

Annual Comprehensive Financial Report

For the Fiscal Year Ended August 31, 2023



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, 2023

**PREPARED BY
THE FINANCIAL SERVICES DEPARTMENT**

**Christopher J. Smith
Chief Financial Officer**

**Jamey R. Hynds
Executive Director of Finance**

**Kayla A. Smith
Director of Accounting**

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

KATY INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
Transmittal Letter	i	
Certificate of Achievement	viii	
Certificate of Excellence	x	
Certificate of Board	xii	
Principal Officials and Advisors	xiii	
Administrative Organizational Chart	xiv	
 FINANCIAL SECTION		
Independent Auditors Report	1	
Management’s Discussion and Analysis	4	
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	15	A-1
Statement of Activities	17	B-1
Fund Financial Statements:		
Balance Sheet – Governmental Funds	19	C-1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22	C-3
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	24	C-4
Statement of Net Position – Proprietary Funds – Internal Service Funds	26	D-1
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund Types – Internal Service Funds	27	D-2
Statement of Cash Flows – Proprietary Fund Types – Internal Service Funds	28	D-3
Statement of Fiduciary Net Position – Custodial Fund	29	E-1
Statement of Changes in Fiduciary Net Position – Custodial Fund	30	E-2
Notes to the Basic Financial Statements	31	
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Original Budget, Amended Final, and Actual – General Fund	82	F-1
Notes to Required Supplementary Information	84	
Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Retirement System	85	F-2
Schedule of District Contributions – Teachers Retirement System	87	F-3
Notes to Required Supplementary Pension Information	89	
Schedule of the District’s Proportionate Share of the Net OPEB Liability – Teachers Retirement System - Care	90	F-4
Schedule of District Contributions – Teachers Retirement System - Care	92	F-5
Notes to Required Supplementary OPEB Information	94	

KATY INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

	<u>Page</u>	<u>Exhibit</u>
FINANCIAL SECTION (continued)		
Other Supplementary Information:		
Comparative Statements, Combining Statements, and Budget Comparisons:		
General Fund:		
Comparative Balance Sheet – General Fund	97	G-1
Schedule of Revenues – Budget and Actual – General Fund	98	G-2
Schedule of Expenditures – Budget and Actual – General Fund	99	G-3
Debt Service Fund:		
Comparative Balance Sheet – Debt Service Fund	104	H-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Original Budget, Amended Final, and Actual – Debt Service Fund	105	H-2
Capital Projects Fund:		
Comparative Balance Sheet – Capital Projects Fund	108	I-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Capital Projects Fund	109	I-2
Special Revenue Fund:		
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue Fund Programs	114	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Original Budget, Amended Final, and Actual – Nutrition and Food Service Fund	120	J-2
Internal Service Funds:		
Combining Statement of Net Position – Internal Service Funds	123	K-1
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds	124	K-2
Combining Statement of Cash Flows – Internal Service Funds	125	K-3
Compliance Schedules:		
Schedule of Required Responses to Selected School FIRST Indicators	127	L-1
Schedule of Delinquent Taxes Receivable	128	L-2
Schedule of Required Responses to Compensatory Education Program and Bilingual Education Program Compliance	130	L-3
STATISTICAL SECTION (Unaudited)		
Financial Trends Information:		
Net Position by Component – Last Ten Fiscal Years	133	I
Changes in Net Position – Last Ten Fiscal Years	135	II
Fund Balances of Governmental Funds – Last Ten Fiscal Years	137	III
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	139	IV

KATY INDEPENDENT SCHOOL DISTRICT

TABLE OF CONTENTS (continued)

	<u>Page</u>	<u>Exhibit</u>
STATISTICAL SECTION (Unaudited) (continued)		
Revenue Capacity Information:		
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years	142	V
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	144	VI
Principal Taxpayers – Current Year and Nine Years Ago	150	VII
Property Tax Levies and Collections – Last Ten Fiscal Years	151	VIII
Debt Capacity Information:		
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	153	IX
Ratios of Net General Obligation Bonded Debt Outstanding – Last Ten Fiscal Years	154	X
Direct and Overlapping Governmental Activities Debt	155	XI
Demographic and Economic Information:		
Demographic and Economic Statistics – Last Ten Fiscal Years	159	XII
Principal Employers – Current Year and Nine Years Ago	160	XIII
Operating Information:		
Full-Time Equivalent District Employees by Position – Last Ten Fiscal Years	162	XIV
Operating Statistics – Last Ten Fiscal Years	164	XV
Teacher Base Salaries – Last Ten Fiscal Years	166	XVI
School Building Information – Last Ten Fiscal Years	167	XVII
Katy ISD Map and Facility Locations	183	

INTRODUCTORY SECTION



January 22, 2024

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, 2023, 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 92,667 students and is comprised of 73 campuses including 44 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 75 years with an average age of 22.7 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, four of the District's high schools were named to the organization's 25 Best Public High Schools in the Houston Area, while eight of the District's junior high campuses were included in Niche's 25 Best Public Middle School in the Houston Area. The District's elementary campuses also earned eighteen of the top twenty-five 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 92,667 students. Katy ISD provides more than 37,000 centrally managed desktop and laptop computers with Windows operating system, 82,000 Chromebooks, and 28,000 tablet devices for our staff and students to achieve the work of teaching and learning. The District also uses more than 5,800 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 division 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 75 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 2021 Bond Referendum in May 2021 continues to allow the Katy ISD Technology Department to proceed with plans to implement technology for five new campuses, retrofit outdated technology for 39 campuses, deploy additional computer devices for online testing to 22 campuses, and upgrade the network infrastructure. A defined standard of technology was created as a strategic design goal and approved through the Katy Technology Oversight Committee (KTOC). The technology that is implemented includes items such as desktop computers, laptops, Chromebooks, iPads, interactive panels, network equipment, security cameras, projectors, document cameras, and visitor check-in stations. Katy ISD maintains a 5-year retrofit cycle as its standard for new technology equipment on campuses.

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 90,000 devices on its external 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 Division 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 2022-2023 enrollment of 92,667 students, the District's growth continues. The latest demographic report predicts that, with the anticipated growth projections, approximately 109,000 students will attend Katy ISD schools by the year 2033. 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 nearing completion 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. This bond provides for three elementary schools, one junior high school, one high school, and a new transportation center in the northwest quadrant of the District. Existing facilities will see improvements through renovations to four elementary schools and one junior high. One elementary building addition is included in the referendum as well. 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.

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.

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 compression attributable to House Bill 3 reduced the District’s Maintenance and Operations (M&O) tax rate for the 2022-2023 tax year to \$0.9148 from the previous year’s rate of \$0.9617. District enrollment increased from the prior year by approximately 4,299 students at the Public Education Information Management (PEIMS) snapshot date in October 2022. Growth continued with actual enrollment of 92,667 exceeding budgeted enrollment of 91,872 by 795 students. Enrollment growth continued throughout the year with an ending enrollment of 93,837. Low attendance rates throughout the state continued from the ongoing effects of the COVID-19 pandemic; however, TEA neglected to provide formula adjustments to student counts utilized in state funding formulas to hold districts harmless. This led to the District having average daily attendance percentages that did not reach anticipated levels.

The District’s 2022-2023 tax base grew \$6.5 billion, an increase of 14.0%. Residential properties, including multi-family residences, comprised 73.3% of the total tax base, commercial property 22.9%, and vacant land and other property 3.8%. 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. The District’s I&S tax rate was held steady at \$0.3900 for the 2022-23 tax year.

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

	2018-19	2019-20	2020-21	2021-22	2022-23
General Fund	\$ 1.1466	\$ 1.0531	\$ 0.9988	\$ 0.9617	\$ 0.9148
Debt Service Fund	0.3700	0.3900	0.3900	0.3900	0.3900
Total	<u>\$ 1.5166</u>	<u>\$ 1.4431</u>	<u>\$ 1.3888</u>	<u>\$ 1.3517</u>	<u>\$ 1.3048</u>

AWARDS AND ACKNOWLEDGEMENTS

Financial Reporting Awards

For the twenty first 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, 2022, the fortieth 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. We believe our current Annual Comprehensive Financial Report continues to meet the requirements of the Certificate of Achievement program and are submitting it to the GFOA to determine its eligibility for certification.

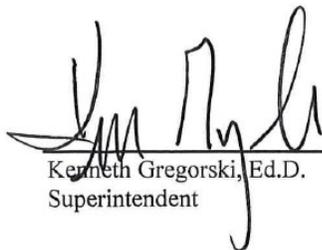
Additionally, the District was awarded the Certificate of Excellence in Financial Reporting by the Association of School Business Officials International (ASBO) for its Annual Comprehensive Financial Report for the year ended August 31, 2022. This award has also been received for forty consecutive years. We believe the Annual Comprehensive Financial Report for the year ended August 31, 2023, 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.

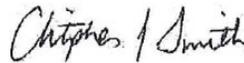
Finally, a special thanks to the Financial Services Department for its diligence and dedicated service in helping prepare this report on a timely basis.



Kenneth Gregorski, Ed.D.
Superintendent



Jamey R. Hynds
Executive Director of Finance



Christopher J. Smith
Chief Financial Officer



Kayla A. Smith
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, 2022.

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, 2022

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, 2022.

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, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

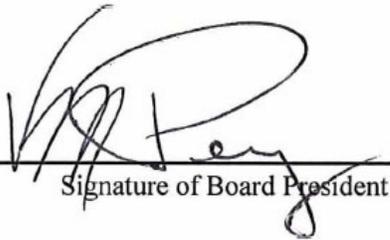
Certificate of Board

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, 2023 at a meeting of the Board of Trustees of such school district on the 22nd day of January 2024.



Signature of Board President



Signature of Board Vice President

KATY INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2023

PRINCIPAL OFFICIALS AND ADVISORS

Board of Trustees

Victor Perez	President
Retired	
Amy Thieme	Vice President
Realtor	
Dawn Champagne	Secretary
Volunteer/Part-time Retail	
Lance Redmon	Member
Construction Material Sales	
Rebecca Fox	Member
Volunteer	
Morgan Calhoun	Member
Volunteer	
Mary Ellen Cuzela	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	
Orrick, Herrington & Sutcliffe, L.L.P.	Bond Counsel
Houston, Texas	
Hilltop Securities Inc.	Municipal Advisors
Houston, Texas	

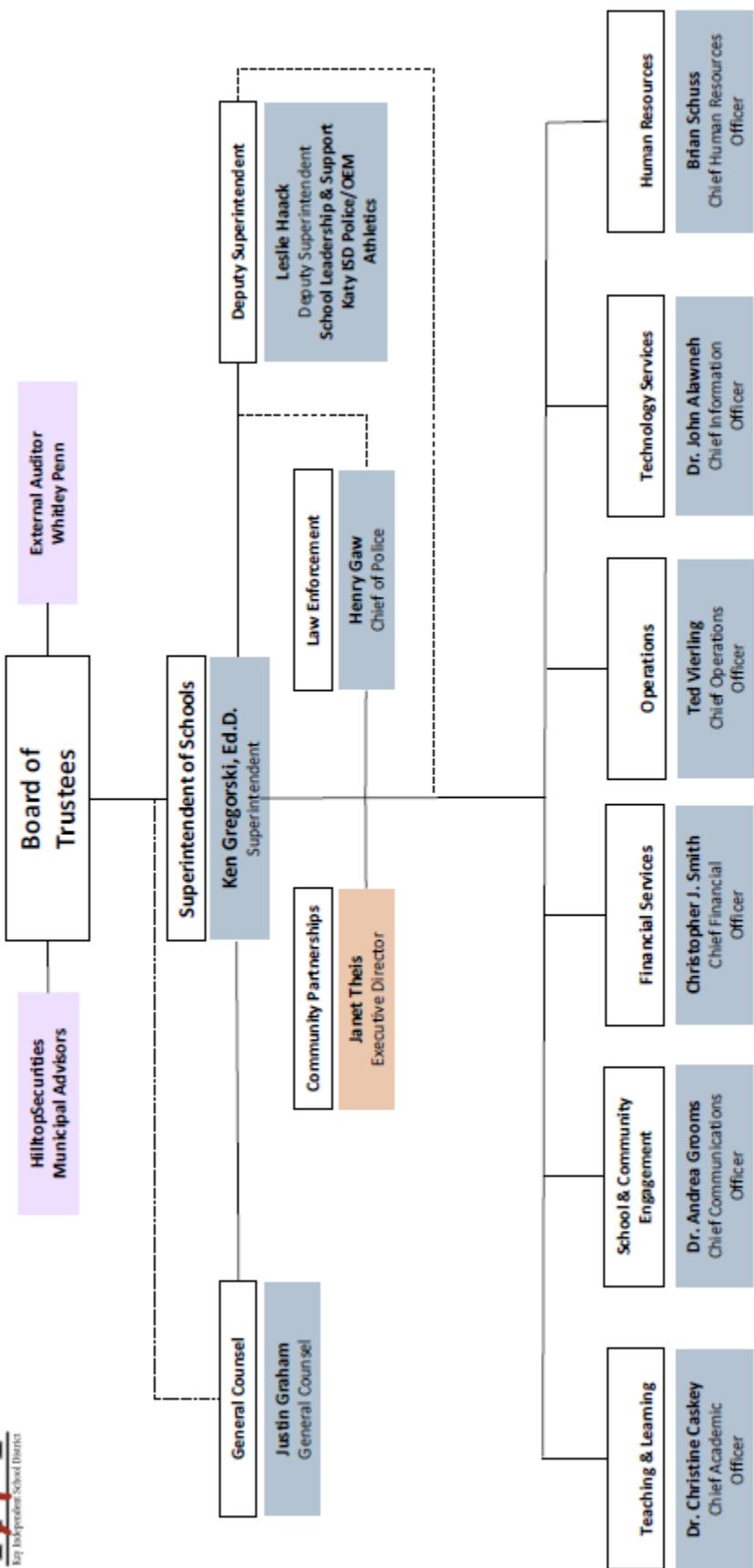
Senior Executive Staff Level

Executive Level

External Advisors

Coordinator/Mgr./Asst. Director Level

Organizational Chart: Superintendent of Schools



FINANCIAL SECTION

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 accompanying financial statements of the governmental 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, 2023, 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, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2023, 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. 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.

To the Board of Trustees
Katy Independent School District

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.

To the Board of Trustees
Katy Independent School District

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 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 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 22, 2024 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.



Houston, Texas
January 22, 2024

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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, 2023. 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, 2023, resulting in a net position of \$246.7 million. Of this amount, unrestricted net position represents a deficit net position of \$152.0 million. The \$246.7 million of the District's total net position represents an increase of \$94.8 million before a prior period adjustment for implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), that increased the beginning net position by \$3.5 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 2023 of \$687.4 million. The total fund balance for the General Fund was \$352.8 million or 37.2% of the total General Fund expenditures of \$949.1 million. The Debt Service Fund ended its year with a fund balance of \$64.7 million which is to be used for the retirement of debt. The Capital Projects Fund ended the year with a fund balance of \$223.5 million which is restricted for school district construction projects and property acquisition. The Special Revenue Fund had a balance totaling \$46.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to 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 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 of 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)

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 in a single, aggregated presentation and is a major fund. Individual program data for each of these is provided in the form of combining schedules 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 charges outside customers a fee for services the District provides. The District has no business-type activities or enterprise funds.

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 of 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)

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 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 Statement

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 assets and liabilities
	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 assets and liabilities
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

Net position may serve over time as a useful indicator of a District’s financial position. As of August 31, 2023, the District’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$246.7 million, an increase of \$98.3 million.

Net Position Summary			
Table I			
	Governmental Activities		
	2023	2022	Change
Current and Other Assets	\$ 868,829,774	\$ 860,584,527	\$ 8,245,247
Capital Assets	2,542,872,307	2,301,663,086	241,209,221
Total Assets	<u>3,411,702,081</u>	<u>3,162,247,613</u>	<u>249,454,468</u>
Total Deferred Outflows of Resources	<u>272,890,409</u>	<u>213,127,019</u>	<u>59,763,390</u>
Long-Term Liabilities	3,001,746,284	2,779,366,260	222,380,024
Other Liabilities	166,452,922	142,699,422	23,753,500
Total Liabilities	<u>3,168,199,206</u>	<u>2,922,065,682</u>	<u>246,133,524</u>
Total Deferred Inflows of Resources	<u>269,697,550</u>	<u>304,879,029</u>	<u>(35,181,479)</u>
Net Position:			
Net Investment in Capital Assets	296,161,462	233,546,766	62,614,696
Restricted	102,508,477	92,157,766	10,350,711
Unrestricted	<u>(151,974,205)</u>	<u>(177,274,611)</u>	<u>25,300,406</u>
Total Net Position	<u>\$ 246,695,734</u>	<u>\$ 148,429,921</u>	<u>\$ 98,265,813</u>

Table I represents a summary of the District’s net position as of August 31, 2023 and 2022 based on information from the Statement of Net Position in Exhibit A-1.

Net investment in capital assets of \$296.2 million reflects the District’s investment of \$2.5 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 \$102.5 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 \$152.0 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)

Governmental Activities

Changes in Net Position				
Table II				
	Governmental Activities			
	2023	2022	Change	Change %
Revenues:				
Program Revenues:				
Charges for Services	\$ 14,524,453	\$ 16,442,467	\$ (1,918,014)	(11.67%)
Operating Grants and Contributions	188,580,889	135,031,252	53,549,637	39.66
General Revenues:				
Property Taxes	688,170,828	627,716,816	60,454,012	9.63
State Revenues	384,887,580	386,864,628	(1,977,048)	(0.51)
Other	37,167,177	5,001,954	32,165,223	643.05
Total Revenues	1,313,330,927	1,171,057,117	142,273,810	12.15
Expenses:				
Instruction	690,406,377	624,870,768	65,535,609	10.49
Instructional Resources and Media Services	13,062,526	12,347,849	714,677	5.79
Curriculum and Instructional Staff Development	21,775,227	18,655,896	3,119,331	16.72
Instructional Leadership	9,964,866	8,103,338	1,861,528	22.97
School Leadership	55,864,995	50,659,345	5,205,650	10.28
Guidance, Counseling and Evaluation Services	52,835,969	46,951,909	5,884,060	12.53
Social Work	1,368,861	1,173,339	195,522	16.66
Health Services	10,571,343	9,679,796	891,547	9.21
Student Transportation	30,535,139	28,335,589	2,199,550	7.76
Food Services	47,816,333	43,680,480	4,135,853	9.47
Extracurricular Activities	42,665,208	39,715,555	2,949,653	7.43
General Administration	20,113,343	17,519,367	2,593,976	14.81
Facilities Maintenance and Operations	96,823,157	91,905,040	4,918,117	5.35
Security and Monitoring Services	12,452,788	11,119,761	1,333,027	11.99
Data Processing Services	18,832,047	16,727,074	2,104,973	12.58
Community Services	1,362,195	1,395,730	(33,535)	(2.40)
Interest and Issuance Costs on Long-Term Debt	81,425,233	72,844,770	8,580,463	11.78
Facilities Planning	853,701	760,269	93,432	12.29
Payments to Shared Services Arrangements	882,086	726,473	155,613	21.42
Payments to Juvenile Justice Alternative				
Education Programs (JJAEP)	16,900	21,608	(4,708)	(21.79)
Payments to Tax Increment Reinvestment Zone	3,530,095	3,509,675	20,420	0.58
Other Intergovernmental Charges	5,415,547	5,001,153	414,394	8.29
Total Expenses	1,218,573,936	1,105,704,784	112,869,152	10.21
Increase (Decrease) in Net Position	94,756,991	65,352,333	29,404,658	44.99
Beginning Net Position	148,429,921	83,077,588	65,352,333	78.66
Prior Period Adjustment - Implement GASB 96	3,508,822		3,508,822	100.00
Ending Net Position	\$ 246,695,734	\$ 148,429,921	\$ 98,265,813	66.20%

As shown in Table II, the net position of the District's governmental activities increased by \$98.3 million for the year ended August 31, 2023. The total cost of all governmental activities this year was \$1.2 billion, which is a 10.2% increase from the previous year. The amount that the District's taxpayers paid for governmental activities through property taxes was \$688.2 million or 52.4%, with state funding of \$384.9 million or 29.3%, and operating grants and contributions of \$188.6 million or 14.4% as the next most significant sources of revenue. Other sources of revenue for governmental activities were \$37.2 million in other revenues and \$14.5 million in charges for services.

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

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

- Property tax revenues increased \$60.5 million despite a drop in the tax rate of 3.5%, due to a \$6.5 billion increase in the property tax base.
- Operating Grants and Contributions increased \$53.5 million. This is primarily due to Pension and Other Post-Employment Benefit (OPEB) On-Behalf revenue allocations increased \$36.2 million and ESSER federal stimulus grant funding recognition increased \$9.1 million.
- Other revenues increased \$32.2 million. This is primarily due to a \$28.7 million increase in investment earnings due to the rise in interest rates.
- Expenses increased by \$112.9 million. This increase was primarily due to Pension and OPEB On Behalf expense allocations, a 3-5% salary increase to all employees, and use of federal stimulus grants to address learning loss.

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

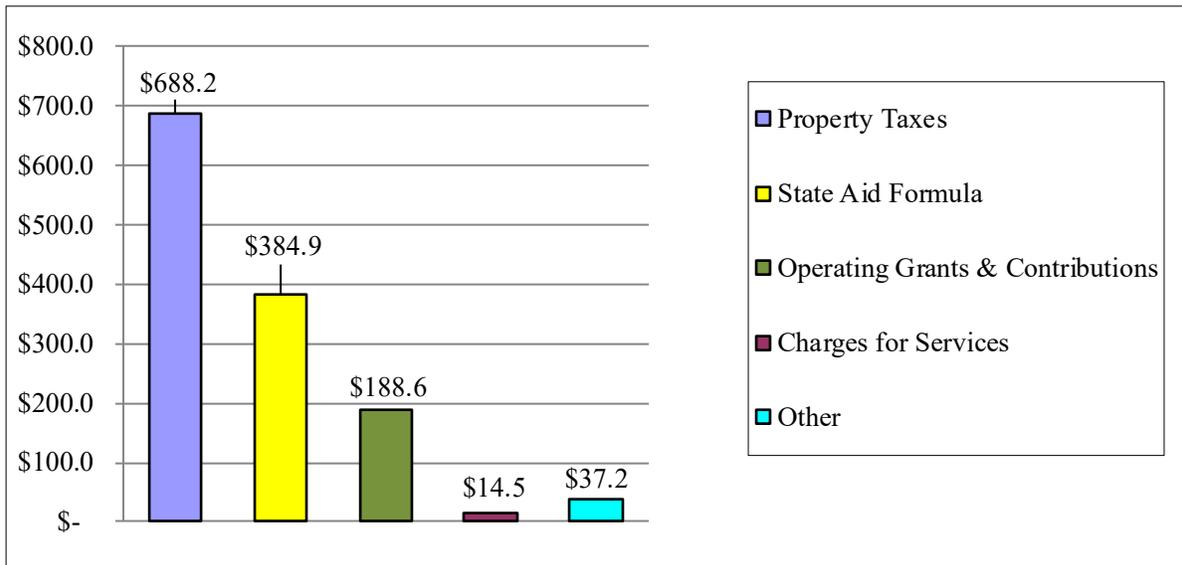
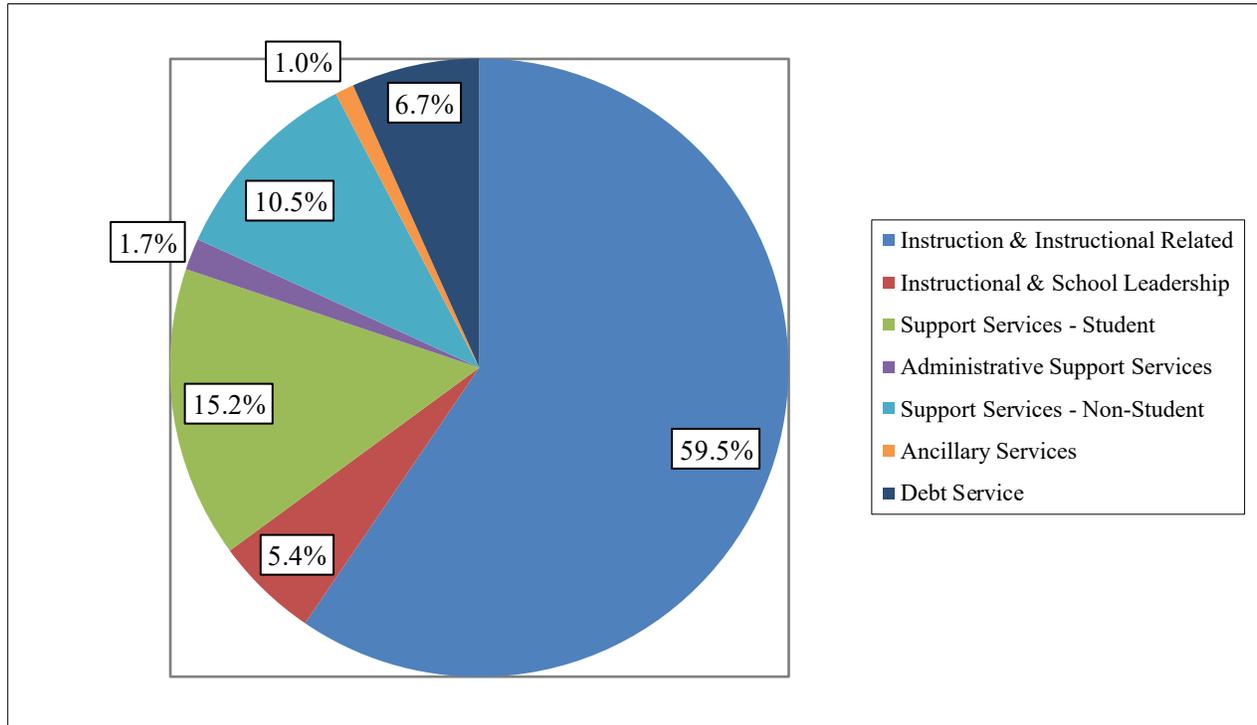


Figure A-3
Program Expenses by Major Function – Governmental Activities



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.

Revenues from all Governmental Funds totaled \$1.3 billion for the fiscal year ended August 31, 2023, an increase of 9.8% from the prior fiscal year. Local revenues, including property taxes, continued to be the largest source of revenue received by the District and increased \$105.3 million over fiscal year 2022, despite a 3.5% decrease in the total property tax rate due to legislated tax compression. State revenues increased by \$9.0 million, or 2.0% from fiscal year 2022, as enrollment growth increased throughout the year and property value audit revenues decreased from the prior year. Federal revenues increased \$6.0 million, or 4.8%. This growth was due to additional federal dollars realized through reimbursements for students eligible to receive free meals throughout the year ended August 31, 2023, and additional federal funds received for COVID-19 impacts, including Elementary and Secondary School Emergency Relief funds.

Expenditures for governmental operations totaled \$1.6 billion during the fiscal year 2023, an increase of 16.2%. This is primarily attributable to increases in expenditures in the Capital Projects fund of \$119.0 million due to an increase in capital outlay from construction on Youngblood Elementary, Faldyn Elementary, Junior High #18, and High School #10. Additionally, the General Fund added an increase in expenditures of \$60.8 million of which \$49.1 million resulted from payroll related expenses from a three to five percent salary increase to all employees along with increases in instructional staffing to address an enrollment increase of over 4,000 students in the District.

