	71,062	823,286
Health Services				
6100 Payroll Costs	10,478,445	10,317,814	160,631	9,114,297
6200 Purchased and Contracted Services	434,500	364,444	70,056	460,777
6300 Supplies and Materials	381,390	365,520	15,870	246,286
6400 Other Operating Expenditures	29,729	16,967	12,762	16,284
6600 Capital Outlay				8,476
Total Health Services	11,324,064	11,064,745	259,319	9,846,120
Student Transportation				
6100 Payroll Costs	20,092,352	19,140,625	951,727	17,688,289
6200 Purchased and Contracted Services	5,378,157	5,177,178	200,979	4,354,158
6300 Supplies and Materials	3,411,109	3,212,360	198,749	3,424,978
6400 Other Operating Expenditures	628,850	571,986	56,864	671,763
6600 Capital Outlay	368,623	366,914	1,709	47,820
Total Student Transportation	29,879,091	28,469,063	1,410,028	26,187,008
Extracurricular Activities				
6100 Payroll Costs	14,414,535	13,448,775	965,760	12,899,674
6200 Purchased and Contracted Services	1,700,121	1,580,506	119,615	1,499,977
6300 Supplies and Materials	3,470,117	3,241,040	229,077	3,528,382
6400 Other Operating Expenditures	3,356,267	3,169,342	186,925	3,216,964
6600 Capital Outlay	658,079	427,597	230,482	257,735
Total Extracurricular Activities	23,599,119	21,867,260	1,731,859	21,402,732
Total Support Services - Student	111,519,074	107,587,191	3,931,883	104,019,858
Administrative Support Services				
General Administration				
6100 Payroll Costs	15,485,355	15,153,894	331,461	13,224,118
6200 Purchased and Contracted Services	1,400,095	1,295,558	104,537	1,219,798
6300 Supplies and Materials	607,809	429,644	178,165	496,829
6400 Other Operating Expenditures	2,503,486	2,228,728	274,758	2,188,709
6600 Capital Outlay	1,613,474	1,495,347	118,127	
Total Administrative Support Services	21,610,219	20,603,171	1,007,048	17,129,454

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2024
with comparative actual balances for the year ended August 31, 2023

Exhibit G-3
Page 3 of 4

	2024			2023
	Budget	Actual	Variance Positive (Negative)	Actual
Support Services - Nonstudent Based				
Facilities Maintenance and Operations				
6100 Payroll Costs	\$ 42,858,961	\$ 41,172,636	\$ 1,686,325	\$ 39,457,755
6200 Purchased and Contracted Services	31,116,864	27,292,712	3,824,152	29,901,925
6300 Supplies and Materials	6,896,752	6,250,970	645,782	5,848,689
6400 Other Operating Expenditures	9,263,875	9,047,074	216,801	6,396,769
6600 Capital Outlay	1,794,909	1,654,727	140,182	2,560,122
Total Facilities Maintenance and Operations	91,931,361	85,418,119	6,513,242	84,165,260
Security and Monitoring Services				
6100 Payroll Costs	14,328,470	14,056,805	271,665	11,355,610
6200 Purchased and Contracted Services	309,371	290,501	18,870	247,658
6300 Supplies and Materials	741,025	673,841	67,184	657,177
6400 Other Operating Expenditures	52,399	55,901	(3,502)	39,955
6600 Capital Outlay	569,611	548,340	21,271	1,008,487
Total Security and Monitoring Services	16,000,876	15,625,388	375,488	13,308,887
Data Processing Services				
6100 Payroll Costs	12,505,868	12,445,133	60,735	11,191,813
6200 Purchased and Contracted Services	608,916	524,009	84,907	494,885
6300 Supplies and Materials	5,584,769	5,447,701	137,068	5,052,758
6400 Other Operating Expenditures	151,239	107,075	44,164	210,276
6600 Capital Outlay	791,899	791,899		453,505
Total Data Processing Services	19,642,691	19,315,817	326,874	17,403,237
Total Support Services - Nonstudent Based	127,574,928	120,359,324	7,215,604	114,877,384
Ancillary Services				
Community Services				
6100 Payroll Costs	600,281	550,189	50,092	207,495
6200 Purchased and Contracted Services	73,747	26,662	47,085	42,781
6300 Supplies and Materials	26,917	17,067	9,850	8,214
6400 Other Operating Expenditures	7,607	5,128	2,479	3,959
Total Ancillary Services	708,552	599,046	109,506	262,449

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2024
with comparative actual balances for the year ended August 31, 2023

Exhibit G-3
Page 4 of 4

	2024			2023
	Budget	Actual	Variance Positive (Negative)	Actual
Debt Service				
Debt Service				
6500 Debt Service	\$ 3,000,000	\$ 2,646,774	\$ 353,226	\$ 1,631,483
Total Debt Service	<u>3,000,000</u>	<u>2,646,774</u>	<u>353,226</u>	<u>1,631,483</u>
Capital Outlay				
Facilities Acquisition and Construction				
6100 Payroll Costs	912,025	866,010	46,015	777,360
6400 Other Operating Expenditures	14,800	9,414	5,386	3,916
6600 Capital Outlay	367,585	199,859	167,726	983,466
Total Capital Outlay	<u>1,294,410</u>	<u>1,075,283</u>	<u>219,127</u>	<u>1,764,742</u>
Intergovernmental Charges				
Payments to Fiscal Agents				
6400 Other Operating Expenditures	1,182,290	1,031,611	150,679	882,086
Payments to JJAEP				
6200 Purchased and Contracted Services	75,000	16,605	58,395	16,900
Payments to Tax Increment Reinvestment Zone				
6400 Other Operating Expenditures	6,933,947	6,810,990	122,957	5,106,081
Other Intergovernmental Charges				
6200 Purchased and Contracted Services	6,110,000	6,020,350	89,650	5,415,547
Total Intergovernmental Charges	<u>14,301,237</u>	<u>13,879,556</u>	<u>421,681</u>	<u>11,420,614</u>
6030 Total Expenditures	<u>\$ 1,042,256,305</u>	<u>\$ 1,026,731,713</u>	<u>\$ 15,524,592</u>	<u>\$ 949,122,804</u>

DEBT SERVICE FUND

The Debt Service Fund is used to account for revenues from debt service taxes and earnings on investments which are used for payment of interest and principal on the District's bonded indebtedness.

KATY INDEPENDENT SCHOOL DISTRICT
COMPARATIVE BALANCE SHEET
DEBT SERVICE FUND
AUGUST 31, 2024 and 2023

Exhibit H-1

Data Control Codes		August 31, 2024	August 31, 2023
	ASSETS		
1110	Pooled Cash and Cash Equivalents	\$ 59,197,351	\$ 65,780,376
	Receivables:		
1225	Property Taxes Receivable (net)	5,049,269	4,318,973
1240	Due from Other Governments	7,936	
1260	Due from Other Funds	8,338,688	
1000	Total Assets	<u>\$ 72,593,244</u>	<u>\$ 70,099,349</u>
	LIABILITIES		
	Current Liabilities:		
2170	Due to Other Funds	\$ 3,028,597	\$ 363,751
2180	Due to Other Governments	756,221	
2000	Total Liabilities	<u>3,028,597</u>	<u>1,119,972</u>
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue - Property Taxes	<u>5,049,269</u>	<u>4,318,973</u>
	FUND BALANCE		
	Restricted For:		
3480	Retirement of Long-term Debt	64,515,378	64,660,404
3000	Total Fund Balance	<u>64,515,378</u>	<u>64,660,404</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 72,593,244</u>	<u>\$ 70,099,349</u>

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – ORIGINAL BUDGET, AMENDED FINAL, AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED AUGUST 31, 2024
with comparative actual balances for the year ended August 31, 2023

Data Control Codes		2024	
		Budgeted Amounts	
		Original	Final
	REVENUES		
5700	Local, Intermediate, and Out-of-State	\$ 225,881,935	\$ 214,365,073
5800	State Program Revenues	14,878,439	22,435,665
5020	Total Revenues	<u>240,760,374</u>	<u>236,800,738</u>
	EXPENDITURES		
	Debt Service:		
0071	Principal on Long-Term Debt	139,406,460	134,850,004
0072	Interest on Long-Term Debt	100,887,165	100,596,916
0073	Bond Issuance Costs and Fees	<u>376,375</u>	<u>3,172,267</u>
6030	Total Expenditures	<u>240,670,000</u>	<u>238,619,187</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>90,374</u>	<u>(1,818,449)</u>
	OTHER FINANCING SOURCES/(USES)		
7901	Refunding Bonds Issued		31,495,000
7916	Premium on Issuance of Bonds		619,192
8940	Payment to Bond Refunding Escrow Agent		<u>(32,000,006)</u>
7080	Total Other Financing Sources/(Uses)		<u>114,186</u>
1200	Net Change in Fund Balance	90,374	(1,704,263)
0100	Fund Balances - Beginning	<u>64,660,404</u>	<u>64,660,404</u>
3000	Fund Balances - Ending	<u><u>\$ 64,750,778</u></u>	<u><u>\$ 62,956,141</u></u>

		2023
Actual	Variance with Final Budget Positive (Negative)	Actual
\$ 214,468,678	\$ 103,605	\$ 210,303,114
22,762,550	326,885	4,111,507
237,231,228	430,490	214,414,621
133,741,460	1,108,544	115,869,907
100,596,915	1	93,725,744
3,237,071	(64,804)	22,230
237,575,446	1,043,741	209,617,881
(344,218)	1,474,231	4,796,740
31,495,000		
619,192		
(31,915,000)	85,006	
199,192	85,006	
(145,026)	1,559,237	4,796,740
64,660,404		59,863,664
\$ 64,515,378	\$ 1,559,237	\$ 64,660,404

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for proceeds from the sale of general obligation bonds and the expenditures of these funds for the construction and equipping of new school facilities, to purchase school sites, and the renovation or repair of present facilities.

KATY INDEPENDENT SCHOOL DISTRICT
COMPARATIVE BALANCE SHEET
CAPITAL PROJECTS FUND
AUGUST 31, 2024 and 2023

Exhibit I-1

Data Control Codes		August 31, 2024	August 31, 2023
	ASSETS		
1110	Pooled Cash and Cash Equivalents	\$ 319,618,283	\$ 63,630,078
1120	Current Investments	57,304,466	162,881,568
	Receivables:		
1240	Due from Other Governments	24,058	804,391
1250	Accrued Interest		15,099
1260	Due from Other Funds	8,704,095	6,980
1290	Other Receivables	274,558	
1910	Long-Term Investments		56,340,611
1000	Total Assets	<u>\$ 385,925,460</u>	<u>\$ 283,678,727</u>
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	\$ 52,266,943	\$ 47,564,114
2170	Due to Other Funds	42,321,405	12,607,034
2000	Total Liabilities	<u>94,588,348</u>	<u>60,171,148</u>
	FUND BALANCE		
	Restricted For:		
3470	Capital Acquisitions and Contracts	291,337,112	223,507,579
3000	Total Fund Balance	<u>291,337,112</u>	<u>223,507,579</u>
4000	Total Liabilities and Fund Balance	<u>\$ 385,925,460</u>	<u>\$ 283,678,727</u>

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
YEAR ENDED AUGUST 31, 2024 and 2023

Exhibit I-2

Data Control Codes		August 31, 2024	August 31, 2023
	REVENUES		
5700	Local, Intermediate, and Out-of-State	\$ 12,550,950	\$ 9,662,655
5900	Federal Program Revenues	959,953	4,220,042
5020	Total Revenues	<u>13,510,903</u>	<u>13,882,697</u>
	EXPENDITURES		
0041	Fees		200
0071	Principal on long-term debt		265,190
0073	Bond Issuance Cost and Fees	1,700,695	1,785,853
0081	Facilities Acquisition and Construction:		
	Land	4,151,595	4,325,317
	Building and Improvements	156,486,481	279,863,667
	SBITA Assets	45,000	636,292
	Furniture & Equip, Vehicles, and Library & Media	34,998,293	39,711,521
	Total Facilities Acquisition and Construction	<u>195,681,369</u>	<u>324,536,797</u>
6030	Total Expenditures	<u>197,382,064</u>	<u>326,588,040</u>
1100	Excess (Deficiency) of Revenues		
	Over (Under) Expenditures	<u>(183,871,161)</u>	<u>(312,705,343)</u>
	OTHER FINANCING SOURCES/(USES)		
7911	Capital Related Debt Issued	245,915,000	242,960,000
7912	Sale of Property		5,211,752
7916	Premium on Issuance of Bonds	5,785,694	15,072,273
7949	SBITAs Issued		636,292
7080	Total Other Financing Sources/(Uses)	<u>251,700,694</u>	<u>263,880,317</u>
1200	Net Change in Fund Balance	67,829,533	(48,825,026)
0100	Fund Balances - Beginning	<u>223,507,579</u>	<u>272,332,605</u>
3000	Fund Balances - Ending	<u>\$ 291,337,112</u>	<u>\$ 223,507,579</u>

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for financial resources restricted to or designated for specific purposes by a grantor. Specifically, this type of fund is used to account for the District's Food Service program, including local and federal revenue sources for state and federally financed programs (grants) where unused balances are returned to the grantor at the close of specified project periods, and other revenue specific programs.

KATY INDEPENDENT SCHOOL DISTRICT
SPECIAL REVENUE PROGRAM DESCRIPTIONS
YEAR ENDED AUGUST 31, 2024

206 - McKinney Vento/Texas Education for Homeless Children and Youth (TEHCY) - Funds are to be used to provide supplemental academic and related assistance to facilitate the academic success of students who are in homeless situations.

211 - Elementary and Secondary Education Act (ESEA) Title I, Part A - Funds are used on identified campuses to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

224 - Individuals with Disabilities Education Act (IDEA), Part B - Formula - Funds are used to operate educational programs for children with disabilities. This program also includes capacity building and improvement (sliver) subgrants.

225 - Individuals with Disabilities Education Act (IDEA), Part B - Preschool - Funds are used for preschool children with disabilities.

240 - Nutrition and Food Services - Funds are used to account for allowable expenditures, as determined under the National School Lunch Act, for the operation and improvement of the Child Nutrition Programs.

242 - Summer Food Service Program – Funds are used to account for amounts received from the Texas Department of Agriculture for meals provided to the community based on the average number of daily participants.

244 - Vocational Education, Carl Perkins Grant - Funds are used to provide instruction related to career and technology education and to develop new and/or improve career and technology education programs for paid and unpaid employment.

255 - Elementary and Secondary Education Act (ESEA) Title II, Part A – Supporting Effective Instruction – Funds are used to 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.

263 - Elementary and Secondary Education Act (ESEA) Title III, Part A - ELA and Immigrant - Funds are used 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.

278 - Texas Education for Homeless Children and Youth Supplemental – American Rescue Plan (ARP) Act - Funds are used to provide supplemental academic and related assistance to facilitate the academic success of students who are in homeless situations.

280 - Homeless II – American Rescue Plan (ARP) Act - Funds are used to provide supplemental academic and related assistance to facilitate the academic success of students who are in homeless situations.

282 - Elementary and Secondary School Emergency Relief Fund III (ESSER III) – American Rescue Plan (ARP) Act of 2021 – Funds are used for federal stimulus granted through the ARP Act to address learning loss and the disproportionate impact of the coronavirus on certain student groups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

KATY INDEPENDENT SCHOOL DISTRICT
SPECIAL REVENUE PROGRAM DESCRIPTIONS
YEAR ENDED AUGUST 31, 2024

289 - Federally Funded Special Revenue - Funds include the reimbursement of summer school costs for Limited English Proficient Students in Kindergarten and First Grade; Early Childhood Intervention funds which are used to identify and provide needed intervention services for children from Birth to age 3 who are developmentally delayed or appear to be at risk for developmental delay; student support and academic enrichment to improve the academic achievement of all students; special education contracted services; and other federally funded special revenue that has not been specified above.

315 - Individuals with Disabilities Education Act (IDEA), Part B-Discretionary Deaf, SSA - Funds are used to support an education service center basic special education component and also targeted support to LEAs, Regional Day School Programs for the Deaf, private residential placements, priority projects, and other emerging needs.

340 - Individuals with Disabilities Education Act (IDEA), Part C, Early Intervention, SSA - Funds are used to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers ages birth through two years of age. The program also provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher.

385 - State Supplemental Visually Impaired - Funds are used to provide educational assistance to visually impaired students.

397 - Advanced Placement Incentive - Funds are used for training for eligible teachers who complete TEA-approved workshops.

