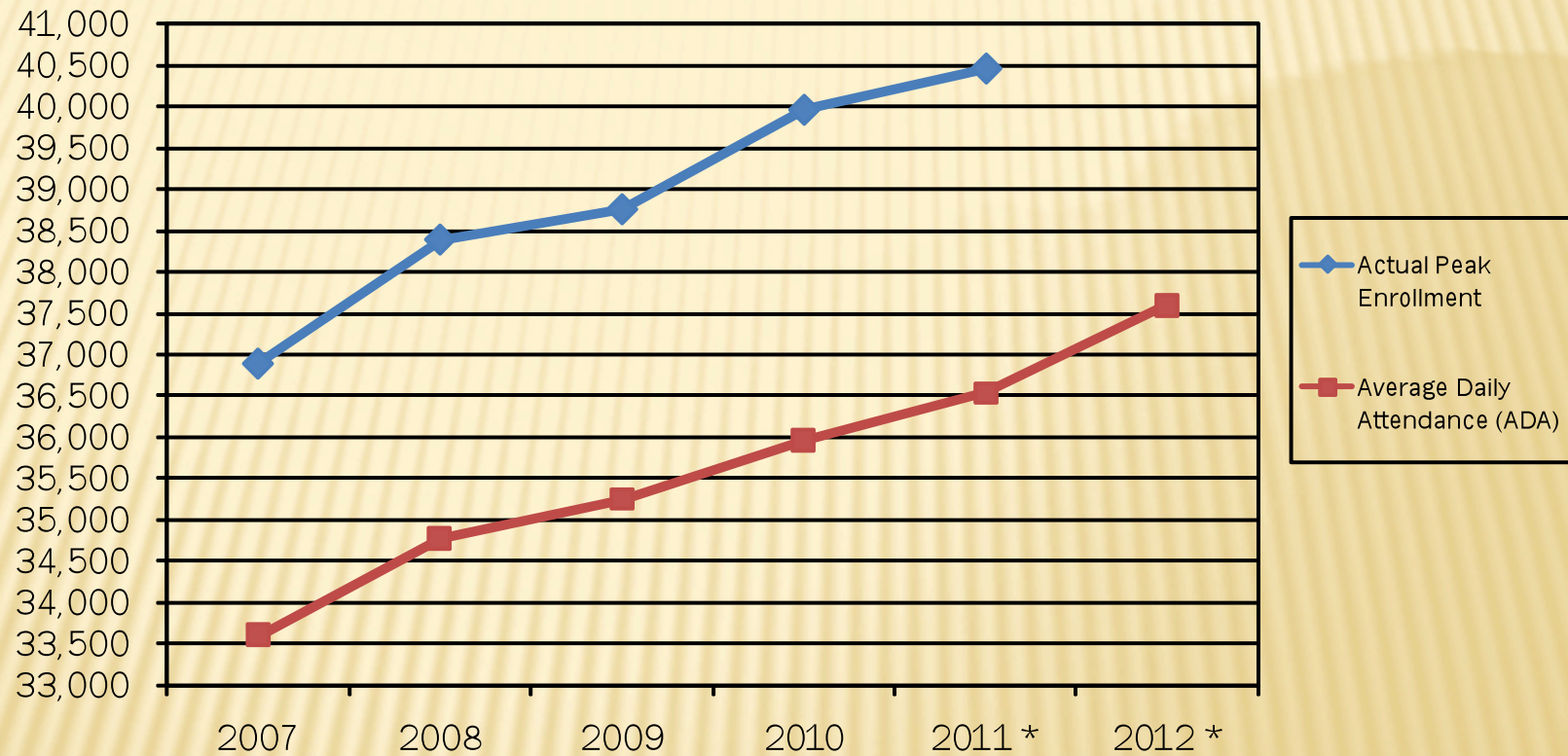


August 30, 2011

Prepared by Financial Reporting

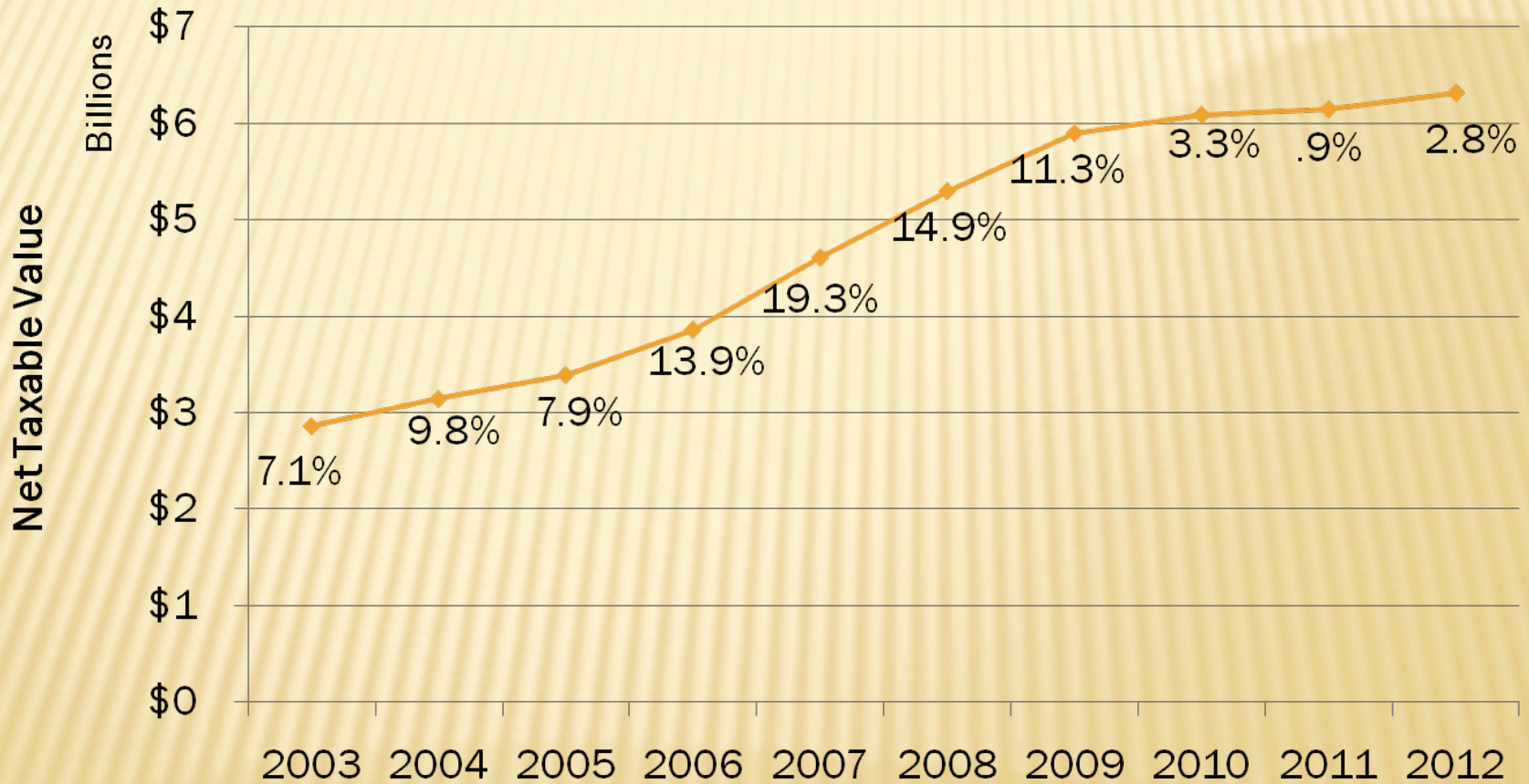
KILLEEN ISD BUDGET HEARING

ENROLLMENT COMPARED TO AVERAGE DAILY ATTENDANCE (ADA)



* ADA not yet final

NET TAXABLE VALUE GROWTH



TOP TEN TAXPAYERS

Name of Taxpayer	Assessed Value
ONCOR Electric Company	\$65,667,627
Wal-Mart Stores	36,248,311
Century Link Telephone Company	30,281,310
Market Heights Shopping Center	22,622,251
HEB Grocery Stores	18,095,237
Time Warner Cable Company	17,916,290
Killeen Mall Shopping Center	16,973,485
Watercrest Apartment Complex	14,114,812
AEGIS Communications	11,326,849
Sierra Creek Apartment Complex	<u>11,321,315</u>
	<u>\$244,567,487</u>

M&O BUDGET PLAN COMPONENTS

- ✘ Increase in net taxable property values of 2.8%
- ✘ M&O tax rate remains at \$1.03119
- ✘ No salary increases
- ✘ \$4.8M in M&O salaries to be paid with Education Jobs federal funding
- ✘ \$7M central office reductions
- ✘ \$3.8M secondary teacher reductions (6:7)
- ✘ \$.9M in secondary support staff reductions

M&O BUDGET PLAN COMPONENTS

- ✘ \$1.1M stipend reductions
- ✘ \$1.2M auxiliary staff reductions
- ✘ \$3.4M various operating budget reductions
- ✘ \$.9M bus & white fleet reductions
- ✘ \$5.6M Pre-K salaries moved from State Fiscal Stabilization Funds to M&O
- ✘ \$2.4M increase in campus allocations due to growth