KATY INDEPENDENT SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Governmental Funds reported a combined fund balance of \$687.4 million, a decrease of \$12.5 million from the combined fund balances for 2022. Changes to the combined fund balances include a \$26.0 million increase in the General Fund, an increase in the Debt Service Fund of \$4.8 million, a decrease in the Capital Projects fund of \$48.8 million, and an increase of \$5.5 million in the Special Revenue Fund. Out of the combined fund balances, \$257.6 million constitutes unassigned fund balances. Of the remainder of the fund balance, \$3.4 million is non-spendable, \$326.4 million is restricted for items such as debt service, food services, and capital projects, \$23.7 million is committed to self-funded insurance, unanticipated expenditures, and campus activity funds, and \$76.3 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 was less than expected due to property value protests and tax refunds, however, this was offset by increases in property tax values and additional revenue from property value audits. Additionally, state revenue was more than expected due to large student growth. This large student growth contributed to increased instructional costs but was less than the increase in additional revenue funds resulting in a \$26.0 million increase to fund balance. At the end of the current fiscal year, the fund balance for the General Fund was \$352.8 million. Unassigned fund balance represents 27.1% of the total General Fund expenditures, and total fund balance represents 37.2% of General Fund expenditures.

The Debt Service Fund ended the year with a fund balance of \$64.7 million, all of which was restricted for the payment of debt service. 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, 2023, were \$209.6 million.

The Capital Projects Fund ended the year with a fund balance of \$223.5 million which is a decrease of \$48.8 million over 2022. This decrease is due to expenditures for one junior high school and one high school and is offset by a bond sale of \$243.0 million.

The Special Revenue Fund ended the year with a fund balance of \$46.4 million which is an increase of \$5.5 million from 2022. The Nutrition and Food Service Program ended the year with an increase to ending fund balance of \$4.1 million due to federal revenue reimbursement exceeding costs and increased student food purchases for a la carte options. Additionally, the Tax Increment Reinvestment Zone program saw an increase of \$2.0 million. This increase was primarily attributable to an increase in revenue due to higher taxable values and minimal expenditures from the fund.

Proprietary Funds

The District maintains three internal service 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, 2023, was \$1.6 million. Of this amount, \$0.3 million was for Health Insurance, \$2.1 million was for Workers' Compensation and a \$0.8 million deficit was attributable to the Print Shop. Net position for the fiscal year decreased \$4.4 million, primarily due to higher costs related to health claims.

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

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, student attendance and federal revenue. Revisions to the expenditure budget were made to reflect actual expenditures associated with employer healthcare funding, contracted services for portable buildings and various supplies and materials.

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 \$33.6 million. Significant changes included:
 - The local revenue budget increased by \$10.8 million mostly related to interest earnings which was offset by reductions in tax collections as property values were protested and refunds were issued.
 - The state revenue budget increased by \$17.7 million which is primarily attributable to student enrollment increasing above projections and thus generating more revenues through the State Funding Formulas. Additionally, an increase was made for \$12.5 million in property value audit revenue associated with a property value audit.
 - The federal revenue budget increased by \$5.1 million which was mostly attributable to a \$5.4 million increase to reflect ESSER program indirect costs.

- The District increased the expenditure budget by \$18.2 million throughout the year. Significant changes included:
 - The payroll budget increased \$6.7 million. This increase is due to \$9.0 million in additional employer health care funding.
 - The contracted services budget increased \$4.6 million of which \$1.1 million is attributable to contracted transportation services, and \$1.7 million is attributable to relocation and deck building for portable buildings.
 - The capital outlay budget increased \$5.5 million of which \$2.5 million is attributable to vehicles mostly related to maintenance and police, and \$1.4 million for building improvements related to renovations.

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 levels by \$3.7 million, less than .4% of the final budgeted amount.

Expenditures were \$12.9 million less than final budgeted amounts. Of the remaining unspent funds, the majority of which \$5.8 million was attributable to payroll costs in which there were a large number of vacancies throughout the year and \$4.7 was related to underspending in supplies and materials.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District has invested \$2.5 billion, net of 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, amortization, and depreciation) of \$241.2 million from the prior year.

Capital Assets (net of amortization and depreciation)				
Table III				
	Governmental Activities			
	2023	2022	Change	Percentage
Land	\$ 104,088,203	\$ 99,762,885	\$ 4,325,318	4.34%
Buildings and Improvements	2,015,673,363	1,927,963,040	87,710,323	4.55
Furniture and Equipment	137,440,116	124,466,644	12,973,472	10.42
Vehicles	33,876,456	35,374,660	(1,498,204)	(4.24)
SBITA Assets	10,276,790		10,276,790	100.00
Right to Use Leased Assets	81,929	191,189	(109,260)	(57.15)
Library Books and Media	1,716,776	2,081,490	(364,714)	(17.52)
Construction in Progress	239,718,674	111,823,178	127,895,496	114.37
Total Capital Assets, Net of Amortization and Depreciation	<u>\$ 2,542,872,307</u>	<u>\$ 2,301,663,086</u>	<u>\$ 241,209,221</u>	<u>10.48%</u>

The increase in capital assets net of amortization and depreciation was due mainly to an increase in construction in progress from Junior High #18 and High School #10. These and other projects are part of the District’s building program, which is funded primarily by the District’s 2021 bond authorization. More detailed information about the District’s capital assets is presented in Note 8 to the financial statements.

Debt Administration

At the end of the fiscal year, the District had total long-term liabilities of \$3.0 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 \$3.1 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 (NPL) increased by \$178.6 million primarily as a result of differences between projected and actual investment earnings and changes in actuarial assumptions. The net OPEB liability decreased by \$85.1 million primarily as a result of changes in actuarial assumptions.

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

More detailed information about the District’s liabilities is presented in the notes to the financial statements.

Long-Term Liabilities			
Table IV			
	Governmental Activities		
	2023	2022	Change
General Obligation Bonds	\$ 2,267,265,000	\$ 2,139,935,000	\$ 127,330,000
Capital Appreciation Bonds	36,460	276,367	(239,907)
Accreted Interest on Capital			
Appreciation Bonds	42,067	37,235	4,832
Note Payable	3,115,000	4,645,000	(1,530,000)
Compensated Absences	37,316,947	35,246,339	2,070,608
SBITA Payable	4,008,901		4,008,901
Lease Payable	84,389	193,758	(109,369)
Premium on Bonds Issued	226,977,633	225,121,103	1,856,530
Capital Appreciation Bond			
Issuance Premiums	4,647,402	9,131,475	(4,484,073)
Net Pension Liability	299,161,093	120,591,481	178,569,612
Net OPEB Liability	159,091,392	244,188,502	(85,097,110)
Total Long-Term Liabilities	\$ 3,001,746,284	\$ 2,779,366,260	\$ 222,380,024

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 2023-24 budget with enrollment projected to increase to 95,347 and taxable value growth of 16.4% over ending values for the 2022-2023 fiscal year. This increase in tax base triggers property tax rate reductions under House Bill 3 resulting in the District M&O rate falling from \$0.9148 to \$0.7294 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 2023-2024 fiscal year with estimated revenues of \$1.02 billion and expenditures of \$1.03 billion. Estimated revenues included \$439.2 million from property taxes and other local revenues, a decrease of 12.2% from the original 2022-2023 budget and \$565.4 million in state funding, an increase of 35.5%. Appropriated expenditures for the 2023-2024 fiscal year increased by \$86.2 million compared to 2022-23. Appropriated expenditures included an increase of \$74.6 million related to payroll expenses for new positions, reclassifications, benefits, and TRS On-Behalf. The remaining \$11.6 million is related to increases in non-payroll expenses for campus budgets, special project requests, and baseline budgets in addition to a print shop loss.

Katy ISD continues to be one of the fastest growing school districts in the Houston metropolitan area, growing at an average of 3.5% from 2014 to 2023 with the 2023-24 budget built on projected enrollment of 95,347 students. The District has also experienced significant growth in property values over that same time period with assessed values increasing at an average of 12.2% annually.

All of these factors were considered when adopting the 2023-2024 budgets. The District will continue to monitor economic data, refine budget estimates, and provide effective and efficient financial 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.

Basic Financial Statements



KAY

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

Exhibit A-1

Data Control Codes		Primary Government Governmental Activities
ASSETS		
1110	Pooled Cash and Cash Equivalents	\$ 509,401,318
1120	Current Investments	172,857,753
1225	Property Taxes Receivable (net)	15,549,949
1240	Due from Other Governments	81,004,726
1250	Accrued Interest	78,737
1290	Other Receivables (net)	8,012,565
1300	Inventories, at cost	2,349,945
1410	Prepaid Items	1,505,858
	Capital Assets not Being Depreciated:	
1510	Land	104,088,203
1580	Construction in Progress	239,718,674
	Capital Assets, net of Accumulated Depreciation/Amortization:	
1520	Buildings and Improvements (net)	2,015,673,363
1531	Vehicles (net)	33,876,456
1530	Furniture and Equipment (net)	137,440,116
1550	Right to use leased assets (net)	81,929
1553	SBITA assets (net)	10,276,790
1560	Library Books and Media (net)	1,716,776
1910	Long-Term Investments	78,068,923
1000	Total Assets	3,411,702,081
DEFERRED OUTFLOWS OF RESOURCES		
1700	Deferred Outflows: Loss on Refunding	40,593,198
1700	Deferred Outflows: Related to TRS	143,386,256
1700	Deferred Outflows: Related to TRS Care	88,910,955
1700	Total Deferred Outflows of Resources	272,890,409

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

Exhibit A-1

Data Control Codes		Primary Government Governmental Activities
LIABILITIES		
2110	Accounts Payable	\$ 91,600,152
2140	Interest Payable	5,149,481
2150	Payroll Deductions and Withholdings	8,916,026
2160	Accrued Wages Payable	46,762,570
2180	Due to Other Governments	5,908,803
2200	Accrued Expenses	8,047,000
2300	Unearned Revenue	68,890
	Noncurrent Liabilities:	
	Due within One Year:	
2501	Compensated Absences	970,013
2501	Lease Payable	84,389
2501	SBITA Payable	2,562,359
2501	Bonds and Debt	123,406,460
2501	Note Payable	1,550,000
2501	Accreted Interest on Capital Appreciation Bonds	42,067
	Due in More than One Year:	
2502	Bonds and Debt	2,375,520,035
2502	SBITA Payable	1,446,542
2502	Note Payable	1,565,000
2502	Compensated Absences	36,346,934
2540	Net Pension Liability (District's Share)	299,161,093
2545	Net OPEB Liability (District's Share)	159,091,392
2000	Total Liabilities	3,168,199,206
DEFERRED INFLOWS OF RESOURCES		
2600	Deferred Inflows: Gain on Refunding	3,537,038
2600	Deferred Inflows: Leases	2,680,765
2600	Deferred Inflows: Related to TRS	20,415,102
2600	Deferred Inflows: Related to TRS Care	243,064,645
2600	Total Deferred Inflows of Resources	269,697,550
NET POSITION		
3200	Net Investment in Capital Assets	296,161,462
	Restricted for:	
3820	Food Service	30,319,778
3850	Debt Service	63,829,896
3890	Tax Increment Reinvestment Zone	8,123,327
3890	Other Grant Programs	235,476
3900	Unrestricted	(151,974,205)
3000	Total Net Position	\$ 246,695,734

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

Data Control Codes	Functions/Programs	Expenses	Program Revenues	
			Charges for Services	Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	\$ 690,406,377	\$ 2,636,734	\$ 66,252,606
12	Instructional Resources and Media Services	13,062,526		982,101
13	Curriculum and Instructional Staff Development	21,775,227	1,595	9,084,229
21	Instructional Leadership	9,964,866	113,573	1,193,647
23	School Leadership	55,864,995		2,847,934
31	Guidance, Counseling, and Evaluation Services	52,835,969	77,715	8,875,908
32	Social Work	1,368,861		574,996
33	Health Services	10,571,343	46,326	15,083,645
34	Student Transportation	30,535,139	24,938	327,923
35	Food Services	47,816,333	1,141,272	46,394,992
36	Extracurricular Activities	42,665,208	5,659,853	10,052,027
41	General Administration	20,113,343	415,925	9,916,532
51	Facilities Maintenance and Operations	96,823,157	4,186,888	3,920,193
52	Security and Monitoring Services	12,452,788	6,177	785,990
53	Data Processing Services	18,832,047	165,207	1,168,589
61	Community Services	1,362,195	48,250	1,115,122
72	Interest and Issuance Costs on Long-Term Debt	81,425,233		5,480,508
81	Facilities Planning	853,701		4,523,947
93	Payments to Shared Services Arrangements	882,086		
95	Payments to JJAEP	16,900		
97	Payments to Tax Increment Reinvestment Zone	3,530,095		
99	Payments to Appraisal Districts	5,415,547		
TG	Total Governmental Activities	<u>1,218,573,936</u>	<u>14,524,453</u>	<u>188,580,889</u>
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 1,218,573,936</u>	<u>\$ 14,524,453</u>	<u>\$ 188,580,889</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
TR	Total General Revenues and Special Items
CN	Change in Net Position
NB	Net Position - Beginning
PA	Prior Period Adjustment - Implement GASB 96
NE	Net Position - Ending

**Net (Expense)
Revenue and Changes
in Net Position**

**Governmental
Activities**

\$	(621,517,037)
	(12,080,425)
	(12,689,403)
	(8,657,646)
	(53,017,061)
	(43,882,346)
	(793,865)
	4,558,628
	(30,182,278)
	(280,069)
	(26,953,328)
	(9,780,886)
	(88,716,076)
	(11,660,621)
	(17,498,251)
	(198,823)
	(75,944,725)
	3,670,246
	(882,086)
	(16,900)
	(3,530,095)
	(5,415,547)
	<u>(1,015,468,594)</u>
\$	<u><u>(1,015,468,594)</u></u>

	481,582,021
	206,588,807
	384,887,580
	30,665,575
	6,501,602
	<u>1,110,225,585</u>
	94,756,991
	148,429,921
	3,508,822
\$	<u><u>246,695,734</u></u>

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

Data Control Codes		General	Debt Service Fund
	ASSETS		
1110	Pooled Cash and Cash Equivalents	\$ 323,883,079	\$ 65,780,376
1120	Current Investments	9,976,185	
	Receivables:		
1225	Property Taxes Receivable (net)	11,230,976	4,318,973
1240	Due from Other Governments	32,480,713	
1250	Accrued Interest	63,638	
1260	Due from Other Funds	60,102,107	
1290	Other Receivables	3,976,070	
1300	Inventories, at cost	1,909,107	
1410	Prepaid Items	1,457,905	
1910	Long-Term Investments	21,728,312	
1000	Total Assets	\$ 466,808,092	\$ 70,099,349
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	\$ 38,237,477	\$
2150	Payroll Withholding Payable	8,916,026	
2160	Accrued Wages Payable	43,695,746	
2170	Due to Other Funds	3,156,227	363,751
2180	Due to Other Governments	5,147,432	756,221
2200	Accrued Expenditures	922,176	
2300	Unearned Revenues	37,830	
2000	Total Liabilities	100,112,914	1,119,972
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue - Property Taxes	11,230,976	4,318,973
2600	Deferred Inflows - Leases	2,680,765	
	Total Deferred Inflows of Resources	13,911,741	4,318,973
	FUND BALANCES		
	Fund Balances:		
3410-30	Nonspendable	3,367,012	
3450-90	Restricted		64,660,404
3510-45	Committed	15,500,000	
3550-90	Assigned	76,276,031	
3600	Unassigned	257,640,394	
3000	Total Fund Balances	352,783,437	64,660,404
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 466,808,092	\$ 70,099,349

Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
\$ 63,630,078	\$ 50,743,251	\$ 504,036,784
162,881,568		172,857,753
		15,549,949
804,391	47,719,622	81,004,726
15,099		78,737
6,980		60,109,087
	418,721	4,394,791
	311,502	2,220,609
	47,953	1,505,858
56,340,611		78,068,923
<u>\$ 283,678,727</u>	<u>\$ 99,241,049</u>	<u>\$ 919,827,217</u>
\$ 47,564,114	\$ 3,543,480	\$ 89,345,071
		8,916,026
	3,066,824	46,762,570
12,607,034	46,185,083	62,312,095
	5,150	5,908,803
		922,176
	31,060	68,890
<u>60,171,148</u>	<u>52,831,597</u>	<u>214,235,631</u>
		15,549,949
		2,680,765
		<u>18,230,714</u>
		3,367,012
223,507,579	38,229,851	326,397,834
	8,179,601	23,679,601
		76,276,031
		257,640,394
<u>223,507,579</u>	<u>46,409,452</u>	<u>687,360,872</u>
<u>\$ 283,678,727</u>	<u>\$ 99,241,049</u>	<u>\$ 919,827,217</u>

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

Exhibit C-2

Total Fund Balances - Governmental Funds (from Exhibit C-1) \$ 687,360,872

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. 2,542,229,982

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. 15,549,949

Deferred loss on refundings are not reported in the fund financial statements. 40,593,198

Deferred gain on refundings are not reported in the fund financial statements. (3,537,038)

Addition of Internal Service fund net position 1,570,507

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 postretirement 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	143,386,256
Deferred inflows relating to TRS Pension	(20,415,102)
Deferred outflows relating to TRS Care	88,910,955
Deferred inflows relating to TRS Care	(243,064,645)

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	(2,498,926,495)
Note Payable	(3,115,000)
Compensated Absences - Long-term Portion	(36,394,771)
Accreted Interest on Capital Appreciation Bonds	(42,067)
Interest Payable	(5,149,481)
SBITA Payable	(4,008,901)
Net pension liability	(299,161,093)
Net OPEB liability	(159,091,392)

Net Position of Governmental Activities \$ 246,695,734

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

Data Control Codes		General	Debt Service Fund
REVENUES			
5700	Local, Intermediate, and Out-of-State	\$ 511,465,656	\$ 210,303,114
5800	State Program Revenues	436,291,350	4,111,507
5900	Federal Program Revenues	23,937,423	
5020	Total Revenues	971,694,429	214,414,621
EXPENDITURES			
Current:			
0011	Instruction	612,614,541	
0012	Instructional Resources and Media Services	9,871,447	
0013	Curriculum and Instructional Staff Development	13,135,330	
0021	Instructional Leadership	8,584,659	
0023	School Leadership	53,810,843	
0031	Guidance, Counseling, and Evaluation Services	45,760,712	
0032	Social Work	823,286	
0033	Health Services	9,846,120	
0034	Student Transportation	26,187,008	
0035	Food Services		
0036	Extracurricular Activities	21,402,732	
0041	General Administration	17,129,454	
0051	Facilities Maintenance and Operations	84,165,260	
0052	Security and Monitoring Services	13,308,887	
0053	Data Processing Services	17,403,237	
0061	Community Services	262,449	
Debt Service:			
0071	Principal on Long-Term Debt	1,630,284	115,869,907
0072	Interest on Long-Term Debt	1,199	93,725,744
0073	Bond Issuance Costs and Fees		22,230
0081	Capital Outlay: Facilities Acquisition and Construction	1,764,742	
Intergovernmental Charges:			
0093	Payments to Fiscal Agents SSA	882,086	
0095	Payments to JJAEP	16,900	
0097	Payments to Tax Increment Reinvestment Zone	5,106,081	
0099	Other Intergovernmental Charges	5,415,547	
6030	Total Expenditures	949,122,804	209,617,881
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	22,571,625	4,796,740
OTHER FINANCING SOURCES/(USES)			
7911	Capital-Related Debt Issued		
7912	Sale of Real and Personal Property	222,318	
7915	Transfers In	644,837	
7916	Premium on Issuance of Bonds		
7949	SBITAs Issued	2,556,216	
8911	Transfers Out		
7080	Total Other Financing Sources/(Uses)	3,423,371	
1200	Net Change in Fund Balances	25,994,996	4,796,740
0100	Fund Balance - September 1 (Beginning)	326,788,441	59,863,664
3000	Fund Balance - August 31 (Ending)	\$ 352,783,437	\$ 64,660,404

<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
\$ 9,662,655	\$ 35,666,555	\$ 767,097,980
	9,318,923	449,721,780
4,220,042	102,461,917	130,619,382
<u>13,882,697</u>	<u>147,447,395</u>	<u>1,347,439,142</u>
	55,774,202	668,388,743
	818,380	10,689,827
	8,870,675	22,006,005
	1,166,531	9,751,190
	1,897,833	55,708,676
	8,144,726	53,905,438
	559,818	1,383,104
	795,637	10,641,757
	107,132	26,294,140
	43,441,762	43,441,762
	9,798,532	31,201,264
200	862,887	17,992,541
	3,519,474	87,684,734
	588,177	13,897,064
	782,783	18,186,020
	1,110,441	1,372,890
265,190	1,336,232	119,101,613
	30,705	93,757,648
1,785,853		1,808,083
324,536,797	1,897,534	328,199,073
		882,086
		16,900
		5,106,081
		5,415,547
<u>326,588,040</u>	<u>141,503,461</u>	<u>1,626,832,186</u>
<u>(312,705,343)</u>	<u>5,943,934</u>	<u>(279,393,044)</u>
242,960,000		242,960,000
5,211,752		5,434,070
7,585,967		8,230,804
15,072,273		15,072,273
636,292	204,550	3,397,058
(7,585,967)	(644,837)	(8,230,804)
<u>263,880,317</u>	<u>(440,287)</u>	<u>266,863,401</u>
(48,825,026)	5,503,647	(12,529,643)
272,332,605	40,905,805	699,890,515
<u>\$ 223,507,579</u>	<u>\$ 46,409,452</u>	<u>\$ 687,360,872</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, 2023**

Exhibit C-4

Net Change in Fund Balances - Total Governmental Funds (from Exhibit C-3) \$ (12,529,643)

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. (4,354,847)

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. 340,474,292

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. (103,872,454)

Repayment of bond and note payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 117,399,907

Payment of SBITA payable is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position. 3,231,706

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. (242,960,000)

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. (3,397,058)

Premium received from issuance of long-term debt. (15,072,273)

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. 3,880,591

Net loss on disposal of assets is not recorded in the fund financial statements but is included in the government-wide statements. (2,539,529)

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. 1,917,848

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, 2023

Exhibit C-4

Amortization of deferred losses and gains on refunding issues, and bond premiums are recorded in the Statement of Activities.	\$ 10,268,073
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.	27,980,934
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.	5,953,382
Pension expense for the pension plan measurement year is not recorded in the fund financial statements but are expensed in the government-wide statements.	(42,224,800)
OPEB expense for the OPEB plan measurement year is not recorded in the fund financial statements but are expensed in the government-wide statements.	12,504,310
Increase in long-term compensated absence liability is included in the government-wide statements.	<u>(1,898,769)</u>
Change in Net Position of Governmental Activities (see Exhibit B-1)	<u><u>\$ 94,756,991</u></u>

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
INTERNAL SERVICE FUNDS
AUGUST 31, 2023

Exhibit D-1

Data Control Codes		Governmental Activities
	ASSETS	
	Current Assets:	
1110	Pooled Cash and Cash Equivalents	\$ 5,364,534
1260	Due from Other Funds	3,149,248
1290	Other Receivables	3,617,774
1300	Inventories	129,336
	Total Current Assets	12,260,892
	Noncurrent Assets:	
	Capital Assets:	
1540	Furniture and Equipment	1,059,490
1573	Accumulated Depreciation	(499,094)
1559	Right to Use Leased Assets	300,449
1576	Accumulated Amortization - Right to Use Leased Assets	(218,520)
	Total Noncurrent	642,325
1000	Total Assets	12,903,217
	LIABILITIES	
	Current Liabilities:	
2110	Accounts Payable	2,255,081
2170	Due to Other Funds	946,240
2200	Accrued Expenses	8,047,000
	Total Current Liabilities	11,248,321
	Noncurrent Liabilities:	
	Due Within One Year	
2130	Lease Liability	84,389
	Total Noncurrent Liabilities	84,389
2000	Total Liabilities	11,332,710
	NET POSITION	
3200	Investment in Capital Assets	557,936
3900	Unrestricted	1,012,571
3000	Total Net Position	\$ 1,570,507

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

Exhibit D-2

Data Control Codes		Governmental Activities
	OPERATING REVENUES	
5754	Charges for Services	\$ 77,210,191
5020	Total Operating Revenues	<u>77,210,191</u>
	OPERATING EXPENSES	
6100	Salary and Benefits	130,198
6200	Administrator Fees	4,990,488
6200	Insurance Premiums	1,354,820
6200	Claims Expense	70,213,112
6200	Repair and Maintenance Expense	23,861
6200	Contracted Services	2,489,064
6300	Supplies	2,191,303
6400	Miscellaneous Operating Expenses	144,002
6400	Depreciation/Amortization	210,896
6030	Total Operating Expenses	<u>81,747,744</u>
1200	Operating Income (Loss)	<u>(4,537,553)</u>
	NON-OPERATING REVENUES (EXPENSES)	
7955	Investment Income	177,268
8989	Interest Expense	(4,679)
7950	Total Net Non-operating Revenue	<u>172,589</u>
	Income (Loss) before Contributions and Transfers	(4,364,964)
7900	Capital Contributions	<u>5,438</u>
1300	Change in Net Position	(4,359,526)
0100	Total Net Position - September 1 (Beginning)	<u>5,930,033</u>
3000	Total Net Position - August 31 (Ending)	<u><u>\$ 1,570,507</u></u>

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Exhibit D-3

	Governmental Activities
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Internal Services Provided	\$ 79,395,403
Cash Payments to Suppliers	(2,237,983)
Cash Payments to Pay Claims	(69,791,435)
Cash Payments for Contracted Services	(7,521,066)
Cash Payments for Insurance Premiums	(1,354,820)
Cash Payments to Employees	(130,198)
Net Cash (Used) by Operating Activities	(1,640,099)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(42,496)
Principal Payment on Right to Use Lease Asset	(109,369)
Interest Payment on Right to Use Lease Asset	(4,679)
Net Cash (Used) by Capital and Related Financing Activities	(156,544)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	177,268
Net Cash Provided by Investing Activities	177,268
Net Decrease in Pooled Cash and Cash Equivalents	(1,619,375)
Pooled Cash and Cash Equivalents at Beginning of Year	6,983,909
Pooled Cash and Cash Equivalents at End of Year	\$ 5,364,534
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (4,537,553)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided (Used) by Operating Activities	
Depreciation/Amortization	210,896
Change in Assets and Liabilities:	
(Increase) Decrease in Receivables	(571,761)
(Increase) Decrease in Interfund Receivables	1,810,733
(Increase) Decrease in Inventories	(26,717)
Increase (Decrease) in Accounts Payable	244,679
Increase (Decrease) in Interfund Payables	946,240
Increase (Decrease) in Accrued Expenses	283,384
Net Cash (Used) by Operating Activities	\$ (1,640,099)
Noncash Investing, Capital, and Financing Activities	
Contributions of Capital Assets from Government	\$ 5,438
Transfers of Capital Assets to Government	14,070

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
AUGUST 31, 2023

Exhibit E-1

<u>Data Control Codes</u>		<u>Custodial Fund</u>
	ASSETS	
1110	Pooled Cash and Cash Equivalents	\$ 1,309,069
1290	Receivables	33,125
1000	Total Assets	<u>1,342,194</u>
	LIABILITIES	
2110	Accounts Payable	13,461
2000	Total Liabilities	<u>13,461</u>
	NET POSITION	
3800	Restricted for student activities	1,328,733
	Total Net Position	<u>\$ 1,328,733</u>

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED AUGUST 31, 2023

Exhibit E-2

<u>Data Control Codes</u>		<u>Custodial Fund</u>
	ADDITIONS	
	Contributions:	
5700	Revenues from Student and Staff Activities	\$ 2,098,690
5020	Total Contributions	<u>2,098,690</u>
5742	Investment Earnings	2,971
5740	Total Additions	<u>2,101,661</u>
	DEDUCTIONS	
6400	Payments for Student and Staff Activities	<u>2,045,864</u>
	Total Deductions	<u>2,045,864</u>
CN	Change in Net Position	55,797
NB	Total Net Position - September 1 (Beginning)	<u>1,272,936</u>
NE	Total Net Position - August 31 (Ending)	<u>\$ 1,328,733</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. The District has no business-type activities that rely to a significant extent on fees and charges for support.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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 be program revenue which would not be eliminated in the process of consolidation.

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 (continued)

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, hold harmless funds, and interest earnings on investments.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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 revenues whose 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 Fund:

5. 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:

6. 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 (continued)

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 municipal bonds, 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 (continued)

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

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

Land and construction in progress are not depreciated.