410 - Instructional Materials Allotment - Funds are used to provide instructional materials awarded under the textbook allotment.

429 - State Funded Special Revenue Programs - Accounts for state funded special revenue that has not been specified above.

435 - Regional Day School for the Deaf, SSA - Funds are used for staff and activities of the Regional Day School Program for the Deaf (RDSPD).

455 - Local Share Regional Day School for the Deaf, SSA - Funds are used to account for excess costs of services provided to hearing impaired students ages birth through twenty-one.

461 - Campus Activity Funds - Funds are used for activities benefiting students and staff.

480 - Locally Funded Special Revenue Programs - Locally funded special revenue programs not specified above.

495 - Tax Increment Reinvestment Zone - Funds are used to account for tax increment revenues, in excess of bond payments, restricted for expenditures within the reinvestment zone.

499 - Katy ISD Education Foundation Grants - Funds will be used to provide resources to enrich teaching, inspire learning, and enhance opportunities for students enrolled in Katy ISD.

KATY INDEPENDENT SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – SPECIAL REVENUE FUND PROGRAMS
 YEAR ENDED AUGUST 31, 2024

Data Control Codes		206 McKinney Vento TEHCY	211 ESEA Title I Part A	224 IDEA Part B Formula
	REVENUES			
5700	Local, Intermediate, and Out-of-State	\$	\$	\$
5800	State Program Revenues			
5900	Federal Program Revenues	49,866	11,445,156	14,694,371
5020	Total Revenues	49,866	11,445,156	14,694,371
	EXPENDITURES			
0011	Instruction	136	9,290,821	9,755,637
0012	Instructional Resources and Media Services		2,447	
0013	Curriculum & Instructional Staff Development		878,212	881,093
0021	Instructional Leadership		105,520	
0023	School Leadership		126,124	
0031	Guidance, Counseling, & Evaluation Services		335,148	4,057,641
0032	Social Work Services	47,204	16,277	
0033	Health Services			
0034	Student Transportation			
0035	Food Services			
0036	Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services			
0053	Data Processing Services			
0061	Community Services	2,526	690,607	
0071	Debt Service			
0081	Facilities Acquisition and Construction			
6030	Total Expenditures	49,866	11,445,156	14,694,371
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures			
1200	Net Change in Fund Balance			
0100	Fund Balance - September 1 (Beginning)			
3000	Fund Balance - August 31 (Ending)	\$	\$	\$

225 IDEA Part B Preschool	240 Nutrition and Food Services	242 Summer Food Service Program	244 Carl D. Perkins Grant	255 ESEA Title II Part A	263 ESEA Title III Part A
\$	\$ 17,430,298 240,284	\$	\$	\$	\$
228,052	32,776,796	235,292	857,919	2,052,114	2,784,232
228,052	50,447,378	235,292	857,919	2,052,114	2,784,232
228,052			595,995	44,276	482,247
			258,410 3,514	1,992,654	1,550,410
				14,364 820	702
	47,401,715	235,292			
	7,179,560				
					750,873
228,052	54,581,275	235,292	857,919	2,052,114	2,784,232
	(4,133,897)				
	(4,133,897)				
	30,306,228				
\$	\$ 26,172,331	\$	\$	\$	\$

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – SPECIAL REVENUE FUND PROGRAMS
YEAR ENDED AUGUST 31, 2024

Data Control Codes		278 ARP TEHCY Supplemental	280 ARP Homeless II	282 ESSER III ARP Act
	REVENUES			
5700	Local, Intermediate, and Out-of-State	\$	\$	\$
5800	State Program Revenues			
5900	Federal Program Revenues	49,924	355,605	19,086,318
5020	Total Revenues	49,924	355,605	19,086,318
	EXPENDITURES			
0011	Instruction		112,482	7,092,812
0012	Instructional Resources and Media Services			
0013	Curriculum & Instructional Staff Development			2,081,313
0021	Instructional Leadership			375,089
0023	School Leadership			455,073
0031	Guidance, Counseling, & Evaluation Services			8,425,716
0032	Social Work Services	25,819	198,043	25,548
0033	Health Services			79,101
0034	Student Transportation			(1,592)
0035	Food Services			
0036	Extracurricular Activities			7,530
0041	General Administration			421,771
0051	Facilities Maintenance and Operations			(1,528)
0052	Security and Monitoring Services			8,900
0053	Data Processing Services			(616)
0061	Community Services	24,105	45,080	117,201
0071	Debt Service			
0081	Facilities Acquisition and Construction			
6030	Total Expenditures	49,924	355,605	19,086,318
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures			
1200	Net Change in Fund Balance			
0100	Fund Balance - September 1 (Beginning)			
3000	Fund Balance - August 31 (Ending)	\$	\$	\$

289 Federally Funded Special Rev.	315 SSA IDEA B Discretionary	340 SSA IDEA C Early Intervention	385 State Suppl. Visually Impaired	397 Advanced Placement Incentive	410 Instructional Materials Allotment
\$ 105,970	\$	\$	\$	\$	\$ 2,477
449,000			20,000	8,754	10,104,490
2,521,551	179,899	2,523			
3,076,521	179,899	2,523	20,000	8,754	10,106,967
2,236,352	178,502	2,523	20,000		9,246,400
29,994	600			8,754	11,100
323,679					
173,950	694				
310,582					
854	103				
1,110					818,343
3,076,521	179,899	2,523	20,000	8,754	10,075,843
					31,124
					31,124
					213,439
\$	\$	\$	\$	\$	\$ 244,563

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – SPECIAL REVENUE FUND PROGRAMS
YEAR ENDED AUGUST 31, 2024

Data Control Codes		429 State Funded Special Revenue	435 SSA Regional Deaf CO-OP	455 SSA Deaf Local Share
	REVENUES			
5700	Local, Intermediate, and Out-of-State	\$	\$	\$ 1,083,712
5800	State Program Revenues	3,319,194	596,600	
5900	Federal Program Revenues			
5020	Total Revenues	<u>3,319,194</u>	<u>596,600</u>	<u>1,083,712</u>
	EXPENDITURES			
0011	Instruction	2,942	527,463	842,107
0012	Instructional Resources and Media Services			
0013	Curriculum & Instructional Staff Development	270,870		5,759
0021	Instructional Leadership			113,720
0023	School Leadership	18,030		
0031	Guidance, Counseling, & Evaluation Services	1,437		77,949
0032	Social Work Services			
0033	Health Services		69,137	43,581
0034	Student Transportation			
0035	Food Services			
0036	Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services	99,044		
0053	Data Processing Services	52,640		
0061	Community Services			596
0071	Debt Service			
0081	Facilities Acquisition and Construction	2,874,231		
6030	Total Expenditures	<u>3,319,194</u>	<u>596,600</u>	<u>1,083,712</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures			
1200	Net Change in Fund Balance			
0100	Fund Balance - September 1 (Beginning)			
3000	Fund Balance - August 31 (Ending)	<u>\$</u>	<u>\$</u>	<u>\$</u>

461 Campus Activity Funds	480 Locally Funded Special Rev.	495 Tax Increment Reinvestment Zone	499 Katy ISD Education Found. Grants	Special Revenue Fund August 31, 2024
\$ 15,197,511	\$ 144,953	\$ 4,004,520	\$ 436,396	\$ 38,405,837
				14,738,322
11,900				87,331,518
<u>15,209,411</u>	<u>144,953</u>	<u>4,004,520</u>	<u>436,396</u>	<u>140,475,677</u>
2,392,503	49,385		436,396	43,537,031
634,450				636,897
205,786	67,615			8,242,570
33,319	1,965			956,806
909,399	174			1,523,866
1,748,735	18,583			14,840,673
				623,473
4,864				197,640
				(1,592)
				47,637,007
8,121,857	7,231			8,136,618
				421,771
599,407				7,777,439
(29)				107,915
				52,024
97,614				1,729,712
				818,343
59,458		91,261		3,024,950
<u>14,807,363</u>	<u>144,953</u>	<u>91,261</u>	<u>436,396</u>	<u>140,263,143</u>
402,048		3,913,259		212,534
402,048		3,913,259		212,534
8,179,601		7,710,184		46,409,452
<u>\$ 8,581,649</u>	<u>\$</u>	<u>\$ 11,623,443</u>	<u>\$</u>	<u>\$ 46,621,986</u>

KATY INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****ORIGINAL BUDGET, AMENDED FINAL, AND ACTUAL –****NUTRITION AND FOOD SERVICE FUND****YEAR ENDED AUGUST 31, 2024**

with comparative actual balances for the Year Ended August 31, 2023

		2024	
		NUTRITION AND	
Data Control Codes		Budgeted Amounts	
		Original	Final
	REVENUES		
5700	Local, Intermediate, and Out-of-State	\$ 16,155,000	\$ 17,064,330
5800	State Program Revenues	200,000	239,338
5900	Federal Program Revenues	28,379,248	32,124,569
5020	Total Revenues	<u>44,734,248</u>	<u>49,428,237</u>
	EXPENDITURES		
0035	Food Services		
	Payroll Costs	17,384,673	15,787,288
	Professional and Contracted Services	296,000	148,216
	Supplies and Materials	27,807,230	31,868,022
	Other Operating Expenses	57,300	74,987
	Capital Outlay	15,580,000	2,539,797
	Total Food Service	<u>61,125,203</u>	<u>50,418,310</u>
0051	Facilities Maintenance and Operations		
	Capital Outlay		7,758,706
	Total Facilities Maintenance and Operations		<u>7,758,706</u>
6030	Total Expenditures	<u>61,125,203</u>	<u>58,177,016</u>
1100	Excess (Deficiency) of Revenues		
	Over (Under) Expenditures	<u>(16,390,955)</u>	<u>(8,748,779)</u>
1200	Net Change in Fund Balance	(16,390,955)	(8,748,779)
0100	Fund Balance - September 1 (Beginning)	30,306,228	30,306,228
3000	Fund Balance - August 31 (Ending)	<u>\$ 13,915,273</u>	<u>\$ 21,557,449</u>

FOOD SERVICE		
Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actuals
\$ 17,430,298	\$ 365,968	\$ 16,462,937
240,284	946	226,841
32,776,796	652,227	30,925,321
50,447,378	1,019,141	47,615,099
15,368,569	418,719	14,293,136
135,656	12,560	214,073
30,725,076	1,142,946	28,066,682
72,692	2,295	57,549
1,099,721	1,440,076	600,712
47,401,714	3,016,596	43,232,152
7,179,561	579,145	278,035
7,179,561	579,145	278,035
54,581,275	3,595,741	43,510,187
(4,133,897)	4,614,882	4,104,912
(4,133,897)	4,614,882	4,104,912
30,306,228		26,201,316
\$ 26,172,331	\$ 4,614,882	\$ 30,306,228

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis.

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2024

Exhibit K-1

Data Control Codes		Governmental Activities			Total Internal Service Funds
		Health Insurance	Workers' Compensation	Print Shop	
ASSETS					
Current Assets:					
1110	Pooled Cash and Cash Equivalents	\$ 1,306,584	\$ 4,121,731	\$ 272,337	\$ 5,700,652
1260	Due from Other Funds	5,402,853			5,402,853
1290	Other Receivables	3,484,175	57,007		3,541,182
1300	Inventories			119,227	119,227
	Total Current Assets	10,193,612	4,178,738	391,564	14,763,914
Noncurrent Assets:					
Capital Assets:					
1540	Furniture and Equipment			1,059,699	1,059,699
1573	Accumulated Depreciation			(589,690)	(589,690)
	Total Noncurrent Assets			470,009	470,009
1000	Total Assets	10,193,612	4,178,738	861,573	15,233,923
LIABILITIES					
Current Liabilities:					
2110	Accounts Payable	166,251	386,135	391,564	943,950
2170	Due to Other Funds			469,960	469,960
2200	Accrued Expenses	5,931,700			5,931,700
	Total Current Liabilities	6,097,951	386,135	861,524	7,345,610
2000	Total Liabilities	6,097,951	386,135	861,524	7,345,610
NET POSITION					
3200	Investment in Capital Assets			470,009	470,009
3900	Unrestricted	4,095,661	3,792,603	(469,960)	7,418,304
3000	Total Net Position	\$ 4,095,661	\$ 3,792,603	\$ 49	\$ 7,888,313

KATY INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN

FUND NET POSITION

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2024

Exhibit K-2

Data Control Codes		Governmental Activities			Total Internal Service Funds
		Health Insurance	Workers' Compensation	Print Shop	
	OPERATING REVENUES				
5754	Charges for Services	\$ 80,073,292	\$ 2,294,643	\$ 5,156,345	\$ 87,524,280
5020	Total Operating Revenues	<u>80,073,292</u>	<u>2,294,643</u>	<u>5,156,345</u>	<u>87,524,280</u>
	OPERATING EXPENSES				
6100	Salary and Benefits	131,084			131,084
6200	Administrator Fees	4,771,038	180,150		4,951,188
6200	Claims Expense	69,995,491	430,074		70,425,565
6200	Repair and Maintenance Expense			16,518	16,518
6200	Equipment Rental			28,512	28,512
6200	Contracted Services	33,856		2,321,365	2,355,221
6300	Supplies			1,788,292	1,788,292
6400	Insurance Premiums	1,324,652	141,573		1,466,225
6400	Miscellaneous Operating Expenses	85,518			85,518
6400	Depreciation/Amortization			172,949	172,949
6030	Total Operating Expenses	<u>76,341,639</u>	<u>751,797</u>	<u>4,327,636</u>	<u>81,421,072</u>
1200	Operating Income (Loss)	<u>3,731,653</u>	<u>1,542,846</u>	<u>828,709</u>	<u>6,103,208</u>
	NONOPERATING REVENUES (EXPENSES)				
7955	Investment Income	30,098	185,015		215,113
8900	Net Loss on Disposal of Capital Assets			(106)	(106)
8989	Interest Expense			(1,147)	(1,147)
	Total Net Nonoperating Revenue (Expense)	<u>30,098</u>	<u>185,015</u>	<u>(1,253)</u>	<u>213,860</u>
	Income (Loss) before Contributions and Transfers	<u>3,761,751</u>	<u>1,727,861</u>	<u>827,456</u>	<u>6,317,068</u>
7900	Capital Contributions			738	738
1300	Change in Net Position	3,761,751	1,727,861	828,194	6,317,806
0100	Total Net Position September 1 (Beginning)	<u>333,910</u>	<u>2,064,742</u>	<u>(828,145)</u>	<u>1,570,507</u>
3000	Total Net Position August 31 (Ending)	<u>\$ 4,095,661</u>	<u>\$ 3,792,603</u>	<u>\$ 49</u>	<u>\$ 7,888,313</u>

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2024

Exhibit K-3

	Governmental Activities			Total Internal Service Funds
	Health Insurance	Workers' Compensation	Print Shop	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Internal Services Provided	\$ 77,915,870	\$ 2,275,052	\$ 4,680,065	\$ 84,870,987
Cash Payments to Suppliers	(126,672)		(1,854,982)	(1,981,654)
Cash Payments to Pay Claims	(72,629,143)	(991,869)		(73,621,012)
Cash Payments for Contracted Services	(4,817,112)	(180,149)	(2,467,210)	(7,464,471)
Cash Payments for Insurance Premiums	(1,324,652)	(141,573)		(1,466,225)
Cash Payments to Employees	(131,084)			(131,084)
Net Cash Provided (Used) by Operating Activities	(1,112,793)	961,461	357,873	206,541
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Payment on Right to Use Lease Asset			(84,389)	(84,389)
Interest Payment on Right to Use Lease Asset			(1,147)	(1,147)
Net Cash (Used) by Capital and Related Financing Activities			(85,536)	(85,536)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	30,098	185,015		215,113
Net Cash Provided by Investing Activities	30,098	185,015		215,113
Net Increase (Decrease) in Cash and Cash Equivalents	(1,082,695)	1,146,476	272,337	336,118
Pooled Cash and Cash Equivalents at Beginning of Year	2,389,279	2,975,255		5,364,534
Pooled Cash and Cash Equivalents at End of Year	\$ 1,306,584	\$ 4,121,731	\$ 272,337	\$ 5,700,652
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 3,731,653	\$ 1,542,846	\$ 828,709	\$ 6,103,208
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization			172,949	172,949
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	96,183	(19,591)		76,592
(Increase) Decrease in Interfund Receivables	(2,253,605)			(2,253,605)
(Increase) Decrease in Inventories			10,109	10,109
Increase (Decrease) in Accounts Payable	(571,724)	(561,794)	(177,614)	(1,311,132)
Increase (Decrease) in Interfund Payables			(476,280)	(476,280)
Increase (Decrease) in Accrued Expenses	(2,115,300)			(2,115,300)
Net Cash Provided (Used) by Operating Activities	\$ (1,112,793)	\$ 961,461	\$ 357,873	\$ 206,541
Noncash Investing, Capital, and Financing Activities				
Contributions of Capital Assets from Government			\$ 738	\$ 738
Transfers of Capital Assets to Government			\$ 529	\$ 529
Capital Assets Retired			\$ 106	\$ 106

COMPLIANCE SCHEDULES

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED
SCHOOL FIRST INDICATORS
YEAR ENDED AUGUST 31, 2024

Exhibit L-1

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year-end	\$ -

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED AUGUST 31, 2024

Fiscal Year	Tax Rates			Assessed/Appraised Value For School Tax Purposes	Beginning Balance September 1	Current Year's Total Levy
	Maintenance	Debt Service	Total			
2015 and prior	Various	Various	Various	Various	\$ 1,177,364	\$
2016	\$ 1.1266	\$ 0.3900	\$ 1.5166	\$ 32,904,425,128	342,855	
2017	1.1266	0.3900	1.5166	36,351,443,912	440,272	
2018	1.1466	0.3700	1.5166	37,980,513,157	724,403	
2019	1.1466	0.3700	1.5166	38,946,447,913	895,920	
2020	1.0531	0.3900	1.4431	41,628,778,765	1,208,657	
2021	0.9988	0.3900	1.3888	44,629,636,600	1,452,397	
2022	0.9617	0.3900	1.3517	47,446,543,083	2,074,194	
2023	0.9148	0.3900	1.3048	53,971,941,887	6,601,433	
2024	0.7294	0.3900	1.1194	56,623,488,063		608,934,640
1000 Totals					<u>\$ 14,917,495</u>	<u>\$ 608,934,640</u>

8000 - Total Taxes Refunded under Section 26.1115(c)

9000 - Portion of Row 1000 for Taxes Paid
into Tax Increment Zone Under Chapter 311, Tax Code

<u>\$ 421,605,919</u>	<u>\$ 6,741</u>	<u>\$ 3,075,194</u>
-----------------------	-----------------	---------------------

Note: Tax rates are per \$100 valuation.