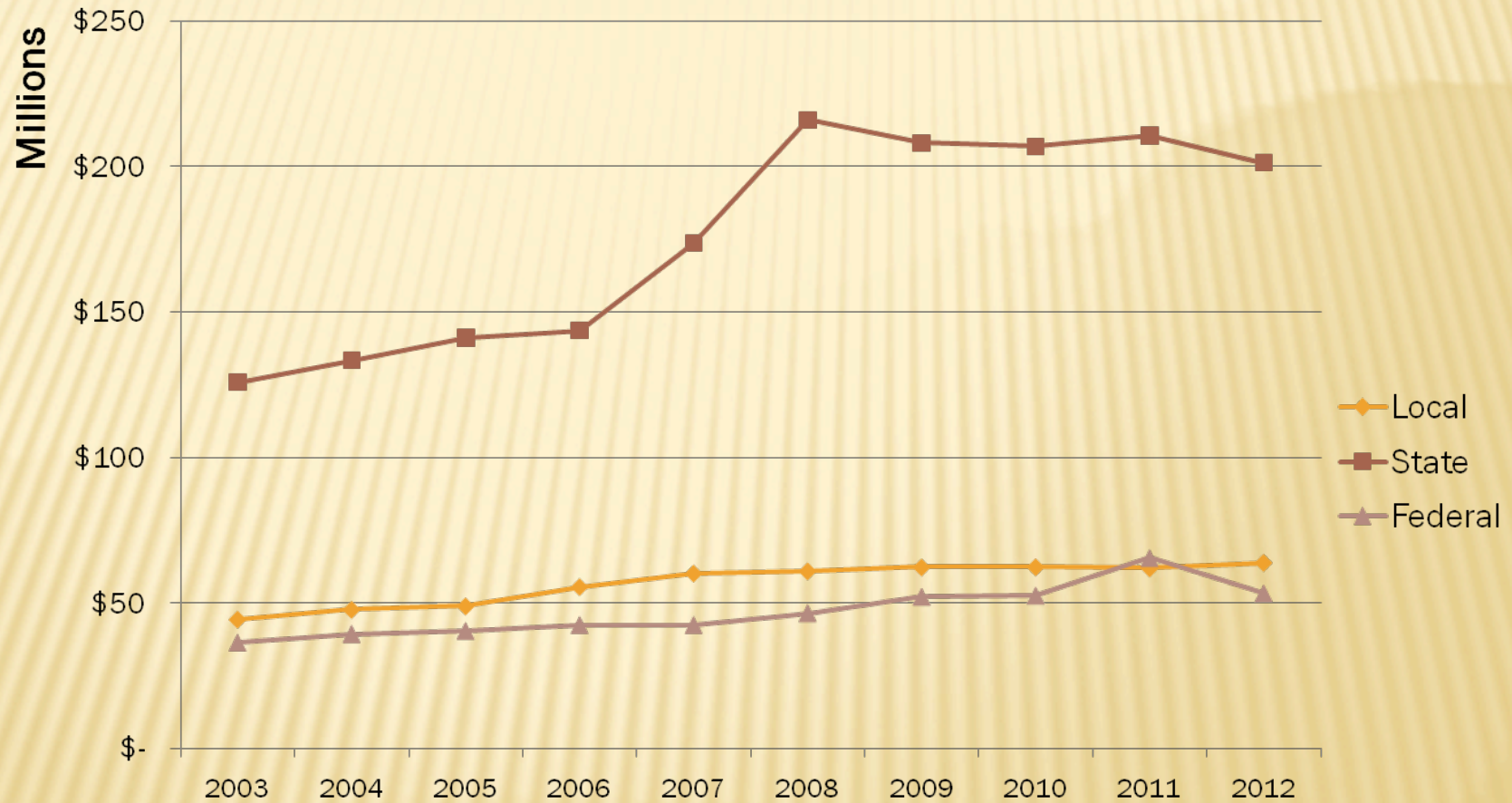
M&O BUDGET PLAN COMPONENTS

- ✘ No change to 22:1 class size for K-4
- ✘ Reduction in secondary class size
- ✘ Maintain classroom technology replacement cycle package
- ✘ Doubled teacher classroom supply reimbursement

M&O BUDGET COMPARISON

	Proposed		Adopted		
	FY 11-12		FY 10-11		Inc/(Dec)
REVENUE (5.83% Decline)	\$	318,641,345	\$	338,351,155	
EXPENDITURES					
Payroll & Benefits	\$	256,656,918	\$	265,200,655	\$ (8,543,737)
Professional Services		24,618,190		22,383,097	2,235,093
Supplies & Materials		16,618,212		16,619,758	(1,546)
Operating Costs		7,560,050		15,279,871	(7,719,821)
Capital Outlay		928,975		1,882,229	(953,254)
EXPENDITURES	\$	306,382,345	\$	321,365,610	\$ (14,983,265)
OTHER SOURCES/USES	\$	12,259,000	\$	16,985,545	\$ (4,726,545)
EXCESS/ (DEFICIENCY)	\$	-	\$	-	