6. Leases

Lessee: The District is a lessee for a noncancelable lease of equipment. The District recognizes a lease liability and a right-to-use lease asset in the internal service fund financial statements. The District recognizes lease liabilities with an initial, individual value of \$50,000 or more.

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

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

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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)

6. Leases (Continued)

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

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.

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.

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 \$100,000 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 assets are reported with other capital assets and subscription liability are reported with long-term debt on the statement of net position.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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 (continued)

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 revenues 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 (continued)

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 and Sick 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, 2023, 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 Teachers 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 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 (continued)

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 \$76,276,031 which is detailed in Note 14.

Unassigned fund balances are the amounts that are available for any purpose are considered unassigned fund balance. 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 (continued)

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 Statement No. 96, *Subscription Based Information Technology Arrangements*. This statement was issued to better meet the information needs of the financial statement users by improving accounting and financial reporting of subscription based information technology arrangements (SBITAs) by governments. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription intangible asset and a corresponding liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022 and all reporting periods thereafter.

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 (continued)

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 Executive 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, 2023, the District did not have any expenditures over appropriations in major funds.

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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	\$ 147,447,395	\$ 99,832,296	\$ 47,615,099
Expenditures	141,503,461	97,993,274	43,510,187
Revenues Over (Under) Expenditures	5,943,934	1,839,022	4,104,912
Other Sources (Uses)	(440,287)	(440,287)	
Net Change in Fund Balances	5,503,647	1,398,735	4,104,912
Fund Balance Beginning	40,905,805	14,704,489	26,201,316
Fund Balance Ending	<u>\$ 46,409,452</u>	<u>\$ 16,103,224</u>	<u>\$ 30,306,228</u>

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, 2022 (Original Budget)	Supplemental Appropriations and Revisions	Appropriations as of August 31, 2023 (Amended Budget)
General Fund	\$ 943,848,861	\$ 18,185,193	\$ 962,034,054
Special Revenue Fund	46,110,604	29,095	46,139,699
Debt Service Fund	209,970,652	(251,271)	209,719,381
Total all Budgeted Funds	<u>\$ 1,199,930,117</u>	<u>\$ 17,963,017</u>	<u>\$ 1,217,893,134</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 footnote 13, the general fund has assigned a portion of fund balance for these outstanding encumbrances.

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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, 2023, the carrying amount on the District’s books of combined deposits was \$196,906,351. 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, 2023, 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	\$ 215,804,926	\$ 378,000,590	\$ 500,000	August 31, 2023

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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, 2023 is shown below.

	Cash on Hand	Bank Deposits	Money Market	Investment Pools	Securities	Total
General	\$ 20,540	\$ 177,360,670	\$ 18,395	\$ 146,483,474	\$ 31,704,497	\$ 355,587,576
Debt Service		766,289		65,014,087		65,780,376
Capital Projects		5,960,602	364,969	57,304,507	219,222,179	282,852,257
Special Revenue Fund	17,597	10,559,949		40,165,705		50,743,251
Total Governmental Funds	38,137	194,647,510	383,364	308,967,773	250,926,676	754,963,460
Internal Service Funds		2,258,841		3,105,693		5,364,534
Total Governmental Activities	38,137	196,906,351	383,364	312,073,466	250,926,676	760,327,994
Fiduciary Fund						
Custodial				1,309,069		1,309,069
Total	\$ 38,137	\$ 196,906,351	\$ 383,364	\$ 313,382,535	\$ 250,926,676	\$ 761,637,063

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 (continued)

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 2023.

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, 2023:

Investment Type	Fair Value	Percent of Investments	Weighted Avg. Maturity
Money Market	\$ 383,364	0.1%	1 day
Local Government Investment Pools: *			
Lone Star - Public Funds Investment Pool	6,732,727	1.2%	18 day
TexPool - Public Funds Investment Pool	264,708,478	46.9%	24 day
Texas CLASS - Public Funds Investment Pool	41,941,330	7.4%	40 day
Total Local Government Investment Pools	<u>313,382,535</u>		
Federal Agency Coupon Securities	16,325,601	2.9%	632 days
Treasury Coupon Securities	232,837,010	41.2%	272 days
Municipal Bonds	1,764,065	0.3%	213 days
Total Investments	<u>\$ 564,692,575</u>	<u>100.0%</u>	

* 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, 2023, 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 (continued)

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

B. Investments (continued)

Credit Risk Related to Investments (continued)

The District's investment in municipal securities that conform as follows: obligations of state, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

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 and including letters of credit.

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, 2023, 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 (continued)

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 2022-23 school year were \$0.9148 and \$0.3900 respectively per \$100 of assessed valuation. The 2022-23 assessed valuation was \$53,971,941,887 and resulted in a final adjusted tax levy of \$693,610,742.

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, 2023 consisted of the following:

	General Fund	Debt Service Fund	Total
Property Taxes Receivable-Current Year Levy	\$ 4,628,288	\$ 1,973,144	\$ 6,601,432
Property Taxes Receivable-Prior Years' Levies	6,086,124	2,229,939	8,316,063
Total Property Taxes Receivable	<u>10,714,412</u>	<u>4,203,083</u>	<u>14,917,495</u>
Penalty and Interest on Delinquent Property Taxes	5,021,174	1,832,878	6,854,052
Total Property Taxes and Penalty and Interest	<u>15,735,586</u>	<u>6,035,961</u>	<u>21,771,547</u>
Less Allowance for Uncollectible Taxes	4,504,610	1,716,988	6,221,598
Net Property Taxes Receivable	<u>\$ 11,230,976</u>	<u>\$ 4,318,973</u>	<u>\$ 15,549,949</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 County Appraisal District, Fort Bend County Appraisal District, and Waller County Appraisal District \$2,819,304, \$2,144,175 and \$452,068 respectively in fiscal year 2023 for appraising property.

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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

Amounts Due To/From Other Funds at August 31, 2023 include the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 60,102,107	\$ 3,156,227
Debt Service Fund		363,751
Capital Projects Fund	6,980	12,607,034
Special Revenue Fund		46,185,083
Total - Governmental Funds	<u>60,109,087</u>	<u>62,312,095</u>
Internal Service Funds	3,149,248	946,240
Total - All Funds	<u><u>\$ 63,258,335</u></u>	<u><u>\$ 63,258,335</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.

Transfers between funds in fiscal year 2023 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 644,837	\$
Capital Projects Fund	7,585,967	7,585,967
Medicaid Administrative Claiming		644,837
Total - Governmental Funds	<u>8,230,804</u>	<u>8,230,804</u>
Internal Service Funds		
Total - All Funds	<u><u>\$ 8,230,804</u></u>	<u><u>\$ 8,230,804</u></u>

Transfers are used to: 1) move interest revenues from one Capital Projects Fund to another Capital Projects Fund 2) close out the fund balance of the Medicaid Administrative Claiming (MAC) special revenue fund to the General Fund where the majority of MAC costs are expensed.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 7 – AMOUNTS DUE FROM AND TO OTHER GOVERNMENTS

Receivables Due from Other Governments at August 31, 2023 consisted of the following:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Due from State Agencies:				
State Grant Expenditure Reimbursement	\$ 6,855,349	\$	\$ 47,678,169	\$ 54,533,518
State Summary of Finances	25,487,484			25,487,484
Due from Federal Agencies:				
Federal Grant Expenditure Reimbursement	137,880	804,391		942,271
Due from Local Agencies:				
Local Grant Expenditure Reimbursement			41,453	41,453
Total Due from Other Governments	<u>\$ 32,480,713</u>	<u>\$ 804,391</u>	<u>\$ 47,719,622</u>	<u>\$ 81,004,726</u>

Payables Due to Other Governments at August 31, 2023 consisted of the following:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
Due to State Agencies:				
Texas Education Agency	\$	\$ 756,221	\$	\$ 756,221
Due to Federal Agencies:				
Department of Health and Human Services - CDC			5,150	5,150
Due to Local Agencies:				
Katy Development Authority	5,147,432			5,147,432
	<u>\$ 5,147,432</u>	<u>\$ 756,221</u>	<u>\$ 5,150</u>	<u>\$ 5,908,803</u>

NOTE 8 – OTHER RECEIVABLES

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>
Other Receivables:				
Facility Rentals	\$ 3,140,514	\$	\$	\$ 3,140,514
Tax Office Disbursements	709,186			709,186
Other	126,370	418,721		545,091
Total - Governmental Funds	<u>3,976,070</u>	<u>418,721</u>		<u>4,394,791</u>
Pharmacy Rebates			3,262,367	3,262,367
Other			355,407	355,407
Total - All Funds	<u>\$ 7,952,140</u>	<u>\$ 837,442</u>	<u>\$ 3,617,774</u>	<u>\$ 8,012,565</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the governmental activities of the District for the year ended August 31, 2023 is as follows:

	Balance September 1, 2022 (restated)	Additions	Retirements and Transfers	Balance August 31, 2023
Governmental Activities				
Capital Assets not being Depreciated:				
Land	\$ 99,762,885	\$ 4,325,318	\$	\$ 104,088,203
Construction in Progress	111,823,178	270,517,529	(142,622,033)	239,718,674
Total Capital Assets, not being Depreciated	<u>211,586,063</u>	<u>274,842,847</u>	<u>(142,622,033)</u>	<u>343,806,877</u>
Capital Assets being Depreciated/Amortized:				
Buildings and Improvements	2,617,804,496	13,511,388	142,484,946	2,773,800,830
Furniture and Equipment	250,313,158	41,715,828	(33,337,959)	258,691,027
Vehicles	66,239,126	2,988,288	(1,676,929)	67,550,485
SBITA Assets	7,352,371	7,166,486		14,518,857
Right to Use Asset	300,449			300,449
Library Books and Media	4,593,859	254,893	(125,010)	4,723,742
Total Capital Assets, being Depreciated/Amortized at Historical Cost	<u>2,946,603,459</u>	<u>65,636,883</u>	<u>107,345,048</u>	<u>3,119,585,390</u>
Total Capital Assets	<u>3,158,189,522</u>	<u>340,479,730</u>	<u>(35,276,985)</u>	<u>3,463,392,267</u>
Less: Accumulated Depreciation/Amortization:				
Buildings and Improvements	(689,841,456)	(68,354,002)	67,991	(758,127,467)
Furniture and Equipment	(125,846,514)	(26,664,445)	31,260,048	(121,250,911)
Vehicles	(30,864,466)	(4,086,975)	1,277,412	(33,674,029)
Subscription Based IT Arrangements		(4,242,067)		(4,242,067)
Right to Use Asset	(109,260)	(109,260)		(218,520)
Library Books and Media	(2,512,369)	(626,602)	132,005	(3,006,966)
Total Accumulated Depreciation/Amortization	<u>(849,174,065)</u>	<u>(104,083,351)</u>	<u>32,737,456</u>	<u>(920,519,960)</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 2,309,015,457</u>	<u>\$ 236,396,379</u>	<u>\$ (2,539,529)</u>	<u>\$ 2,542,872,307</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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	\$ 53,878,096
Instructional Resources and Media Services	2,834,259
Curriculum and Instructional Staff Development	394,282
Instructional Leadership	422,346
School Leadership	2,575,526
Guidance, Counseling, and Evaluation Services	840,963
Social Work Services	24,339
Health Services	353,800
Student Transportation	5,146,389
Food Service	5,251,360
Extracurricular Activities	12,838,970
General Administration	2,688,788
Facilities Maintenance and Operations	14,445,586
Security and Monitoring Services	520,390
Data Processing Services	1,769,456
Community Services	212
Facilities Acquisition and Construction	98,589
Total Depreciation and Amortization Expense Governmental Activities	<u>\$ 104,083,351</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 9 – CAPITAL ASSETS (continued)

Construction in progress and remaining commitments under related construction contracts at August 31, 2023 are as follows:

Construction in Progress:

Project	Contract Expenditures	Other Project Costs	Construction in Progress
Elementary #47	\$ 272,964	\$ 28,086	\$ 301,050
Elementary #48	272,964	23,847	296,811
Junior High #18	43,962,453	465,010	44,427,463
High School #10	154,110,869	3,296,239	157,407,108
Northwest Transportation Center	3,415,266		3,415,266
West Memorial Elementary Renovation	632,657	30,073	662,730
Hutsell Elementary Renovation	12,064,387	118,018	12,182,405
McDonald Junior High Building Addition	5,713,072	66,117	5,779,189
Cinco Ranch High Renovation	356,971	68,339	425,310
Ag Barn - High School #10	40,950	13,456	54,406
Security Camera Upgrades	1,281,160		1,281,160
Life Systems Upgrades	2,102,043		2,102,043
Exterior Lighting Retrofits	859,355		859,355
Interior Lighting Retrofits	1,901,466	18,200	1,919,666
Chiller Replacement	1,493,340		1,493,340
Building Controls Upgrades	3,254,566	8,848	3,263,414
Kitchen Equipment Replacement	72,151	604	72,755
Field Lighting Replacement	3,775,203		3,775,203
	<u>\$ 235,581,837</u>	<u>\$ 4,136,837</u>	<u>\$ 239,718,674</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 9 – CAPITAL ASSETS (continued)

Contract and related commitments:

<u>Project</u>	<u>Authorized Contract</u>	<u>Contract Expenditures</u>	<u>Remaining Commitment</u>
Elementary #47	\$ 1,364,820	\$ 272,964	\$ 1,091,856
Elementary #48	1,364,820	272,964	1,091,856
Junior High #18	58,455,519	43,962,453	14,493,066
High School #10	187,588,092	154,110,869	33,477,223
Northwest Transportation Center	3,656,876	3,415,266	241,610
West Memorial Elementary Renovation	9,719,037	632,657	9,086,380
Hutsell Elementary Renovation	18,006,625	12,064,387	5,942,238
McDonald Junior High Building Addition	18,434,367	5,713,072	12,721,295
Cinco Ranch High Renovation	1,576,458	356,971	1,219,487
Ag Barn - High School #10	63,000	40,950	22,050
Security Camera Upgrades	1,705,991	1,281,160	424,831
Life Systems Upgrades	3,095,307	2,102,043	993,264
Exterior Lighting Retrofits	1,144,303	859,355	284,948
Interior Lighting Retrofits	2,953,075	1,901,466	1,051,609
Chiller Replacement	2,005,462	1,493,340	512,122
Building Controls Upgrades	4,322,427	3,254,566	1,067,861
Kitchen Equipment Replacement	104,571	72,151	32,420
Field Lighting Replacement	3,886,855	3,775,203	111,652
	<u>\$ 319,447,605</u>	<u>\$ 235,581,837</u>	<u>\$ 83,865,768</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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, 2023 is as follows:

	Balance at September 1, 2022 (restated)	Additions	Retirements	Balance at August 31, 2023	Due Within One Year
General Obligation Bonds	\$ 2,139,935,000	\$ 242,960,000	\$ 115,630,000	\$ 2,267,265,000	\$ 123,370,000
Capital Appreciation Bonds	276,367		239,907	36,460	36,460
Accreted Interest on Capital Appreciation Bonds	37,235	25,853	21,021	42,067	42,067
Bond Issuance Premiums	225,121,103	15,072,273	13,215,743	226,977,633	
Capital Appreciation Bond Issuance Premiums	9,131,475		4,484,073	4,647,402	
Total Bonds Payable	<u>2,374,501,180</u>	<u>258,058,126</u>	<u>133,590,744</u>	<u>2,498,968,562</u>	<u>123,448,527</u>
Net Pension Liability	120,591,481	202,083,753	23,514,141	299,161,093	
Net OPEB Liability	244,188,502	18,610,472	103,707,582	159,091,392	
Note Payable	4,645,000		1,530,000	3,115,000	1,550,000
Compensated Absences	35,246,339	2,070,608		37,316,947	970,013
SBITA Payable	3,843,549	3,397,058	3,231,706	4,008,901	2,562,359
Lease Payable	193,758		109,369	84,389	84,389
Total	<u>\$ 2,783,209,809</u>	<u>\$ 484,220,017</u>	<u>\$ 265,683,542</u>	<u>\$ 3,001,746,284</u>	<u>\$ 128,615,288</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 May 2021, voters authorized \$676,225,000 of General Obligation Bonds, and in May 2023, the District issued \$242,960,000 in Unlimited Tax School Building Bonds, Series 2023. The bonds have an average coupon interest rate of 4.5% and were issued as the final sale of the \$676,225,000 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.

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 and investment income. 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 (continued)

NOTE 10 – LONG-TERM LIABILITIES (continued)

Outstanding bonded debt at August 31, 2023 consisted of the following:

<u>Issue</u>	<u>Series Description</u>	<u>Interest Rate</u>	<u>Matures</u>	<u>Debt Outstanding</u>
\$ 103,000,000	2013 Unlimited Tax School Building Bonds	5.00	2024	\$ 1,990,000
133,970,000	2014-A Unlimited Tax Refunding Bonds	3.00-5.00	2036	85,985,000
18,150,000	2014-B Limited Tax Refunding Bonds	3.00-5.00	2028	5,655,000
155,310,000	2015-A Unlimited Tax School Building Bonds	3.00-5.00	2045	128,750,000
52,955,000	2015-B Unlimited Tax Refunding Bonds	4.00-5.00	2037	50,740,000
245,095,000	2016-A Unlimited Tax School Building Bonds	4.00-5.00	2046	214,640,000
23,515,000	2016-B Unlimited Tax Refunding Bonds	3.00-5.00	2038	23,065,000
11,510,000	2016-C Limited Tax Refunding Bonds	5.00	2024	160,000
152,315,000	2016-D Unlimited Tax Refunding Bonds	3.00-5.00	2032	105,080,000
261,640,000	2017 Unlimited Tax School Building Bonds	4.00-5.00	2047	226,190,000
186,225,000	2018 Unlimited Tax School Building Bonds	3.00-5.00	2048	162,595,000
190,695,000	2019 Unlimited Tax School Building Bonds	4.00-5.00	2049	172,670,000
169,169,942	2019-A Unlimited Tax Refunding Bonds, Taxable Series	1.867-4.00	2043	165,440,000
135,490,000	2019-B Unlimited Tax Refunding Bonds	4.00-5.00	2041	113,760,000
141,240,000	2020 Unlimited Tax School Building Bonds	3.00-5.00	2045	124,070,000
79,999,919	2021-A Unlimited Tax Refunding Bonds	0.20-5.00	2036	74,131,460
26,905,000	2021-B Unlimited Tax Refunding Bonds, Taxable Series	1.906-3.00	2036	23,950,000
38,915,000	2021-C Variable Rate Unlimited Tax School Building Bonds	4.50-5.00	2050	38,915,000
134,815,000	2021-D Unlimited Tax School Building Bonds	3.00-5.00	2051	91,020,000
265,890,000	2022 Unlimited Tax School Building Bonds	4.00-5.00	2052	215,535,000
242,960,000	2023 Unlimited Tax School Building Bonds	5.00	2053	242,960,000
	Total Bonded Debt			<u>2,267,301,460</u>
	Plus Accreted Interest on CABs			42,067
	Plus Unamortized Premiums ⁽¹⁾			<u>231,625,035</u>
	Total Bonds Payable			<u>2,498,968,562</u>
	Less Amounts Due Within One Year			(123,448,527)
	Total Bonded Debt Long-Term			<u><u>\$ 2,375,520,035</u></u>

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

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 10 – LONG-TERM LIABILITIES (continued)

Annual requirements to amortize all bonded long-term debt outstanding (including accretion) as of August 31, 2023 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2024	\$ 123,406,460	\$ 100,663,615	\$ 224,070,075
2025	69,600,000	89,563,137	159,163,137
2026	69,020,000	86,266,520	155,286,520
2027	72,475,000	82,834,195	155,309,195
2028	75,925,000	79,247,445	155,172,445
2029	80,265,000	75,666,670	155,931,670
2030	82,325,000	72,050,483	154,375,483
2031	81,025,000	68,386,691	149,411,691
2032	83,260,000	64,867,537	148,127,537
2033	81,225,000	61,490,646	142,715,646
2034	84,575,000	58,155,496	142,730,496
2035	87,925,000	54,805,264	142,730,264
2036	91,445,000	51,284,992	142,729,992
2037	83,710,000	47,680,378	131,390,378
2038	84,070,000	44,077,748	128,147,748
2039	84,510,000	40,391,688	124,901,688
2040	88,280,000	36,627,159	124,907,159
2041	92,165,000	32,743,157	124,908,157
2042	91,195,000	28,845,378	120,040,378
2043	88,525,000	25,039,471	113,564,471
2044	92,295,000	21,265,950	113,560,950
2045	96,195,000	17,366,925	113,561,925
2046	85,185,000	13,789,575	98,974,575
2047	75,505,000	10,510,800	86,015,800
2048	62,115,000	7,694,950	69,809,950
2049	48,120,000	5,483,800	53,603,800
2050	38,455,000	3,809,000	42,264,000
2051	33,505,000	2,274,950	35,779,950
2052	26,570,000	1,108,600	27,678,600
2053	14,430,000	288,600	14,718,600
	<u>2,267,301,460</u>	<u>1,284,280,820</u>	<u>3,551,582,280</u>
Less: Current Portion	123,406,460	100,663,615	224,070,075
Long Term Debt	<u>\$ 2,143,895,000</u>	<u>\$ 1,183,617,205</u>	<u>\$ 3,327,512,205</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 10 – LONG-TERM LIABILITIES (continued)

Accreted Interest on Capital Appreciation Bonds

A small portion of the Series 2021-A bonds were capital appreciation bonds. At August 31, 2023, these obligations had an original principal value of \$36,460 and a maturity value of \$4,735,000. The interest on these obligations will be paid upon maturity in the fiscal years ending August 31, 2023 through August 31, 2024, and interest rates on these bonds range from 0.200% to .420%. The accreted value of these bonds at August 31, 2023 is \$4,725,930 including accreted interest on these bonds of \$42,067, which is reflected in the accompanying general long-term debt accounts.

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, 2023, 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 (continued)

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, 2023 are shown below:

<u>Series</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Maturity Date Serially, Beginning/Ending</u>	<u>Interest Payment Dates</u>	<u>Callable Dates</u>
2020	\$ 3,115,000	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:

<u>Fiscal Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2024	\$ 1,550,000	\$ 30,839	\$ 1,580,839
2025	1,565,000	15,494	1,580,494
Total	3,115,000	46,333	3,161,333
Less: Current Portion	1,550,000	30,839	1,580,839
Long Term Payable	<u>\$ 1,565,000</u>	<u>\$ 15,494</u>	<u>\$ 1,580,494</u>

The average annual debt service on the bonds is \$1,580,667 through maturity. The maximum annual debt service on the bonds is \$1,580,839 through maturity.

Through the fiscal year ended August 31, 2023, the District has paid \$67,543,862 in collected tax increments and state revenues to the KDA. The District will pay additional tax increments of \$2,888,878 collected in fiscal 2022-23 and state revenues of \$2,258,554 to the KDA in fiscal 2023-24, and these amounts have been included as a liability in these financial statements. The District estimates that it will collect an additional \$3,060,546 in tax increments and state revenues in fiscal 2023-24 to be paid to the KDA in the 2024-25 fiscal year. The tax increment base value is \$4,397,510 and the certified taxable value before the increment in the Zone for the 2022 tax year is \$461,482,936. The District has received \$27,742,068 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 (continued)

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 8.25%. 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, 2023 are as follows:

Fiscal Year Ending	Principal	Interest	Payment
August 31,			
2024	\$ 2,562,359	\$ 194,615	\$ 2,756,974
2025	1,178,627	65,041	1,243,668
2026	267,915	11,846	279,761
Total	<u>\$ 4,008,901</u>	<u>\$ 271,502</u>	<u>\$ 4,280,403</u>

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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 \$5,412 in interest revenue during the current fiscal year related to these leases. As of August 31, 2023, the District’s receivable for lease payments is \$2,755,561. 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, 2023, the balance of the deferred inflow of resources is \$2,680,765.

Lease Payable

The District is currently leasing equipment, and the right to use leased assets of the District for the year ended August 31, 2023 are as follows:

<u>Description</u>	<u>Start Date</u>	<u>End Date</u>	<u>Interest Rate</u>	<u>Lease Liability</u>	
				<u>Original Amount</u>	<u>Liability as of August 31, 2023</u>
Ricoh - high volume printer	June 4, 2020	June 3, 2024	3.25%	\$ 300,449	\$ 84,389

<u>Description</u>	<u>Start Date</u>	<u>End Date</u>	<u>Interest Rate</u>	<u>Right to Use Asset</u>		
				<u>Original Amount</u>	<u>Accumulated Amortization August 31, 2023</u>	<u>Net Balance August 31, 2023</u>
Ricoh - high volume printer	June 4, 2020	June 3, 2024	3.25%	\$ 300,449	\$ 218,520	\$ 81,929

The future principal and interest lease payments as of August 31, 2023 are as follows:

<u>Fiscal Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Payment</u>
2024	\$ 84,389	\$ 1,147	\$ 85,536
Total	\$ 84,389	\$ 1,147	\$ 85,536

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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, 2023 reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Deferred Inflows of Resources		
Net Property Taxes Receivable (General Fund)	\$ 11,230,976	\$
Net Property Taxes Receivable (Debt Service Fund)	4,318,973	
Lease Receivable (General Fund)	2,680,765	
Unearned Revenue		
Proceeds-Expenditure Driven State Grants (Special Revenue Fund)		31,060
Revenues and Inventory Received Prior to Meeting all Expenditure Requirements (General Fund)		37,830
Total	<u>\$ 18,230,714</u>	<u>\$ 68,890</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 14 – FUND EQUITY

Nonspendable, Restricted, Committed and Assigned Fund Balance

A summary of nonspendable, restricted, committed and assigned fund balance at August 31, 2023 is as follows:

Fund Balances:	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenue</u>
Nonspendable:				
Inventory	\$ 1,909,107	\$	\$	\$
Prepaid Items	1,457,905			
Total Nonspendable	<u>\$ 3,367,012</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Restricted for:				
Long-Term Debt	\$	\$ 64,660,404	\$	\$
Capital Acquisitions and Contracts			223,507,579	
Food Services				30,306,228
Tax Increment Reinvestment Zone				7,710,184
Other Grant Programs				213,439
Total Restricted	<u>\$</u>	<u>\$ 64,660,404</u>	<u>\$ 223,507,579</u>	<u>\$ 38,229,851</u>
Committed to:				
Self Funded Insurance	\$ 5,500,000	\$	\$	\$
Unanticipated Expenditures or Revenue Loss	10,000,000			
Campus Activity Funds				8,179,601
Total Committed	<u>\$ 15,500,000</u>	<u>\$</u>	<u>\$</u>	<u>\$ 8,179,601</u>
Assigned to:				
Maintain Debt Service Rate	\$ 5,800,000	\$	\$	\$
Maintain Compensation Plan	15,000,000			
Opening Additional Schools	13,811,045			
Property/Liability Insurance Reserve	5,000,000			
Maintain Technology Retrofit Schedule	15,000,000			
Capital/Technology Expenditures and Inflation	10,000,000			
Address Current/Future Legislative Impacts	10,000,000			
Other Assignments-Encumbrances	1,664,986			
Total Assigned	<u>\$ 76,276,031</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTE 15 – NET INVESTMENT IN CAPITAL ASSETS

The net investment in capital assets at August 31, 2023, consists of the following:

Governmental activities capital assets, net of accumulated amortization and depreciation	\$ 2,542,872,307
Capital related debt:	
Bonds payable (note 9, less accreted interest)	(2,498,926,495)
Note payable	(3,115,000)
SBITA payable	(4,008,901)
Lease payable	(84,389)
Net deferred gains/loss on refunding	37,056,160
Unspent bond proceeds	223,507,579
Capital related accounts and retainage payable	(1,139,799)
Net Investment in Capital Assets	<u>\$ 296,161,462</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 16 – REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Total</u>
Property Taxes	\$ 479,862,991	\$ 204,587,359	\$	\$	\$ 684,450,350
Penalties, Interest, and Other Tax Related Income	3,300,904	1,366,206			4,667,110
Summer School, Tuition and Fees	3,180,800				3,180,800
Investment Income	15,079,117	4,348,659	9,662,655	1,402,329	30,492,760
Food Sales				15,351,250	15,351,250
Facility Rental	3,324,872				3,324,872
Co-curricular Student Activities	3,195,893				3,195,893
Other	3,521,079	890		18,912,976	22,434,945
Total	<u>\$ 511,465,656</u>	<u>\$ 210,303,114</u>	<u>\$ 9,662,655</u>	<u>\$ 35,666,555</u>	<u>\$ 767,097,980</u>

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, 2023, follows:

<u>Program or Source</u>	<u>ALN</u>	<u>Amount</u>
Naval Junior Reserve Officers Training Program	n/a	\$ 83,741
Federal Flood Control Funds	12.112	1
E-Rate School and Libraries Universal Support	n/a	47,766
Summer School LEP	84.369A	24,005
SHARS	n/a	14,109,994
Medicaid Administrative Claiming (MAC) Revenue	93.778	109,401
Indirect Costs		
National School Breakfast Program	10.553	447,666
National School Lunch Program	10.555	2,136,520
Summer Food Service Program	10.559	16,301
ESEA Title I, Part A - Improving Basic Programs	84.010A	356,655
IDEA Part B - Formula	84.027A	352,830
IDEA Part B - Deaf	84.027A	6,205
COVID-19 - IDEA-Part B, Formula - ARP	84.027X	114,424
IDEA Part B - Preschool	84.173A	2,381
COVID-19 - IDEA-Part B - Preschool - ARP	84.173X	5,472
Texas Education for Homeless Children & Youth	84.196A	4,123
Carl D. Perkins Basic Grant	84.048A	20,560
ESEA Title II, Part A - Supporting Effective Instruction	84.367A	36,948
ESEA Title III, Part A - English Lang. Acquisition and Language Enhancement	84.365A	31,280
Title IV, Part A, Subpart 1, Student Support	84.424A	19,481
COVID-19 - CARES Act ESSER I	84.425D	120
COVID-19 - CRRSA Act ESSER II	84.425D	2,125,913
COVID-19 - ARPA Act ESSER III	84.425U	3,816,419
COVID-19 - Texas Education for Homeless Children & Youth Supplemental - ARP	84.425W	18,469
COVID-19 - Homeless II - ARP	84.425W	10,351
Early Childhood Intervention	Various	40,275
IDEA Part C - Deaf	84.181A	137
COVID-19 School Health Support Grant	93.323	(15)
Total		<u>\$ 23,937,423</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 18 – DEFINED BENEFIT PENSIONS PLANS

A. Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The Plan is administered by the Teacher Retirement System of Texas (TRS). 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 2020 thru 2025.