Maintenance and Operations Collections	Interest and Sinking Fund Collections	Total Collections	Entire Year's Adjustments	Ending Balance August 31	Total Taxes Refunded Under Section 26.1115(c)
\$ 57,575	\$ 19,399	\$ 76,974	\$ (167,603)	\$ 932,787	
18,835	6,524	25,359	3,591	321,087	
22,591	7,820	30,411	2,644	412,505	
60,666	19,576	80,242	(200)	643,961	
172,545	55,679	228,224	13,685	681,381	
169,933	62,932	232,865	(36,255)	939,537	
82,281	32,128	114,409	(96,363)	1,241,625	
(376,731)	(152,776)	(529,507)	(1,010,107)	1,593,594	
(4,706,031)	(2,006,287)	(6,712,318)	(10,691,651)	2,622,100	
<u>392,369,639</u>	<u>209,794,568</u>	<u>602,164,207</u>		<u>6,770,433</u>	
<u>\$ 387,871,303</u>	<u>\$ 207,839,563</u>	<u>\$ 595,710,866</u>	<u>\$ (11,982,259)</u>	<u>\$ 16,159,010</u>	
Penalty and Interest Receivable on Taxes				7,526,498	
Less Allowance				(6,792,985)	
Total Property Taxes Receivable (net) per Exhibit C-1				<u>\$ 16,892,523</u>	
					<u>\$ 490,639</u>
<u>\$ 3,040,856</u>	<u>\$</u>	<u>\$ 3,040,856</u>	<u>\$ (41,050)</u>	<u>\$ 29</u>	

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO
COMPENSATORY EDUCATION PROGRAM AND
BILINGUAL EDUCATION PROGRAM COMPLIANCE
FOR THE YEAR ENDED AUGUST 31, 2024

Exhibit L-3

Data Codes	Program Compliance	Responses
	Section A: Compensatory Education Programs	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 60,090,943
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 51,926,073
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 13,794,252
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	\$ 11,421,629

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STATISTICAL SECTION (UNAUDITED)

The statistical section of the Katy 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 District's economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

Financial Trends Information

These schedules contain trend information to show how the District's financial performance and position have changed over time.

Revenue Capacity Information

These schedules contain information to help assess the factors affecting the District's most significant local revenue source, the property tax.

Debt Capacity Information

These schedules present information to help assess the affordability of the District's current debt burden and its ability to issue additional debt in the future.

Demographic and Economic Information

These schedules provide demographic and economic indicators to help in understanding the environment in which the District operates and to facilitate in comparisons over time.

Operating Information

These schedules provide information about the District's operations and resources to assist in using the financial statement information to better understand and assess the District's economic condition.

FINANCIAL TRENDS INFORMATION

These schedules contain trend information to assist users in understanding how the District's financial position has changed over time.

KATY INDEPENDENT SCHOOL DISTRICT**NET POSITION BY COMPONENT****LAST TEN FISCAL YEARS**

(accrual basis of accounting)

	2015 (1)	2016	2017	2018 (2)
Governmental Activities:				
Net Investment in Capital Assets	\$ 42,267,486	\$ 78,027,768	\$ 82,852,902	\$ 124,413,226
Restricted	61,083,366	62,162,827	65,667,551	68,233,054
Unrestricted	114,283,057	124,728,667	122,630,464	(199,949,188)
Total Governmental Activities				
Net Position	<u>217,633,909</u>	<u>264,919,262</u>	<u>271,150,917</u>	<u>(7,302,908)</u>
Business-type Activities:				
Unrestricted				
Total Business-type Activities				
Net Position				
Primary Government:				
Net Investment in Capital Assets	42,267,486	78,027,768	82,852,902	124,413,226
Restricted	61,083,366	62,162,827	65,667,551	68,233,054
Unrestricted	114,283,057	124,728,667	122,630,464	(199,949,188)
Total Primary Government				
Net Position	<u>\$ 217,633,909</u>	<u>\$ 264,919,262</u>	<u>\$ 271,150,917</u>	<u>\$ (7,302,908)</u>

(1) Includes implementation of GASB 68 in Fiscal Year 2015. The District did not restate prior periods.

(2) Includes implementation of GASB 75 in Fiscal Year 2018. The District did not restate prior periods.

(3) Includes Capital Asset prior period adjustments. The District did not restate prior periods.

(4) Includes implementation of GASB 96 in Fiscal Year 2023. The District did not restate prior periods.

Source: District Financial Statements

2019 (3)	2020	2021	2022	2023 (4)	2024
\$ 174,206,102	\$ 191,834,640	\$ 208,895,160	\$ 233,546,766	\$ 296,161,462	\$ 367,644,476
72,409,538	74,862,261	76,693,046	92,157,766	102,508,477	104,868,725
(191,087,409)	(191,510,110)	(202,510,618)	(177,274,611)	(151,974,205)	(151,356,958)
<u>55,528,231</u>	<u>75,186,791</u>	<u>83,077,588</u>	<u>148,429,921</u>	<u>246,695,734</u>	<u>321,156,243</u>
					<u>844,555</u>
					<u>844,555</u>
174,206,102	191,834,640	208,895,160	233,546,766	296,161,462	367,644,476
72,409,538	74,855,511	76,693,046	92,157,766	102,508,477	104,868,725
(191,087,409)	(191,503,360)	(202,510,618)	(177,274,611)	(151,974,205)	(150,512,403)
<u>\$ 55,528,231</u>	<u>\$ 75,186,791</u>	<u>\$ 83,077,588</u>	<u>\$ 148,429,921</u>	<u>\$ 246,695,734</u>	<u>\$ 322,000,798</u>

KATY INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Expenses	2015 (1)	2016	2017	2018 (2)
Governmental Activities:				
Instruction	\$ 417,723,329	\$ 463,004,721	\$ 499,089,811	\$ 332,524,107
Instructional Resources and Media Services	10,448,836	11,092,997	12,273,284	9,471,060
Curriculum and Instructional Staff Development	11,408,842	12,571,661	12,472,927	8,688,155
Instructional Leadership	5,475,459	6,084,697	6,057,793	3,850,220
School Leadership	35,148,787	39,272,358	41,475,495	28,413,536
Guidance, Counseling, and Evaluation Services	27,693,860	31,395,110	32,968,404	21,589,973
Social Work				
Health Services	6,442,002	7,098,188	8,143,076	5,684,111
Student Transportation	19,926,295	21,738,829	23,746,998	20,470,400
Food Services	31,336,015	33,037,502	36,363,758	31,430,840
Extracurricular Activities	15,033,286	16,523,156	21,460,317	20,168,678
General Administration	11,577,316	7,608,850	12,977,024	10,705,270
Facilities Maintenance and Operations	54,724,812	66,746,993	65,888,818	71,530,944
Security and Monitoring Services	7,208,059	7,944,254	8,022,653	6,799,265
Data Processing Services	14,528,909	15,527,959	14,199,302	12,486,010
Community Services	797,196	1,436,184	867,309	576,779
Interest and Issuance Costs on Long-term Debt	57,765,290	62,022,560	64,227,782	71,117,461
Facilities Planning	1,009,182	859,056	836,105	657,421
Payments to Shared Service Arrangements	175,830	330,796	315,376	428,982
Payments to JJAEP	35,805	37,893	35,755	26,124
Payments to Tax Increment Reinvestment Zone	1,281,931	1,500,033	1,787,431	1,951,121
Payments to Appraisal Districts	3,107,984	3,508,948	3,851,222	4,377,773
Total Primary Government Expenses	732,849,025	809,342,745	867,060,640	662,948,230
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	1,104,420	1,294,417	1,395,102	1,342,152
Food Services	16,094,307	16,060,740	16,520,390	12,306,498
Extracurricular Activities	1,983,194	2,437,040	2,150,542	3,177,866
Facilities Maintenance and Operations	2,847,061	2,823,800	3,029,620	3,953,990
Community Services	170,961	146,048	147,467	144,755
Facilities Planning				
Other Activities	378,370	563,700	1,455,789	679,928
Operating Grants and Contributions	87,414,257	108,517,945	103,725,938	(29,607,127)
Total Governmental Activities Program Revenues	109,992,570	131,843,690	128,424,848	(8,001,938)
Business-type Activities:				
Device Insurance				
Total Business-type Activities Program Revenues				
Total Primary Government Program Revenues	109,992,570	131,843,690	128,424,848	(8,001,938)
Net (Expense)/Revenue				
Total Governmental Activities Net Expense	(622,856,455)	(677,499,055)	(738,635,792)	(670,950,168)
Total Business-type Activities Net Expense				
Total Primary Government Net Expense	\$ (622,856,455)	\$ (677,499,055)	\$ (738,635,792)	\$ (670,950,168)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 319,183,036	\$ 365,143,237	\$ 400,420,348	\$ 425,166,477
Property Taxes, Levied for Debt Service	113,362,401	126,545,712	138,712,572	137,151,351
State Aid - Formula Grants	233,974,886	228,854,642	199,890,131	217,776,729
Investment Earnings	1,339,493	2,601,510	3,684,638	7,840,730
Miscellaneous	1,611,220	1,639,307	2,159,758	2,056,393
Extraordinary Item - Insurance Proceeds				15,000,000
Total Primary Government General Revenues and Special Items	669,471,036	724,784,408	744,867,447	804,991,680
Change in Net Position				
Governmental Activities	46,614,581	47,285,353	6,231,655	134,041,512
Business-type Activities				
Total Primary Government Change in Net Position	\$ 46,614,581	\$ 47,285,353	\$ 6,231,655	\$ 134,041,512

(1) Includes implementation of GASB 68 in Fiscal Year 2015. The District did not restate prior periods.

(2) Includes implementation of GASB 75 in Fiscal Year 2018. The District did not restate prior periods.

(3) Includes Capital Asset prior period adjustments. The District did not restate prior periods.

(4) Includes implementation of GASB 96 in Fiscal Year 2023. The District did not restate prior periods.

Source: District Financial Statements

Exhibit II

2019 (3)	2020	2021	2022	2023 (4)	2024
\$ 573,349,689	\$ 621,829,003	\$ 629,002,333	\$ 624,870,768	\$ 690,406,377	\$ 760,661,811
12,518,443	12,435,953	12,571,528	12,347,849	13,062,526	14,102,304
14,427,816	15,295,923	16,291,059	18,655,896	21,775,227	22,878,070
7,222,391	8,237,081	7,876,663	8,103,338	9,964,866	11,539,149
47,260,431	51,430,448	51,969,883	50,659,345	55,864,995	60,894,075
39,008,524	45,014,013	46,573,368	46,951,909	52,835,969	61,023,302
	74,476	513,260	1,173,339	1,368,861	1,753,573
8,454,378	9,836,546	10,170,083	9,679,796	10,571,343	11,484,247
24,784,241	24,558,497	25,354,955	28,335,589	30,535,139	32,967,369
37,436,358	35,414,283	36,430,434	43,680,480	47,816,333	52,857,114
32,278,464	32,949,881	35,077,169	39,715,555	42,665,208	42,697,089
14,159,655	16,705,082	17,550,127	17,519,367	20,113,343	22,276,384
79,395,627	93,359,935	94,370,824	91,905,040	96,823,157	98,380,117
9,111,360	10,512,706	11,146,067	11,119,761	12,452,788	15,369,415
13,664,335	15,766,025	17,224,554	16,727,074	18,832,047	20,824,390
926,063	763,745	926,666	1,395,730	1,362,195	2,344,924
74,956,508	70,438,366	69,972,933	72,844,770	81,425,233	88,636,100
901,061	792,361	697,965	760,269	853,701	1,102,145
630,385	548,742	742,071	726,473	882,086	1,031,611
5,500	9,800	6,500	21,608	16,900	16,605
2,538,535	2,424,073	2,727,209	3,509,675	3,530,095	5,230,151
4,272,945	4,489,151	4,610,384	5,001,153	5,415,547	6,020,350
<u>997,302,709</u>	<u>1,072,886,090</u>	<u>1,091,806,035</u>	<u>1,105,704,784</u>	<u>1,218,573,936</u>	<u>1,334,090,295</u>
1,507,303	1,582,413	2,642,175	2,445,170	2,636,734	3,258,834
15,517,404	10,866,658	3,421,222	4,925,546	1,141,272	964,060
3,653,829	2,598,430	3,897,643	5,125,985	5,659,853	5,147,846
3,548,280	2,616,700	2,607,021	3,284,624	4,186,888	4,071,713
111,673	79,792	12,707	59,905	48,250	47,357
911,939	874,046	594,999	601,237	851,456	724,051
140,185,794	144,751,022	148,581,499	135,031,252	188,580,889	205,453,507
<u>165,436,222</u>	<u>163,369,061</u>	<u>161,757,266</u>	<u>151,473,719</u>	<u>203,105,342</u>	<u>219,667,368</u>
					844,555
					<u>844,555</u>
<u>165,436,222</u>	<u>163,369,061</u>	<u>161,757,266</u>	<u>151,473,719</u>	<u>203,105,342</u>	<u>220,511,923</u>
(831,866,487)	(909,517,029)	(930,048,769)	(954,231,065)	(1,015,468,594)	(1,114,422,927)
					844,555
<u>\$ (831,866,487)</u>	<u>\$ (909,517,029)</u>	<u>\$ (930,048,769)</u>	<u>\$ (954,231,065)</u>	<u>\$ (1,015,468,594)</u>	<u>\$ (1,113,578,372)</u>
\$ 435,057,208	\$ 430,652,708	\$ 437,859,960	\$ 446,606,685	\$ 481,582,021	\$ 391,225,992
140,419,036	159,553,923	170,985,597	181,110,131	206,588,807	209,898,475
256,991,049	326,995,618	324,709,883	386,864,628	384,887,580	538,741,581
12,055,061	6,734,460	1,549,245	1,996,613	30,665,575	41,934,851
2,211,843	2,663,063	2,834,881	3,005,341	6,501,602	4,582,537
<u>10,000,000</u>					<u>2,500,000</u>
<u>856,734,197</u>	<u>926,599,772</u>	<u>937,939,566</u>	<u>1,019,583,398</u>	<u>1,110,225,585</u>	<u>1,188,883,436</u>
24,867,710	17,082,743	7,890,797	65,352,333	94,756,991	74,460,509
					844,555
<u>\$ 24,867,710</u>	<u>\$ 17,082,743</u>	<u>\$ 7,890,797</u>	<u>\$ 65,352,333</u>	<u>\$ 94,756,991</u>	<u>\$ 75,305,064</u>

KATY INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ended 08/31:	2015	2016	2017	2018
General Fund				
Non-spendable	\$ 1,676,224	\$ 1,682,389	\$ 1,948,897	\$ 1,848,633
Committed	5,000,000	5,000,000	5,000,000	5,000,000
Assigned	33,345,793	59,718,583	45,262,824	62,918,089
Unassigned	142,300,585	131,220,046	150,613,416	143,728,990
Total General Fund	<u>\$ 182,322,602</u>	<u>\$ 197,621,018</u>	<u>\$ 202,825,137</u>	<u>\$ 213,495,712</u>
All Other Governmental Funds				
Non-spendable	\$ 298,222	\$ 331,870	\$ 331,544	\$ 207,179
Restricted (1)	217,899,330	217,167,264	221,277,995	210,979,294
Committed	3,877,399	5,187,661	5,576,420	5,842,269
Total All Other Governmental Funds	<u>\$ 222,074,951</u>	<u>\$ 222,686,795</u>	<u>\$ 227,185,959</u>	<u>\$ 217,028,742</u>

(1) Changes in Restricted Fund Balances due to the timing of annual bond sales and related construction expenditures.