GENERAL FUND REVENUE

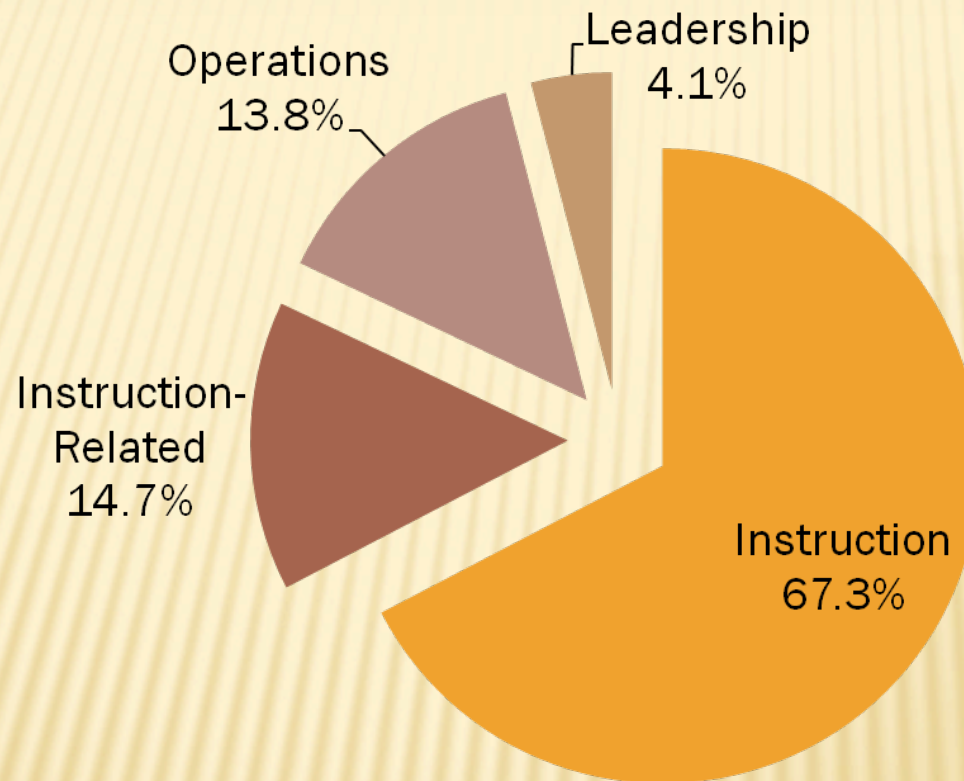


2003-2011 ADOPTED BUDGETS; 2012 PROPOSED

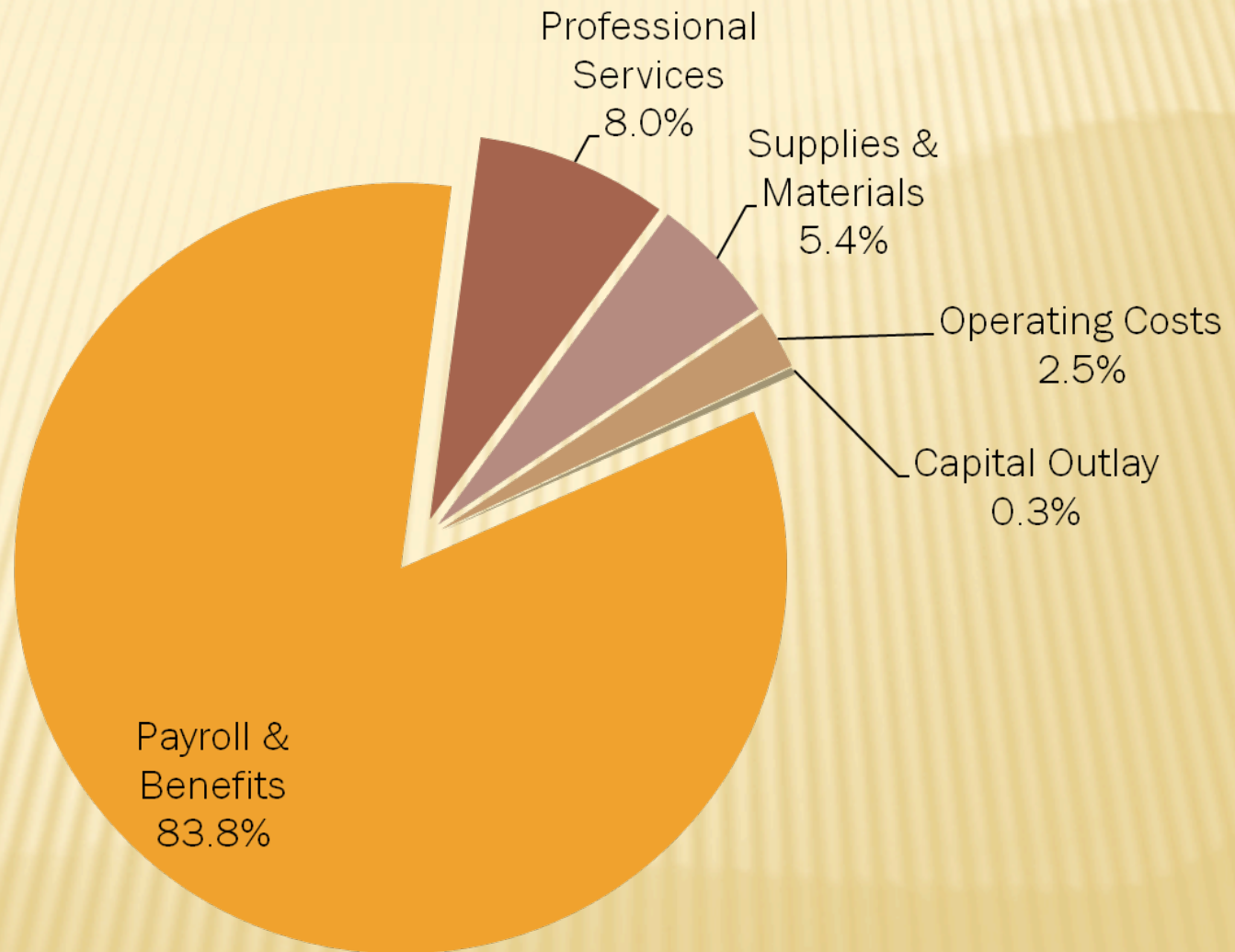
M&O EXPENDITURES BY FUNCTION

	2010-2011 Adopted	2011-2012 Proposed	Percent of Total
11 Instruction	\$ 198,874,712	\$ 191,114,301	62.38%
12 Instructional Resources and Media Services	8,766,861	8,712,791	2.84%
13 Curriculum Development and Instructional Staff Development	5,466,212	5,398,755	1.76%
21 Instructional Leadership	4,415,392	3,680,636	1.20%
23 School Leadership	19,012,235	18,701,368	6.10%
31 Guidance, Counseling and Evaluation Services	13,959,390	10,971,077	3.58%
32 Social Work Services	1,789,018	1,334,848	0.44%
33 Health Services	3,177,827	3,508,095	1.15%
34 Student Transportation	10,907,594	10,413,831	3.40%
35 Food Services	281,748	289,421	0.09%
36 Cocurricular/Extracurricular Activities	7,157,644	6,968,350	2.27%
41 General Administration	8,538,637	7,138,335	2.33%
51 Plant Maintenance and Operations	29,773,177	28,976,808	9.46%
52 Security and Monitoring Services	2,726,019	2,553,611	0.83%
53 Data Processing Services	4,847,113	4,859,322	1.59%
61 Community Services	693,574	767,099	0.25%
81 Facilities Acquisition	-	-	0.00%
95 Payments to JJAEP	400,000	401,100	0.13%
99 Other Intergovernmental Charges	578,457	592,597	0.19%
	<u>\$ 321,365,610</u>	<u>\$ 306,382,345</u>	100.00%