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 18 – DEFINED BENEFIT PENSIONS PLANS (continued)

D. Contributions (continued)

<u>Contribution Rates</u>	<u>2022</u>	<u>2023</u>
Member (Employee)	8.00%	8.00%
Non-employer contributing entity (State)	7.75%	8.00%
District (Employer)	7.75%	8.00%

<u>TRS Contributions</u>	<u>Fiscal Year 2023</u>
Member (Employee)	\$ 57,138,581
Non-employer contributing agency (State)	38,997,044
District (Employer)	27,967,623

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 an additional surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.7 percent of the member's salary beginning in fiscal year 2022, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of 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 (continued)

NOTE 18 – DEFINED BENEFIT PENSIONS PLANS (continued)

E. Actuarial Assumptions

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

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91% *
Last year ending August 31 in Projection	
Period (100 years)	2121
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 are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions please see the actuarial valuation report dated November 12, 2021.

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 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. 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 (continued)

NOTE 18 – DEFINED BENEFIT PENSIONS PLANS (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, 2022, 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 %	4.6 %	1.12 %
Non-U.S. Developed	13.0	4.9	0.90
Emerging Markets	9.0	5.4	0.75
Private Equity	14.0	7.7	1.55
Stable Value			
Government Bonds	16.0 %	1.0 %	0.22 %
Absolute Return	0.0	3.7	0.0
Stable Value Hedge Funds	5.0	3.4	0.18
Real Return			
Real Estate	15.0 %	4.1 %	0.94 %
Energy, Natural Resources & Infrastructure	6.0	5.1	0.37
Commodities	0.0	3.6	0.0
Risk Parity			
Risk Parity	8.0 %	4.6 %	0.43 %
Asset Allocation Leverage			
Cash	2.0 %	3.0 %	0.01 %
Asset Allocation Leverage	(6.0)	3.6	(0.05)
Inflation Expectation			2.70
Volatility Drag ****			(0.91)
Total	100.0 %		8.19 %

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on FY2022 policy model.

** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022).

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

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 18 – DEFINED BENEFIT PENSIONS PLANS (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		
	<u>1% Decrease Discount Rate (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase in Discount Rate (8.00%)</u>
District's proportional share of the net pension liability	\$ 465,381,232	\$ 299,161,093	\$ 164,431,869

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

At August 31, 2023, the District reported a liability of \$299,161,093 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	\$ 299,161,093
State's proportionate share that is associated with the District	446,251,336
Total	<u>\$ 745,412,429</u>

The net pension liability was measured as of August 31, 2021, and rolled forward to August 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's 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, 2021, thru August 31, 2022.

On August 31, 2022, the employer's proportion of the collective net pension liability was 0.5039% which was an increase of 0.0304% from its proportion measured as of August 31, 2021.

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 18 – DEFINED BENEFIT PENSIONS PLANS (continued)

Changes since the Prior Actuarial Valuation

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

For the year ended August 31, 2023, the District recognized pension expense of \$42,224,800 and revenue of \$42,656,569 for support provided by the State.

On August 31, 2023, 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	\$ 4,337,812	\$ (6,522,278)
Changes in actuarial assumptions	55,743,448	(13,892,824)
Net difference between projected and actual earnings on pension plan investments	29,556,159	
Changes in proportion and difference between District contributions and proportionate share of contributions	25,781,214	
District contributions subsequent to the measurement date	27,967,623	
Total	<u>\$ 143,386,256</u>	<u>\$ (20,415,102)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$27,967,623 will be recognized as a reduction of the net pension liability in the year ending August 31, 2024.

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)
2024	\$ 25,821,369	\$ 69,182,162
2025	15,840,481	53,341,681
2026	7,990,861	45,350,820
2027	38,584,698	6,766,122
2028	6,766,122	
Thereafter	<u>\$ 95,003,531</u>	

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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 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 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 (continued)

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (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 school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

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

<u>Contribution Rates</u>	<u>2022</u>	<u>2023</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 2023</u>
Active Employee	\$ 4,642,535
Non-employer contributing agency (State)	12,323,253
District (Employer)	5,952,172

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 \$83 million in fiscal year 2022 from the Federal Rescue Plan Act (ARPA) to help defray Covid-19-related health care costs during fiscal year 2022.

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2021. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2022. The actuarial valuation 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 developed in the experience study performed for TRS for the period ending August 31, 2017. 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, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

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

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

Additional Actuarial Methods and Assumptions:

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

Health Care Trend Rates - The initial medical trend rates were 8.25 percent for Medicare retirees and 7.25 percent for non-Medicare retirees. The initial prescription drug trend rate was 8.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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

Discount Rate

A single discount rate of 3.91% was used to measure the total OPEB liability. There was an increase of 1.96% in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity “20-year Municipal GO AA Index” as of August 31, 2022 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 (3.91%) in measuring the Net OPEB Liability:

	Discount Rate		
	<u>1% Decrease in Discount Rate (2.91%)</u>	<u>Current Single Discount Rate (3.91%)</u>	<u>1% Increase in Discount Rate (4.91%)</u>
District's proportional share of the net OPEB liability	\$ 187,581,367	\$ 159,091,392	\$ 136,010,855

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

At August 31, 2023, the District reported a liability of \$159,091,932 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	\$ 159,091,392
State's proportionate share that is associated with the District	194,066,503
Total	<u>\$ 353,157,895</u>

The Net OPEB Liability was measured as of August 31, 2021 and rolled forward to August 31, 2022, 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, 2021 thru August 31, 2022.

At August 31, 2022 the employer’s proportion of the collective Net OPEB Liability was 0.6644% which was an increase of 0.0314% from its proportion measured as of August 31, 2021.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (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		
	<u>1% Decrease in Healthcare Trend Rate</u>	<u>Current Single Healthcare Trend Rate</u>	<u>1% Increase in Healthcare Trend Rate</u>
District's proportional share of the net OPEB liability	\$ 131,092,024	\$ 159,091,392	\$ 195,388,970

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 discount rate changed from 1.95% as of August 31, 2021, to 3.91% as of August 31, 2022. This change decreased the Total OPEB Liability.

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, 2023, the District recognized OPEB expense of (\$12,504,310) and revenue of (\$27,539,603) for support provided by the State.

On August 31, 2023, 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	\$ 8,844,919	\$ (132,537,410)
Changes of actuarial assumptions	24,232,770	(110,527,235)
Net difference between projected and actual earnings on OPEB investments	473,890	
Changes in proportion and differences between District contributions and proportionate share of contributions	49,407,204	
District contributions subsequent to the measurement date	5,952,172	
Total	<u>\$ 88,910,955</u>	<u>\$ (243,064,645)</u>

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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

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

The \$5,952,172 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, 2024. 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>
2024	\$ (30,628,096)	\$ (129,477,766)
2025	(30,626,377)	(98,851,389)
2026	(23,879,837)	(74,971,552)
2027	(14,746,227)	(60,225,325)
2028	(20,563,144)	(39,662,181)
Thereafter	(39,662,181)	
	<u>\$ (160,105,862)</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, 2023, 2022, and 2021, the subsidy payments received by TRS-Care on-behalf of the District were \$3,898,594, \$2,741,866, and \$2,728,441, 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 2023, \$793,224 was disbursed to 98 members. No assets are being held or accumulated for future distribution. The District has accrued \$37,316,947 in the Government-wide Financial Statements to pay for compensated absences.

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

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.

The only settled claim exceeding insurance coverage in the past three years is attributable to Hurricane Harvey, which made land fall in Texas in 2017. The District did experience damage to some facilities which did not have a substantial negative effect on the operation of the District.

A presidential declaration made federal assistance available including direct federal assistance under the Public Assistance Program. The District utilized its general fund balance to initially cover Hurricane Harvey related expenses and received reimbursement from the Federal Emergency Management Agency (FEMA) for eligible disaster-related expenses. The District recognized federal revenue of \$4,729,926 in funds received from FEMA and \$25,000,000 in insurance proceeds during 2017-2018, 2018-2019, 2019-2020, and 2021-2022 fiscal years.

Additionally, there is a pending insurance claim for Winter Storm Uri, which occurred in February 2021 in the amount of approximately \$3.4 million.

There has not been any significant reduction in insurance coverage from that of the previous year.

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 \$8.0 million has been recorded in the fund as of August 31, 2023. 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.

KATY INDEPENDENT SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 20 – RISK MANAGEMENT (continued)

Health Insurance (continued)

At August 31, 2023, the fund had net position of \$333,910. 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, 2023 and 2022 are as follows:

	Health Insurance	
	2023	2022
Beginning Accrual	\$ 7,346,000	\$ 5,316,000
Current Estimates	68,925,834	79,529,062
Payments for Claims	(68,224,834)	(77,499,062)
Ending Accrual	<u>\$ 8,047,000</u>	<u>\$ 7,346,000</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, 2023. 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 2023 compared to 2022 are as follows:

	Workers' Compensation	
	2023	2022
Beginning Accrual	\$ 417,616	\$ 1,331,629
Current Estimates	1,148,985	1,116,731
Payments for Claims	(1,566,601)	(2,030,744)
Ending Accrual	<u>\$ -</u>	<u>\$ 417,616</u>

At August 31, 2023, the District had \$3.0 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 (continued)

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. The District has not recorded a liability for arbitrage as of August 31, 2023. Based on arbitrage calculations as of August 31, 2023 there was no arbitrage liability.

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, Brazos 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, 2023, of the SSA are summarized below:

	<u>Katy ISD</u>	<u>Bellville ISD</u>	<u>Hempstead ISD</u>	<u>Royal ISD</u>	<u>Sealy ISD</u>
IDEA-B Discretionary, Deaf	\$ 167,802	\$ 1,844	\$ 3,688	\$ 1,844	\$ 1,844
IDEA-C Early Intervention	3,698	41	81	41	41
Regional Day School For the Deaf	586,317	6,443	12,886	6,443	6,443
Local Share, Deaf	882,116	9,693	19,387	9,693	9,693
	<u>\$ 1,639,933</u>	<u>\$ 18,021</u>	<u>\$ 36,042</u>	<u>\$ 18,021</u>	<u>\$ 18,021</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 – RESTATED NET POSITION FOR GASB 96 IMPLEMENTATION

The implementation of GASB Statement No. 96, Subscription Based Information Technology Arrangements, required that the District restate beginning balances for subscription assets and subscription payables.

	<u>Governmental Activities</u>
Beginning Net Position, as originally presented	\$ 148,429,921
GASB 96 Implementation:	
SBITA Assets	7,352,371
SBITA Payables	(3,843,549)
Beginning Net Position, as restated	<u>\$ 151,938,743</u>

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS (continued)

NOTE 25 – SUBSEQUENT EVENTS

In November 2023, voters authorized \$806.6 million of General Obligation Bonds. These bonds will be issued to provide funds to construct and equip school buildings, purchase necessary sites for school buildings, renovations and expansions for aging campuses, safety and security upgrades, purchase of school buses, purchase of component replacements, and district classroom and campus technology.

NOTE 26 – DEFICIT FUND BALANCE

The Print Shop internal service fund has a deficit total net position which will be covered by the general fund as needed.

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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, 2023
With comparative actual balances for the Year Ended August 31, 2022

Data Control Codes		2023	
		Budgeted Amounts	
		Original	Final
	REVENUES		
5700	Local, Intermediate, and Out-of-State	\$ 499,970,447	\$ 510,779,650
5800	State Program Revenues	417,439,269	435,102,497
5900	Federal Program Revenues	17,018,000	22,132,704
5020	Total Revenues	<u>934,427,716</u>	<u>968,014,851</u>
	EXPENDITURES		
	Current:		
0011	Instruction	613,160,998	613,254,315
0012	Instructional Resources and Media Services	9,761,889	10,170,690
0013	Curriculum and Instructional Staff Development	13,274,427	13,655,991
0021	Instructional Leadership	8,266,009	9,131,997
0023	School Leadership	51,429,909	54,335,965
0031	Guidance, Counseling, and Evaluation Services	46,619,723	46,032,843
0032	Social Work	919,882	872,903
0033	Health Services	9,687,841	9,881,363
0034	Student Transportation	24,733,418	26,679,581
0036	Extracurricular Activities	21,497,352	23,634,205
0041	General Administration	17,535,704	18,274,271
0051	Facilities Maintenance and Operations	83,640,188	87,740,189
0052	Security and Monitoring Services	12,433,968	14,167,926
0053	Data Processing Services	18,137,413	17,658,720
0061	Community Services	340,731	426,446
0071	Debt Service		2,200,000
0081	Facilities Acquisition and Construction	1,093,184	2,041,424
0093	Payments to Fiscal Agents SSA	909,892	909,892
0095	Payments to JJAEP	123,577	143,577
0097	Payments to Tax Increment Reinvestment Zone	4,882,756	5,282,756
0099	Other Intergovernmental Charges	5,400,000	5,539,000
6030	Total Expenditures	<u>943,848,861</u>	<u>962,034,054</u>
1100	Excess (Deficiency) of Revenues Over Expenditures	<u>(9,421,145)</u>	<u>5,980,797</u>
	OTHER FINANCING SOURCES/(USES)		
7912	Sales of Real and Personal Property		222,318
7915	Transfers In	500,000	700,000
7949	SBITAs Issued		
8911	Transfers Out	(3,000,000)	
7080	Total Other Financing Sources/(Uses)	<u>(2,500,000)</u>	<u>922,318</u>
1200	Net Change in Fund Balances	(11,921,145)	6,903,115
0100	Fund Balances - Beginning	326,788,441	326,788,441
3000	Fund Balances - Ending	<u>\$ 314,867,296</u>	<u>\$ 333,691,556</u>

See accompanying notes to the Required Supplementary Information

		2022	
Actual	Variance with Final Budget Positive (Negative)	Actual	
\$ 511,465,656	\$ 686,006	\$ 457,849,365	
436,291,350	1,188,853	433,307,087	
23,937,423	1,804,719	15,794,865	
<u>971,694,429</u>	<u>3,679,578</u>	<u>906,951,317</u>	
612,614,541	639,774	574,680,747	
9,871,447	299,243	9,710,894	
13,135,330	520,661	11,951,000	
8,584,659	547,338	7,134,057	
53,810,843	525,122	50,415,352	
45,760,712	272,131	43,604,225	
823,286	49,617	103,150	
9,846,120	35,243	9,414,824	
26,187,008	492,573	23,962,329	
21,402,732	2,231,473	19,432,294	
17,129,454	1,144,817	15,380,177	
84,165,260	3,574,929	82,706,422	
13,308,887	859,039	11,538,493	
17,403,237	255,483	16,388,276	
262,449	163,997	234,222	
1,631,483	568,517		
1,764,742	276,682	892,853	
882,086	27,806	726,473	
16,900	126,677	21,608	
5,106,081	176,675	4,975,610	
5,415,547	123,453	5,001,153	
<u>949,122,804</u>	<u>12,911,250</u>	<u>888,274,159</u>	
<u>22,571,625</u>	<u>16,590,828</u>	<u>18,677,158</u>	
222,318		313,460	
644,837	(55,163)		
2,556,216	2,556,216		
<u>3,423,371</u>	<u>2,501,053</u>	<u>313,460</u>	
25,994,996	19,091,881	18,990,618	
326,788,441		307,797,823	
<u>\$ 352,783,437</u>	<u>\$ 19,091,881</u>	<u>\$ 326,788,441</u>	

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

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 not 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, 2023, 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 NINE MEASUREMENT YEARS ENDED AUGUST 31

	<u>2014</u>	<u>2015</u>	<u>2016</u>
District's Proportion of the Net Pension Liability	0.23%	0.40%	0.39%
District's Proportionate Share of Net Pension Liability	\$ 61,442,566	\$ 141,271,770	\$ 148,128,053
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>
Total	<u>\$ 278,557,282</u>	<u>\$ 409,168,445</u>	<u>\$ 435,936,950</u>
District's Covered Payroll	\$ 384,948,688	\$ 426,358,194	\$ 452,806,263
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	15.96%	33.13%	32.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability *	83.25%	78.43%	78.00%
Plan's Net Pension Liability as a Percentage of Covered Payroll *	72.89%	91.94%	92.75%

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 2014. Net pension liability and related ratios will be presented prospectively as data becomes available.

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.40%	0.43%	0.43%	0.45%	0.47%	0.50%
\$ 129,492,973	\$ 236,900,889	\$ 223,796,599	\$ 239,987,931	\$ 120,591,481	\$ 299,161,093
<u>243,448,882</u>	<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>\$ 372,941,855</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>
\$ 475,674,264	\$ 504,268,992	\$ 526,358,404	\$ 579,192,169	\$ 612,268,883	\$ 653,949,543
27.22%	46.98%	42.52%	41.43%	19.70%	45.75%
82.17%	73.74%	75.24%	75.54%	88.79%	75.62%
75.93%	126.11%	114.93%	110.36%	51.08%	112.72%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 5,831,753	\$ 11,839,803	\$ 12,454,547	\$ 13,273,105
Contribution in Relation to the Contractually Required Contribution	<u>5,831,753</u>	<u>11,839,803</u>	<u>12,454,547</u>	<u>13,273,105</u>
Contribution Deficiency (Excess)	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
District's Covered Payroll	\$ 384,948,688	\$ 426,358,194	\$ 452,806,263	\$ 475,674,264
Contributions as a Percentage of Covered Payroll	1.51%	2.78%	2.75%	2.79%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 14,500,023	\$ 15,056,236	\$ 18,473,081	\$ 20,198,052	\$ 23,500,830	\$ 27,967,623
<u>14,500,023</u>	<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>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 504,268,992	\$ 526,358,404	\$ 579,192,169	\$ 612,268,883	\$ 653,949,543	\$ 714,359,953
2.88%	2.86%	3.19%	3.30%	3.59%	3.92%

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

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

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 just 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 SIX 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>
0.61%	0.63%	0.66%
\$ 232,773,193	\$ 244,188,502	\$ 159,091,392
<u>312,791,374</u>	<u>327,158,173</u>	<u>194,066,503</u>
<u>\$ 545,564,567</u>	<u>\$ 571,346,675</u>	<u>\$ 353,157,895</u>
\$ 579,192,169	\$ 612,268,883	\$ 653,949,543
40.19%	39.88%	24.33%
4.99%	6.18%	11.52%
101.46%	100.13%	59.10%

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 2,242,087	\$ 2,493,897	\$ 2,648,206	\$ 2,812,442
Contribution in Relation to the Contractually Required Contribution	<u>2,242,087</u>	<u>2,493,897</u>	<u>2,648,206</u>	<u>2,812,442</u>
Contribution Deficiency (Excess)	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
District's Covered Payroll	\$ 384,948,688	\$ 426,358,194	\$ 452,806,263	\$ 475,674,264
Contributions as a Percentage of Covered Payroll	0.58%	0.58%	0.58%	0.59%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 4,046,597	\$ 4,217,204	\$ 4,650,683	\$ 4,942,639	\$ 5,456,033	\$ 5,952,172
<u>4,046,597</u>	<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>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 504,268,992	\$ 526,358,404	\$ 579,192,169	\$ 612,268,883	\$ 653,949,543	\$ 714,359,953
0.80%	0.80%	0.80%	0.81%	0.83%	0.83%

KATY INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY OTHER POST-EMPLOYMENT
BENEFIT INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2023

Changes in Assumptions

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, 2023 and 2022

Exhibit G-1

Data Control Codes		August 31, 2023	August 31, 2022
ASSETS			
1110	Pooled Cash and Cash Equivalents	\$ 323,883,079	\$ 315,151,437
1120	Current Investments	9,976,185	12,920,678
	Receivables:		
1225	Property Taxes Receivable (net)	11,230,976	9,948,370
1240	Due from Other Governments	32,480,713	14,420,180
1250	Accrued Interest	63,638	5,277
1260	Due from Other Funds	60,102,107	35,113,040
1290	Other Receivables	3,976,070	3,594,147
1300	Inventories, at Cost	1,909,107	1,838,452
1410	Prepaid Items	1,457,905	1,288,453
1910	Long-Term Investments	21,728,312	18,085,174
1000	Total Assets	\$ 466,808,092	\$ 412,365,208
LIABILITIES			
	Current Liabilities:		
2110	Accounts Payable	\$ 38,237,477	\$ 15,600,351
2150	Payroll Withholding Payable	8,916,026	7,495,450
2160	Accrued Wages Payable	43,695,746	38,463,907
2170	Due to Other Funds	3,156,227	5,339,173
2180	Due to Other Governments	5,147,432	4,985,302
2200	Accrued Expenditures	922,176	750,337
2300	Unearned Revenue	37,830	106,899
2000	Total Liabilities	100,112,914	72,741,419
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable Revenue - Property Taxes	11,230,976	9,948,370
2600	Unavailable Revenue - Leases	2,680,765	2,886,978
2600	Total Deferred Inflows or Resources	13,911,741	12,835,348
FUND BALANCE			
	Fund Balances:		
3410/30	Nonspendable	3,367,012	3,126,905
3540	Committed	15,500,000	15,500,000
3580	Assigned	76,276,031	64,071,747
3600	Unassigned	257,640,394	244,089,789
3000	Total Fund Balance	352,783,437	326,788,441
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 466,808,092	\$ 412,365,208

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

Exhibit G-2

YEAR ENDED AUGUST 31, 2023

with comparative actual balances for the year ended August 31, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
Local Sources				
Real and Personal Property Taxes	\$ 481,234,157	\$ 480,299,415	\$ (934,742)	\$ 442,660,025
Taxes Collected on Tax				
Increment Zone	2,767,681	2,864,481	96,800	2,938,842
Tuition and Fees from Patrons	2,990,495	3,180,800	190,305	2,979,660
Investment Income	14,854,476	15,079,117	224,641	696,119
Rental Income	3,077,454	3,324,872	247,418	2,958,960
Athletics	2,952,146	3,195,893	243,747	2,816,086
Other	2,903,241	3,521,078	617,837	2,799,673
Revenues - Local Sources	510,779,650	511,465,656	686,006	457,849,365
State Sources				
Per Capita and Foundation	384,088,736	384,887,580	798,844	386,864,628
TRS On-Behalf Benefit	50,960,723	51,320,297	359,574	46,312,016
Other State Revenue	53,038	83,473	30,435	130,443
Revenues - State Sources	435,102,497	436,291,350	1,188,853	433,307,087
Federal Sources				
Indirect Costs - Federal Grants	8,090,004	9,562,515	1,472,511	6,163,434
Federal Grants	60,798	264,914	204,116	380,208
SHARS	13,981,902	14,109,994	128,092	9,251,223
Revenues - Federal Sources	22,132,704	23,937,423	1,804,719	15,794,865
Total Revenues	\$ 968,014,851	\$ 971,694,429	\$ 3,679,578	\$ 906,951,317

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2023
with comparative actual balances for the year ended August 31, 2022

Exhibit G-3
Page 1 of 4

Function	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
Instruction and Instruction-Related Services				
Instruction				
6100 Payroll Costs	\$ 591,732,349	\$ 592,015,491	\$ (283,142)	\$ 554,722,591
6200 Purchased and Contracted Services	4,744,898	4,577,073	167,825	3,285,887
6300 Supplies and Materials	15,816,351	12,994,697	2,821,654	15,960,206
6400 Other Operating Expenditures	870,537	816,065	54,472	653,692
6600 Capital Outlay	90,180	2,211,215	(2,121,035)	58,371
Total Instruction	<u>613,254,315</u>	<u>612,614,541</u>	<u>639,774</u>	<u>574,680,747</u>
Instructional Resources and Media Services				
6100 Payroll Costs	9,154,512	8,900,827	253,685	8,751,563
6200 Purchased and Contracted Services	2,258	1,743	515	1,399
6300 Supplies and Materials	999,601	958,806	40,795	950,370
6400 Other Operating Expenditures	14,319	10,071	4,248	7,562
Total Instructional Resources/Media Svc.	<u>10,170,690</u>	<u>9,871,447</u>	<u>299,243</u>	<u>9,710,894</u>
Curriculum and Instructional Staff Development				
6100 Payroll Costs	11,567,079	11,358,676	208,403	10,276,439
6200 Purchased and Contracted Services	275,674	204,502	71,172	238,748
6300 Supplies and Materials	576,527	437,656	138,871	524,766
6400 Other Operating Expenditures	1,236,711	1,134,496	102,215	911,047
Total Curriculum/Instr. Staff Development	<u>13,655,991</u>	<u>13,135,330</u>	<u>520,661</u>	<u>11,951,000</u>
Total Instruction and Instruction-Related Services	<u>637,080,996</u>	<u>635,621,318</u>	<u>1,459,678</u>	<u>596,342,641</u>
Instruction and School Leadership				
Instructional Leadership				
6100 Payroll Costs	8,197,570	7,785,321	412,249	6,576,558
6200 Purchased and Contracted Services	552,903	505,997	46,906	286,256
6300 Supplies and Materials	132,396	107,954	24,442	151,147
6400 Other Operating Expenditures	249,128	185,387	63,741	120,096
Total Instructional Leadership	<u>9,131,997</u>	<u>8,584,659</u>	<u>547,338</u>	<u>7,134,057</u>
School Leadership				
6100 Payroll Costs	53,015,853	52,670,045	345,808	49,429,233
6200 Purchased and Contracted Services	26,668	19,933	6,735	18,137
6300 Supplies and Materials	485,203	458,630	26,573	448,269
6400 Other Operating Expenditures	808,241	662,235	146,006	519,713
Total School Leadership	<u>54,335,965</u>	<u>53,810,843</u>	<u>525,122</u>	<u>50,415,352</u>
Total Instruction and School Leadership	<u>63,467,962</u>	<u>62,395,502</u>	<u>1,072,460</u>	<u>57,549,409</u>