Source: District Financial Statements

2019	2020	2021	2022	2023	2024
\$ 2,179,115	\$ 2,261,731	\$ 2,955,406	\$ 3,126,905	\$ 3,367,012	\$ 3,394,744
5,000,000	21,000,000	20,000,000	15,500,000	15,500,000	15,500,000
52,716,009	50,761,742	60,160,195	64,071,747	76,276,031	71,692,397
198,222,716	221,419,646	224,682,222	244,089,789	257,640,394	273,711,426
<u>\$ 258,117,840</u>	<u>\$ 295,443,119</u>	<u>\$ 307,797,823</u>	<u>\$ 326,788,441</u>	<u>\$ 352,783,437</u>	<u>\$ 364,298,567</u>
\$ 260,761	\$ 446,821	\$ 318,844	\$	\$	\$
184,050,525	195,011,151	93,065,550	364,925,546	326,397,834	393,892,827
5,812,699	7,331,468	7,847,845	8,176,528	8,179,601	8,581,649
<u>\$ 190,123,985</u>	<u>\$ 202,789,440</u>	<u>\$ 101,232,239</u>	<u>\$ 373,102,074</u>	<u>\$ 334,577,435</u>	<u>\$ 402,474,476</u>

KATY INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES				
Local, Intermediate, and Out-of-State	\$ 465,812,407	\$ 527,631,325	\$ 576,874,276	\$ 603,546,527
State Programs	272,681,653	265,692,757	243,863,371	260,653,526
Federal Programs	43,506,099	47,985,831	46,055,262	58,717,189
Total Revenues	<u>782,000,159</u>	<u>841,309,913</u>	<u>866,792,909</u>	<u>922,917,242</u>
EXPENDITURES				
Current:				
Instruction	394,990,339	416,482,583	439,624,519	451,424,438
Instructional Resources and Media Services	8,427,268	8,519,921	8,599,763	9,077,874
Curriculum and Instructional Staff Development	11,521,033	12,088,477	12,137,508	12,435,116
Instructional Leadership	5,493,216	5,797,435	5,841,285	6,105,336
School Leadership	33,625,710	35,609,939	37,228,648	39,391,028
Guidance, Counseling, and Evaluation Services	27,191,723	29,156,552	30,580,322	31,893,274
Social Work				
Health Services	5,708,886	5,960,809	6,630,238	6,982,347
Student Transportation	18,371,600	17,925,290	18,329,722	18,975,217
Food Services	27,881,956	28,791,021	29,818,640	29,720,128
Extracurricular Activities	12,633,909	13,617,113	14,810,002	18,570,489
General Administration	10,863,559	11,010,758	11,767,473	12,997,178
Facilities Maintenance and Operations	52,778,256	60,259,705	61,652,019	82,833,701
Security and Monitoring Services	7,190,977	8,226,561	7,806,514	8,440,652
Data Processing Services	10,948,978	11,867,199	12,049,626	13,404,040
Community Services	808,809	1,395,720	865,482	767,654
Debt Service:				
Principal on Long-term Debt	59,006,822	64,781,333	69,182,539	70,416,790
Interest on Long-term Debt	57,594,953	67,048,851	71,125,300	80,326,526
Bond Issuance Costs and Fees	4,117,255	2,001,218	191,596,866	1,493,821
Capital Outlay:				
Facilities Acquisition and Construction	80,781,635	290,909,587	298,649,086	234,599,020
Intergovernmental:				
Payments to Shared Service Arrangements	175,831	330,796	315,376	428,982
Payments to JJAEP	35,805	37,893	35,755	26,124
Payments to Tax Increment Reinvestment Zone	2,901,667	3,120,641	3,407,903	3,570,449
Other Intergovernmental Charges	3,107,984	3,508,948	3,851,222	4,377,773
Total Expenditures	<u>836,158,171</u>	<u>1,098,448,350</u>	<u>1,335,905,808</u>	<u>1,138,257,957</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(54,158,012)</u>	<u>(257,138,437)</u>	<u>(469,112,899)</u>	<u>(215,340,715)</u>
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	320,075,000	23,515,000	163,825,000	
Issuance of Capital Related Debt (General Obligation Bonds)	155,310,000	245,095,000	261,640,000	186,225,000
Sale of Real and Personal Property	171,340	151,785	161,628	3,395,097
Transfers In	3,270,784	4,040,477	4,630,440	14,102,249
Premium/Discount from Issuance of Bonds	61,010,989	35,746,877	56,189,554	15,233,976
SBITAs Issued				
Transfers Out	(8,270,784)	(8,040,477)	(7,630,440)	(18,102,249)
Payment to Bond Refunding Escrow Agent	<u>(354,509,772)</u>	<u>(27,459,965)</u>		
Total Other Financing Sources (Uses)	<u>177,057,557</u>	<u>273,048,697</u>	<u>478,816,182</u>	<u>200,854,073</u>
SPECIAL ITEMS				
Insurance Recoveries				15,000,000
Net Change in Fund Balances	<u>\$ 122,899,545</u>	<u>\$ 15,910,260</u>	<u>\$ 9,703,283</u>	<u>\$ 513,358</u>
Debt Service as a Percentage of Noncapital Expenditures (1)	15.49%	16.40%	13.53%	16.84%
Source: District Financial Statements				
(1) In calculating the ratio of total debt service expenditures to noncapital expenditures, governmental fund expenditures for the acquisition and construction of assets that are classified as capital assets for reporting in the government-wide financial statements are subtracted from the total governmental fund expenditures.				
Total Expenditures	\$ 836,158,171	\$ 1,098,448,350	\$ 1,335,905,808	\$ 1,138,257,957
Less: Capital Expenditures	83,540,938	294,411,021	299,269,468	243,365,797
Total Non-Capital Expenditures	<u>\$ 752,617,233</u>	<u>\$ 804,037,329</u>	<u>\$ 1,036,636,340</u>	<u>\$ 894,892,160</u>

Exhibit IV

2019	2020	2021	2022	2023	2024
\$ 624,762,055	\$ 626,904,970	\$ 636,427,250	\$ 661,779,761	\$ 767,097,980	\$ 691,245,852
304,288,538	384,102,509	379,275,798	440,734,461	449,721,780	633,321,413
64,922,155	49,556,318	79,397,781	124,632,760	130,619,382	99,754,159
993,972,748	1,060,563,797	1,095,100,829	1,227,146,982	1,347,439,142	1,424,321,424
479,928,997	527,231,595	558,199,006	621,350,849	668,388,743	711,263,722
9,129,785	9,317,884	9,599,789	10,368,073	10,689,827	11,126,681
13,478,434	13,669,792	15,126,115	19,207,620	22,006,005	22,433,860
6,567,554	7,055,480	7,169,969	8,169,473	9,751,190	11,233,053
41,493,359	44,875,543	47,653,975	51,791,771	55,708,676	58,821,222
35,313,581	40,146,576	43,971,037	49,918,359	53,905,438	59,956,559
	64,230	487,780	1,196,434	1,383,104	1,693,710
7,558,316	8,780,642	9,501,661	10,018,924	10,641,757	11,262,385
22,624,329	18,686,686	19,513,829	24,118,783	26,294,140	28,467,471
31,562,559	29,759,832	30,309,414	40,557,791	43,441,762	47,637,007
19,840,676	21,647,179	23,000,244	28,563,380	31,201,264	30,003,878
13,661,788	13,194,662	14,302,672	15,740,610	17,992,541	21,024,942
67,117,475	79,697,790	82,940,503	83,587,481	87,684,734	93,195,558
9,029,182	10,143,419	10,548,900	11,613,238	13,897,064	15,733,303
14,185,533	14,763,537	16,441,453	16,679,994	18,186,020	19,367,841
859,600	677,996	886,521	1,432,138	1,372,890	2,328,758
84,235,000	76,867,982	74,406,648	100,498,863	119,101,613	137,174,673
81,419,061	78,974,820	82,371,734	85,308,236	93,757,648	100,628,819
1,999,416	162,574,050	14,096,729	3,180,236	1,808,083	4,937,766
246,026,660	159,586,725	111,968,775	205,713,138	328,199,073	199,781,602
630,385	548,742	742,071	726,473	882,086	1,031,611
5,500	9,800	6,500	21,608	16,900	16,605
4,155,711	4,043,089	4,346,913	4,975,610	5,106,081	6,810,990
4,272,945	4,489,151	4,610,384	5,001,153	5,415,547	6,020,350
1,195,095,846	1,326,807,202	1,182,202,622	1,399,740,235	1,626,832,186	1,601,952,366
(201,123,098)	(266,243,405)	(87,101,793)	(172,593,253)	(279,393,044)	(177,630,942)
190,695,000	304,659,942	106,904,919	439,620,000	242,960,000	31,495,000
108,452	141,240,000		313,460	5,434,070	245,915,000
23,606,508	93,580	233,573		8,230,804	54,193
20,037,017	7,689,744	1,530,925	23,520,246	15,072,273	6,404,886
	56,332,887	29,831,980		3,397,058	2,589,034
(25,606,508)	(10,689,744)	(4,530,925)		(8,230,804)	
	(185,668,087)	(136,071,176)			(31,915,000)
208,840,469	313,658,322	(2,100,704)	463,453,706	266,863,401	254,543,113
10,000,000					2,500,000
\$ 17,717,371	\$ 47,414,917	\$ (89,202,497)	\$ 290,860,453	\$ (12,529,643)	\$ 79,412,171
17.56%	13.37%	14.70%	15.61%	16.55%	17.18%
\$ 1,195,095,846	\$ 1,326,807,202	\$ 1,182,202,622	\$ 1,399,740,235	\$ 1,626,832,186	\$ 1,601,952,366
251,744,339	160,884,646	115,448,650	209,620,787	340,474,292	217,882,145
\$ 943,351,507	\$ 1,165,922,556	\$ 1,066,753,972	\$ 1,190,119,448	\$ 1,286,357,894	\$ 1,384,070,221

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REVENUE CAPACITY INFORMATION

These schedules contain information to assist users in understanding and assessing the factors affecting the District's ability to generate its own-source revenues.

KATY INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended 8/31:	Actual Value			
	Residential	Commercial & Industrial	Minerals	Vacant Land
2015	\$ 20,601,740,928	\$ 8,432,123,480	\$ 9,125,164	\$ 1,413,972,480
2016	24,897,292,508	9,645,411,945	15,548,521	1,636,118,144
2017	27,284,043,996	10,573,764,227	9,444,271	1,797,249,063
2018	28,244,724,287	11,013,853,113	8,564,405	1,905,381,116
2019	28,705,854,459	11,282,400,231	5,165,513	1,937,103,798
2020	30,840,955,596	12,006,108,674	2,834,628	1,883,960,856
2021	32,822,863,321	13,174,194,282	2,223,260	1,807,676,152
2022	35,491,902,007	13,529,242,264	3,370,520	1,716,190,295
2023	46,492,689,284	14,555,104,265	4,589,418	1,756,274,187
2024	54,897,552,087	15,687,599,595	3,173,687	1,877,497,755

- (1) Tax Rates are per \$100 of assessed value.
(2) Disaster value exemptions presented as reductions to actual values.

Source: County Appraisal Districts

Other		Less: Exemptions	Total Assessed Value	Total Direct Rate (1)
\$	316,708,571	\$ 2,167,799,542	\$ 28,605,871,081	\$ 1.5266
	334,145,538	3,624,091,528	32,904,425,128	1.5166
	354,442,894	3,667,500,539	36,351,443,912	1.5166
	371,624,924	3,563,634,688 (2)	37,980,513,157	1.5166
	418,880,262	3,402,956,350	38,946,447,913	1.5166
	451,870,961	3,556,951,950	41,628,778,765	1.4431
	485,550,424	3,662,870,839	44,629,636,600	1.3888
	539,534,252	3,833,696,255	47,446,543,083	1.3517
	630,200,647	9,466,915,914	53,971,941,887	1.3048
	671,014,641	16,513,349,702	56,623,488,063	1.1194

KATY INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2015	2016	2017	2018
<u>District Direct Rates:</u>				
Maintenance & Operations	\$ 1.1266	\$ 1.1266	\$ 1.1266	\$ 1.1466
Debt Service	0.4000	0.3900	0.3900	0.3700
Total District Direct Rates	\$ 1.5266	\$ 1.5166	\$ 1.5166	\$ 1.5166
<u>Overlapping Rates:</u>				
Addicks UD	\$ 0.6550	\$ 0.6550	\$ 0.6550	\$ 0.6450
Baker Road MUD	0.3750	0.3400	0.3000	0.3000
Castlewood MUD	0.7000	0.5800	0.4500	0.4300
Cimarron MUD	0.5700	0.4200	0.3850	0.3650
Cinco MUD #1	0.4800	0.4400	0.4400	0.4300
Cinco MUD #2	0.4700	0.4500	0.3400	0.2800
Cinco MUD #3	0.4200	0.4000	0.3700	0.3550
Cinco MUD #5	0.4150	0.3800	0.3700	0.3700
Cinco MUD #6	0.3950	0.3550	0.3300	0.3300
Cinco MUD #7	0.4800	0.4800	0.4400	0.4200
Cinco MUD #8	0.7100	0.6400	0.5900	0.5800
Cinco MUD #9	0.5300	0.4300	0.4050	0.3950
Cinco MUD #10	0.5800	0.5300	0.4950	0.4950
Cinco MUD #12	0.3000	0.2700	0.2500	0.2500
Cinco MUD #14	0.5350	0.5200	0.5000	0.4900
Cinco SW MUD #1	1.0100	0.9050	0.8500	0.7600
Cinco SW MUD #2	1.2000	1.0400	0.9850	0.9400
Cinco SW MUD #3	1.4400	1.2000	1.1200	1.0000
Cinco SW MUD #4	1.2000	1.0300	0.9600	0.9100
Cornerstone MUD	0.3400	0.3300	0.3000	0.3000
Fort Bend Co.	0.4948	0.4860	0.4740	0.4690
Fort Bend Co. LID #12	0.1150	0.1000	0.0900	0.0900
Fort Bend Co. MUD #34	0.6800	0.6300	0.6200	0.6100
Fort Bend Co. MUD #35	0.5700	0.5150	0.4400	0.4300
Fort Bend Co. MUD #37	0.5200	0.5000	0.4900	0.4900
Fort Bend Co. MUD #57	1.2700	1.0500	0.9400	0.9200
Fort Bend Co. MUD #58	1.2800	1.1600	1.0700	1.0200
Fort Bend Co. MUD #124	0.9500	0.8600	0.8600	0.8600
Fort Bend Co. MUD #130	0.7200	0.6600	0.6300	0.6300
Fort Bend Co. MUD #130 Defined Area	*N/A	*N/A	*N/A	*N/A
Fort Bend Co. MUD #142	0.9500	0.8500	0.7700	0.7500
Fort Bend Co. MUD #151	1.2200	1.1100	1.0000	0.9700
Fort Bend Co. MUD #156	1.4500	1.2500	1.0500	1.0500
Fort Bend Co. MUD #161	0.9062	0.9000	0.9000	0.9000
Fort Bend Co. MUD #163	0.9000	0.9000	0.9000	0.9000
Fort Bend Co. MUD #171	1.2200	1.1600	1.1200	1.1175
Fort Bend Co. MUD #172	1.3226	1.2818	1.2150	1.1850
Fort Bend Co. MUD #173	1.3226	1.3393	1.3440	1.3422
Fort Bend Co. MUD #182	1.5000	1.5000	1.5000	1.5000