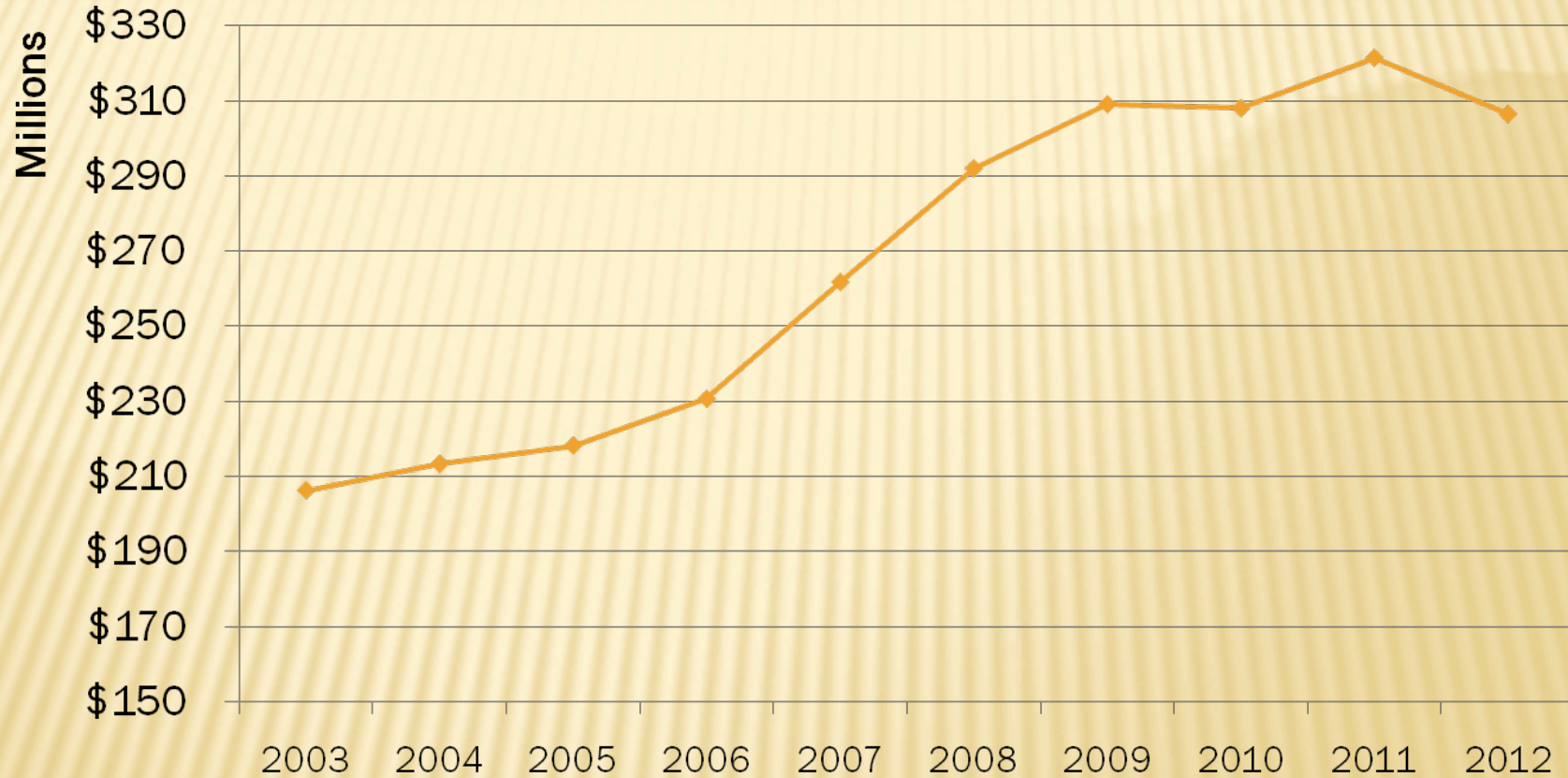
M&O EXPENDITURES BY MAJOR FUNCTION



M&O EXPENDITURES BY MAJOR OBJECT

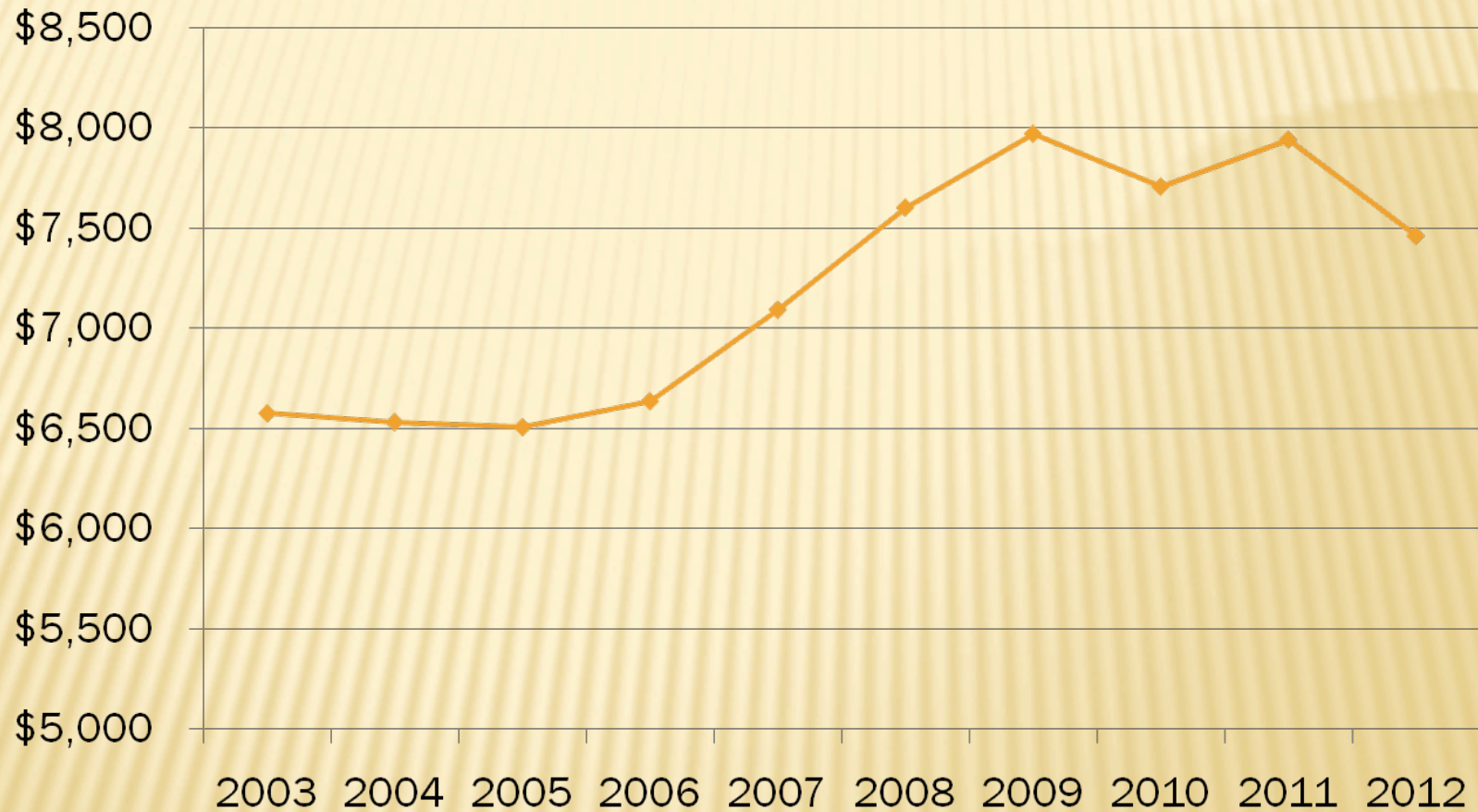


M&O BUDGETED EXPENDITURE HISTORY



2003-2011 ADOPTED BUDGETS; 2012 PROPOSED

M&O BUDGETED EXPENDITURE HISTORY – PER PUPIL



Source: 2003 - 2011 based on actual peak enrollment, 2012 based on projected peak

GENERAL FUND BALANCE HISTORY

	Unreserved, Undesignated	Reserves & Designations	Total
2003	\$72,247,715	\$14,779,173	\$87,026,888
2004	54,168,328	19,763,961	73,932,289
2005	70,946,218	7,522,033	78,468,251
2006	71,599,314	23,921,179	95,520,493
2007	85,767,069	7,421,599	93,188,668
2008	92,041,863	7,865,995	99,907,858
2009	95,612,167	7,850,443	103,462,610
2010	72,121,597	7,913,640	80,035,237
2011*	73,445,288	9,910,157	83,355,445

*FY 2011 is Final Amended Budget all others are audited actual.