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2023
with comparative actual balances for the year ended August 31, 2022

Exhibit G-3
Page 2 of 4

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
Support Services - Student				
Guidance, Counseling and Evaluation Services				
6100 Payroll Costs	\$ 42,954,349	\$ 43,297,444	\$ (343,095)	\$ 41,125,521
6200 Purchased and Contracted Services	982,588	795,083	187,505	522,972
6300 Supplies and Materials	1,863,608	1,492,222	371,386	1,796,823
6400 Other Operating Expenditures	232,298	175,963	56,335	158,909
Total Guidance, Counsel. and Eval. Services	<u>46,032,843</u>	<u>45,760,712</u>	<u>272,131</u>	<u>43,604,225</u>
Social Work Services				
6100 Payroll Costs	849,042	820,022	29,020	102,988
6300 Supplies and Materials	5,496	1,816	3,680	
6400 Other Operating Expenditures	18,365	1,448	16,917	162
Total Social Work Services	<u>872,903</u>	<u>823,286</u>	<u>49,617</u>	<u>103,150</u>
Health Services				
6100 Payroll Costs	9,145,439	9,114,297	31,142	8,853,117
6200 Purchased and Contracted Services	434,012	460,777	(26,765)	276,879
6300 Supplies and Materials	269,727	246,286	23,441	274,517
6400 Other Operating Expenditures	23,708	16,284	7,424	10,311
6600 Capital Outlay	8,477	8,476	1	
Total Health Services	<u>9,881,363</u>	<u>9,846,120</u>	<u>35,243</u>	<u>9,414,824</u>
Student Transportation				
6100 Payroll Costs	18,343,783	17,688,289	655,494	17,298,735
6200 Purchased and Contracted Services	4,503,366	4,354,158	149,208	3,382,946
6300 Supplies and Materials	3,426,601	3,424,978	1,623	2,931,608
6400 Other Operating Expenditures	358,011	671,763	(313,752)	349,040
6600 Capital Outlay	47,820	47,820		
Total Student Transportation	<u>26,679,581</u>	<u>26,187,008</u>	<u>492,573</u>	<u>23,962,329</u>
Extracurricular Activities				
6100 Payroll Costs	14,245,638	12,899,674	1,345,964	12,103,926
6200 Purchased and Contracted Services	1,527,889	1,499,977	27,912	1,357,657
6300 Supplies and Materials	3,835,059	3,528,382	306,677	2,938,253
6400 Other Operating Expenditures	3,615,579	3,216,964	398,615	2,780,653
6600 Capital Outlay	410,040	257,735	152,305	251,805
Total Extracurricular Activities	<u>23,634,205</u>	<u>21,402,732</u>	<u>2,231,473</u>	<u>19,432,294</u>
Total Support Services - Student	<u>107,100,895</u>	<u>104,019,858</u>	<u>3,081,037</u>	<u>96,516,822</u>
Administrative Support Services				
General Administration				
6100 Payroll Costs	13,737,731	13,224,118	513,613	12,006,140
6200 Purchased and Contracted Services	1,410,279	1,219,798	190,481	1,472,505
6300 Supplies and Materials	624,931	496,829	128,102	272,074
6400 Other Operating Expenditures	2,501,330	2,188,709	312,621	1,538,321
6600 Capital Outlay				91,137
Total Administrative Support Services	<u>18,274,271</u>	<u>17,129,454</u>	<u>1,144,817</u>	<u>15,380,177</u>

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2023
with comparative actual balances for the year ended August 31, 2022

Exhibit G-3
Page 3 of 4

	<u>2023</u>		<u>Variance</u>	<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	<u>Positive</u>	<u>Actual</u>
			<u>(Negative)</u>	
Support Services - Nonstudent Based				
Facilities Maintenance and Operations				
6100 Payroll Costs	\$ 41,446,496	\$ 39,457,755	\$ 1,988,741	\$ 40,108,044
6200 Purchased and Contracted Services	30,488,992	29,901,925	587,067	30,051,346
6300 Supplies and Materials	6,237,066	5,848,689	388,377	5,207,412
6400 Other Operating Expenditures	6,638,695	6,396,769	241,926	4,952,104
6600 Capital Outlay	2,928,940	2,560,122	368,818	2,387,516
Total Facilities Maintenance and Operations	<u>87,740,189</u>	<u>84,165,260</u>	<u>3,574,929</u>	<u>82,706,422</u>
Security and Monitoring Services				
6100 Payroll Costs	11,600,249	11,355,610	244,639	10,569,633
6200 Purchased and Contracted Services	388,545	247,658	140,887	170,680
6300 Supplies and Materials	737,899	657,177	80,722	451,328
6400 Other Operating Expenditures	68,339	39,955	28,384	46,130
6600 Capital Outlay	1,372,894	1,008,487	364,407	300,722
Total Security and Monitoring Services	<u>14,167,926</u>	<u>13,308,887</u>	<u>859,039</u>	<u>11,538,493</u>
Data Processing Services				
6100 Payroll Costs	11,367,704	11,191,813	175,891	10,729,816
6200 Purchased and Contracted Services	647,479	494,885	152,594	522,979
6300 Supplies and Materials	5,352,829	5,052,758	300,071	4,933,992
6400 Other Operating Expenditures	240,739	210,276	30,463	201,489
6600 Capital Outlay	49,969	453,505	(403,536)	
Total Data Processing Services	<u>17,658,720</u>	<u>17,403,237</u>	<u>255,483</u>	<u>16,388,276</u>
Total Support Services - Nonstudent Based	<u>119,566,835</u>	<u>114,877,384</u>	<u>4,689,451</u>	<u>110,633,191</u>
Ancillary Services				
Community Services				
6100 Payroll Costs	269,447	207,495	61,952	187,689
6200 Purchased and Contracted Services	88,747	42,781	45,966	32,410
6300 Supplies and Materials	54,643	8,214	46,429	7,627
6400 Other Operating Expenditures	13,609	3,959	9,650	6,496
Total Ancillary Services	<u>426,446</u>	<u>262,449</u>	<u>163,997</u>	<u>234,222</u>

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED AUGUST 31, 2023
with comparative actual balances for the year ended August 31, 2022

Exhibit G-3
Page 4 of 4

	2023		Variance Positive (Negative)	2022
	Budget	Actual		Actual
Debt Service				
Debt Service				
6500 Debt Service	\$ 2,200,000	\$ 1,631,483	\$ 568,517	\$
Total Debt Service	<u>2,200,000</u>	<u>1,631,483</u>	<u>568,517</u>	
Capital Outlay				
Facilities Acquisition and Construction				
6100 Payroll Costs	933,458	777,360	156,098	795,402
6200 Purchased and Contracted Services				
6300 Supplies and Materials				
6400 Other Operating Expenditures	14,800	3,916	10,884	8,016
6600 Capital Outlay	1,093,166	983,466	109,700	89,435
Total Capital Outlay	<u>2,041,424</u>	<u>1,764,742</u>	<u>276,682</u>	<u>892,853</u>
Intergovernmental Charges				
Payments to Fiscal Agents				
6400 Other Operating Expenditures	909,892	882,086	27,806	726,473
Payments to JJAEP				
6200 Purchased and Contracted Services	143,577	16,900	126,677	21,608
Payments to Tax Increment Reinvestment Zone				
6400 Other Operating Expenditures	5,282,756	5,106,081	176,675	4,975,610
Other Intergovernmental Charges				
6200 Purchased and Contracted Services	5,539,000	5,415,547	123,453	5,001,153
Total Intergovernmental Charges	<u>11,875,225</u>	<u>11,420,614</u>	<u>454,611</u>	<u>10,724,844</u>
6030 Total Expenditures	<u>\$ 962,034,054</u>	<u>\$ 949,122,804</u>	<u>\$ 12,911,250</u>	<u>\$ 888,274,159</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, 2023 and 2022

Exhibit H-1

Data Control Codes		August 31, 2023	August 31, 2022
	ASSETS		
1110	Pooled Cash and Cash Equivalents	\$ 65,780,376	\$ 59,484,949
	Receivables:		
1225	Property Taxes Receivable (net)	4,318,973	3,683,731
1260	Due from Other Funds		378,715
1000	Total Assets	<u>\$ 70,099,349</u>	<u>\$ 63,547,395</u>
	LIABILITIES		
	Current Liabilities:		
2170	Due to Other Funds	\$ 363,751	\$
2180	Due to Other Governments	756,221	
2000	Total Liabilities	<u>1,119,972</u>	
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue - Property Taxes	<u>4,318,973</u>	<u>3,683,731</u>
	FUND BALANCE		
	Restricted For:		
3480	Retirement of Long-term Debt	<u>64,660,404</u>	<u>59,863,664</u>
3000	Total Fund Balance	<u>64,660,404</u>	<u>59,863,664</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 70,099,349</u>	<u>\$ 63,547,395</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, 2023
 with comparative actual balances for the year ended August 31, 2022

		<u>2023</u>	
<u>Data Control Codes</u>		<u>Budgeted Amounts</u>	
		<u>Original</u>	<u>Final</u>
REVENUES			
5700	Local, Intermediate, and Out-of-State	\$ 208,544,588	\$ 210,629,276
5800	State Program Revenues	1,905,215	4,078,523
5020	Total Revenues	<u>210,449,803</u>	<u>214,707,799</u>
EXPENDITURES			
Debt Service:			
0071	Principal on Long-Term Debt	115,869,908	115,869,907
0072	Interest on Long-Term Debt	93,725,744	93,725,744
0073	Bond Issuance Costs and Fees	375,000	123,730
6030	Total Expenditures	<u>209,970,652</u>	<u>209,719,381</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>479,151</u>	<u>4,988,418</u>
1200	Net Change in Fund Balance	479,151	4,988,418
0100	Fund Balances - Beginning	59,863,664	59,863,664
3000	Fund Balances - Ending	<u>\$ 60,342,815</u>	<u>\$ 64,852,082</u>

		<u>2022</u>	
<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual</u>	
\$ 210,303,114	\$ (326,162)	\$ 181,083,904	
4,111,507	32,984	1,705,081	
<u>214,414,621</u>	<u>(293,178)</u>	<u>182,788,985</u>	
115,869,907		100,498,863	
93,725,744		85,308,236	
22,230	101,500	19,990	
<u>209,617,881</u>	<u>101,500</u>	<u>185,827,089</u>	
<u>4,796,740</u>	<u>(191,678)</u>	<u>(3,038,104)</u>	
4,796,740	(191,678)	(3,038,104)	
59,863,664		62,901,768	
<u>\$ 64,660,404</u>	<u>\$ (191,678)</u>	<u>\$ 59,863,664</u>	

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, 2023 and 2022

Exhibit I-1

Data Control Codes		August 31, 2023	August 31, 2022
	ASSETS		
1110	Pooled Cash and Cash Equivalents	\$ 63,630,078	\$ 147,958,510
1120	Current Investments	162,881,568	179,421,902
	Receivables:		
1240	Due from Other Governments	804,391	
1250	Accrued Interest	15,099	471,092
1260	Due from Other Funds	6,980	478
1290	Other Receivables		70,061
1910	Long-Term Investments	56,340,611	
1000	Total Assets	<u>\$ 283,678,727</u>	<u>\$ 327,922,043</u>
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	\$ 47,564,114	\$ 52,137,339
2170	Due to Other Funds	12,607,034	3,452,099
2000	Total Liabilities	<u>60,171,148</u>	<u>55,589,438</u>
	FUND BALANCE		
	Restricted For:		
3470	Capital Acquisitions and Contracts	223,507,579	272,332,605
3000	Total Fund Balance	<u>223,507,579</u>	<u>272,332,605</u>
4000	Total Liabilities and Fund Balance	<u>\$ 283,678,727</u>	<u>\$ 327,922,043</u>

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
YEAR ENDED AUGUST 31, 2023 and 2022

Exhibit I-2

Data Control Codes		August 31, 2023	August 31, 2022
	REVENUES		
5700	Local, Intermediate, and Out-of-State	\$ 9,662,655	\$ 726,196
5900	Federal Program Revenues	4,220,042	
5020	Total Revenues	<u>13,882,697</u>	<u>726,196</u>
	EXPENDITURES		
0041	Fees	200	150
0071	Principal on long-term debt	265,190	
0073	Bond Issuance Cost and Fees	1,785,853	3,160,246
0081	Facilities Acquisition and Construction:		
	Land	4,325,317	
	Building and Improvements	279,863,667	164,707,459
	SBITA Assets	636,292	
	Furniture & Equip, Vehicles, and Library & Media	39,711,521	39,698,153
	Total Facilities Acquisition and Construction	<u>324,536,797</u>	<u>204,405,612</u>
6030	Total Expenditures	<u>326,588,040</u>	<u>207,566,008</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(312,705,343)</u>	<u>(206,839,812)</u>
	OTHER FINANCING SOURCES/(USES)		
7911	Capital Related Debt Issued	242,960,000	439,620,000
7912	Sale of Property	5,211,752	
7915	Transfers In	7,585,967	
7916	Premium on Issuance of Bonds	15,072,273	23,520,246
7949	SBITAs Issued	636,292	
8911	Transfers Out	(7,585,967)	
7080	Total Other Financing Sources/(Uses)	<u>263,880,317</u>	<u>463,140,246</u>
1200	Net Change in Fund Balance	(48,825,026)	256,300,434
0100	Fund Balances - Beginning	272,332,605	16,032,171
3000	Fund Balances - Ending	<u>\$ 223,507,579</u>	<u>\$ 272,332,605</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

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.

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.

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.

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

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.

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.

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.

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.

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.

KATY INDEPENDENT SCHOOL DISTRICT
SPECIAL REVENUE PROGRAM DESCRIPTIONS

Elementary and Secondary School Emergency Relief (ESSER) Funds – Coronavirus Aid, Relief, and Economic Security Act (CARES Act) – Funds are used for federal stimulus granted through the CARES Act to support the ability to operate and instruct students during the COVID-19 pandemic.

Medicaid Administrative Claiming Program - Funds are used for reimbursement of eligible administrative costs for activities attributed to the implementation of the Medicaid state plan.

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.

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.

Elementary and Secondary School Emergency Relief Fund II (ESSER II) – Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act – Funds are used for federal stimulus granted through the CRRSA Act to operate, instruct students, address learning loss, prepare school for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the COVID-19 pandemic.

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.

Individuals with Disabilities Education Act (IDEA), Part B – Preschool – American Rescue Plan (ARP) Act – Funds are used for preschool children with disabilities.

Individuals with Disabilities Education Act (IDEA), Part B – Formula – American Rescue Plan (ARP) Act - Funds are used to operate educational programs for children with disabilities.

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; COVID-19 school health support to purchase supplies to aid in the detection and prevention of COVID-19; and other federally funded special revenue that has not been specified above.

KATY INDEPENDENT SCHOOL DISTRICT
SPECIAL REVENUE PROGRAM DESCRIPTIONS

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.

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.

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

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

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

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

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.

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

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

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.

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.

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KATY INDEPENDENT SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – SPECIAL REVENUE FUND PROGRAMS
YEAR ENDED AUGUST 31, 2023

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	118,122	13,331,939	10,678,926
5020 Total Revenues	<u>118,122</u>	<u>13,331,939</u>	<u>10,678,926</u>
EXPENDITURES			
0011 Instruction	29,881	11,091,663	5,951,710
0012 Instructional Resources and Media Services		1,512	
0013 Curriculum & Instructional Staff Development		1,558,436	710,741
0021 Instructional Leadership		73,983	
0023 School Leadership		75,617	
0031 Guidance, Counseling, & Evaluation Services		66,648	4,016,475
0032 Social Work Services	88,241		
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		464,080	
0071 Debt Service			
0081 Facilities Acquisition and Construction			
6030 Total Expenditures	<u>118,122</u>	<u>13,331,939</u>	<u>10,678,926</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures			
OTHER FINANCING SOURCES/(USES)			
7949 SBITAs Issued			
8911 Transfers Out			
7080 Total Other Financing Sources/(Uses)			
1200 Net Change in Fund Balance			
0100 Fund Balance - September 1 (Beginning)			
3000 Fund Balance - August 31 (Ending)	<u>\$</u>	<u>\$</u>	<u>\$</u>

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	266 ESSER I CARES Act
\$	\$ 16,462,937	\$	\$	\$	\$	\$
	226,841					
81,455	30,925,321	209,869	663,818	1,438,778	1,672,746	20
81,455	47,615,099	209,869	663,818	1,438,778	1,672,746	20
81,455			412,883	6,601	373,910	20
			248,535	1,385,037	982,120	
			2,400			
				47,140		
	43,232,152	209,610				
	278,035					
					316,716	
81,455	43,510,187	209,610	663,818	1,438,778	1,672,746	20
	4,104,912	259				
	4,104,912	259				
	26,201,316	(259)				
\$	\$ 30,306,228	\$	\$	\$	\$	\$

KATY INDEPENDENT SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – SPECIAL REVENUE FUND PROGRAMS
 YEAR ENDED AUGUST 31, 2023

Data Control Codes	272 Medicaid Administrative Claiming	278 ARP TEHCY Supplemental	280 ARP Homeless II
REVENUES			
5700 Local, Intermediate, and Out-of-State	\$	\$	\$
5800 State Program Revenues			
5900 Federal Program Revenues	281,767	141,283	83,243
5020 Total Revenues	281,767	141,283	83,243
EXPENDITURES			
0011 Instruction			
0012 Instructional Resources and Media Services			
0013 Curriculum & Instructional Staff Development			
0021 Instructional Leadership			
0023 School Leadership			
0031 Guidance, Counseling, & Evaluation Services			
0032 Social Work Services		80,795	83,243
0033 Health Services	275,896		
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		60,488	
0071 Debt Service			
0081 Facilities Acquisition and Construction			
6030 Total Expenditures	275,896	141,283	83,243
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	5,871		
OTHER FINANCING SOURCES/(USES)			
7949 SBITAs Issued			
8911 Transfers Out	(644,837)		
7080 Total Other Financing Sources/(Uses)	(644,837)		
1200 Net Change in Fund Balance	(638,966)		
0100 Fund Balance - September 1 (Beginning)	638,966		
3000 Fund Balance - August 31 (Ending)	\$	\$	\$

281 ESSER II CRRSA Act	282 ESSER III ARP Act	284 ARP IDEA B Formula	285 ARP IDEA B Preschool	289 Federally Funded Special Rev.	315 SSA IDEA B Discretionary	340 SSA IDEA C Early Intervention
\$	\$	\$	\$	\$ 80,995	\$	\$
				436,388		
<u>11,318,904</u>	<u>23,528,177</u>	<u>2,995,213</u>	<u>156,905</u>	<u>4,643,567</u>	<u>177,022</u>	<u>3,902</u>
<u>11,318,904</u>	<u>23,528,177</u>	<u>2,995,213</u>	<u>156,905</u>	<u>5,160,950</u>	<u>177,022</u>	<u>3,902</u>
7,400,303	16,147,047	2,371,888	156,905	2,310,601	177,022	3,902
	70,638					
1,502,775	1,986,899			30,376		
188,685	483,736			261,645		
154,788	774,040			1,085		
1,239,789	2,031,684	623,325		77,195		
131,001	175,453			1,085		
132,516	250,079			116		
	104,287					
	17,600					
369,967	492,083					
	290,214			2,470,091		
	70,294			5,690		
127,247	530,690					
71,833	97,591			3,066		
	204,550					
	5,842					
<u>11,318,904</u>	<u>23,732,727</u>	<u>2,995,213</u>	<u>156,905</u>	<u>5,160,950</u>	<u>177,022</u>	<u>3,902</u>
	(204,550)					
	204,550					
	<u>204,550</u>					
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

KATY INDEPENDENT SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – SPECIAL REVENUE FUND PROGRAMS
 YEAR ENDED AUGUST 31, 2023

Data Control Codes		385 State Visually Impaired	410 Instructional Materials Allotment	429 State Funded Special Revenue
REVENUES				
5700	Local, Intermediate, and Out-of-State	\$	\$ 5,506	\$
5800	State Program Revenues	20,000	6,733,490	1,283,672
5900	Federal Program Revenues			
5020	Total Revenues	<u>20,000</u>	<u>6,738,996</u>	<u>1,283,672</u>
EXPENDITURES				
0011	Instruction	20,000	5,553,724	283,069
0012	Instructional Resources and Media Services			73
0013	Curriculum & Instructional Staff Development		5,900	133,017
0021	Instructional Leadership			
0023	School Leadership			
0031	Guidance, Counseling, & Evaluation Services			
0032	Social Work Services			
0033	Health Services			
0034	Student Transportation			
0035	Food Services			
0036	Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			240,861
0052	Security and Monitoring Services			456,435
0053	Data Processing Services			86,400
0061	Community Services			
0071	Debt Service		1,162,387	
0081	Facilities Acquisition and Construction			83,817
6030	Total Expenditures	<u>20,000</u>	<u>6,722,011</u>	<u>1,283,672</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures		<u>16,985</u>	
OTHER FINANCING SOURCES/(USES)				
7949	SBITAs Issued			
8911	Transfers Out			
7080	Total Other Financing Sources/(Uses)			
1200	Net Change in Fund Balance		16,985	
0100	Fund Balance - September 1 (Beginning)		196,454	
3000	Fund Balance - August 31 (Ending)	<u>\$</u>	<u>\$ 213,439</u>	<u>\$</u>

435 SSA Regional Deaf CO-OP	455 SSA Deaf Local Share	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, 2023
\$ 618,532	\$ 930,582	\$ 14,110,923	\$ 174,815	\$ 3,623,851	\$ 276,946	\$ 35,666,555
		10,940				9,318,923
<u>618,532</u>	<u>930,582</u>	<u>14,121,863</u>	<u>174,815</u>	<u>3,623,851</u>	<u>276,946</u>	<u>102,461,917</u>
						<u>147,447,395</u>
529,735	691,289	1,862,967	40,681		276,946	55,774,202
		746,157				818,380
	1,595	242,523	82,721			8,870,675
	113,573	37,109	5,400			1,166,531
		845,093	70			1,897,833
	77,715	10,495	1,400			8,144,726
						559,818
88,797	46,326	1,907				795,637
		2,845				107,132
						43,441,762
		9,777,308	3,624			9,798,532
		337	500			862,887
		240,273				3,519,474
		15,339	40,419			588,177
		38,446				782,783
	84	96,583				1,110,441
						1,366,937
		201,408		1,606,467		1,897,534
<u>618,532</u>	<u>930,582</u>	<u>14,118,790</u>	<u>174,815</u>	<u>1,606,467</u>	<u>276,946</u>	<u>141,503,461</u>
		3,073		2,017,384		5,943,934
						204,550
						(644,837)
						(440,287)
		3,073		2,017,384		5,503,647
		8,176,528		5,692,800		40,905,805
<u>\$</u>	<u>\$</u>	<u>\$ 8,179,601</u>	<u>\$</u>	<u>\$ 7,710,184</u>	<u>\$</u>	<u>\$ 46,409,452</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, 2023
with comparative actual balances for the Year Ended August 31, 2022

		2023	
		NUTRITION AND	
Data Control Codes		Budgeted Amounts	
		Original	Final
REVENUES			
5700	Local, Intermediate, and Out-of-State	\$ 18,149,500	\$ 16,308,027
5800	State Program Revenues	180,000	226,841
5900	Federal Program Revenues	21,203,383	30,624,784
5020	Total Revenues	39,532,883	47,159,652
EXPENDITURES			
0035	Food Services		
	Payroll Costs	17,611,196	14,764,921
	Professional and Contracted Services	260,000	218,768
	Supplies and Materials	23,889,708	30,084,457
	Other Operating Expenses	49,700	54,772
	Capital Outlay	4,300,000	644,503
	Total Food Service	46,110,604	45,767,421
0051	Facilities Maintenance and Operations		
	Capital Outlay		372,278
	Total Facilities Maintenance and Operations		372,278
6030	Total Expenditures	46,110,604	46,139,699
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,577,721)	1,019,953
1200	Net Change in Fund Balance	(6,577,721)	1,019,953
0100	Fund Balance - September 1 (Beginning)	26,201,316	26,201,316
3000	Fund Balance - August 31 (Ending)	\$ 19,623,595	\$ 27,221,269

FOOD SERVICE		
Actual Amounts	Variance with Final Budget Positive (Negative)	2022 Actuals
\$ 16,462,937	\$ 154,910	\$ 5,012,053
226,841		77,528
30,925,321	300,537	51,218,046
<u>47,615,099</u>	<u>455,447</u>	<u>56,307,627</u>
14,293,136	471,785	13,483,563
214,073	4,695	62,111
28,066,682	2,017,775	25,506,695
57,549	(2,777)	43,621
600,712	43,791	1,376,323
<u>43,232,152</u>	<u>2,535,269</u>	<u>40,472,313</u>
278,035	94,243	
<u>278,035</u>	<u>94,243</u>	
<u>43,510,187</u>	<u>2,629,512</u>	<u>40,472,313</u>
4,104,912	3,084,959	15,835,314
4,104,912	3,084,959	15,835,314
26,201,316		10,366,002
<u>\$ 30,306,228</u>	<u>\$ 3,084,959</u>	<u>\$ 26,201,316</u>

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, 2023

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	\$ 2,389,279	\$ 2,975,255	\$	\$ 5,364,534
1260	Due from Other Funds	3,149,248			3,149,248
1290	Other Receivables	3,580,358	37,416		3,617,774
1300	Inventories			129,336	129,336
	Total Current Assets	<u>9,118,885</u>	<u>3,012,671</u>	<u>129,336</u>	<u>12,260,892</u>
Noncurrent Assets:					
Capital Assets:					
1540	Furniture and Equipment			1,059,490	1,059,490
1573	Accumulated Depreciation			(499,094)	(499,094)
1559	Right to Use Leased Assets			300,449	300,449
1576	Accum Amort - Right to Use			(218,520)	(218,520)
	Total Noncurrent Assets			<u>642,325</u>	<u>642,325</u>
1000	Total Assets	<u>9,118,885</u>	<u>3,012,671</u>	<u>771,661</u>	<u>12,903,217</u>
LIABILITIES					
Current Liabilities:					
2110	Accounts Payable	737,975	947,929	569,177	2,255,081
2170	Due to Other Funds			946,240	946,240
2200	Accrued Expenses	8,047,000			8,047,000
	Total Current Liabilities	<u>8,784,975</u>	<u>947,929</u>	<u>1,515,417</u>	<u>11,248,321</u>
Noncurrent Liabilities:					
Due within one year:					
2130	Lease Liability			84,389	84,389
	Total Noncurrent Liabilities			<u>84,389</u>	<u>84,389</u>
2000	Total Liabilities	<u>8,784,975</u>	<u>947,929</u>	<u>1,599,806</u>	<u>11,332,710</u>
NET POSITION					
3200	Investment in Capital Assets			557,936	557,936
3900	Unrestricted	333,910	2,064,742	(1,386,081)	1,012,571
3000	Total Net Position	<u>\$ 333,910</u>	<u>\$ 2,064,742</u>	<u>\$ (828,145)</u>	<u>\$ 1,570,507</u>

KATY INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 FUND NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED AUGUST 31, 2023