2019	2020	2021	2022	2023	2024
\$ 1.1466	\$ 1.0531	\$ 0.9988	\$ 0.9617	\$ 0.9148	\$ 0.7294
0.3700	0.3900	0.3900	0.3900	0.3900	0.3900
\$ 1.5166	\$ 1.4431	\$ 1.3888	\$ 1.3517	\$ 1.3048	\$ 1.1194
\$ 0.6450	\$ 0.6300	\$ 0.6000	\$ 0.5650	\$ 0.5150	\$ 0.4900
0.3000	0.3000	0.3000	0.3000	0.2822	0.2900
0.4100	0.4100	0.4100	0.4800	0.4600	0.4500
0.3650	0.3650	0.3650	0.3500	0.3200	0.3000
0.4278	0.4450	0.4450	0.4414	0.4098	0.3800
0.3100	0.3700	0.3600	0.3500	0.3200	0.2700
0.3550	0.3450	0.3450	0.3450	0.3400	0.2750
0.4900	0.4400	0.4200	0.4200	0.3950	0.3550
0.3850	0.3300	0.3300	0.3200	0.3007	0.2800
0.4800	0.4200	0.4050	0.3900	0.3000	0.2700
0.9600	0.6200	0.6150	0.6100	0.5600	0.5100
0.3950	0.3950	0.3950	0.3900	0.3700	0.2238
0.5050	0.5300	0.5500	0.5590	0.5200	0.4800
0.2500	0.2500	0.2500	0.2500	0.2400	0.2200
0.4900	0.5250	0.5350	0.5350	0.4900	0.4500
0.6800	0.6600	0.6400	0.5800	0.4700	0.4422
0.9100	0.9300	0.9000	0.8800	0.8200	0.7350
0.9350	0.9300	0.9200	0.8650	0.8100	0.7500
0.8300	0.8379	0.8250	0.8000	0.6950	0.6450
0.3000	0.3000	0.3000	0.3000	0.2775	0.2575
0.4640	0.4600	0.4532	0.4528	0.4383	0.4265
0.0850	0.0800	0.0750	0.0700	0.6500	0.0550
0.6100	0.6100	0.6100	0.6100	0.5900	0.5650
0.4250	0.4250	0.4250	0.4100	0.3800	0.3550
0.4900	0.4900	0.4900	0.5098	0.4805	0.4505
0.9000	0.9000	0.8900	0.8800	0.8200	0.7680
0.9500	0.9500	0.9000	0.8500	0.8200	0.7900
0.8600	0.8600	0.8600	0.8600	0.8100	0.7840
0.6300	0.6300	0.5300	0.5200	0.4500	0.4200
*N/A	*N/A	0.8700	0.8700	0.7200	0.7100
0.7500	0.7500	0.7500	0.7300	0.7000	0.7000
0.9500	0.9300	0.8900	0.8900	0.8500	0.8200
1.0500	1.0100	0.9900	0.9700	0.9300	0.8400
0.9000	0.9000	0.9000	0.8800	0.8300	0.8000
0.9000	0.9000	0.9000	0.9000	0.8200	0.7400
1.0650	1.0742	1.0700	1.0500	1.0000	0.9030
1.1600	1.1350	1.0900	1.0300	0.9450	0.8500
1.3384	1.3338	1.2700	1.2350	1.1300	1.0100
1.3500	1.3000	1.2700	1.2700	1.1700	1.0700

KATY INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2015	2016	2017	2018
<u>Overlapping Rates:</u>				
Fort Bend Co. MUD #185	\$ 1.1700	\$ 1.0400	\$ 1.0300	\$ 1.0200
Fort Bend Co. MUD #199	0.6000	0.6000	0.6000	0.6000
Fort Bend Waller Co. MUD #3	*N/A	0.9300	0.9300	0.9300
Fort Bend Improvement District #24	1.4500	1.4500	1.4500	1.4500
Fry Road MUD	0.4850	0.4700	0.4550	0.4400
Fulshear MUD #3A	*N/A	*N/A	*N/A	1.5000
Grand Lakes MUD #1	0.5400	0.5150	0.4950	0.4950
Grand Lakes MUD #2	0.3500	0.3200	0.3075	0.3000
Grand Lakes MUD #4	0.6800	0.6000	0.5725	0.5525
Grand Lakes WC & ID	0.0730	0.0665	0.0650	0.0650
Green Trails MUD	0.2000	0.1900	0.2100	0.2100
Harris Co.	0.4173	0.4192	0.4166	0.4180
Harris Co. Dept. of Education	0.0060	0.0054	0.0052	0.0052
Harris Co. Flood Contr. Dist.	0.0274	0.0273	0.0283	0.0283
Harris Co. ID #25	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #61	0.5700	0.5000	0.4900	0.4800
Harris Co. MUD #62	0.6200	0.5900	0.5750	0.5750
Harris Co. MUD #63	0.5200	0.5000	0.4100	0.3300
Harris Co. MUD #64	0.6900	0.6900	0.6300	0.5800
Harris Co. MUD #65	0.9300	0.8400	0.7300	0.6700
Harris Co. MUD #71	1.0600	0.9700	0.8900	0.8000
Harris Co. MUD #81	0.3700	0.3300	0.3300	0.3300
Harris Co. MUD #105	0.9000	0.8500	0.8300	0.8000
Harris Co. MUD #185	0.6150	0.5450	0.5575	0.5375
Harris Co. MUD #216	0.9500	0.7000	0.5600	0.5000
Harris Co. MUD #238	0.6350	0.6200	0.5400	0.5100
Harris Co. MUD #287	1.3500	1.3500	1.2700	1.2200
Harris Co. MUD #345	0.3475	0.3100	0.2800	0.2500
Harris Co. MUD #346	0.1000	0.1000	0.1000	0.1000
Harris Co. MUD #432	1.5000	1.4500	1.4000	1.3800
Harris Co. MUD #449	1.5000	1.5000	1.4400	1.4200
Harris Co. MUD #457	*N/A	*N/A	1.5000	1.5000
Harris Co. MUD #465	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #495	*N/A	*N/A	*N/A	1.5000
Harris Co. MUD #534	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #536	*N/A	*N/A	1.5000	1.5000
Harris Co. MUD #538	*N/A	*N/A	*N/A	*N/A
Harris Co. UD #6	0.2350	0.2300	0.2200	0.2200
Harris Co. WC & ID #159	*N/A	*N/A	*N/A	*N/A
Harris-Fort Bend Cos. MUD #1	0.6850	0.6550	0.6100	0.6200
Harris-Fort Bend Cos. MUD #3	1.0700	0.9700	0.9200	0.8200

2019	2020	2021	2022	2023	2024
\$ 1.0000	\$ 0.9600	\$ 0.9300	\$ 0.8900	\$ 0.8500	\$ 0.8150
0.6000	0.6000	0.6000	0.6000	0.6000	0.7000
0.9300	0.9300	0.9300	0.9300	0.9300	0.9100
1.4500	1.4500	*N/A	1.4500	1.4500	1.4500
0.4300	0.4250	0.4175	0.3910	0.3630	0.3278
1.5000	1.5000	1.4500	1.4000	1.3000	1.2000
0.5700	0.5400	0.5400	0.5450	0.5140	0.4800
0.2650	0.2400	0.1800	0.1500	0.1300	0.1300
0.5000	0.5000	0.5000	0.5000	0.4700	0.4700
0.0650	0.0700	0.0700	0.0700	0.6308	0.0589
0.2100	0.2150	0.2100	0.2090	0.1975	0.1971
0.4186	0.4071	0.3912	0.3769	0.3437	0.3501
0.0052	0.0050	0.0050	0.0050	0.0049	0.0048
0.0288	0.0279	0.0314	0.0335	0.0306	0.0311
*N/A	0.9000	0.9000	0.9000	0.9000	0.4620
0.4800	0.4800	0.4600	0.4500	0.4500	0.4500
0.5550	0.5550	0.5550	0.5790	0.5620	0.5620
0.3000	0.2800	0.2500	0.2000	0.1750	0.0850
0.5800	0.5600	0.5600	0.5400	0.5000	0.4800
0.6400	0.6200	0.6000	0.5750	0.5170	0.4750
0.7900	0.7900	0.7900	0.7900	0.7700	0.7500
0.3100	0.3000	0.3000	0.2950	0.2750	0.2650
0.8000	0.7800	0.7700	0.7400	0.6900	0.6400
0.5100	0.4600	0.4350	0.4400	0.4175	0.4175
0.5000	0.4900	0.4900	0.4900	0.4800	0.4700
0.5000	0.4900	0.4850	0.4650	0.4375	0.4124
1.1700	1.1600	1.1400	1.0900	1.0000	0.9400
0.2200	0.1900	0.1800	0.1750	0.1750	0.1650
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
1.3400	1.3200	1.3000	1.3000	1.2600	1.1800
1.3700	1.3200	1.2900	1.2400	1.1600	1.0300
1.5000	1.5000	1.5000	1.5000	1.4300	1.4136
*N/A	*N/A	1.4500	1.4500	1.4500	1.4500
1.5000	1.5000	1.5000	1.4400	1.1500	1.0300
*N/A	*N/A	*N/A	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.4000	1.3700
1.5000	1.5000	1.5000	1.4500	1.3750	1.3300
0.2300	0.2025	0.1900	0.1779	0.2350	0.2820
*N/A	0.5000	0.5000	0.4600	0.4200	0.4050
0.6200	0.6400	0.6400	0.6400	0.5934	0.5600
0.8100	0.7300	0.7000	0.6700	0.6200	0.5700

KATY INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2015	2016	2017	2018
<u>Overlapping Rates:</u>				
Harris-Fort Bend Cos. MUD #5	\$ 0.6500	\$ 0.5900	\$ 0.5400	\$ 0.5150
Harris-Waller Cos. MUD #2	0.9500	0.9500	0.9500	0.9500
Harris-Waller Cos. MUD #3	0.9300	0.9300	0.9300	0.9300
Houston, City of	0.6311	0.6011	0.5864	0.5842
Interstate MUD	0.4050	0.4000	0.3950	0.3900
Jackrabbit Road PUD	0.3000	0.3000	0.3000	0.3000
Katy, City of	0.5467	0.5267	0.5067	0.4867
Katy Management District #1	0.8200	0.8200	0.8000	0.8000
Katy West MUD	0.8000	0.8000	0.8000	0.8000
Longhorn Town UD	0.5500	0.5000	0.4600	0.4500
Mason Creek UD	0.3345	0.3230	0.3230	0.3230
Mayde Creek MUD	0.9300	0.9300	0.9300	0.9200
Memorial MUD	0.5100	0.4800	0.4400	0.4150
Morton Road MUD	0.7500	0.6900	0.6600	0.6400
Northwest Harris Co. MUD #12	1.0400	0.9800	0.9300	0.8500
Nottingham Country MUD	0.3750	0.3450	0.3400	0.3400
Port of Houston Authority	0.0153	0.0134	0.0133	0.0126
Ricewood MUD	0.5300	0.4750	0.4200	0.4000
Rolling Creek UD	0.8800	0.8500	0.7800	0.7000
Village at Katy DD	*N/A	*N/A	*N/A	*N/A
Waller County	0.6508	0.6204	0.6004	0.5848
Waller County ID #2	*N/A	*N/A	*N/A	*N/A
Waller County MUD #9B	*N/A	*N/A	*N/A	*N/A
Waller County RID #1	1.2500	1.2500	1.2500	1.2500
Waller-Harris ESD 200	0.0995	0.0995	0.0995	0.0995
West Harris Co. MUD #2	0.5000	0.4800	0.4800	0.4600
West Harris Co. MUD #5	1.1600	1.0900	1.0500	1.0100
West Harris Co. MUD #7	0.8500	0.8400	0.7700	0.6700
West Harris Co. MUD #17	1.2400	1.1900	1.0700	1.0450
Westlake MUD #1	0.5925	0.5625	0.5400	0.5300
West Memorial MUD	0.4500	0.4300	0.3900	0.3900
Weston MUD	0.5500	0.4800	0.4600	0.4100
Westpark MUD	0.6500	0.6500	0.5800	0.4600
Willow Creek Farms MUD	1.2500	1.1500	1.0950	1.0100
Willow Fork DD	0.1900	0.1850	0.1850	0.1850
Willow Point MUD	1.5000	1.5000	1.5000	1.5000
WoodCreek Reserve MUD	0.5600	0.5600	0.5600	0.5200

UD - Utility District

MUD - Municipal Utility District

PUD - Public Utility District

ID - Improvement District

LID - Land Improvement District

RID - Road Improvement District

DD - Development District

ESD - Emergency Services District

WC & ID - Water Control & Improvement District

*N/A Political entity not in existence or taxes not yet levied.

Source: County Appraisal Districts

2019	2020	2021	2022	2023	2024
\$ 0.5050	\$ 0.4800	\$ 0.4600	\$ 0.4500	\$ 0.3900	\$ 0.3500
0.9500	0.9500	0.9500	0.9500	0.8700	0.7600
0.9300	0.9300	0.9300	0.9300	0.9300	0.8800
0.5883	0.5679	0.5618	0.5508	0.5336	0.5192
0.3900	0.3900	0.3900	0.3700	0.3425	0.3200
0.3000	0.3000	0.2973	0.2840	0.2665	0.2490
0.4867	0.4800	0.4472	0.4472	0.4400	0.4300
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
0.4300	0.3800	0.3500	0.3200	0.2600	0.2325
0.3300	0.3510	0.3510	0.3360	0.3120	0.3053
0.8900	0.8600	0.8400	0.8000	0.7200	0.6900
0.4150	0.4050	0.4000	0.3800	0.3530	0.3250
0.6300	0.6200	0.6000	0.5500	0.5190	0.4700
0.8000	0.8000	0.7800	0.7300	0.6500	0.6100
0.3400	0.3400	0.3400	0.3000	0.2750	0.2750
0.0116	0.0107	0.0099	0.0087	0.0080	0.0057
0.3900	0.3900	0.3850	0.3650	0.3400	0.3400
0.7000	0.7000	0.6800	0.6400	0.6100	0.5500
*N/A	1.0000	1.0000	1.0000	1.0000	1.0000
0.6540	0.6301	0.5871	0.5757	0.5226	0.4987
*N/A	*N/A	0.8000	0.8000	0.8000	0.8000
0.7700	0.7700	0.7700	0.7700	0.7700	0.7400
1.2500	1.2500	1.1700	1.1700	1.1700	1.0500
0.0995	0.1000	0.1000	0.0988	0.0974	0.0863
0.4500	0.4300	0.4300	0.4000	0.3600	0.3500
1.0000	0.9800	0.9700	0.9000	0.8400	0.8200
0.6400	0.6100	0.6000	0.5300	0.4800	0.4300
1.0450	0.9850	0.9650	0.9650	0.8600	0.8400
0.4900	0.4800	0.4589	0.4538	0.4365	0.4256
0.3900	0.3900	0.3900	0.3900	0.3600	0.3375
0.3700	0.3500	0.3400	0.3200	0.3000	0.3000
0.4200	0.3950	0.3250	0.3750	0.3750	0.3750
1.0400	1.1400	1.1400	1.1400	1.1000	1.1500
0.1850	0.1850	0.1850	0.1850	0.1720	0.1600
1.4800	1.4600	1.4300	1.3800	1.3200	1.2900
0.5050	0.5000	0.4900	0.4600	0.5300	0.4400

KATY INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Exhibit VII

Taxpayer	2024			2015		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Shell Oil Co.	\$ 392,841,168	1	0.68%	\$ 319,449,810	2	1.12%
Southern Glazer's Wine & Spirits	313,571,190	2	0.55			
BPHQ LLC	238,774,375	3	0.42	576,397,328	1	2.02
Centerpoint Energy	214,267,769	4	0.38	124,449,917	8	0.44
Katy Mills LP	209,928,412	5	0.37	130,036,289	7	0.45
Schlumberger Technology Corp.	181,979,052	6	0.32			
Academy Corp. Ltd.	153,357,149	7	0.27	130,040,272	6	0.45
West Memorial Place Owner LLC	141,860,457	8	0.25			
Gateway Helios Inc.	135,376,837	9	0.24			
WSRE CP Clay Owner LP	121,612,672	10	0.21			
Westlake Four Owner Corp.				262,224,502	3	0.92
Pathfinder Energy				182,459,931	4	0.64
Conoco Phillips Co.				153,512,815	5	0.54
KBS II Two Westlake				103,887,762	9	0.36
I10 EC Corridor LP				99,600,000	10	0.35
TOTALS	<u><u>\$ 2,103,569,081</u></u>		<u><u>3.69%</u></u>	<u><u>\$ 2,082,058,626</u></u>		<u><u>7.28%</u></u>

(1) Assessed (taxable) value equals appraised value after exemptions.