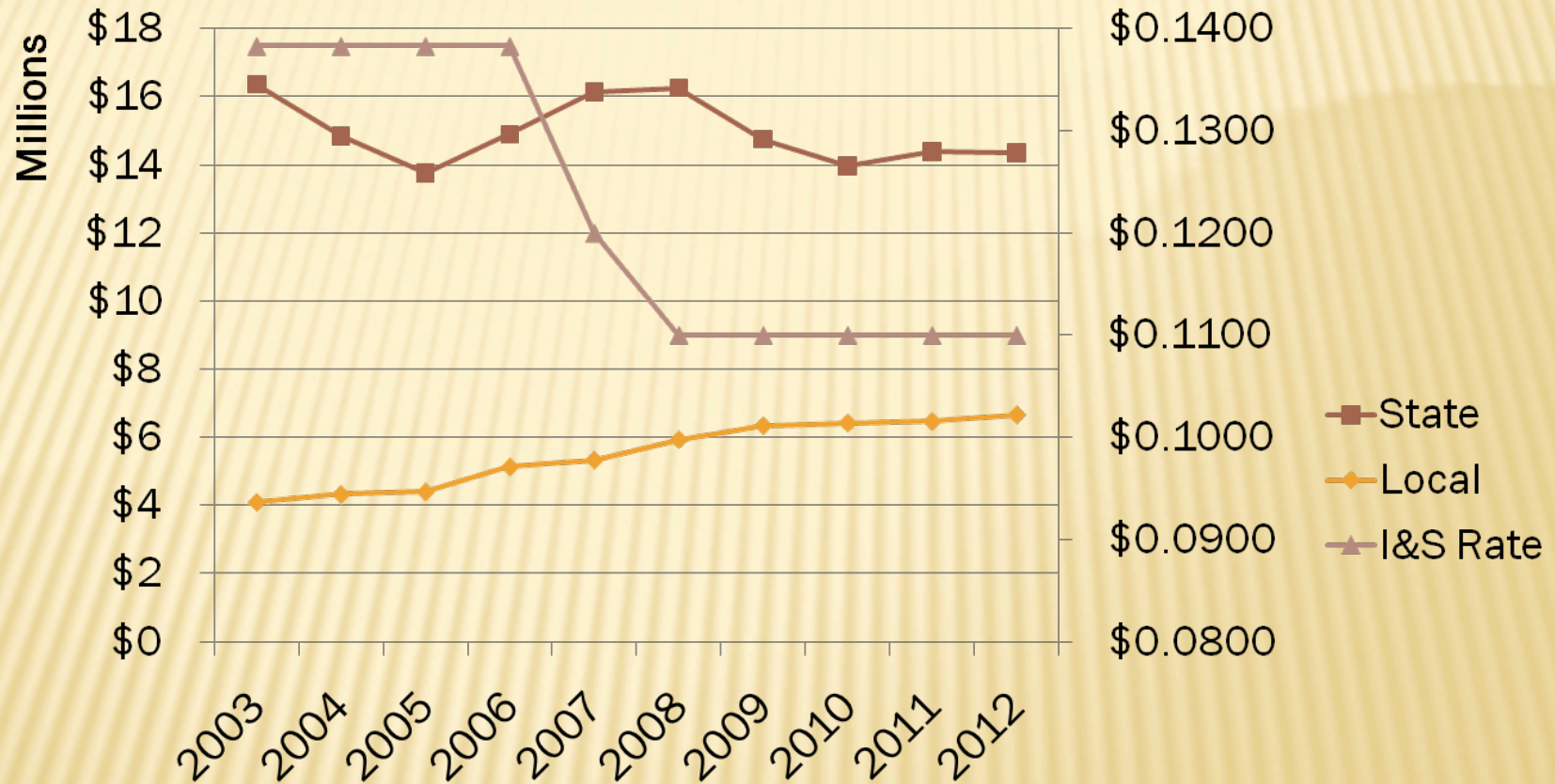
I&S BUDGET PLAN COMPONENTS

- ✘ I&S tax rate to remain at \$0.11
- ✘ Budgeted surplus of \$101,335
- ✘ The district has refunded \$54M in outstanding debt in the past five years (series 2008 and 2010). Resulting in future cash flow savings of \$3.3M to KISD taxpayers and the State
- ✘ Total outstanding debt service as of 8/31/11:
 - principal - \$107,105,000
 - interest - \$38,265,325
 - total - \$145,370,325

I&S BUDGET SUMMARY