Exhibit K-2

Data Control Codes	Governmental Activities			Total Internal Service Funds	
	Health Insurance	Workers' Compensation	Print Shop		
OPERATING REVENUES					
5754	Charges for Services	\$ 71,383,272	\$ 2,701,299	\$ 3,125,620	\$ 77,210,191
5020	Total Operating Revenues	<u>71,383,272</u>	<u>2,701,299</u>	<u>3,125,620</u>	<u>77,210,191</u>
OPERATING EXPENSES					
6100	Salary and Benefits	130,198			130,198
6200	Administrator Fees	4,822,883	167,605		4,990,488
6200	Claims Expense	69,386,855	826,257		70,213,112
6200	Repair and Maintenance Expense			23,861	23,861
6200	Contracted Services	80,774		2,408,290	2,489,064
6300	Supplies		7,466	2,183,837	2,191,303
6400	Insurance Premiums	1,232,411	122,409		1,354,820
6400	Miscellaneous Operating Expenses	144,002			144,002
6400	Depreciation/Amortization			210,896	210,896
6030	Total Operating Expenses	<u>75,797,123</u>	<u>1,123,737</u>	<u>4,826,884</u>	<u>81,747,744</u>
1200	Operating Income (Loss)	<u>(4,413,851)</u>	<u>1,577,562</u>	<u>(1,701,264)</u>	<u>(4,537,553)</u>
NONOPERATING REVENUES (EXPENSES)					
7955	Investment Income	66,800	110,468		177,268
8989	Interest Expense			(4,679)	(4,679)
	Total Net Nonoperating Revenue (Expense)	<u>66,800</u>	<u>110,468</u>	<u>(4,679)</u>	<u>172,589</u>
	Income (Loss) before Contributions and Transfers	<u>(4,347,051)</u>	<u>1,688,030</u>	<u>(1,705,943)</u>	<u>(4,364,964)</u>
7900	Capital Contributions			5,438	5,438
1300	Change in Net Position	(4,347,051)	1,688,030	(1,700,505)	(4,359,526)
0100	Total Net Position September 1 (Beginning)	4,680,961	376,712	872,360	5,930,033
3000	Total Net Position August 31 (Ending)	<u>\$ 333,910</u>	<u>\$ 2,064,742</u>	<u>\$ (828,145)</u>	<u>\$ 1,570,507</u>

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Exhibit K-3

	<u>Governmental Activities</u>			<u>Total Internal Service Funds</u>
	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Print Shop</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Internal Services Provided	\$ 72,659,660	\$ 2,663,883	\$ 4,071,860	\$ 79,395,403
Cash Payments to Suppliers	(102,848)	(7,466)	(2,127,669)	(2,237,983)
Cash Payments to Pay Claims	(68,224,834)	(1,566,601)		(69,791,435)
Cash Payments for Contracted Services	(4,930,655)	(167,605)	(2,422,806)	(7,521,066)
Cash Payments for Insurance Premiums	(1,232,411)	(122,409)		(1,354,820)
Cash Payments to Employees	(130,198)			(130,198)
Net Cash Provided (Used) by Operating Activities	<u>(1,961,286)</u>	<u>799,802</u>	<u>(478,615)</u>	<u>(1,640,099)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets			(42,496)	(42,496)
Principal Payment on Right to Use Lease Asset			(109,369)	(109,369)
Interest Payment on Right to Use Lease Asset			(4,679)	(4,679)
Net Cash (Used) by Capital and Related Financing Activities			<u>(156,544)</u>	<u>(156,544)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	66,800	110,468		177,268
Net Cash Provided by Investing Activities	<u>66,800</u>	<u>110,468</u>		<u>177,268</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,894,486)	910,270	(635,159)	(1,619,375)
Pooled Cash and Cash Equivalents at Beginning of Year	4,283,765	2,064,985	635,159	6,983,909
Pooled Cash and Cash Equivalents at End of Year	<u>\$ 2,389,279</u>	<u>\$ 2,975,255</u>	<u>\$</u>	<u>\$ 5,364,534</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (4,413,851)	\$ 1,577,562	\$ (1,701,264)	\$ (4,537,553)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization			210,896	210,896
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	(534,345)	(37,416)		(571,761)
(Increase) Decrease in Interfund Receivables	1,810,733			1,810,733
(Increase) Decrease in Inventories			(26,717)	(26,717)
Increase (Decrease) in Accounts Payable	475,177	(322,728)	92,230	244,679
Increase (Decrease) in Interfund Payables			946,240	946,240
Increase (Decrease) in Accrued Expenses	701,000	(417,616)		283,384
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,961,286)</u>	<u>\$ 799,802</u>	<u>\$ (478,615)</u>	<u>\$ (1,640,099)</u>
Noncash Investing, Capital, and Financing Activities				
Contributions of Capital Assets from Government			\$ 5,438	\$ 5,438
Transfers of Capital Assets to Government			\$ 14,070	\$ 14,070

COMPLIANCE SCHEDULES

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED
SCHOOL FIRST INDICATORS
YEAR ENDED AUGUST 31, 2023

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	\$ 42,067

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

<u>Fiscal Year</u>	<u>Tax Rates</u>			<u>Assessed/Appraised Value For School Tax Purposes</u>	<u>Beginning Balance September 1</u>
	<u>Maintenance</u>	<u>Debt Service</u>	<u>Total</u>		
2014 and prior	Various	Various	Various	Various	\$ 1,071,728
2015	1.1266	0.4000	1.5266	\$ 28,605,871,081	322,671
2016	1.1266	0.3900	1.5166	32,904,425,128	399,341
2017	1.1266	0.3900	1.5166	36,351,443,912	561,689
2018	1.1466	0.3700	1.5166	37,980,513,157	836,840
2019	1.1466	0.3700	1.5166	38,946,447,913	982,808
2020	1.0531	0.3900	1.4431	41,628,778,765	1,415,914
2021	0.9988	0.3900	1.3888	44,629,636,600	1,939,569
2022	0.9617	0.3900	1.3517	47,446,543,083	5,479,407
2023	0.9148	0.3900	1.3048	53,971,941,887	
			1000 Totals		<u><u>\$ 13,009,967</u></u>

M&O and I&S Taxes Refunded under Tax Code, Section 26.1115(c)

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

\$	<u>316,529,027</u>	\$	<u>11</u>
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Note: Tax rates are per \$100 valuation.

<u>Current Year's Total Levy</u>	<u>Maintenance and Operations Collections</u>	<u>Interest and Sinking Fund Collections</u>	<u>Total Collections</u>	<u>Entire Year's Adjustments</u>	<u>Ending Balance August 31</u>
\$	\$ 37,013	\$ 13,113	\$ 50,126	\$ (145,149)	\$ 876,453
	15,596	5,538	21,134	(626)	300,911
	44,114	15,271	59,385	2,899	342,855
	73,975	25,608	99,583	(21,834)	440,272
	116,429	37,571	154,000	41,563	724,403
	240,213	77,515	317,728	230,840	895,920
	99,916	37,003	136,919	(70,338)	1,208,657
	(1,073,258)	(419,073)	(1,492,331)	(1,979,503)	1,452,397
	(1,355,717)	(549,786)	(1,905,503)	(5,310,716)	2,074,194
<u>693,610,742</u>	<u>481,664,710</u>	<u>205,344,599</u>	<u>687,009,309</u>		<u>6,601,433</u>
<u>\$ 693,610,742</u>	<u>\$ 479,862,991</u>	<u>\$ 204,587,359</u>	<u>\$ 684,450,350</u>	<u>\$ (7,252,864)</u>	<u>14,917,495</u>
				Penalty and Interest Receivable on Taxes	6,854,052
				Less Allowance	(6,221,598)
				Total Property Taxes Receivable (net) per Exhibit C-1	<u>\$ 15,549,949</u>
	<u>\$ 309,602</u>				
<u>\$ 2,895,608</u>	<u>\$ 2,864,481</u>	<u>\$</u>	<u>\$ 2,864,481</u>	<u>\$ (24,397)</u>	<u>\$ 6,741</u>

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO
COMPENSATORY EDUCATION PROGRAM AND
BILINGUAL EDUCATION PROGRAM COMPLIANCE
FOR THE YEAR ENDED AUGUST 31, 2023

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.	\$ 57,958,276
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 46,877,155
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.	\$ 12,975,719
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	\$ 9,804,979

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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)

	<u>2014</u>	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>
Governmental Activities:				
Net Investment in Capital Assets	\$ 18,488,857	\$ 42,267,486	\$ 78,027,768	\$ 82,852,902
Restricted	62,159,491	61,083,366	62,162,827	65,667,551
Unrestricted	<u>159,985,665</u>	<u>114,283,057</u>	<u>124,728,667</u>	<u>122,630,464</u>
Total Governmental Activities				
Net Position	<u>\$ 240,634,013</u>	<u>\$ 217,633,909</u>	<u>\$ 264,919,262</u>	<u>\$ 271,150,917</u>
Primary Government:				
Net Investment in Capital Assets	\$ 18,488,857	\$ 42,267,486	\$ 78,027,768	\$ 82,852,902
Restricted	62,159,491	61,083,366	62,162,827	65,667,551
Unrestricted	<u>159,985,665</u>	<u>114,283,057</u>	<u>124,728,667</u>	<u>122,630,464</u>
Total Primary Government				
Net Position	<u>\$ 240,634,013</u>	<u>\$ 217,633,909</u>	<u>\$ 264,919,262</u>	<u>\$ 271,150,917</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.

Source: District Financial Statements

<u>2018 (2)</u>	<u>2019 (3)</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 124,413,226	\$ 174,206,102	\$ 191,834,640	\$ 208,895,160	\$ 233,546,766	\$ 296,161,462
68,233,054	72,409,538	74,862,261	76,693,046	92,157,766	102,508,477
<u>(199,949,188)</u>	<u>(191,087,409)</u>	<u>(191,510,110)</u>	<u>(202,510,618)</u>	<u>(177,274,611)</u>	<u>(151,974,205)</u>
<u>\$ (7,302,908)</u>	<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>
\$ 124,413,226	\$ 174,206,102	\$ 191,834,640	\$ 208,895,160	\$ 233,546,766	\$ 296,161,462
68,233,054	72,409,538	74,855,511	76,693,046	92,157,766	102,508,477
<u>(199,949,188)</u>	<u>(191,087,409)</u>	<u>(191,503,360)</u>	<u>(202,510,618)</u>	<u>(177,274,611)</u>	<u>(151,974,205)</u>
<u>\$ (7,302,908)</u>	<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>

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

Expenses	2014	2015 (1)	2016	2017
Governmental Activities:				
Instruction	\$ 379,326,682	\$ 417,723,329	\$ 463,004,721	\$ 499,089,811
Instructional Resources and Media Services	9,458,754	10,448,836	11,092,997	12,273,284
Curriculum and Instructional Staff Development	9,222,524	11,408,842	12,571,661	12,472,927
Instructional Leadership	4,795,027	5,475,459	6,084,697	6,057,793
School Leadership	33,654,588	35,148,787	39,272,358	41,475,495
Guidance, Counseling, and Evaluation Services	23,634,110	27,693,860	31,395,110	32,968,404
Social Work				
Health Services	5,960,105	6,442,002	7,098,188	8,143,076
Student Transportation	18,117,006	19,926,295	21,738,829	23,746,998
Food Services	29,705,565	31,336,015	33,037,502	36,363,758
Extracurricular Activities	13,922,981	15,033,286	16,523,156	21,460,317
General Administration	10,445,330	11,577,316	7,608,850	12,977,024
Facilities Maintenance and Operations	52,109,678	54,724,812	66,746,993	65,888,818
Security and Monitoring Services	6,457,842	7,208,059	7,944,254	8,022,653
Data Processing Services	13,588,172	14,528,909	15,527,959	14,199,302
Community Services	900,660	797,196	1,436,184	867,309
Interest and Issuance Costs on Long-term Debt	56,831,827	57,765,290	62,022,560	64,227,782
Facilities Planning	841,035	1,009,182	859,056	836,105
Payments to Shared Service Arrangements	208,693	175,830	330,796	315,376
Payments to JJAEP	39,240	35,805	37,893	35,755
Payments to Tax Increment Reinvestment Zone	1,252,136	1,281,931	1,500,033	1,787,431
Payments to Appraisal Districts	2,604,686	3,107,984	3,508,948	3,851,222
Total Primary Government Expenses	673,076,641	732,849,025	809,342,745	867,060,640
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	934,922	1,104,420	1,294,417	1,395,102
Food Services	15,120,998	16,094,307	16,060,740	16,520,390
Extracurricular Activities	1,886,069	1,983,194	2,437,040	2,150,542
Facilities Maintenance and Operations	2,896,388	2,847,061	2,823,800	3,029,620
Community Services	180,555	170,961	146,048	147,467
Facilities Planning				
Other Activities	724,219	378,370	563,700	1,455,789
Operating Grants and Contributions	83,729,556	87,414,257	108,517,945	103,725,938
Total Primary Government Program Revenues	105,472,707	109,992,570	131,843,690	128,424,848
Net (Expense)/Revenue				
Total Primary Government Net Expense	\$ (567,603,934)	\$ (622,856,455)	\$ (677,499,055)	\$ (738,635,792)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	\$ 274,072,603	\$ 319,183,036	\$ 365,143,237	\$ 400,420,348
Property Taxes, Levied for Debt Service	97,327,086	113,362,401	126,545,712	138,712,572
State Aid - Formula Grants	219,955,117	233,974,886	228,854,642	199,890,131
Investment Earnings	1,277,872	1,339,493	2,601,510	3,684,638
Miscellaneous	1,131,125	1,611,220	1,639,307	2,159,758
Extraordinary Item - Insurance Proceeds				
Total Primary Government General Revenues and Special Items	593,763,803	669,471,036	724,784,408	744,867,447
Change in Net Position				
Total Primary Government	\$ 26,159,869	\$ 46,614,581	\$ 47,285,353	\$ 6,231,655

(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.

Source: District Financial Statements

Exhibit II

	<u>2018 (2)</u>	<u>2019 (3)</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	332,524,107	\$ 573,349,689	\$ 621,829,003	\$ 629,002,333	\$ 624,870,768	\$ 690,406,377
	9,471,060	12,518,443	12,435,953	12,571,528	12,347,849	13,062,526
	8,688,155	14,427,816	15,295,923	16,291,059	18,655,896	21,775,227
	3,850,220	7,222,391	8,237,081	7,876,663	8,103,338	9,964,866
	28,413,536	47,260,431	51,430,448	51,969,883	50,659,345	55,864,995
	21,589,973	39,008,524	45,014,013	46,573,368	46,951,909	52,835,969
			74,476	513,260	1,173,339	1,368,861
	5,684,111	8,454,378	9,836,546	10,170,083	9,679,796	10,571,343
	20,470,400	24,784,241	24,558,497	25,354,955	28,335,589	30,535,139
	31,430,840	37,436,358	35,414,283	36,430,434	43,680,480	47,816,333
	20,168,678	32,278,464	32,949,881	35,077,169	39,715,555	42,665,208
	10,705,270	14,159,655	16,705,082	17,550,127	17,519,367	20,113,343
	71,530,944	79,395,627	93,359,935	94,370,824	91,905,040	96,823,157
	6,799,265	9,111,360	10,512,706	11,146,067	11,119,761	12,452,788
	12,486,010	13,664,335	15,766,025	17,224,554	16,727,074	18,832,047
	576,779	926,063	763,745	926,666	1,395,730	1,362,195
	71,117,461	74,956,508	70,438,366	69,972,933	72,844,770	81,425,233
	657,421	901,061	792,361	697,965	760,269	853,701
	428,982	630,385	548,742	742,071	726,473	882,086
	26,124	5,500	9,800	6,500	21,608	16,900
	1,951,121	2,538,535	2,424,073	2,727,209	3,509,675	3,530,095
	4,377,773	4,272,945	4,489,151	4,610,384	5,001,153	5,415,547
	<u>662,948,230</u>	<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>
	1,342,152	1,507,303	1,582,413	2,642,175	2,445,170	2,636,734
	12,306,498	15,517,404	10,866,658	3,421,222	4,925,546	1,141,272
	3,177,866	3,653,829	2,598,430	3,897,643	5,125,985	5,659,853
	3,953,990	3,548,280	2,616,700	2,607,021	3,284,624	4,186,888
	144,755	111,673	79,792	12,707	59,905	48,250
	679,928	911,939	874,046	594,999	601,237	851,456
	<u>(29,607,127)</u>	<u>140,185,794</u>	<u>144,751,022</u>	<u>148,581,499</u>	<u>135,031,252</u>	<u>188,580,889</u>
	<u>(8,001,938)</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>(670,950,168)</u>	<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>
\$	425,166,477	\$ 435,057,208	\$ 430,652,708	\$ 437,859,960	\$ 446,606,685	\$ 481,582,021
	137,151,351	140,419,036	159,553,923	170,985,597	181,110,131	206,588,807
	217,776,729	256,991,049	326,995,618	324,709,883	386,864,628	384,887,580
	7,840,730	12,055,061	6,734,460	1,549,245	1,996,613	30,665,575
	2,056,393	2,211,843	2,663,063	2,834,881	3,005,341	6,501,602
	15,000,000	10,000,000				
	<u>804,991,680</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>134,041,512</u>	<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>

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

Fiscal Year Ended 08/31:	2014	2015	2016	2017
General Fund				
Non-spendable	\$ 1,632,902	\$ 1,676,224	\$ 1,682,389	\$ 1,948,897
Committed	5,000,000	5,000,000	5,000,000	5,000,000
Assigned	38,313,114	33,345,793	59,718,583	45,262,824
Unassigned	122,079,868	142,300,585	131,220,046	150,613,416
Total General Fund	\$ 167,025,884	\$ 182,322,602	\$ 197,621,018	\$ 202,825,137
All Other Governmental Funds				
Non-spendable	\$ 257,088	\$ 298,222	\$ 331,870	\$ 331,544
Restricted (1)	111,246,054	217,899,330	217,167,264	221,277,995
Committed	2,968,982	3,877,399	5,187,661	5,576,420
Total All Other Governmental Funds	\$ 114,472,124	\$ 222,074,951	\$ 222,686,795	\$ 227,185,959

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

Source: District Financial Statements

2018	2019	2020	2021	2022	2023
\$ 1,848,633	\$ 2,179,115	\$ 2,261,731	\$ 2,955,406	\$ 3,126,905	\$ 3,367,012
5,000,000	5,000,000	21,000,000	20,000,000	15,500,000	15,500,000
62,918,089	52,716,009	50,761,742	60,160,195	64,071,747	76,276,031
143,728,990	198,222,716	221,419,646	224,682,222	244,089,789	257,640,394
<u>\$ 213,495,712</u>	<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>
\$ 207,179	\$ 260,761	\$ 446,821	\$ 318,844	\$	\$
210,979,294	184,050,525	195,011,151	93,065,550	364,925,546	326,397,834
5,842,269	5,812,699	7,331,468	7,847,845	8,176,528	8,179,601
<u>\$ 217,028,742</u>	<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>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
REVENUES				
Local, Intermediate, and Out-of-State	\$ 400,850,779	\$ 465,812,407	\$ 527,631,325	\$ 576,874,276
State Programs	258,627,309	272,681,653	265,692,757	243,863,371
Federal Programs	40,341,603	43,506,099	47,985,831	46,055,262
Total Revenues	<u>699,819,691</u>	<u>782,000,159</u>	<u>841,309,913</u>	<u>866,792,909</u>
EXPENDITURES				
Current:				
Instruction	352,095,091	394,990,339	416,482,583	439,624,519
Instructional Resources and Media Services	7,385,250	8,427,268	8,519,921	8,599,763
Curriculum and Instructional Staff Development	9,168,624	11,521,033	12,088,477	12,137,508
Instructional Leadership	4,766,798	5,493,216	5,797,435	5,841,285
School Leadership	31,697,268	33,625,710	35,609,939	37,228,648
Guidance, Counseling, and Evaluation Services	22,735,997	27,191,723	29,156,552	30,580,322
Social Work				
Health Services	5,156,712	5,708,886	5,960,809	6,630,238
Student Transportation	15,442,251	18,371,600	17,925,290	18,329,722
Food Services	26,092,121	27,881,956	28,791,021	29,818,640
Extracurricular Activities	11,431,026	12,633,909	13,617,113	14,810,002
General Administration	9,999,472	10,863,559	11,010,758	11,767,473
Facilities Maintenance and Operations	50,528,784	52,778,256	60,259,705	61,652,019
Security and Monitoring Services	7,077,700	7,190,977	8,226,561	7,806,514
Data Processing Services	9,910,686	10,948,978	11,867,199	12,049,626
Community Services	898,736	808,809	1,395,720	865,482
Debt Service:				
Principal on Long-term Debt	40,152,444	59,006,822	64,781,333	69,182,539
Interest on Long-term Debt	60,495,882	57,594,953	67,048,851	71,125,300
Bond Issuance Costs and Fees	35,575	4,117,255	2,001,218	191,596,866
Capital Outlay:				
Facilities Acquisition and Construction	60,815,880	80,781,635	290,909,587	298,649,086
Intergovernmental:				
Payments to Shared Service Arrangements	208,693	175,831	330,796	315,376
Payments to JJAEP	39,240	35,805	37,893	35,755
Payments to Tax Increment Reinvestment Zone	2,869,992	2,901,667	3,120,641	3,407,903
Other Intergovernmental Charges	2,604,686	3,107,984	3,508,948	3,851,222
Total Expenditures	<u>731,608,908</u>	<u>836,158,171</u>	<u>1,098,448,350</u>	<u>1,335,905,808</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(31,789,217)</u>	<u>(54,158,012)</u>	<u>(257,138,437)</u>	<u>(469,112,899)</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
Sale of Real and Personal Property	145,229	171,340	151,785	161,628
Transfers In	3,914,349	3,270,784	4,040,477	4,630,440
Premium/Discount from Issuance of Bonds		61,010,989	35,746,877	56,189,554
SBITAs Issued				
Transfers Out	(6,914,349)	(8,270,784)	(8,040,477)	(7,630,440)
Payment to Bond Refunding Escrow Agent		(354,509,772)	(27,459,965)	
Total Other Financing Sources (Uses)	<u>(2,854,771)</u>	<u>177,057,557</u>	<u>273,048,697</u>	<u>478,816,182</u>
SPECIAL ITEMS				
Insurance Recoveries				
Extraordinary Item				
Net Change in Fund Balances	<u>\$ (34,643,988)</u>	<u>\$ 122,899,545</u>	<u>\$ 15,910,260</u>	<u>\$ 9,703,283</u>
Debt Service as a Percentage of Noncapital Expenditures (1)	15.07%	15.49%	16.40%	13.53%
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	\$ 731,608,908	\$ 836,158,171	\$ 1,098,448,350	\$ 1,335,905,808
Less: Capital Expenditures	63,582,450	83,540,938	294,411,021	299,269,468
Total Non-Capital Expenditures	<u>\$ 668,026,458</u>	<u>\$ 752,617,233</u>	<u>\$ 804,037,329</u>	<u>\$ 1,036,636,340</u>

Exhibit IV

2018	2019	2020	2021	2022	2023
\$ 603,546,527	\$ 624,762,055	\$ 626,904,970	\$ 636,427,250	\$ 661,779,761	\$ 767,097,980
260,653,526	304,288,538	384,102,509	379,275,798	440,734,461	449,721,780
58,717,189	64,922,155	49,556,318	79,397,781	124,632,760	130,619,382
<u>922,917,242</u>	<u>993,972,748</u>	<u>1,060,563,797</u>	<u>1,095,100,829</u>	<u>1,227,146,982</u>	<u>1,347,439,142</u>
451,424,438	479,928,997	527,231,595	558,199,006	621,350,849	668,388,743
9,077,874	9,129,785	9,317,884	9,599,789	10,368,073	10,689,827
12,435,116	13,478,434	13,669,792	15,126,115	19,207,620	22,006,005
6,105,336	6,567,554	7,055,480	7,169,969	8,169,473	9,751,190
39,391,028	41,493,359	44,875,543	47,653,975	51,791,771	55,708,676
31,893,274	35,313,581	40,146,576	43,971,037	49,918,359	53,905,438
		64,230	487,780	1,196,434	1,383,104
6,982,347	7,558,316	8,780,642	9,501,661	10,018,924	10,641,757
18,975,217	22,624,329	18,686,686	19,513,829	24,118,783	26,294,140
29,720,128	31,562,559	29,759,832	30,309,414	40,557,791	43,441,762
18,570,489	19,840,676	21,647,179	23,000,244	28,563,380	31,201,264
12,997,178	13,661,788	13,194,662	14,302,672	15,740,610	17,992,541
82,833,701	67,117,475	79,697,790	82,940,503	83,587,481	87,684,734
8,440,652	9,029,182	10,143,419	10,548,900	11,613,238	13,897,064
13,404,040	14,185,533	14,763,537	16,441,453	16,679,994	18,186,020
767,654	859,600	677,996	886,521	1,432,138	1,372,890
70,416,790	84,235,000	76,867,982	74,406,648	100,498,863	119,101,613
80,326,526	81,419,061	78,974,820	82,371,734	85,308,236	93,757,648
1,493,821	1,999,416	162,574,050	14,096,729	3,180,236	1,808,083
234,599,020	246,026,660	159,586,725	111,968,775	205,713,138	328,199,073
428,982	630,385	548,742	742,071	726,473	882,086
26,124	5,500	9,800	6,500	21,608	16,900
3,570,449	4,155,711	4,043,089	4,346,913	4,975,610	5,106,081
4,377,773	4,272,945	4,489,151	4,610,384	5,001,153	5,415,547
<u>1,138,257,957</u>	<u>1,195,095,846</u>	<u>1,326,807,202</u>	<u>1,182,202,622</u>	<u>1,399,740,235</u>	<u>1,626,832,186</u>
<u>(215,340,715)</u>	<u>(201,123,098)</u>	<u>(266,243,405)</u>	<u>(87,101,793)</u>	<u>(172,593,253)</u>	<u>(279,393,044)</u>
		304,659,942	106,904,919		
186,225,000	190,695,000	141,240,000		439,620,000	242,960,000
3,395,097	108,452	93,580	233,573	313,460	5,434,070
14,102,249	23,606,508	7,689,744	1,530,925		8,230,804
15,233,976	20,037,017	56,332,887	29,831,980	23,520,246	15,072,273
					3,397,058
(18,102,249)	(25,606,508)	(10,689,744)	(4,530,925)		(8,230,804)
		(185,668,087)	(136,071,176)		
<u>200,854,073</u>	<u>208,840,469</u>	<u>313,658,322</u>	<u>(2,100,704)</u>	<u>463,453,706</u>	<u>266,863,401</u>
15,000,000	10,000,000				
<u>\$ 513,358</u>	<u>\$ 17,717,371</u>	<u>\$ 47,414,917</u>	<u>\$ (89,202,497)</u>	<u>\$ 290,860,453</u>	<u>\$ (12,529,643)</u>
16.84%	17.56%	13.37%	14.70%	15.61%	16.55%
\$ 1,138,257,957	\$ 1,195,095,846	\$ 1,326,807,202	\$ 1,182,202,622	\$ 1,399,740,235	\$ 1,626,832,186
243,365,797	251,744,339	160,884,646	115,448,650	209,620,787	340,474,292
<u>\$ 894,892,160</u>	<u>\$ 943,351,507</u>	<u>\$ 1,165,922,556</u>	<u>\$ 1,066,753,972</u>	<u>\$ 1,190,119,448</u>	<u>\$ 1,286,357,894</u>

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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
2014	\$ 17,666,123,656	\$ 6,946,066,195	\$ 8,467,871	\$ 1,322,654,238
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

- (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)
\$ 282,107,473	\$ 1,941,988,443	\$ 24,283,430,990	\$ 1.5266
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