(2) Total assessed value equals: \$ 56,623,488,063

(3) Total assessed value equals: \$ 28,605,871,081

Source: County Appraisal Districts

KATY INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Exhibit VIII

Fiscal Year Ended 8/31:	Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy (1)		Amount	Percentage of Levy
2015	\$ 430,026,235	\$ 428,272,107	99.59%	\$ 1,472,883	\$ 429,744,990	99.93%
2016	487,727,871	487,326,155	99.92	80,629	487,406,784	99.93
2017	534,672,445	536,816,559	100.40	(2,556,620)	534,259,939	99.92
2018	557,212,427	560,383,716	100.57	(3,815,249)	556,568,467	99.88
2019	575,547,597	574,967,028	99.90	(100,812)	574,866,216	99.88
2020	585,563,316	585,598,568	100.01	(974,789)	584,623,779	99.84
2021	601,385,071	604,861,042	100.58	(4,717,595)	600,143,447	99.79
2022	624,616,343	625,457,758	100.13	(2,435,010)	623,022,748	99.74
2023	682,919,091	687,009,309	100.60	(6,712,318)	680,296,991	99.62
2024	608,934,640	602,164,207	98.89		602,164,207	98.89

(1) Collections within fiscal year of levy exceed 100% due to subsequent adjustments to original tax levy.

(2) Negative collections represent refunds made to taxpayers.

Source: District Records

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DEBT CAPACITY INFORMATION

These schedules contain information to assist users in understanding and assessing the District's debt burden and its ability to issue additional debt in the future.

KATY INDEPENDENT SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Exhibit IX

Fiscal Year Ended 8/31:	Governmental Activities						Total Primary Government	Ratio of Debt to Assessed Value (1)	Debt per ADA (2)
	General Obligation Bonds (3)	Accretion on Capital Appreciation Bonds	Bond Issuance Premiums (4)	Note Payable	Lease Payable	SBITA Payable			
2015	\$ 1,271,035,662	\$ 7,243,610	\$ 100,590,333	\$ 13,910,000	\$	\$	\$ 1,392,779,605	4.87%	\$ 20,753
2016	1,449,414,330	5,602,776	128,684,350	12,690,000			1,596,391,456	4.85	22,901
2017	1,621,576,790	2,835,055	175,631,661	11,435,000			1,811,478,506	4.98	25,155
2018	1,737,385,000		182,091,664	10,145,000			1,929,621,664	5.08	26,182
2019	1,843,845,000		193,051,387	8,820,000			2,045,716,387	5.25	26,875
2020	1,888,706,959	93,522	215,607,409	7,455,000			2,111,862,890	5.07	26,701
2021	1,801,090,230	114,558	229,723,445	6,050,000			2,036,978,233	4.56	25,521
2022	2,140,211,367	37,235	234,252,578	4,645,000	193,758		2,379,339,938	5.01	28,912
2023	2,267,301,460	42,067	231,625,035	3,115,000	84,389	4,008,901	2,506,176,852	4.64	29,145
2024	2,379,055,000		218,850,417	1,565,000		3,402,482	2,602,872,899	4.60	29,382

(1) See Exhibit V for assessed value data.

(2) See Exhibit XV for student Average Daily Attendance (ADA) data.

(3) General Obligation Bonds include Capital Appreciation Bonds

(4) Bond Issuance Premiums includes premiums on issuance of Capital Appreciation Bonds

Source: District Records

KATY INDEPENDENT SCHOOL DISTRICT**RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Exhibit X

Fiscal Year Ended 8/31:	Governmental Activities				Primary Government Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (1)	Net Bonded Debt per ADA (2)
	General Obligation Bonds	Accretion on Capital Appreciation Bonds	Bond Issuance Premiums	Less Reserve for Retirement of Bonded Debt			
2015	\$ 1,271,035,662	\$ 7,243,610	\$ 100,590,333	\$ 49,777,788	\$ 1,329,091,817	4.65%	\$ 19,804
2016	1,449,414,330	5,602,776	128,684,350	51,026,434	1,532,675,022	4.66	21,987
2017	1,621,576,790	2,835,055	175,631,661	53,113,798	1,746,929,708	4.81	24,259
2018	1,737,385,000		182,091,664	56,325,629	1,863,151,035	4.91	25,281
2019	1,843,845,000		193,051,387	57,944,031	1,978,952,356	5.08	25,998
2020	1,888,706,959	93,522	215,607,409	59,643,831	2,044,764,059	4.91	25,853
2021	1,801,090,230	114,558	229,723,445	62,074,135	1,968,854,098	4.41	24,668
2022	2,140,211,367	37,235	234,252,578	58,954,065	2,315,547,115	4.88	28,137
2023	2,267,301,460	42,067	231,625,035	63,829,896	2,435,138,666	4.51	28,319
2024	2,379,055,000		218,850,417	64,779,516	2,533,125,901	4.47	28,595

(1) See Exhibit V for assessed value data.

(2) See Exhibit XV for student Average Daily Attendance data.

Source: District Records

KATY INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AUGUST 31, 2024

Exhibit XI
Page 1 of 3

Taxing Authority	Gross Debt Outstanding		Percent Overlapping (1)	Amount Overlapping Gross Debt
	Amount	As Of		
<u>Direct:</u>				
Katy Independent School District	\$ 2,602,872,899	8/31/2024	100.00%	\$ 2,602,872,899
<u>Overlapping:</u>				
Addicks UD	12,955,000	8/31/2024	100.00	12,955,000
Castlewood MUD	13,015,000	8/31/2024	100.00	13,015,000
Cimarron MUD	21,490,000	8/31/2024	100.00	21,490,000
Cinco MUD #1	3,589,281	8/31/2024	100.00	3,589,281
Cinco MUD #2	9,061,766	8/31/2024	100.00	9,061,766
Cinco MUD #3	4,433,204	8/31/2024	100.00	4,433,204
Cinco MUD #5	5,259,702	8/31/2024	100.00	5,259,702
Cinco MUD #6	5,349,144	8/31/2024	100.00	5,349,144
Cinco MUD #7	7,634,711	8/31/2024	100.00	7,634,711
Cinco MUD #8	10,003,058	8/31/2024	100.00	10,003,058
Cinco MUD #9	6,125,487	8/31/2024	100.00	6,125,487
Cinco MUD #10	7,695,892	8/31/2024	100.00	7,695,892
Cinco MUD #12	6,511,941	8/31/2024	100.00	6,511,941
Cinco MUD #14	14,629,530	8/31/2024	100.00	14,629,530
Cinco Southwest MUD #1	1,002,300	8/31/2024	100.00	1,002,300
Cinco Southwest MUD #2	54,590,983	8/31/2024	100.00	54,590,983
Cinco Southwest MUD #3	44,586,838	8/31/2024	100.00	44,586,838
Cinco Southwest MUD #4	52,635,500	8/31/2024	100.00	52,635,500
Cornerstone MUD	1,230,000	8/31/2024	100.00	1,230,000
Fort Bend Co.	1,141,510,455	8/31/2024	18.20	207,754,903
Fort Bend Co. Drainage District	22,655,000	8/31/2024	18.20	4,123,210
Fort Bend Co. ID #24	12,980,000	8/31/2024	100.00	12,980,000
Fort Bend Co. LID #12	8,165,000	8/31/2024	3.99	325,784
Fort Bend Co. MUD #34	16,085,000	8/31/2024	100.00	16,085,000
Fort Bend Co. MUD #35	22,225,000	8/31/2024	100.00	22,225,000
Fort Bend Co. MUD #57	38,405,000	8/31/2024	100.00	38,405,000
Fort Bend Co. MUD #58	126,665,000	8/31/2024	100.00	126,665,000
Fort Bend Co. MUD #124	5,350,000	8/31/2024	100.00	5,350,000
Fort Bend Co. MUD #130	6,775,000	8/31/2024	100.00	6,775,000
Fort Bend Co. MUD #130 Def. Area	12,025,000	8/31/2024	100.00	12,025,000
Fort Bend Co. MUD #142	114,195,000	8/31/2024	29.12	33,253,584
Fort Bend Co. MUD #151	53,455,000	8/31/2024	62.43	33,371,957
Fort Bend Co. MUD #156	15,975,000	8/31/2024	100.00	15,975,000
Fort Bend Co. MUD #161	26,970,000	8/31/2024	100.00	26,970,000
Fort Bend Co. MUD #163	12,235,000	8/31/2024	100.00	12,235,000
Fort Bend Co. MUD #171	43,117,730	8/31/2024	100.00	43,117,730
Fort Bend Co. MUD #172	93,196,310	8/31/2024	100.00	93,196,310
Fort Bend Co. MUD #173	60,649,230	8/31/2024	100.00	60,649,230

KATY INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AUGUST 31, 2024

Exhibit XI
Page 2 of 3

Taxing Authority	Gross Debt Outstanding		Percent	Amount Overlapping
	Amount	As Of	Overlapping (1)	Gross Debt
<u>Overlapping:</u>				
Fort Bend Co. MUD #182	\$ 153,095,000	8/31/2024	24.22%	\$ 37,079,609
Fort Bend Co. MUD #185	30,020,000	8/31/2024	100.00	30,020,000
Fort Bend Co. MUD #199	5,045,000	8/31/2024	100.00	5,045,000
Fort Bend Waller Co. MUD #3	50,170,000	8/31/2024	58.96	29,580,232
Fulshear MUD #3A	91,555,000	8/31/2024	1.41	1,290,926
Grand Lakes MUD #1	3,500,000	8/31/2024	100.00	3,500,000
Grand Lakes MUD #4	4,145,000	8/31/2024	100.00	4,145,000
Grand Lakes WC & ID	2,770,000	8/31/2024	100.00	2,770,000
Green Trails MUD	1,005,000	8/31/2024	100.00	1,005,000
Harris Co.	2,577,839,039	8/31/2024	4.91	126,571,897
Harris Co. Dept. of Education	28,960,000	8/31/2024	4.91	1,421,936
Harris Co. Flood Contr. Dist.	991,095,000	8/31/2024	4.91	48,662,765
Harris Co. Hosp. District	65,285,000	8/31/2024	4.91	3,205,494
Harris Co. ID #25	8,695,000	8/31/2024	100.00	8,695,000
Harris Co. MUD #61	23,675,000	8/31/2024	100.00	23,675,000
Harris Co. MUD #62	27,165,000	8/31/2024	100.00	27,165,000
Harris Co. MUD #63	3,490,000	8/31/2024	100.00	3,490,000
Harris Co. MUD #64	12,930,000	8/31/2024	100.00	12,930,000
Harris Co. MUD #65	17,325,000	8/31/2024	100.00	17,325,000
Harris Co. MUD #71	35,155,000	8/31/2024	99.20	34,873,760
Harris Co. MUD #81	10,760,000	8/31/2024	100.00	10,760,000
Harris Co. MUD #105	83,325,000	8/31/2024	10.19	8,490,818
Harris Co. MUD #185	490,000	8/31/2024	2.45	12,005
Harris Co. MUD #216	3,130,000	8/31/2024	100.00	3,130,000
Harris Co. MUD #238	12,569,000	8/31/2024	100.00	12,569,000
Harris Co. MUD #287	57,480,000	8/31/2024	100.00	57,480,000
Harris Co. MUD #432	65,400,000	8/31/2024	100.00	65,400,000
Harris Co. MUD #449	68,345,000	8/31/2024	100.00	68,345,000
Harris Co. MUD #457	136,790,129	8/31/2024	100.00	136,790,129
Harris Co. MUD #465	23,745,000	8/31/2024	100.00	23,745,000
Harris Co. MUD #495	97,530,000	8/31/2024	100.00	97,530,000
Harris Co. MUD #534	32,210,000	8/31/2024	100.00	32,210,000
Harris Co. MUD #536	75,370,000	8/31/2024	100.00	75,370,000
Harris Co. MUD #538	25,300,000	8/31/2024	100.00	25,300,000
Harris Co. MUD #540	19,705,000	8/31/2024	100.00	19,705,000
Harris Co. MUD #569	10,496,045	8/31/2024	100.00	10,496,045
Harris Co. UD #6	12,585,000	8/31/2024	98.47	12,392,450
Harris Co. WC & ID #159	55,210,000	8/31/2020	0.46	253,966
Harris-Fort Bend Cos. MUD #1	15,490,000	8/31/2024	100.00	15,490,000
Harris-Fort Bend Cos. MUD #3	47,155,000	8/31/2024	100.00	47,155,000
Harris-Fort Bend Cos. MUD #5	15,040,000	8/31/2024	100.00	15,040,000
Harris-Waller Counties MUD #2	21,665,000	8/31/2024	100.00	21,665,000

KATY INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AUGUST 31, 2024

Exhibit XI
Page 3 of 3

Taxing Authority	Gross Debt Outstanding		Percent Overlapping (1)	Amount Overlapping Gross Debt
	Amount	As Of		
<u>Overlapping:</u>				
Harris-Waller Counties MUD #3	\$ 110,965,000	8/31/2024	100.00%	\$ 110,965,000
Harris-Waller Counties MUD #5	65,918,444	8/31/2024	100.00	65,918,444
Houston, City of	3,660,980,000	8/31/2024	1.56	57,111,288
Interstate MUD	9,155,000	8/31/2024	100.00	9,155,000
Katy West MUD	37,320,000	8/31/2024	100.00	37,320,000
Katy, City of	25,095,000	8/31/2024	94.59	23,737,361
Mason Creek UD	3,400,000	8/31/2024	100.00	3,400,000
Mayde Creek MUD	5,280,000	8/31/2024	100.00	5,280,000
Memorial MUD	2,885,000	8/31/2024	100.00	2,885,000
Morton Road MUD	2,155,000	8/31/2024	100.00	2,155,000
Northwest Harris Co. MUD #12	72,285,000	8/31/2024	23.65	17,095,403
Port of Houston Authority	426,134,397	8/31/2024	4.91	20,923,199
Ricewood MUD	6,200,000	8/31/2024	100.00	6,200,000
Rolling Creek UD	34,800,000	8/31/2024	10.66	3,709,680
Village at Katy DD	10,850,000	8/31/2024	100.00	10,850,000
Waller County	67,180,000	8/31/2024	33.00	22,169,400
Waller Co. ID #2	17,575,000	8/31/2024	100.00	17,575,000
Waller Co. MUD #37	18,701,939	8/31/2024	100.00	18,701,939
Waller Co. RID #1	68,940,000	8/31/2024	17.16	11,830,104
West Harris Co. MUD #2	24,125,000	8/31/2024	100.00	24,125,000
West Harris Co. MUD #5	27,315,000	8/31/2024	100.00	27,315,000
West Harris Co. MUD #7	17,845,000	8/31/2024	100.00	17,845,000
West Harris Co. MUD #17	3,870,000	8/31/2024	100.00	3,870,000
Westlake MUD #1	6,315,000	8/31/2024	100.00	6,315,000
West Memorial MUD	5,805,000	8/31/2024	100.00	5,805,000
West Park MUD	20,320,000	8/31/2024	100.00	20,320,000
Weston MUD	15,425,000	8/31/2024	100.00	15,425,000
Willow Creek Farms MUD	29,055,000	8/31/2024	83.02	24,121,461
Willow Fork DD	23,615,000	8/31/2024	100.00	23,615,000
Willow Point MUD	37,775,000	8/31/2024	100.00	37,775,000
WoodCreek Reserve MUD	15,060,000	8/31/2024	100.00	15,060,000
Subtotal, Overlapping Debt				2,903,636,351
TOTAL DIRECT AND OVERLAPPING DEBT				\$ 5,506,509,250

UD - Utility District

MUD - Municipal Utility District

PUD - Public Utility District

LID - Land Improvement District

RID - Road Improvement District

DD - Development District

WC & ID - Water Control & Improvement District

(1) The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Source: Texas Municipal Reports compiled and published by the Municipal Advisory Council of Texas

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules contain information to assist users in understanding the socioeconomic environment in which the District operates and to provide information that facilitates comparisons of financial statement information over time and with other school districts.