Local Revenues	\$ 6,656,797
State Revenues	<u>7,703,826</u>
Total Revenues	\$ 14,360,623
Function 71 Debt Service - Principal on Long Term Debt	\$ 9,390,000
Function 72 Debt Service - Interest on Long Term Debt	4,867,288
Function 73 Debt Service - Bond Issuance Cost and Fees	<u>2,000</u>
Total Expenses	<u>\$ 14,259,288</u>
Excess/(Deficiency)	<u><u>\$ 101,335</u></u>

I&S FUND REVENUE



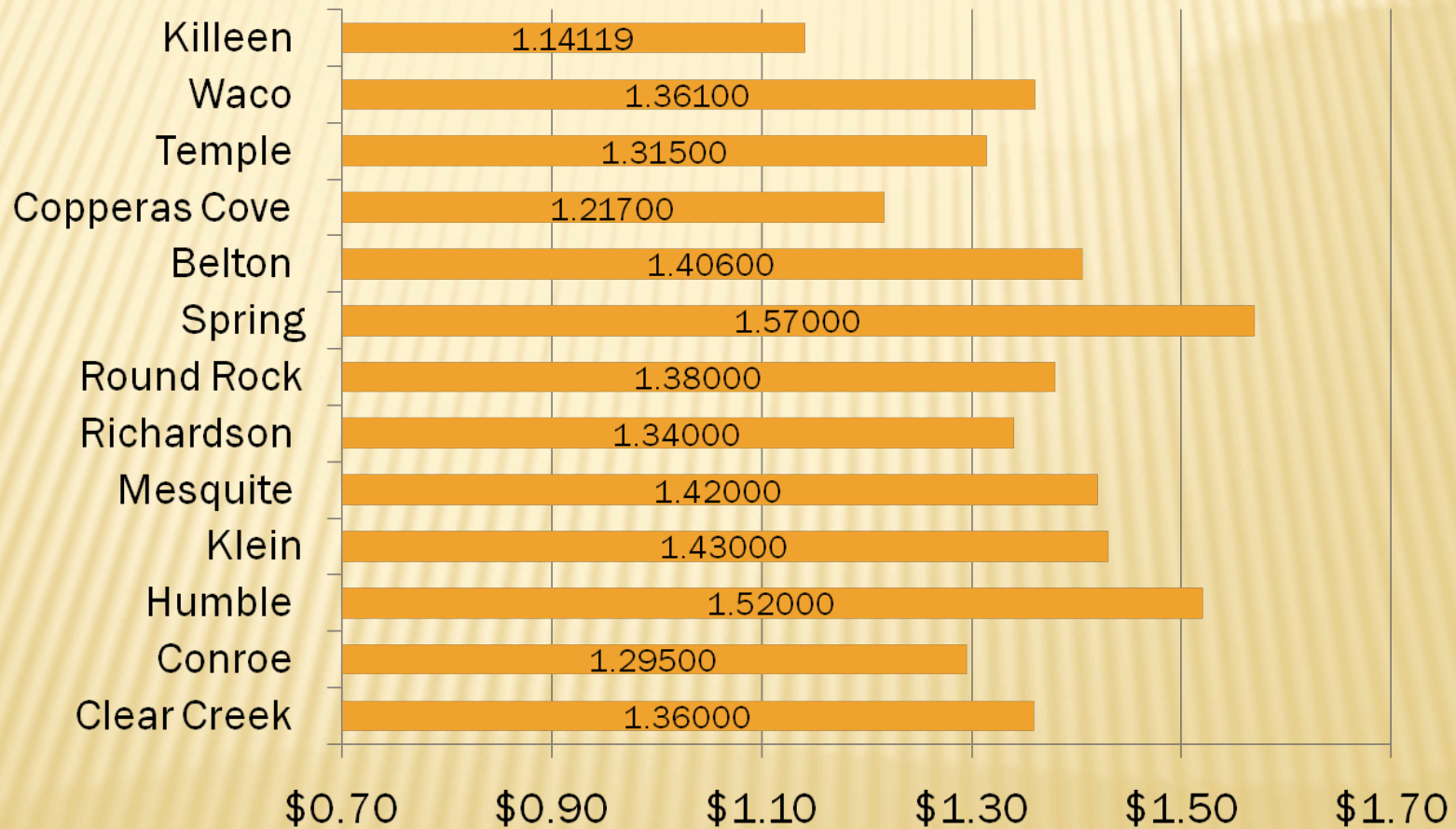
2003 - 2011 ADOPTED BUDGETS; 2012 PROPOSED