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

Taxing Authority	2014	2015	2016	2017
<u>District Direct Rates:</u>				
Maintenance & Operations	\$ 1.1266	\$ 1.1266	\$ 1.1266	\$ 1.1266
Debt Service	0.4000	0.4000	0.3900	0.3900
Total District Direct Rates	\$ 1.5266	\$ 1.5266	\$ 1.5166	\$ 1.5166
<u>Overlapping Rates:</u>				
Addicks UD	\$ 0.6550	\$ 0.6550	\$ 0.6550	\$ 0.6550
Baker Road MUD	0.4250	0.3750	0.3400	0.3000
Castlewood MUD	0.8100	0.7000	0.5800	0.4500
Cimarron MUD	0.5700	0.5700	0.4200	0.3850
Cinco MUD #1	0.5000	0.4800	0.4400	0.4400
Cinco MUD #2	0.4750	0.4700	0.4500	0.3400
Cinco MUD #3	0.4200	0.4200	0.4000	0.3700
Cinco MUD #5	0.4450	0.4150	0.3800	0.3700
Cinco MUD #6	0.4100	0.3950	0.3550	0.3300
Cinco MUD #7	0.4850	0.4800	0.4800	0.4400
Cinco MUD #8	0.7600	0.7100	0.6400	0.5900
Cinco MUD #9	0.5700	0.5300	0.4300	0.4050
Cinco MUD #10	0.5800	0.5800	0.5300	0.4950
Cinco MUD #12	0.3600	0.3000	0.2700	0.2500
Cinco MUD #14	0.5450	0.5350	0.5200	0.5000
Cinco SW MUD #1	1.2900	1.0100	0.9050	0.8500
Cinco SW MUD #2	1.3450	1.2000	1.0400	0.9850
Cinco SW MUD #3	1.5000	1.4400	1.2000	1.1200
Cinco SW MUD #4	1.4000	1.2000	1.0300	0.9600
Cornerstone MUD	0.3600	0.3400	0.3300	0.3000
Fort Bend Co.	0.4998	0.4948	0.4860	0.4740
Fort Bend Co. LID #12	0.1250	0.1150	0.1000	0.0900
Fort Bend Co. MUD #34	0.6800	0.6800	0.6300	0.6200
Fort Bend Co. MUD #35	0.6200	0.5700	0.5150	0.4400
Fort Bend Co. MUD #37	0.5200	0.5200	0.5000	0.4900
Fort Bend Co. MUD #57	1.4000	1.2700	1.0500	0.9400
Fort Bend Co. MUD #58	1.4500	1.2800	1.1600	1.0700
Fort Bend Co. MUD #124	0.9900	0.9500	0.8600	0.8600
Fort Bend Co. MUD #130	0.7300	0.7200	0.6600	0.6300
Fort Bend Co. MUD #130 Defined Area	*N/A	*N/A	*N/A	*N/A
Fort Bend Co. MUD #142	1.1700	0.9500	0.8500	0.7700
Fort Bend Co. MUD #151	1.2600	1.2200	1.1100	1.0000
Fort Bend Co. MUD #156	1.5000	1.4500	1.2500	1.0500
Fort Bend Co. MUD #161	0.9062	0.9062	0.9000	0.9000
Fort Bend Co. MUD #163	0.9000	0.9000	0.9000	0.9000
Fort Bend Co. MUD #171	1.2650	1.2200	1.1600	1.1200
Fort Bend Co. MUD #172	1.3038	1.3226	1.2818	1.2150
Fort Bend Co. MUD #173	1.3038	1.3226	1.3393	1.3440
Fort Bend Co. MUD #182	*N/A	1.5000	1.5000	1.5000

2018	2019	2020	2021	2022	2023
\$ 1.1466	\$ 1.1466	\$ 1.0531	\$ 0.9988	\$ 0.9617	\$ 0.9148
0.3700	0.3700	0.3900	0.3900	0.3900	0.3900
\$ 1.5166	\$ 1.5166	\$ 1.4431	\$ 1.3888	\$ 1.3517	\$ 1.3048
\$ 0.6450	\$ 0.6450	\$ 0.6300	\$ 0.6000	\$ 0.5650	\$ 0.5150
0.3000	0.3000	0.3000	0.3000	0.3000	0.2822
0.4300	0.4100	0.4100	0.4100	0.4800	0.4600
0.3650	0.3650	0.3650	0.3650	0.3500	0.3200
0.4300	0.4278	0.4450	0.4450	0.4414	0.4098
0.2800	0.3100	0.3700	0.3600	0.3500	0.3200
0.3550	0.3550	0.3450	0.3450	0.3450	0.3400
0.3700	0.4900	0.4400	0.4200	0.4200	0.3950
0.3300	0.3850	0.3300	0.3300	0.3200	0.3007
0.4200	0.4800	0.4200	0.4050	0.3900	0.3000
0.5800	0.9600	0.6200	0.6150	0.6100	0.5600
0.3950	0.3950	0.3950	0.3950	0.3900	0.3700
0.4950	0.5050	0.5300	0.5500	0.5590	0.5200
0.2500	0.2500	0.2500	0.2500	0.2500	0.2400
0.4900	0.4900	0.5250	0.5350	0.5350	0.4900
0.7600	0.6800	0.6600	0.6400	0.5800	0.4700
0.9400	0.9100	0.9300	0.9000	0.8800	0.8200
1.0000	0.9350	0.9300	0.9200	0.8650	0.8100
0.9100	0.8300	0.8379	0.8250	0.8000	0.6950
0.3000	0.3000	0.3000	0.3000	0.3000	0.2775
0.4690	0.4640	0.4600	0.4532	0.4528	0.4383
0.0900	0.0850	0.0800	0.0750	0.0700	0.6500
0.6100	0.6100	0.6100	0.6100	0.6100	0.5900
0.4300	0.4250	0.4250	0.4250	0.4100	0.3800
0.4900	0.4900	0.4900	0.4900	0.5098	0.4805
0.9200	0.9000	0.9000	0.8900	0.8800	0.8200
1.0200	0.9500	0.9500	0.9000	0.8500	0.8200
0.8600	0.8600	0.8600	0.8600	0.8600	0.8100
0.6300	0.6300	0.6300	0.5300	0.5200	0.4500
*N/A	*N/A	*N/A	0.8700	0.8700	0.7200
0.7500	0.7500	0.7500	0.7500	0.7300	0.7000
0.9700	0.9500	0.9300	0.8900	0.8900	0.8500
1.0500	1.0500	1.0100	0.9900	0.9700	0.9300
0.9000	0.9000	0.9000	0.9000	0.8800	0.8300
0.9000	0.9000	0.9000	0.9000	0.9000	0.8200
1.1175	1.0650	1.0742	1.0700	1.0500	1.0000
1.1850	1.1600	1.1350	1.0900	1.0300	0.9450
1.3422	1.3384	1.3338	1.2700	1.2350	1.1300
1.5000	1.3500	1.3000	1.2700	1.2700	1.1700

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

Taxing Authority	2014	2015	2016	2017
<u>Overlapping Rates:</u>				
Fort Bend Co. MUD #185	\$ 1.2000	\$ 1.1700	\$ 1.0400	\$ 1.0300
Fort Bend Co. MUD #199	0.6000	0.6000	0.6000	0.6000
Fort Bend Waller Co. MUD #3	*N/A	*N/A	0.9300	0.9300
Fort Bend Improvement District #24	*N/A	1.4500	1.4500	1.4500
Fry Road MUD	0.5000	0.4850	0.4700	0.4550
Fulshear MUD #3A	*N/A	*N/A	*N/A	*N/A
Grand Lakes MUD #1	0.5400	0.5400	0.5150	0.4950
Grand Lakes MUD #2	0.3695	0.3500	0.3200	0.3075
Grand Lakes MUD #4	0.7300	0.6800	0.6000	0.5725
Grand Lakes WC & ID	0.0785	0.0730	0.0665	0.0650
Green Trails MUD	0.2100	0.2000	0.1900	0.2100
Harris Co.	0.4146	0.4173	0.4192	0.4166
Harris Co. Dept. of Education	0.0064	0.0060	0.0054	0.0052
Harris Co. Flood Contr. Dist.	0.0283	0.0274	0.0273	0.0283
Harris Co. ID #25	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #61	0.5900	0.5700	0.5000	0.4900
Harris Co. MUD #62	0.6500	0.6200	0.5900	0.5750
Harris Co. MUD #63	0.5900	0.5200	0.5000	0.4100
Harris Co. MUD #64	0.7100	0.6900	0.6900	0.6300
Harris Co. MUD #65	0.9700	0.9300	0.8400	0.7300
Harris Co. MUD #71	1.1000	1.0600	0.9700	0.8900
Harris Co. MUD #81	0.3700	0.3700	0.3300	0.3300
Harris Co. MUD #105	0.9300	0.9000	0.8500	0.8300
Harris Co. MUD #185	0.5475	0.6150	0.5450	0.5575
Harris Co. MUD #216	0.9900	0.9500	0.7000	0.5600
Harris Co. MUD #238	0.6850	0.6350	0.6200	0.5400
Harris Co. MUD #287	1.3500	1.3500	1.3500	1.2700
Harris Co. MUD #345	0.3800	0.3475	0.3100	0.2800
Harris Co. MUD #346	0.1000	0.1000	0.1000	0.1000
Harris Co. MUD #432	1.5000	1.5000	1.4500	1.4000
Harris Co. MUD #449	1.5000	1.5000	1.5000	1.4400
Harris Co. MUD #457	*N/A	*N/A	*N/A	1.5000
Harris Co. MUD #465	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #495	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #534	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #536	*N/A	*N/A	*N/A	1.5000
Harris Co. MUD #538	*N/A	*N/A	*N/A	*N/A
Harris Co. UD #6	0.2400	0.2350	0.2300	0.2200
Harris Co. WC & ID #159	*N/A	*N/A	*N/A	*N/A
Harris-Fort Bend Cos. MUD #1	0.6850	0.6850	0.6550	0.6100
Harris-Fort Bend Cos. MUD #3	1.1900	1.0700	0.9700	0.9200

2018	2019	2020	2021	2022	2023
\$ 1.0200	\$ 1.0000	\$ 0.9600	\$ 0.9300	\$ 0.8900	\$ 0.8500
0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
0.9300	0.9300	0.9300	0.9300	0.9300	0.9300
1.4500	1.4500	1.4500	*N/A	1.4500	1.4500
0.4400	0.4300	0.4250	0.4175	0.3910	0.3630
1.5000	1.5000	1.5000	1.4500	1.4000	1.3000
0.4950	0.5700	0.5400	0.5400	0.5450	0.5140
0.3000	0.2650	0.2400	0.1800	0.1500	0.1300
0.5525	0.5000	0.5000	0.5000	0.5000	0.4700
0.0650	0.0650	0.0700	0.0700	0.0700	0.6308
0.2100	0.2100	0.2150	0.2100	0.2090	0.1975
0.4180	0.4186	0.4071	0.3912	0.3769	0.3437
0.0052	0.0052	0.0050	0.0050	0.0050	0.0049
0.0283	0.0288	0.0279	0.0314	0.0335	0.0306
*N/A	*N/A	0.9000	0.9000	0.9000	0.9000
0.4800	0.4800	0.4800	0.4600	0.4500	0.4500
0.5750	0.5550	0.5550	0.5550	0.5790	0.5620
0.3300	0.3000	0.2800	0.2500	0.2000	0.1750
0.5800	0.5800	0.5600	0.5600	0.5400	0.5000
0.6700	0.6400	0.6200	0.6000	0.5750	0.5170
0.8000	0.7900	0.7900	0.7900	0.7900	0.7700
0.3300	0.3100	0.3000	0.3000	0.2950	0.2750
0.8000	0.8000	0.7800	0.7700	0.7400	0.6900
0.5375	0.5100	0.4600	0.4350	0.4400	0.4175
0.5000	0.5000	0.4900	0.4900	0.4900	0.4800
0.5100	0.5000	0.4900	0.4850	0.4650	0.4375
1.2200	1.1700	1.1600	1.1400	1.0900	1.0000
0.2500	0.2200	0.1900	0.1800	0.1750	0.1750
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
1.3800	1.3400	1.3200	1.3000	1.3000	1.2600
1.4200	1.3700	1.3200	1.2900	1.2400	1.1600
1.5000	1.5000	1.5000	1.5000	1.5000	1.4300
*N/A	*N/A	*N/A	1.4500	1.4500	1.4500
1.5000	1.5000	1.5000	1.5000	1.4400	1.1500
*N/A	*N/A	*N/A	*N/A	1.5000	1.5000
1.5000	1.5000	1.5000	1.5000	1.5000	1.4000
*N/A	1.5000	1.5000	1.5000	1.4500	1.3750
0.2200	0.2300	0.2025	0.1900	0.1779	0.2350
*N/A	*N/A	0.5000	0.5000	0.4600	0.4200
0.6200	0.6200	0.6400	0.6400	0.6400	0.5934
0.8200	0.8100	0.7300	0.7000	0.6700	0.6200

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

Taxing Authority	2014	2015	2016	2017
<u>Overlapping Rates:</u>				
Harris-Fort Bend Cos. MUD #5	\$ 0.7000	\$ 0.6500	\$ 0.5900	\$ 0.5400
Harris-Waller Cos. MUD #2	*N/A	0.9500	0.9500	0.9500
Harris-Waller Cos. MUD #3	*N/A	0.9300	0.9300	0.9300
Houston, City of	0.6388	0.6311	0.6011	0.5864
Interstate MUD	0.4100	0.4050	0.4000	0.3950
Jackrabbit Road PUD	0.2500	0.3000	0.3000	0.3000
Katy, City of	0.5667	0.5467	0.5267	0.5067
Katy Management District #1	0.8200	0.8200	0.8200	0.8000
Katy West MUD	*N/A	0.8000	0.8000	0.8000
Longhorn Town UD	0.6100	0.5500	0.5000	0.4600
Mason Creek UD	0.0346	0.3345	0.3230	0.3230
Mayde Creek MUD	0.9450	0.9300	0.9300	0.9300
Memorial MUD	0.5400	0.5100	0.4800	0.4400
Morton Road MUD	0.8200	0.7500	0.6900	0.6600
Northwest Harris Co. MUD #12	1.0600	1.0400	0.9800	0.9300
Nottingham Country MUD	0.3950	0.3750	0.3450	0.3400
Port of Houston Authority	0.0172	0.0153	0.0134	0.0133
Ricewood MUD	0.5800	0.5300	0.4750	0.4200
Rolling Creek UD	0.9600	0.8800	0.8500	0.7800
Village at Katy DD	*N/A	*N/A	*N/A	*N/A
Waller County	0.6511	0.6508	0.6204	0.6004
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	0.5000	0.4800	0.4800
West Harris Co. MUD #5	1.2000	1.1600	1.0900	1.0500
West Harris Co. MUD #7	0.9000	0.8500	0.8400	0.7700
West Harris Co. MUD #17	1.3100	1.2400	1.1900	1.0700
Westlake MUD #1	0.6325	0.5925	0.5625	0.5400
West Memorial MUD	0.4500	0.4500	0.4300	0.3900
Weston MUD	0.6100	0.5500	0.4800	0.4600
Westpark MUD	0.6700	0.6500	0.6500	0.5800
Willow Creek Farms MUD	1.2500	1.2500	1.1500	1.0950
Willow Fork DD	0.1900	0.1900	0.1850	0.1850
Willow Point MUD	1.5000	1.5000	1.5000	1.5000
WoodCreek Reserve MUD	0.6000	0.5600	0.5600	0.5600

2018	2019	2020	2021	2022	2023
\$ 0.5150	\$ 0.5050	\$ 0.4800	\$ 0.4600	\$ 0.4500	\$ 0.3900
0.9500	0.9500	0.9500	0.9500	0.9500	0.8700
0.9300	0.9300	0.9300	0.9300	0.9300	0.9300
0.5842	0.5883	0.5679	0.5618	0.5508	0.5336
0.3900	0.3900	0.3900	0.3900	0.3700	0.3425
0.3000	0.3000	0.3000	0.2973	0.2840	0.2665
0.4867	0.4867	0.4800	0.4472	0.4472	0.4400
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
0.4500	0.4300	0.3800	0.3500	0.3200	0.2600
0.3230	0.3300	0.3510	0.3510	0.3360	0.3120
0.9200	0.8900	0.8600	0.8400	0.8000	0.7200
0.4150	0.4150	0.4050	0.4000	0.3800	0.3530
0.6400	0.6300	0.6200	0.6000	0.5500	0.5190
0.8500	0.8000	0.8000	0.7800	0.7300	0.6500
0.3400	0.3400	0.3400	0.3400	0.3000	0.2750
0.0126	0.0116	0.0107	0.0099	0.0087	0.0080
0.4000	0.3900	0.3900	0.3850	0.3650	0.3400
0.7000	0.7000	0.7000	0.6800	0.6400	0.6100
*N/A	*N/A	1.0000	1.0000	1.0000	1.0000
0.5848	0.6540	0.6301	0.5871	0.5757	0.5226
*N/A	*N/A	*N/A	0.8000	0.8000	0.8000
*N/A	0.7700	0.7700	0.7700	0.7700	0.7700
1.2500	1.2500	1.2500	1.1700	1.1700	1.1700
0.0995	0.0995	0.1000	0.1000	0.0988	0.0974
0.4600	0.4500	0.4300	0.4300	0.4000	0.3600
1.0100	1.0000	0.9800	0.9700	0.9000	0.8400
0.6700	0.6400	0.6100	0.6000	0.5300	0.4800
1.0450	1.0450	0.9850	0.9650	0.9650	0.8600
0.5300	0.4900	0.4800	0.4589	0.4538	0.4365
0.3900	0.3900	0.3900	0.3900	0.3900	0.3600
0.4100	0.3700	0.3500	0.3400	0.3200	0.3000
0.4600	0.4200	0.3950	0.3250	0.3750	0.3750
1.0100	1.0400	1.1400	1.1400	1.1400	1.1000
0.1850	0.1850	0.1850	0.1850	0.1850	0.1720
1.5000	1.4800	1.4600	1.4300	1.3800	1.3200
0.5200	0.5050	0.5000	0.4900	0.4600	0.5300

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

Exhibit VII

Taxpayer	2023			2014		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Amoco Chemical Co.	\$ 406,429,008	1	0.75%	\$ 429,894,825	1	1.77%
Shell Oil Co.	390,192,353	2	0.72	139,171,716	3	0.57
Southern Glazer's Wine & Spirits	197,332,860	3	0.37			
Centerpoint Energy	185,894,806	4	0.34	126,571,587	5	0.52
Schlumberger Technology Corp.	150,977,084	5	0.28			
Academy Corp. Ltd.	144,037,712	6	0.27	112,970,461	7	0.47
Katy Mills LP	122,579,766	7	0.23	120,811,016	6	0.50
EC Owner	116,765,225	8	0.22			
Cole AS Katy Texas LLP	107,622,386	9	0.20			
WSRE CP Clay Owner LP	105,574,956	10	0.20			
Westlake Four Owner Corp.				226,608,481	2	0.93
Conoco Phillips Co.				134,856,515	4	0.56
Pathfinder Energy				100,667,250	8	0.41
Wal-Mart				85,240,885	9	0.35
KBS II Two				84,005,702	10	0.35
TOTALS	<u>\$ 1,927,406,156</u>		<u>3.57%</u>	<u>\$ 1,560,798,438</u>		<u>6.43%</u>

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

(2) Total assessed value equals: \$ 53,971,941,887

(3) Total assessed value equals: \$ 24,283,430,990

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
2014	\$ 366,908,488	\$ 364,521,121	99.35%	\$ 2,106,611	\$ 366,627,732	99.92%
2015	430,026,845	428,272,107	99.59	1,453,827	429,725,934	99.93
2016	487,724,280	487,326,155	99.92	55,270	487,381,425	99.93
2017	534,669,800	536,816,559	100.40	(2,587,031)	534,229,528	99.92
2018	557,212,628	560,383,716	100.57	(3,895,491)	556,488,225	99.87
2019	575,533,912	574,967,028	99.90	(329,036)	574,637,992	99.84
2020	585,599,571	585,598,568	100.00	(1,207,654)	584,390,914	99.79
2021	601,481,435	604,861,042	100.56	(4,832,004)	600,029,038	99.76
2022	625,626,449	625,457,758	99.97	(1,905,503)	623,552,255	99.67
2023	693,610,742	687,009,309	99.05		687,009,309	99.05

(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			
2014	\$ 1,192,692,517	\$ 8,337,728	\$ 45,512,893	\$ 15,095,000			\$ 1,261,638,138	5.20%	\$ 19,697
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

(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			
2014	\$ 1,192,692,517	\$ 8,337,728	\$ 45,512,893	\$ 52,050,071	\$ 1,194,493,067	4.92%	\$ 18,649
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

(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, 2023

Exhibit XI
Page 1 of 3

<u>Taxing Authority</u>	<u>Gross Debt Outstanding</u>		<u>Percent Overlapping (1)</u>	<u>Amount Overlapping Gross Debt</u>
	<u>Amount</u>	<u>As Of</u>		
<u>Direct:</u>				
Katy Independent School District	\$ 2,506,176,852	8/31/2023	100.00%	\$ 2,506,176,852
<u>Overlapping:</u>				
Addicks UD	14,010,000	8/31/2023	100.00	14,010,000
Castlewood MUD	13,530,000	8/31/2023	100.00	13,530,000
Cimarron MUD	22,870,000	8/31/2023	100.00	22,870,000
Cinco MUD #1	3,985,384	8/31/2023	100.00	3,985,384
Cinco MUD #2	9,847,672	8/31/2023	100.00	9,847,672
Cinco MUD #3	4,941,060	8/31/2023	100.00	4,941,060
Cinco MUD #5	5,945,371	8/31/2023	100.00	5,945,371
Cinco MUD #6	5,616,301	8/31/2023	100.00	5,616,301
Cinco MUD #7	8,229,445	8/31/2023	100.00	8,229,445
Cinco MUD #8	10,577,499	8/31/2023	100.00	10,577,499
Cinco MUD #9	6,500,570	8/31/2023	100.00	6,500,570
Cinco MUD #10	8,432,991	8/31/2023	100.00	8,432,991
Cinco MUD #12	7,683,121	8/31/2023	100.00	7,683,121
Cinco MUD #14	16,037,504	8/31/2023	100.00	16,037,504
Cinco Southwest MUD #1	1,076,350	8/31/2023	100.00	1,076,350
Cinco Southwest MUD #2	58,337,669	8/31/2023	100.00	58,337,669
Cinco Southwest MUD #3	47,773,731	8/31/2023	100.00	47,773,731
Cinco Southwest MUD #4	56,427,250	8/31/2023	100.00	56,427,250
Cornerstone MUD	1,815,000	8/31/2023	100.00	1,815,000
Fort Bend Co.	956,522,050	8/31/2023	18.52	177,147,884
Fort Bend Co. Drainage District	23,615,000	8/31/2023	18.52	4,373,498
Fort Bend Co. ID #24	13,205,000	8/31/2023	100.00	13,205,000
Fort Bend Co. LID #12	8,820,000	8/31/2023	4.07	358,974
Fort Bend Co. MUD #34	17,135,000	8/31/2023	100.00	17,135,000
Fort Bend Co. MUD #35	24,255,000	8/31/2023	100.00	24,255,000
Fort Bend Co. MUD #57	40,200,000	8/31/2023	100.00	40,200,000
Fort Bend Co. MUD #58	131,095,000	8/31/2023	100.00	131,095,000
Fort Bend Co. MUD #124	6,050,000	8/31/2023	100.00	6,050,000
Fort Bend Co. MUD #130	7,940,000	8/31/2023	100.00	7,940,000
Fort Bend Co. MUD #130 Def. Area	10,075,000	8/31/2023	100.00	10,075,000
Fort Bend Co. MUD #142	116,540,000	8/31/2023	29.07	33,878,178
Fort Bend Co. MUD #151	59,260,000	8/31/2023	63.64	37,713,064
Fort Bend Co. MUD #156	17,400,000	8/31/2023	100.00	17,400,000
Fort Bend Co. MUD #161	24,860,000	8/31/2023	100.00	24,860,000
Fort Bend Co. MUD #163	12,665,000	8/31/2023	100.00	12,665,000
Fort Bend Co. MUD #171	44,194,081	8/31/2023	100.00	44,194,081
Fort Bend Co. MUD #172	103,058,319	8/31/2023	100.00	103,058,319
Fort Bend Co. MUD #173	66,970,995	8/31/2023	100.00	66,970,995

KATY INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AUGUST 31, 2023

Exhibit XI
Page 2 of 3

Taxing Authority	Gross Debt Outstanding		Percent Overlapping (1)	Amount Overlapping Gross Debt
	Amount	As Of		
<i>Overlapping:</i>				
Fort Bend Co. MUD #182	\$ 115,630,000	8/31/2023	18.38%	\$ 21,252,794
Fort Bend Co. MUD #185	31,350,000	8/31/2023	100.00	31,350,000
Fort Bend Co. MUD #199	2,975,000	8/31/2023	100.00	2,975,000
Fort Bend Waller Co. MUD #3	41,345,000	8/31/2023	65.04	26,890,788
Fulshear MUD #3A	54,970,000	8/31/2023	2.00	1,099,400
Grand Lakes MUD #1	4,520,000	8/31/2023	100.00	4,520,000
Grand Lakes MUD #4	5,725,000	8/31/2023	100.00	5,725,000
Grand Lakes WC & ID	3,195,000	8/31/2023	100.00	3,195,000
Green Trails MUD	1,135,000	8/31/2023	100.00	1,135,000
Harris Co.	1,977,981,319	8/31/2023	4.85	95,932,094
Harris Co. Dept. of Education	13,865,000	8/31/2023	4.85	672,453
Harris Co. Flood Contr. Dist.	1,009,015,000	8/31/2023	4.85	48,937,228
Harris Co. Hosp. District	70,970,000	8/31/2023	4.85	3,442,045
Harris Co. ID #25	8,895,000	8/31/2023	100.00	8,895,000
Harris Co. MUD #61	24,510,000	8/31/2023	100.00	24,510,000
Harris Co. MUD #62	13,365,000	8/31/2023	100.00	13,365,000
Harris Co. MUD #63	8,565,000	8/31/2023	100.00	8,565,000
Harris Co. MUD #64	13,855,000	8/31/2023	100.00	13,855,000
Harris Co. MUD #65	18,495,000	8/31/2023	100.00	18,495,000
Harris Co. MUD #71	38,115,000	8/31/2023	99.20	37,810,080
Harris Co. MUD #81	11,165,000	8/31/2023	100.00	11,165,000
Harris Co. MUD #105	79,580,000	8/31/2023	10.79	8,586,682
Harris Co. MUD #185	725,000	8/31/2023	2.62	18,995
Harris Co. MUD #216	3,690,000	8/31/2023	100.00	3,690,000
Harris Co. MUD #238	13,980,000	8/31/2023	100.00	13,980,000
Harris Co. MUD #287	60,480,000	8/31/2023	100.00	60,480,000
Harris Co. MUD #432	61,040,000	8/31/2023	100.00	61,040,000
Harris Co. MUD #449	70,415,000	8/31/2023	100.00	70,415,000
Harris Co. MUD #457	130,801,700	8/31/2023	100.00	130,801,700
Harris Co. MUD #465	14,785,000	8/31/2023	100.00	14,785,000
Harris Co. MUD #495	98,785,000	8/31/2023	100.00	98,785,000
Harris Co. MUD #534	15,415,525	8/31/2023	100.00	15,415,525
Harris Co. MUD #536	58,220,000	8/31/2023	100.00	58,220,000
Harris Co. MUD #538	23,150,000	8/31/2023	100.00	23,150,000
Harris Co. MUD #540	8,060,000	8/31/2023	100.00	8,060,000
Harris Co. UD #6	12,900,000	8/31/2023	98.34	12,685,860
Harris Co. WC & ID #159	41,190,000	8/31/2020	0.81	333,639
Harris-Fort Bend Cos. MUD #1	16,720,000	8/31/2023	100.00	16,720,000
Harris-Fort Bend Cos. MUD #3	49,305,000	8/31/2023	100.00	49,305,000
Harris-Fort Bend Cos. MUD #5	16,280,000	8/31/2023	100.00	16,280,000
Harris-Waller Counties MUD #2	20,170,000	8/31/2023	100.00	20,170,000
Harris-Waller Counties MUD #3	92,815,000	8/31/2023	100.00	92,815,000