KATY INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Exhibit XII

Fiscal Year Ended 08/31:	Residential Units (1)	Total Assessed Value of Residential Units (1)	Average Assessed Value Per Residential Unit	Average Daily Attendance (2)	Unemployment Rate (3)
2015	84,748	\$ 19,131,360,204	\$ 225,744	67,112	4.40%
2016	88,340	23,019,705,718	260,581	69,709	4.30
2017	91,262	25,041,894,422	274,396	72,013	4.60
2018	93,713	25,919,208,165	276,581	73,699 (4)	4.50
2019	96,294	26,208,047,208	272,167	76,120	4.20
2020	98,983	28,025,701,366	283,137	79,092 (4)	8.50
2021	102,109	29,461,399,304	288,529	79,815 (4)	6.00
2022	106,142	30,298,173,153	285,449	82,295 (4)	4.60
2023	110,518	37,786,193,407	341,901	85,990	4.20
2024	114,461	41,044,903,287	358,593	88,586	4.10

(1) Source: County Appraisal Districts - Includes Single Family Residential Units

(2) Source: District Records

(3) Source: Katy Area Economic Development Council and Katy Area Chamber of Commerce

(4) ADA in table above does not reflect the state hold harmless disaster adjustment and
State COVID-19 adjustments

Due to the District's boundaries falling within three separate counties, total personal income data for geographic area is not available for the ten year period presented.

KATY INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Exhibit XIII

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Katy ISD	12,970	1	5.96%	9,805	1	6.47%
BP America	5,000	2	2.30	6,000	2	3.96
Shell USA	4,092	3	1.88	4,500	4	2.97
Academy Sports and Outdoors	2,540	4	1.17	2,900	6	1.91
Wood Group/ Mustang Engineering	2,175	5	1.00	5,000	3	3.30
Houston Methodist West	2,160	6	0.99	1,400	7	0.92
Walmart	1,260	7	0.58	1,350	8	0.89
Memorial Hermann Katy Hospital	1,260	8	0.58			
Achilles Information, Inc.	1,050	9	0.48			
Harris County	980	10	0.45			
ConocoPhillips				4,100	5	2.71
Foster Wheeler				1,200	9	0.79
Worley Parsons				1,000	10	0.66
TOTALS	33,487		15.39%	37,255		24.58%

(1) Total employment for 2024: 217,755

(2) Total employment for 2015: 151,478

Source: Katy Area Economic Development Council through Info USA and direct interviews.

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OPERATING INFORMATION

These schedules contain information intended to provide contextual information about the District's operations and resources to assist readers in using financial statement information to understand and assess the District's economic condition.

KATY INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION
LAST TEN FISCAL YEARS

POSITION:	2015	2016	2017	2018
Instruction	5,587	5,960	6,229	6,471
Instructional Resources and Media Services	112	113	119	127
Curriculum and Instructional Staff Development	92	95	100	99
Instructional Leadership	67	69	70	72
School Leadership	533	552	575	612
Guidance, Counseling, and Evaluation Services	336	359	371	390
Social Work Services				
Health Services	103	105	112	121
Student Transportation	320	334	344	346
Food Services	418	436	449	448
Co-curricular/Extracurricular Activities	91	94	102	117
General Administration	99	106	108	115
Facilities Maintenance and Operations	654	705	734	771
Security and Monitoring Services	118	125	127	134
Data Processing Services	104	113	113	115
Community Services	11	13	12	11
Facilities Acquisition and Construction	6	7	7	7
Total Employees	8,651	9,186	9,572	9,956

Source: District Records

2019	2020	2021	2022	2023	2024
6,687	7,188	7,593	7,807	8,168	8,647
129	136	138	140	140	146
101	107	119	133	146	148
77	86	83	88	98	113
628	673	694	717	790	811
411	481	514	572	606	653
		6	12	14	18
127	137	146	157	162	170
339	342	331	326	303	294
474	496	493	459	489	482
120	138	136	136	132	132
126	132	136	139	146	160
782	816	866	840	810	857
137	147	155	154	156	174
119	122	126	127	134	137
10	10	10	11	13	22
7	7	5	6	6	6
<u>10,274</u>	<u>11,018</u>	<u>11,551</u>	<u>11,824</u>	<u>12,313</u>	<u>12,970</u>

KATY INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended 8/31:	Average Daily Attendance		Operating Expenditures (1)	Cost Per ADA	Percentage Change
2015	67,112		\$ 631,898,203	\$ 9,416	6.30%
2016	69,709		670,205,927	9,614	2.11
2017	72,013		704,731,635	9,786	1.79
2018	73,699	(2)	742,655,023	10,077	2.97
2019	76,120		775,698,030	10,190	1.13
2020	79,092	(2)	847,505,704	10,715	5.15
2021	79,815	(2)	895,878,861	11,248	4.97
2022	82,295	(2)	1,001,132,113	12,165	8.15
2023	85,990		1,071,690,550	12,463	2.45
2024	88,586		1,141,328,963	12,884	3.38

- (1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories
- (2) ADA in table above does not reflect the state hold harmless disaster adjustment and State COVID-19 adjustments
- (3) 2018 Government Wide Expenses decreased significantly due to implementation of GASB No. 75

Source: Academic Excellence Indicator System of Texas (AEIS), Texas Performance Reporting System (TPRS) and District records

Government Wide Expenses	Cost Per ADA	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
\$ 732,849,025	\$ 10,920	3.92%	4,537	14.79	28.60%
809,342,745	11,610	6.32	4,803	14.51	28.30
867,060,640	12,040	3.71	4,996	14.41	28.80
662,948,230	8,995 (3)	(25.29)	5,160	14.28	31.00
997,302,709	13,102	45.66	5,274	14.43	31.60
1,072,886,090	13,565	3.53	5,603	14.12	32.70
1,091,806,035	13,708	1.05	5,882	13.54	34.40
1,105,704,784	13,436	(1.98)	6,081	13.53	39.80
1,218,573,936	14,171	5.47	6,447	13.34	43.40
1,334,090,295	15,060	6.27	6,763	13.10	43.95

KATY INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Exhibit XVI

Fiscal Year Ended 08/31:	Minimum Salary (1)	Maximum Salary (1)	KISD Average Salary (2)	Region IV Average Salary (2)	Statewide Average Salary (2)
2015	\$ 49,000	\$ 80,474	\$ 55,182	\$ 54,157	\$ 50,715
2016	50,100	80,792	55,955	55,580	51,891
2017	50,500	80,861	56,390	55,992	52,525
2018	52,000	82,005	57,522	57,076	53,334
2019	53,000	82,556	58,308	57,707	54,122
2020	55,200	84,231	60,577	60,292	57,091
2021	55,525	84,181	60,958	60,798	57,641
2022	56,700	85,426	62,499	62,589	58,887
2023	60,700	88,361	65,203	64,771	60,716
2024	60,700	89,821	66,897	66,418	62,463

(1) Source: District records

(2) Source: Texas Performance Reporting System (TPRS)

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KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2015	2016	2017	2018
HIGH SCHOOLS				
Cinco Ranch (1999)				
Square Footage	581,934	581,934	581,934	581,934
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,168	3,143	3,234	3,155
Jordan (2020)				
Square Footage				
Capacity				
Enrollment				
Katy (1947)				
Square Footage	589,196	589,196	589,196	589,196
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,033	3,200	3,483	3,413
Mayde Creek (1984)				
Square Footage	603,141	603,141	603,141	603,141
Capacity	3,000	3,000	3,000	3,000
Enrollment	2,685	2,737	2,771	2,715
Morton Ranch (2004)				
Square Footage	583,628	583,628	583,628	583,628
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,331	3,402	3,539	3,092
Paetow (2017)				
Square Footage				635,058
Capacity				3,000
Enrollment				728
Seven Lakes (2005)				
Square Footage	599,005	599,005	599,005	599,005
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,438	3,225	3,394	3,538
Taylor (1979)				
Square Footage	542,192	542,192	542,192	542,192
Capacity	3,000	3,000	3,000	3,000
Enrollment	2,903	2,909	2,936	2,950
Tompkins (2013)				
Square Footage	610,134	610,134	610,134	610,134
Capacity	3,000	3,000	3,000	3,000
Enrollment	1,641	2,478	2,963	3,387

2019	2020	2021	2022	2023	2024
581,934	581,934	581,934	581,934	581,934	581,934
3,000	3,000	3,000	3,000	3,000	3,000
3,189	3,264	3,407	3,476	3,656	3,755
	625,154	625,154	625,154	625,154	625,154
	3,000	3,000	3,000	3,000	3,000
		1,129	1,940	2,745	3,128
589,196	589,196	589,196	589,196	589,196	589,196
3,000	3,000	3,000	3,000	3,000	3,000
3,395	3,467	3,186	3,196	3,330	3,500
603,141	603,141	603,141	603,141	603,141	603,141
3,000	3,000	3,000	3,000	3,000	3,000
2,759	2,892	2,804	2,862	2,940	2,970
583,628	583,628	583,628	583,628	583,628	583,628
3,000	3,000	3,000	3,000	3,000	3,000
2,849	2,560	2,533	2,542	2,718	2,832
635,058	635,058	635,058	635,058	635,058	635,058
3,000	3,000	3,000	3,000	3,000	3,000
1,401	2,164	2,556	3,164	3,537	3,695
599,005	599,005	599,005	599,005	599,005	599,005
3,000	3,000	3,000	3,000	3,000	3,000
3,637	3,783	3,685	3,589	3,595	3,719
542,192	542,192	542,192	542,192	542,192	542,192
3,000	3,000	3,000	3,000	3,000	3,000
2,900	2,919	3,019	3,060	3,085	3,188
610,134	610,134	610,134	610,134	610,134	610,134
3,000	3,000	3,000	3,000	3,000	3,000
3,770	4,031	3,490	3,265	2,908	3,061

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2015	2016	2017	2018
JUNIOR HIGH SCHOOLS				
Adams (2019)				
Square Footage				
Capacity				
Enrollment				
Beck (1996)				
Square Footage	137,569	137,569	137,569	137,569
Capacity	1,232	1,232	1,232	1,232
Enrollment	1,078	1,040	999	957
Beckendorff (2004)				
Square Footage	184,398	184,398	184,398	184,398
Capacity	1,403	1,403	1,403	1,403
Enrollment	1,698	1,770	1,754	1,739
Cardiff (2008)				
Square Footage	188,602	188,602	188,602	188,602
Capacity	1,403	1,403	1,403	1,403
Enrollment	955	965	912	886
Cinco Ranch (2001)				
Square Footage	154,637	154,637	154,637	154,637
Capacity	1,400	1,400	1,400	1,400
Enrollment	1,259	1,260	1,222	1,259
Haskett (2021)				
Square Footage				
Capacity				
Enrollment				
Katy (1995)				
Square Footage	137,569	137,569	137,569	137,569
Capacity	1,231	1,231	1,231	1,231
Enrollment	1,332	1,341	1,353	1,039
Mayde Creek (1980)				
Square Footage	172,386	172,386	172,386	172,386
Capacity	1,414	1,414	1,414	1,414
Enrollment	1,146	1,121	1,135	1,076
McDonald (1991)				
Square Footage	137,569	137,569	137,569	137,569
Capacity	1,220	1,220	1,220	1,220
Enrollment	1,053	1,076	1,144	928
McMeans (2000)				
Square Footage	154,637	154,637	154,637	154,637
Capacity	1,400	1,400	1,400	1,400
Enrollment	1,085	1,163	1,140	1,108

2019	2020	2021	2022	2023	2024
	192,313	192,313	192,313	192,313	192,313
	1,400	1,400	1,400	1,400	1,400
	1,300	1,475	1,611	1,761	1,866
137,569	137,569	137,569	137,569	137,569	137,569
1,232	1,232	1,232	1,232	1,232	1,232
1,001	1,259	1,260	1,277	1,259	1,270
184,398	184,398	184,398	184,398	184,398	184,398
1,403	1,403	1,403	1,403	1,403	1,403
1,699	1,708	1,695	1,720	1,731	1,688
188,602	188,602	188,602	188,602	188,602	188,602
1,403	1,403	1,403	1,403	1,403	1,403
951	1,008	924	962	863	818
154,637	154,637	154,637	154,637	154,637	154,637
1,400	1,400	1,400	1,400	1,400	1,400
1,272	1,460	1,445	1,430	1,510	1,500
		195,117	195,117	195,117	195,117
		1,400	1,400	1,400	1,400
			907	1,116	1,359
137,569	137,569	137,569	137,569	137,569	137,569
1,231	1,231	1,231	1,232	1,232	1,232
1,085	1,220	1,267	1,099	1,094	1,166
172,386	172,386	172,386	172,386	172,386	172,386
1,414	1,414	1,414	1,414	1,414	1,414
1,141	1,161	1,231	1,260	1,273	1,239
137,569	137,569	137,569	137,569	137,569	137,569
1,220	1,220	1,220	1,220	1,220	1,220
902	910	976	1,033	1,059	1,007
154,637	154,637	154,637	154,637	154,637	154,637
1,400	1,400	1,400	1,400	1,400	1,400
1,136	1,187	1,136	1,152	1,169	1,168

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2015	2016	2017	2018
JUNIOR HIGH SCHOOLS (cont.)				
Memorial Parkway (1982)				
Square Footage	148,627	148,627	148,627	161,462
Capacity	1,133	1,133	1,133	1,133
Enrollment	876	853	827	799
Morton Ranch (2003)				
Square Footage	180,290	180,290	180,290	180,290
Capacity	1,403	1,403	1,403	1,403
Enrollment	1,202	1,177	1,201	1,215
Seven Lakes (2012)				
Square Footage	187,748	187,748	187,748	187,748
Capacity	1,400	1,400	1,400	1,400
Enrollment	1,748	2,006	1,771	1,924
Stockdick (2017)				
Square Footage				192,984
Capacity				1,400
Enrollment				715
Tays (2016)				
Square Footage			185,944	185,944
Capacity			1,400	1,400
Enrollment			1,377	1,591
West Memorial (1976)				
Square Footage	169,920	169,920	169,920	169,920
Capacity	998	998	998	998
Enrollment	748	763	802	800
WoodCreek (2008)				
Square Footage	188,602	188,602	188,602	188,602
Capacity	1,403	1,403	1,403	1,403
Enrollment	1,946	2,156	1,346	1,477
ELEMENTARY SCHOOLS				
Alexander (1998)				
Square Footage	106,134	106,134	106,134	106,134
Capacity	935	935	935	935
Enrollment	1,061	1,102	1,024	993
Bear Creek (1978)				
Square Footage	101,269	101,269	101,269	101,269
Capacity	799	799	799	799
Enrollment	747	754	713	629
Bethke (2016)				
Square Footage			144,303	144,303
Capacity			1,030	1,030
Enrollment			667	935

2019	2020	2021	2022	2023	2024
161,462	161,462	161,462	161,462	161,462	161,462
1,133	1,133	1,133	1,133	1,133	1,133
788	911	826	867	787	771
180,290	180,290	180,290	180,290	180,290	180,290
1,403	1,403	1,403	1,403	1,403	1,403
1,190	1,187	1,195	1,219	1,184	1,185
187,748	187,748	187,748	187,748	187,748	187,748
1,400	1,400	1,400	1,400	1,400	1,400
2,032	1,483	1,558	1,529	1,630	1,607
192,984	192,984	192,984	192,984	192,984	192,984
1,400	1,400	1,400	1,400	1,400	1,400
903	1,075	1,327	1,128	1,313	1,405
185,944	185,944	185,944	185,944	185,944	185,944
1,400	1,400	1,400	1,400	1,400	1,400
1,719	1,391	1,452	1,488	1,508	1,467
169,920	169,920	169,920	169,920	169,920	169,920
998	998	998	998	998	998
851	866	913	886	927	911
188,602	188,602	188,602	188,602	188,602	188,602
1,403	1,403	1,403	1,403	1,403	1,403
1,587	1,215	1,350	1,509	1,568	1,569
106,134	106,134	106,134	106,134	106,134	106,134
935	935	935	935	935	935
954	950	916	1,000	1,008	1,020
101,269	101,269	101,269	101,269	101,269	101,269
799	799	799	799	799	799
679	751	707	666	668	641
144,303	144,303	144,303	144,303	144,303	144,303
1,030	1,030	1,030	1,030	1,030	1,030
1,352	1,147	878	1,156	1,284	960

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2015	2016	2017	2018
ELEMENTARY SCHOOLS (cont.)				
Bryant (2017)				
Square Footage				144,303
Capacity				1,030
Enrollment				580
Campbell (2018)				
Square Footage				
Capacity				
Enrollment				
Cimarron (1980)				
Square Footage	98,823	98,823	98,823	98,823
Capacity	861	861	861	861
Enrollment	697	679	679	655
Creech (2000)				
Square Footage	111,734	111,734	111,734	111,734
Capacity	935	935	935	935
Enrollment	843	874	888	715
Davidson (2014)				
Square Footage	124,938	124,938	124,938	124,938
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,168	1,434	1,100	1,164
Exley (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,020	1,000	956	982
Faldyn (2023)				
Square Footage				
Capacity				
Enrollment (3)				
Fielder (1993)				
Square Footage	106,117	106,117	106,117	106,117
Capacity	907	907	907	907
Enrollment	1,145	1,243	1,027	1,133
Franz (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	978	1,061	1,018	1,037
Golbow (1989)				
Square Footage	95,709	95,709	95,709	95,709
Capacity	867	867	867	867
Enrollment	811	806	768	783

2019	2020	2021	2022	2023	2024
144,303	144,303	144,303	144,303	144,303	144,303
1,030	1,030	1,030	1,030	1,030	1,030
716	911	1,062	1,330	1,149	1,190
144,303	144,303	144,303	144,303	144,303	144,303
1,030	1,030	1,030	1,030	1,030	1,030
782	1,090	1,357	1,486	1,545	1,302
98,823	98,823	98,823	98,823	98,823	98,823
861	861	861	861	861	861
624	631	611	607	612	565
111,734	111,734	111,734	111,734	111,734	111,734
935	935	935	935	935	935
808	857	861	847	873	817
124,938	124,938	124,938	124,938	124,938	124,938
1,030	1,030	1,030	1,030	1,030	1,030
1,140	1,142	1,117	1,069	1,065	995
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,037	1,045	953	970	954	944
				137,674	137,674
				1,030	1,030
					1,118
106,117	106,117	106,117	106,117	106,117	106,117
907	907	907	907	907	907
950	957	929	910	955	923
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,004	979	925	938	1,000	1,097
95,709	95,709	95,709	95,709	95,709	95,709
867	867	867	867	867	867
790	850	853	868	959	695

KATY INDEPENDENT SCHOOL DISTRICT**SCHOOL BUILDING INFORMATION****LAST TEN FISCAL YEARS**

Building:	2015	2016	2017	2018
ELEMENTARY SCHOOLS (cont.)				
Griffin (2006)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	958	950	1,039	1,030
Hayes (1995)				
Square Footage	106,117	106,117	106,117	106,117
Capacity	907	907	907	907
Enrollment	717	697	663	682
Holland (2008)				
Square Footage	123,843	123,843	123,843	123,843
Capacity	1,030	1,030	1,030	1,030
Enrollment	982	1,035	1,056	1,098
Hutsell (1978)				
Square Footage	115,086	115,086	115,086	115,086
Capacity	983	983	983	983
Enrollment	832	793	743	763
Jenks (2016)				
Square Footage			156,608	156,608
Capacity			1,318	1,318
Enrollment			1,256	1,543
Katy (1965)				
Square Footage	86,825	86,825	86,825	86,825
Capacity	643	643	643	643
Enrollment	603	633	694	665
Kilpatrick (2003)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,131	1,166	1,152	1,195
King (2001)				
Square Footage	121,164	121,164	121,164	121,164
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,301	1,411	990	981
Leonard (2019)				
Square Footage				
Capacity				
Enrollment				
Mayde Creek (1983)				
Square Footage	112,913	112,913	112,913	112,913
Capacity	968	968	968	968
Enrollment	779	869	859	840

2019	2020	2021	2022	2023	2024
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
991	850	810	766	821	778
106,117	106,117	106,117	106,117	106,117	106,117
907	907	907	907	907	907
670	665	561	608	610	602
123,843	123,843	123,843	123,843	123,843	123,843
1,030	1,030	1,030	1,030	1,030	1,030
1,093	1,012	883	834	864	805
115,086	115,086	115,086	115,086	115,086	115,086
983	983	983	983	983	983
727	846	802	809	855	800
156,608	156,608	156,608	156,608	156,608	156,608
1,318	1,318	1,318	1,318	1,318	1,318
1,297	1,453	1,450	1,315	1,434	1,448
86,825	86,825	86,825	86,825	115,825	115,825
643	643	643	643	814	814
672	634	636	662	682	702
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,175	1,195	1,092	1,046	1,042	1,033
121,164	121,164	121,164	121,164	121,164	121,164
1,030	1,030	1,030	1,030	1,030	1,030
989	942	868	867	981	967
	137,674	137,674	137,674	137,674	137,674
	1,030	1,030	1,030	1,030	1,030
	689	892	1,177	1,190	1,013
112,913	112,913	112,913	112,913	112,913	112,913
968	968	968	968	968	968
804	762	747	795	825	839

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2015	2016	2017	2018
ELEMENTARY SCHOOLS (cont.)				
McElwain (2020)				
Square Footage				
Capacity				
Enrollment				
McRoberts (1997)				
Square Footage	106,134	106,134	106,134	106,134
Capacity	935	935	935	935
Enrollment	840	810	747	719
Memorial Parkway (1978)				
Square Footage	103,658	103,658	103,658	131,274
Capacity	742	742	742	940
Enrollment	864	815	796	823
Morton Ranch (2008)				
Square Footage	123,843	123,843	123,843	123,843
Capacity	1,030	1,030	1,030	1,030
Enrollment	924	1,022	954	950
Nottingham Country (1981)				
Square Footage	101,427	101,427	101,427	101,427
Capacity	1,053	1,053	1,053	1,053
Enrollment	613	650	702	790
Pattison (1989)				
Square Footage	112,156	112,156	112,156	112,156
Capacity	1,052	1,052	1,052	1,052
Enrollment	854	972	1,045	1,015
Randolph (2014)				
Square Footage	124,938	124,938	124,938	124,938
Capacity	1,030	1,030	1,030	1,030
Enrollment	853	1,030	1,151	1,273
Rhoads (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,135	1,122	1,072	1,041
Robertson (2022)				
Square Footage				
Capacity				
Enrollment				
Rylander (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,356	1,323	1,138	1,126

2019	2020	2021	2022	2023	2024
	138,519	138,519	138,519	138,519	138,519
	1,030	1,030	1,030	1,030	1,030
		692	1,095	1,374	885
106,134	106,134	106,134	106,134	106,134	106,134
935	935	935	935	935	935
760	755	683	674	708	834
131,274	131,274	131,274	131,274	131,274	131,274
940	940	940	940	940	940
865	898	820	911	920	940
123,843	123,843	123,843	123,843	123,843	123,843
1,030	1,030	1,030	1,030	1,030	1,030
981	949	1,017	1,095	1,130	976
101,427	101,427	101,427	101,427	101,427	101,427
1,053	1,053	1,053	1,053	1,053	1,053
798	877	816	860	854	841
112,156	112,156	112,156	112,156	112,156	112,156
1,052	1,052	1,052	1,052	1,052	1,052
1,021	1,101	1,144	1,140	1,228	1,237
124,938	124,938	124,938	124,938	124,938	124,938
1,030	1,030	1,030	1,030	1,030	1,030
1,095	1,146	1,075	1,089	1,078	1,032
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,000	943	813	760	796	757
			138,519	138,519	138,519
			1,030	1,030	1,030
				761	1,149
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,087	1,100	987	1,068	1,090	1,078

KATY INDEPENDENT SCHOOL DISTRICT**SCHOOL BUILDING INFORMATION****LAST TEN FISCAL YEARS**

Building:	2015	2016	2017	2018
ELEMENTARY SCHOOLS (cont.)				
Schmalz (2001)				
Square Footage	121,164	121,164	121,164	121,164
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,175	1,168	1,176	1,185
Shafer (2012)				
Square Footage	123,966	123,966	123,966	123,966
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,113	1,148	1,187	1,197
Stanley (2009)				
Square Footage	126,897	126,897	126,897	126,897
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,127	1,098	1,063	1,040
Stephens (2007)				
Square Footage	123,249	123,249	123,249	123,249
Capacity	1,030	1,030	1,030	1,030
Enrollment	763	765	718	692
Sundown (1982)				
Square Footage	112,913	112,913	112,913	112,913
Capacity	968	968	968	968
Enrollment	879	851	788	822
West Memorial (1974)				
Square Footage	89,742	89,742	89,742	89,742
Capacity	683	683	683	683
Enrollment	821	891	795	822
Williams (2000)				
Square Footage	111,734	111,734	111,734	111,734
Capacity	935	935	935	935
Enrollment	709	728	672	695
Wilson (2012)				
Square Footage	123,966	123,966	123,966	123,966
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,040	1,073	1,121	1,057
Winborn (1981)				
Square Footage	94,596	94,596	94,596	94,596
Capacity	848	848	848	848
Enrollment	777	814	763	699
Wolfe (1968, 2012)				
Square Footage	98,761	98,761	98,761	98,761
Capacity	500	500	500	500
Enrollment	460	437	418	348

2019	2020	2021	2022	2023	2024
121,164	121,164	121,164	121,164	141,532	141,532
1,030	1,030	1,030	1,030	1,674	1,674
1,174	1,207	1,176	1,247	1,312	1,206
123,966	123,966	123,966	123,966	123,966	123,966
1,030	1,030	1,030	1,030	1,030	1,030
1,175	1,195	1,127	1,096	1,091	1,044
126,897	126,897	126,897	126,897	126,897	126,897
1,030	1,030	1,030	1,030	1,030	1,030
1,005	1,058	985	967	935	887
123,249	123,249	123,249	123,249	123,249	123,249
1,030	1,030	1,030	1,030	1,030	1,030
723	693	595	601	618	585
112,913	112,913	112,913	112,913	112,913	112,913
968	968	968	968	968	968
781	771	722	725	722	752
89,742	89,742	89,742	89,742	89,742	89,742
683	683	683	683	683	683
820	821	819	822	830	818
111,734	111,734	111,734	111,734	111,734	111,734
935	935	935	935	935	935
803	839	851	888	936	911
123,966	123,966	123,966	123,966	123,966	123,966
1,030	1,030	1,030	1,030	1,030	1,030
1,044	1,015	917	1,105	1,148	1,121
94,596	94,596	94,596	94,596	94,596	94,596
848	848	848	848	848	848
695	664	641	680	737	734
98,761	98,761	98,761	98,761	98,761	98,761
500	500	500	500	500	500
326	370	358	396	405	416

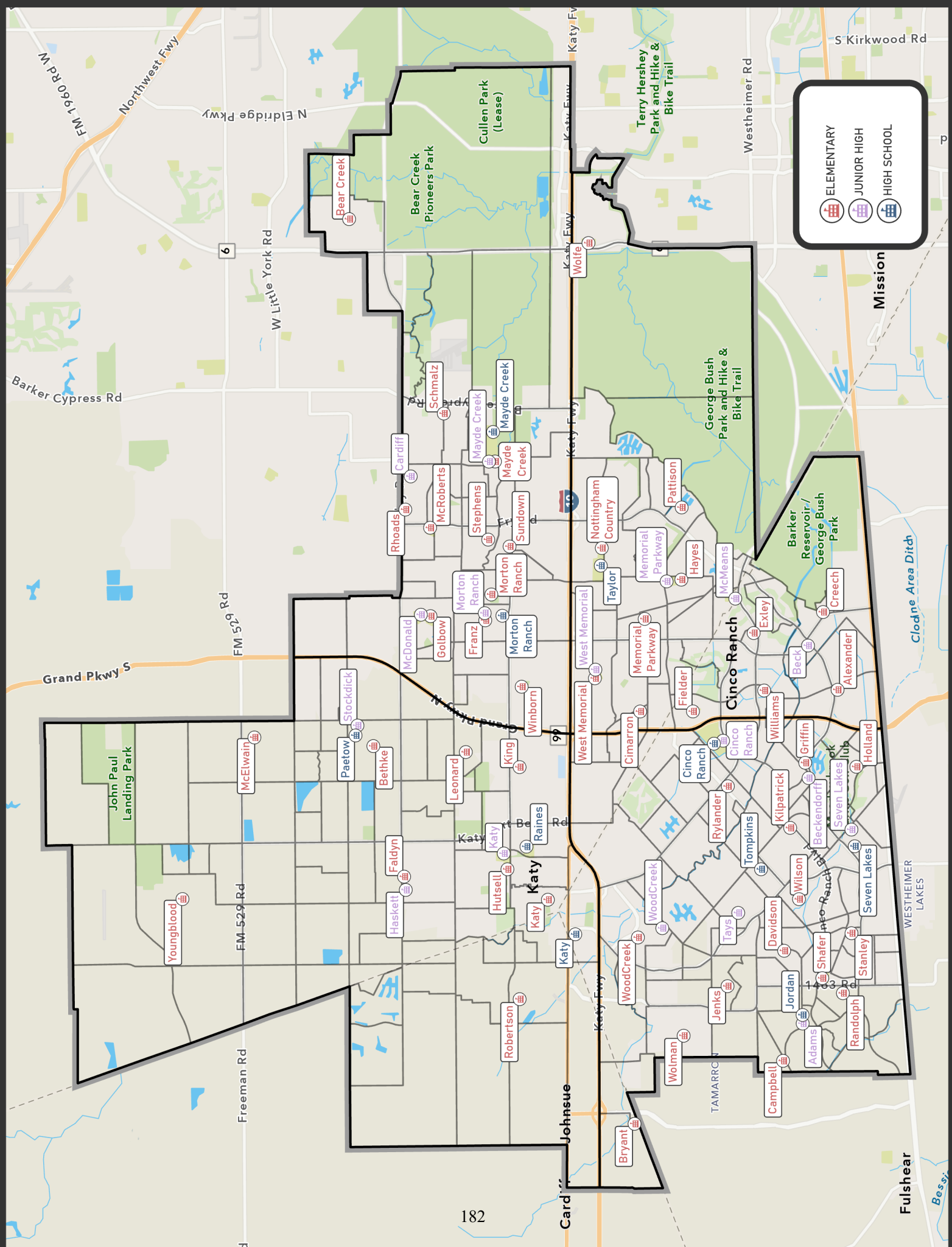
KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2015	2016	2017	2018
ELEMENTARY SCHOOLS (cont.)				
Wolman (2012)				
Square Footage	123,966	123,966	123,966	123,966
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,239	1,411	1,198	915
WoodCreek (2007)				
Square Footage	123,249	123,249	123,249	123,249
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,014	1,156	1,139	1,201
Youngblood (2023)				
Square Footage				
Capacity				
Enrollment (3)				
OTHER INSTRUCTIONAL FACILITIES				
Miller Career & Technology Center (1982)				
Square Footage	132,951	132,951	136,239	136,239
Capacity	907	907	1,230	1,230
Enrollment (1)				
Opportunity Awareness Center (1981)				
Square Footage	87,015	87,015	87,015	87,015
Capacity	677	677	677	677
Enrollment (1)				
Raines Academy (2008)				
Square Footage	21,916	21,916	21,916	21,916
Capacity	331	331	331	331
Enrollment (1)	163	200	190	218
Project TYKE				
Enrollment				
Portable Buildings (2)				
Number Utilized	315	354	355	354
Classrooms Provided	504	584	636	641

Source: District Records

- (1) Enrollment numbers included in home campus totals
- (2) Used at schools where enrollment exceeded building capacity
- (3) Opened in August, no official enrollment available
- (4) Beginning in 2022-2023, all enrollments based on state PEIMS reported enrollment

2019	2020	2021	2022	2023	2024
123,966	123,966	123,966	123,966	123,966	123,966
1,030	1,030	1,030	1,030	1,030	1,030
979	1,005	953	937	859	1,025
123,249	123,249	123,249	123,249	123,249	123,249
1,030	1,030	1,030	1,030	1,030	1,030
1,197	1,237	1,236	1,315	1,327	1,324
				137,604	137,604
				1,030	1,030
					855
136,239	136,239	136,239	136,239	136,239	136,239
1,230	1,230	1,230	1,230	1,230	1,230
87,015	87,015	87,015	87,015	87,015	87,015
677	677	677	688	688	688
				166	267
21,916	21,916	21,916	52,857	52,857	52,857
331	331	331	500	500	500
173					
					13
354	355	358	374	386	379
641	643	663	703	727	393





Katy Independent School District
6301 South Stadium Lane
P.O. Box 159
Katy, Texas 77492-0159