KATY INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AUGUST 31, 2023

Exhibit XI
Page 3 of 3

Taxing Authority	Gross Debt Outstanding		Percent Overlapping (1)	Amount Overlapping Gross Debt
	Amount	As Of		
<i>Overlapping:</i>				
Harris-Waller Counties MUD #5	\$ 21,565,000	8/31/2023	94.36%	\$ 20,348,734
Houston, City of	2,930,515,000	8/31/2023	1.64	48,060,446
Interstate MUD	9,690,000	8/31/2023	100.00	9,690,000
Katy West MUD	31,470,000	8/31/2023	100.00	31,470,000
Katy, City of	27,630,000	8/31/2023	92.72	25,618,536
Mason Creek UD	3,580,000	8/31/2023	100.00	3,580,000
Mayde Creek MUD	6,330,000	8/31/2023	100.00	6,330,000
Memorial MUD	3,730,000	8/31/2023	100.00	3,730,000
Morton Road MUD	2,645,000	8/31/2023	100.00	2,645,000
Northwest Harris Co. MUD #12	51,290,000	8/31/2023	8.30	4,257,070
Port of Houston Authority	445,749,397	8/31/2023	4.85	21,618,846
Ricewood MUD	6,805,000	8/31/2023	100.00	6,805,000
Rolling Creek UD	35,790,000	8/31/2023	11.49	4,112,271
Village at Katy DD	7,175,000	8/31/2023	100.00	7,175,000
Waller County	71,265,000	8/31/2023	30.00	21,379,500
Waller Co. ID #2	2,675,000	8/31/2023	100.00	2,675,000
Waller Co. MUD #9B	10,295,000	8/31/2023	0.00	
Waller Co. RID #1	53,625,000	8/31/2023	15.47	8,295,788
West Harris Co. MUD #2	21,525,000	8/31/2023	100.00	21,525,000
West Harris Co. MUD #5	25,100,000	8/31/2023	100.00	25,100,000
West Harris Co. MUD #7	18,625,000	8/31/2023	100.00	18,625,000
West Harris Co. MUD #17	4,230,000	8/31/2023	100.00	4,230,000
Westlake MUD #1	6,745,000	8/31/2023	100.00	6,745,000
West Memorial MUD	6,110,000	8/31/2023	100.00	6,110,000
West Park MUD	21,530,000	8/31/2023	100.00	21,530,000
Weston MUD	16,680,000	8/31/2023	100.00	16,680,000
Willow Creek Farms MUD	30,365,000	8/31/2023	86.01	26,116,937
Willow Fork DD	25,560,000	8/31/2023	100.00	25,560,000
Willow Point MUD	27,315,000	8/31/2023	100.00	27,315,000
WoodCreek Reserve MUD	15,685,000	8/31/2023	100.00	15,685,000
Subtotal, Overlapping Debt				2,678,749,319
TOTAL DIRECT AND OVERLAPPING DEBT				\$ 5,184,926,171

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)
2014	81,052	\$ 16,522,082,163	\$ 203,845	64,052	4.90%
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

(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	2023			2014		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Katy ISD	12,313	1	5.54%	9,565	1	6.79%
Wood Group/ Mustang Engineering	8,015	2	3.61	5,000	3	3.55
Amazon	4,000	3	1.80			
BP North America	3,750	4	1.69	7,000	2	4.97
Academy Sports and Outdoors	3,500	5	1.58	2,900	5	2.06
HEB	2,500	6	1.13			
Houston Methodist West	2,300	7	1.04			
Shell Exploration & Production	2,000	8	0.90	3,000	4	2.13
Walmart	1,800	9	0.81	1,300	9	0.92
Kroger	1,500	10	0.68			
Conoco				2,000	6	1.42
Phillips 66				2,000	6	1.42
Worley Parsons				2,000	6	1.42
Foster Wheeler				1,200	10	0.85
TOTALS	41,678		18.78%	35,965		25.53%

(1) Total employment for 2023: 222,164
(2) Total employment for 2014: 140,772

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:	2014	2015	2016	2017
Instruction	5,264	5,587	5,960	6,229
Instructional Resources and Media Services	105	112	113	119
Curriculum and Instructional Staff Development	74	92	95	100
Instructional Leadership	59	67	69	70
School Leadership	514	533	552	575
Guidance, Counseling, and Evaluation Services	302	336	359	371
Social Work Services				
Health Services	100	103	105	112
Student Transportation	314	320	334	344
Food Services	394	418	436	449
Co-curricular/Extracurricular Activities	90	91	94	102
General Administration	92	99	106	108
Facilities Maintenance and Operations	628	654	705	734
Security and Monitoring Services	107	118	125	127
Data Processing Services	98	104	113	113
Community Services	13	11	13	12
Facilities Acquisition and Construction	7	6	7	7
Total Employees	8,161	8,651	9,186	9,572

Source: District Records

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
6,471	6,687	7,188	7,593	7,807	8,168
127	129	136	138	140	140
99	101	107	119	133	146
72	77	86	83	88	98
612	628	673	694	717	790
390	411	481	514	572	606
			6	12	14
121	127	137	146	157	162
346	339	342	331	326	303
448	474	496	493	459	489
117	120	138	136	136	132
115	126	132	136	139	146
771	782	816	866	840	810
134	137	147	155	154	156
115	119	122	126	127	134
11	10	10	10	11	13
7	7	7	5	6	6
<u>9,956</u>	<u>10,274</u>	<u>11,018</u>	<u>11,551</u>	<u>11,824</u>	<u>12,313</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
2014	64,052		\$ 567,342,557	\$ 8,858	8.49%
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

- (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
\$ 673,076,641	\$ 10,508	6.82%	4,304	14.88	29.00%
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

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)
2014	\$ 47,000	\$ 77,822	\$ 52,881	\$ 52,222	\$ 49,692
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

(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:	2014	2015	2016	2017
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	3,196	3,168	3,143	3,234
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	2,953	3,033	3,200	3,483
Mayde Creek (1984)				
Square Footage	603,141	603,141	603,141	603,141
Capacity	3,000	3,000	3,000	3,000
Enrollment	2,713	2,685	2,737	2,771
Morton Ranch (2004)				
Square Footage	583,628	583,628	583,628	583,628
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,307	3,331	3,402	3,539
Paetow (2017)				
Square Footage				
Capacity				
Enrollment				
Seven Lakes (2005)				
Square Footage	599,005	599,005	599,005	599,005
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,585	3,438	3,225	3,394
Taylor (1979)				
Square Footage	542,192	542,192	542,192	542,192
Capacity	3,000	3,000	3,000	3,000
Enrollment	2,918	2,903	2,909	2,936
Tompkins (2013)				
Square Footage	610,134	610,134	610,134	610,134
Capacity	3,000	3,000	3,000	3,000
Enrollment	834	1,641	2,478	2,963

2018	2019	2020	2021	2022	2023
581,934	581,934	581,934	581,934	581,934	581,934
3,000	3,000	3,000	3,000	3,000	3,000
3,155	3,189	3,264	3,407	3,476	3,656
		625,154	625,154	625,154	625,154
		3,000	3,000	3,000	3,000
			1,129	1,940	2,745
589,196	589,196	589,196	589,196	589,196	589,196
3,000	3,000	3,000	3,000	3,000	3,000
3,413	3,395	3,467	3,186	3,196	3,330
603,141	603,141	603,141	603,141	603,141	603,141
3,000	3,000	3,000	3,000	3,000	3,000
2,715	2,759	2,892	2,804	2,862	2,940
583,628	583,628	583,628	583,628	583,628	583,628
3,000	3,000	3,000	3,000	3,000	3,000
3,092	2,849	2,560	2,533	2,542	2,718
635,058	635,058	635,058	635,058	635,058	635,058
3,000	3,000	3,000	3,000	3,000	3,000
728	1,401	2,164	2,556	3,164	3,537
599,005	599,005	599,005	599,005	599,005	599,005
3,000	3,000	3,000	3,000	3,000	3,000
3,538	3,637	3,783	3,685	3,589	3,595
542,192	542,192	542,192	542,192	542,192	542,192
3,000	3,000	3,000	3,000	3,000	3,000
2,950	2,900	2,919	3,019	3,060	3,085
610,134	610,134	610,134	610,134	610,134	610,134
3,000	3,000	3,000	3,000	3,000	3,000
3,387	3,770	4,031	3,490	3,265	2,908

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2015	2016	2017
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	1,100	1,078	1,040	999
Beckendorff (2004)				
Square Footage	184,398	184,398	184,398	184,398
Capacity	1,403	1,403	1,403	1,403
Enrollment	1,675	1,698	1,770	1,754
Cardiff (2008)				
Square Footage	188,602	188,602	188,602	188,602
Capacity	1,403	1,403	1,403	1,403
Enrollment	1,027	955	965	912
Cinco Ranch (2001)				
Square Footage	154,637	154,637	154,637	154,637
Capacity	1,400	1,400	1,400	1,400
Enrollment	1,209	1,259	1,260	1,222
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	1,354	1,332	1,341	1,353
Mayde Creek (1980)				
Square Footage	172,386	172,386	172,386	172,386
Capacity	1,414	1,414	1,414	1,414
Enrollment	1,141	1,146	1,121	1,135
McDonald (1991)				
Square Footage	137,569	137,569	137,569	137,569
Capacity	1,220	1,220	1,220	1,220
Enrollment	973	1,053	1,076	1,144
McMeans (2000)				
Square Footage	154,637	154,637	154,637	154,637
Capacity	1,400	1,400	1,400	1,400
Enrollment	1,085	1,085	1,163	1,140

2018	2019	2020	2021	2022	2023
		192,313	192,313	192,313	192,313
		1,400	1,400	1,400	1,400
		1,300	1,475	1,611	1,761
137,569	137,569	137,569	137,569	137,569	137,569
1,232	1,232	1,232	1,232	1,232	1,232
957	1,001	1,259	1,260	1,277	1,259
184,398	184,398	184,398	184,398	184,398	184,398
1,403	1,403	1,403	1,403	1,403	1,403
1,739	1,699	1,708	1,695	1,720	1,731
188,602	188,602	188,602	188,602	188,602	188,602
1,403	1,403	1,403	1,403	1,403	1,403
886	951	1,008	924	962	863
154,637	154,637	154,637	154,637	154,637	154,637
1,400	1,400	1,400	1,400	1,400	1,400
1,259	1,272	1,460	1,445	1,430	1,510
			195,117	195,117	195,117
			1,400	1,400	1,400
				907	1,116
137,569	137,569	137,569	137,569	137,569	137,569
1,231	1,231	1,231	1,231	1,232	1,232
1,039	1,085	1,220	1,267	1,099	1,094
172,386	172,386	172,386	172,386	172,386	172,386
1,414	1,414	1,414	1,414	1,414	1,414
1,076	1,141	1,161	1,231	1,260	1,273
137,569	137,569	137,569	137,569	137,569	137,569
1,220	1,220	1,220	1,220	1,220	1,220
928	902	910	976	1,033	1,059
154,637	154,637	154,637	154,637	154,637	154,637
1,400	1,400	1,400	1,400	1,400	1,400
1,108	1,136	1,187	1,136	1,152	1,169

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2015	2016	2017
JUNIOR HIGH SCHOOLS (cont.)				
Memorial Parkway (1982)				
Square Footage	148,627	148,627	148,627	148,627
Capacity	1,133	1,133	1,133	1,133
Enrollment	894	876	853	827
Morton Ranch (2003)				
Square Footage	180,290	180,290	180,290	180,290
Capacity	1,403	1,403	1,403	1,403
Enrollment	1,268	1,202	1,177	1,201
Seven Lakes (2012)				
Square Footage	187,748	187,748	187,748	187,748
Capacity	1,400	1,400	1,400	1,400
Enrollment	1,550	1,748	2,006	1,771
Stockdick (2017)				
Square Footage				
Capacity				
Enrollment				
Tays (2016)				
Square Footage				185,944
Capacity				1,400
Enrollment				1,377
West Memorial (1976)				
Square Footage	169,920	169,920	169,920	169,920
Capacity	998	998	998	998
Enrollment	718	748	763	802
WoodCreek (2008)				
Square Footage	188,602	188,602	188,602	188,602
Capacity	1,403	1,403	1,403	1,403
Enrollment	1,585	1,946	2,156	1,346
ELEMENTARY SCHOOLS				
Alexander (1998)				
Square Footage	106,134	106,134	106,134	106,134
Capacity	935	935	935	935
Enrollment	1,077	1,061	1,102	1,024
Bear Creek (1978)				
Square Footage	101,269	101,269	101,269	101,269
Capacity	799	799	799	799
Enrollment	762	747	754	713
Bethke (2016)				
Square Footage				144,303
Capacity				1,030
Enrollment				667

2018	2019	2020	2021	2022	2023
161,462	161,462	161,462	161,462	161,462	161,462
1,133	1,133	1,133	1,133	1,133	1,133
799	788	911	826	867	787
180,290	180,290	180,290	180,290	180,290	180,290
1,403	1,403	1,403	1,403	1,403	1,403
1,215	1,190	1,187	1,195	1,219	1,184
187,748	187,748	187,748	187,748	187,748	187,748
1,400	1,400	1,400	1,400	1,400	1,400
1,924	2,032	1,483	1,558	1,529	1,630
192,984	192,984	192,984	192,984	192,984	192,984
1,400	1,400	1,400	1,400	1,400	1,400
715	903	1,075	1,327	1,128	1,313
185,944	185,944	185,944	185,944	185,944	185,944
1,400	1,400	1,400	1,400	1,400	1,400
1,591	1,719	1,391	1,452	1,488	1,508
169,920	169,920	169,920	169,920	169,920	169,920
998	998	998	998	998	998
800	851	866	913	886	927
188,602	188,602	188,602	188,602	188,602	188,602
1,403	1,403	1,403	1,403	1,403	1,403
1,477	1,587	1,215	1,350	1,509	1,568
106,134	106,134	106,134	106,134	106,134	106,134
935	935	935	935	935	935
993	954	950	916	1,000	1,008
101,269	101,269	101,269	101,269	101,269	101,269
799	799	799	799	799	799
629	679	751	707	666	668
144,303	144,303	144,303	144,303	144,303	144,303
1,030	1,030	1,030	1,030	1,030	1,030
935	1,352	1,147	878	1,156	1,284

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2015	2016	2017
ELEMENTARY SCHOOLS (cont.)				
Bryant (2017)				
Square Footage				
Capacity				
Enrollment				
Campbell (2018)				
Square Footage				
Capacity				
Enrollment				
Cimarron (1980)				
Square Footage	98,823	98,823	98,823	98,823
Capacity	861	861	861	861
Enrollment	646	697	679	679
Creech (2000)				
Square Footage	111,734	111,734	111,734	111,734
Capacity	935	935	935	935
Enrollment	827	843	874	888
Davidson (2014)				
Square Footage		124,938	124,938	124,938
Capacity		1,030	1,030	1,030
Enrollment		1,168	1,434	1,100
Exley (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	977	1,020	1,000	956
Fielder (1993)				
Square Footage	106,117	106,117	106,117	106,117
Capacity	907	907	907	907
Enrollment	1,066	1,145	1,243	1,027
Franz (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	956	978	1,061	1,018
Golbow (1989)				
Square Footage	95,709	95,709	95,709	95,709
Capacity	867	867	867	867
Enrollment	807	811	806	768

2018	2019	2020	2021	2022	2023
144,303	144,303	144,303	144,303	144,303	144,303
1,030	1,030	1,030	1,030	1,030	1,030
580	716	911	1,062	1,330	1,149
	144,303	144,303	144,303	144,303	144,303
	1,030	1,030	1,030	1,030	1,030
	782	1,090	1,357	1,486	1,545
98,823	98,823	98,823	98,823	98,823	98,823
861	861	861	861	861	861
655	624	631	611	607	612
111,734	111,734	111,734	111,734	111,734	111,734
935	935	935	935	935	935
715	808	857	861	847	873
124,938	124,938	124,938	124,938	124,938	124,938
1,030	1,030	1,030	1,030	1,030	1,030
1,164	1,140	1,142	1,117	1,069	1,065
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
982	1,037	1,045	953	970	954
106,117	106,117	106,117	106,117	106,117	106,117
907	907	907	907	907	907
1,133	950	957	929	910	955
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	1,004	979	925	938	1,000
95,709	95,709	95,709	95,709	95,709	95,709
867	867	867	867	867	867
783	790	850	853	868	959

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2015	2016	2017
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	933	958	950	1,039
Hayes (1995)				
Square Footage	106,117	106,117	106,117	106,117
Capacity	907	907	907	907
Enrollment	682	717	697	663
Holland (2008)				
Square Footage	123,843	123,843	123,843	123,843
Capacity	1,030	1,030	1,030	1,030
Enrollment	989	982	1,035	1,056
Hutsell (1978)				
Square Footage	115,086	115,086	115,086	115,086
Capacity	983	983	983	983
Enrollment	825	832	793	743
Jenks (2016)				
Square Footage				156,608
Capacity				1,318
Enrollment				1,256
Katy (1965)				
Square Footage	86,825	86,825	86,825	86,825
Capacity	643	643	643	643
Enrollment	541	603	633	694
Kilpatrick (2003)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,091	1,131	1,166	1,152
King (2001)				
Square Footage	121,164	121,164	121,164	121,164
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,192	1,301	1,411	990
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	765	779	869	859

2018	2019	2020	2021	2022	2023
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,030	991	850	810	766	821
106,117	106,117	106,117	106,117	106,117	106,117
907	907	907	907	907	907
682	670	665	561	608	610
123,843	123,843	123,843	123,843	123,843	123,843
1,030	1,030	1,030	1,030	1,030	1,030
1,098	1,093	1,012	883	834	864
115,086	115,086	115,086	115,086	115,086	115,086
983	983	983	983	983	983
763	727	846	802	809	855
156,608	156,608	156,608	156,608	156,608	156,608
1,318	1,318	1,318	1,318	1,318	1,318
1,543	1,297	1,453	1,450	1,315	1,434
86,825	86,825	86,825	86,825	86,825	115,825
643	643	643	643	643	814
665	672	634	636	662	682
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,195	1,175	1,195	1,092	1,046	1,042
121,164	121,164	121,164	121,164	121,164	121,164
1,030	1,030	1,030	1,030	1,030	1,030
981	989	942	868	867	981
		137,674	137,674	137,674	137,674
		1,030	1,030	1,030	1,030
		689	892	1,177	1,190
112,913	112,913	112,913	112,913	112,913	112,913
968	968	968	968	968	968
840	804	762	747	795	825

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2015	2016	2017
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	802	840	810	747
Memorial Parkway (1978)				
Square Footage	103,658	103,658	103,658	103,658
Capacity	742	742	742	742
Enrollment	860	864	815	796
Morton Ranch (2008)				
Square Footage	123,843	123,843	123,843	123,843
Capacity	1,030	1,030	1,030	1,030
Enrollment	805	924	1,022	954
Nottingham Country (1981)				
Square Footage	101,427	101,427	101,427	101,427
Capacity	1,053	1,053	1,053	1,053
Enrollment	588	613	650	702
Pattison (1989)				
Square Footage	112,156	112,156	112,156	112,156
Capacity	1,052	1,052	1,052	1,052
Enrollment	801	854	972	1,045
Randolph (2014)				
Square Footage		124,938	124,938	124,938
Capacity		1,030	1,030	1,030
Enrollment		853	1,030	1,151
Rhoads (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,109	1,135	1,122	1,072
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	1,339	1,356	1,323	1,138

2018	2019	2020	2021	2022	2023
		138,519	138,519	138,519	138,519
		1,030	1,030	1,030	1,030
			692	1,095	1,374
106,134	106,134	106,134	106,134	106,134	106,134
935	935	935	935	935	935
719	760	755	683	674	708
131,274	131,274	131,274	131,274	131,274	131,274
940	940	940	940	940	940
823	865	898	820	911	920
123,843	123,843	123,843	123,843	123,843	123,843
1,030	1,030	1,030	1,030	1,030	1,030
950	981	949	1,017	1,095	1,130
101,427	101,427	101,427	101,427	101,427	101,427
1,053	1,053	1,053	1,053	1,053	1,053
790	798	877	816	860	854
112,156	112,156	112,156	112,156	112,156	112,156
1,052	1,052	1,052	1,052	1,052	1,052
1,015	1,021	1,101	1,144	1,140	1,228
124,938	124,938	124,938	124,938	124,938	124,938
1,030	1,030	1,030	1,030	1,030	1,030
1,273	1,095	1,146	1,075	1,089	1,078
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,041	1,000	943	813	760	796
				138,519	138,519
				1,030	1,030
					761
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,126	1,087	1,100	987	1,068	1,090

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2015	2016	2017
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	1,149	1,175	1,168	1,176
Shafer (2012)				
Square Footage	123,966	123,966	123,966	123,966
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,267	1,113	1,148	1,187
Stanley (2009)				
Square Footage	126,897	126,897	126,897	126,897
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,316	1,127	1,098	1,063
Stephens (2007)				
Square Footage	123,249	123,249	123,249	123,249
Capacity	1,030	1,030	1,030	1,030
Enrollment	756	763	765	718
Sundown (1982)				
Square Footage	112,913	112,913	112,913	112,913
Capacity	968	968	968	968
Enrollment	853	879	851	788
West Memorial (1974)				
Square Footage	89,742	89,742	89,742	89,742
Capacity	683	683	683	683
Enrollment	756	821	891	795
Williams (2000)				
Square Footage	111,734	111,734	111,734	111,734
Capacity	935	935	935	935
Enrollment	723	709	728	672
Wilson (2012)				
Square Footage	123,966	123,966	123,966	123,966
Capacity	1,030	1,030	1,030	1,030
Enrollment	958	1,040	1,073	1,121
Winborn (1981)				
Square Footage	94,596	94,596	94,596	94,596
Capacity	848	848	848	848
Enrollment	742	777	814	763
Wolfe (1968, 2012)				
Square Footage	98,761	98,761	98,761	98,761
Capacity	500	500	500	500
Enrollment	446	460	437	418

2018	2019	2020	2021	2022	2023
121,164	121,164	121,164	121,164	121,164	141,532
1,030	1,030	1,030	1,030	1,030	1,674
1,185	1,174	1,207	1,176	1,247	1,312
123,966	123,966	123,966	123,966	123,966	123,966
1,030	1,030	1,030	1,030	1,030	1,030
1,197	1,175	1,195	1,127	1,096	1,091
126,897	126,897	126,897	126,897	126,897	126,897
1,030	1,030	1,030	1,030	1,030	1,030
1,040	1,005	1,058	985	967	935
123,249	123,249	123,249	123,249	123,249	123,249
1,030	1,030	1,030	1,030	1,030	1,030
692	723	693	595	601	618
112,913	112,913	112,913	112,913	112,913	112,913
968	968	968	968	968	968
822	781	771	722	725	722
89,742	89,742	89,742	89,742	89,742	89,742
683	683	683	683	683	683
822	820	821	819	822	830
111,734	111,734	111,734	111,734	111,734	111,734
935	935	935	935	935	935
695	803	839	851	888	936
123,966	123,966	123,966	123,966	123,966	123,966
1,030	1,030	1,030	1,030	1,030	1,030
1,057	1,044	1,015	917	1,105	1,148
94,596	94,596	94,596	94,596	94,596	94,596
848	848	848	848	848	848
699	695	664	641	680	737
98,761	98,761	98,761	98,761	98,761	98,761
500	500	500	500	500	500
348	326	370	358	396	405

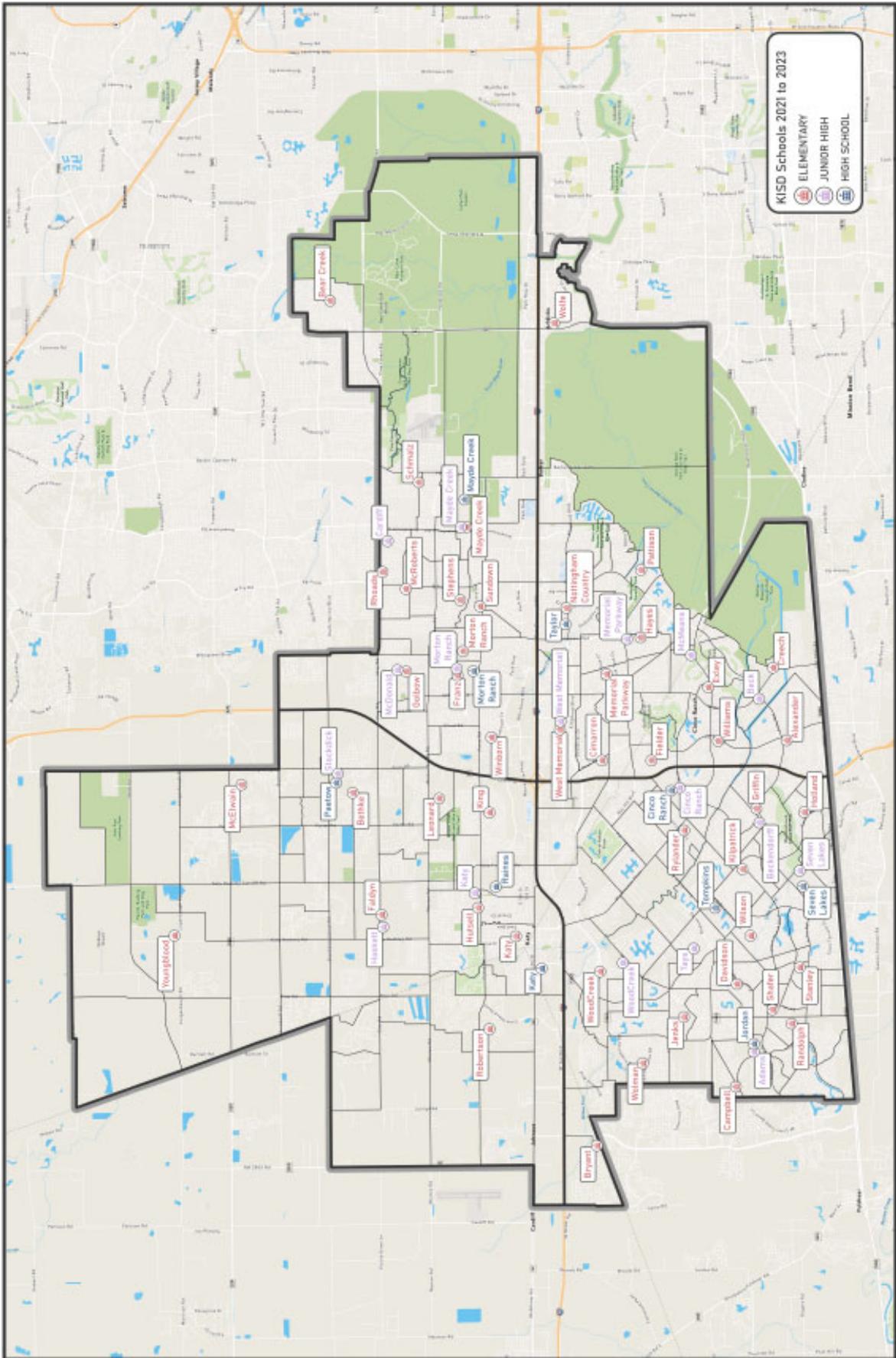
KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2014	2015	2016	2017
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	1,075	1,239	1,411	1,198
WoodCreek (2007)				
Square Footage	123,249	123,249	123,249	123,249
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,412	1,014	1,156	1,139
OTHER INSTRUCTIONAL FACILITIES				
Miller Career & Technology Center (1982)				
Square Footage	132,951	132,951	132,951	136,239
Capacity	907	907	907	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)	235	163	200	190
Portable Buildings (2)				
Number Utilized	274	315	354	355
Classrooms Provided	420	504	584	636

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

2018	2019	2020	2021	2022	2023
123,966	123,966	123,966	123,966	123,966	123,966
1,030	1,030	1,030	1,030	1,030	1,030
915	979	1,005	953	937	859
123,249	123,249	123,249	123,249	123,249	123,249
1,030	1,030	1,030	1,030	1,030	1,030
1,201	1,197	1,237	1,236	1,315	1,327
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	677	688	688
					166
21,916	21,916	21,916	21,916	52,857	52,857
331	331	331	331	500	500
218	173				
354	354	355	358	374	386
641	641	643	663	703	727





Katy Independent School District
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