EXPENDITURES BY FUNCTION

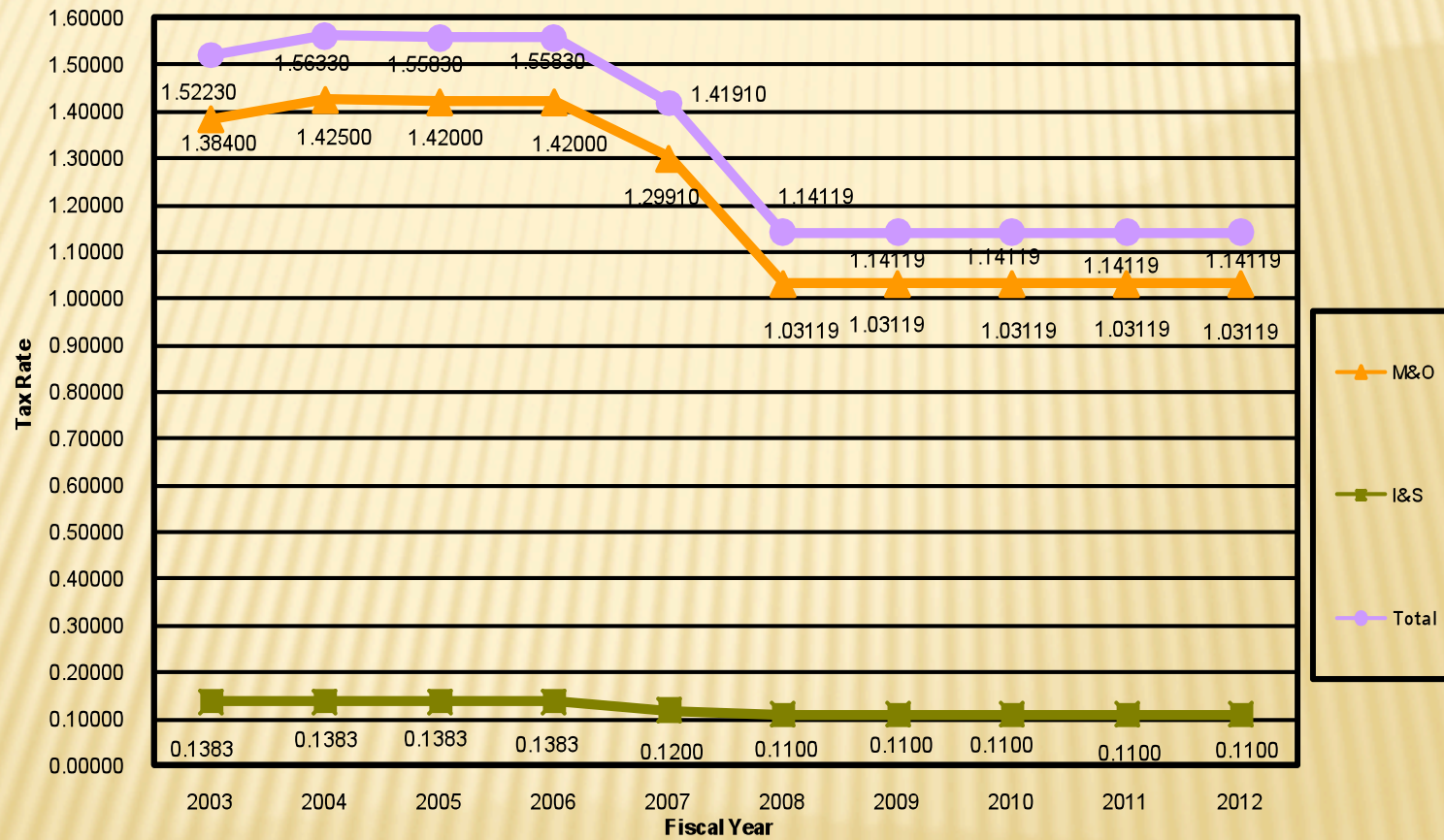
	General Fund	Food Service Fund	Debt Service Fund
Function 11 Instruction	\$ 191,114,301		
Function 12 Instructional Resources and Media Services	8,712,791		
Function 13 Instructional Staff Development	5,398,755		
Function 21 Instructional Leadership	3,680,636		
Function 23 School Leadership	18,701,368		
Function 31 Guidance, Counseling and Evaluation Services	10,971,077		
Function 32 Social Work Services	1,334,848		
Function 33 Health Services	3,508,095		
Function 34 Student Transportation	10,413,831		
Function 35 Food Services	289,421	\$ 17,847,199	
Function 36 Cocurricular/Extracurricular Activities	6,968,350		
Function 41 General Administration	7,138,335		
Function 51 Plant Maintenance & Operations	28,976,808	207,210	
Function 52 Security and Monitoring Services	2,553,611		
Function 53 Data Processing Services	4,859,322		
Function 61 Community Services	767,099		
Function 71 Debt Service - Principal on Long Term Debt	-		\$ 9,390,000
Function 72 Debt Service - Interest on Long Term Debt	-		4,867,288
Function 73 Debt Service - Bond Issuance Cost and Fees	-		2,000
Function 81 Facilities Acquisition and Construction	-		
Function 95 Juvenile Justice Program	401,100		
Function 99 Other Intergovernmental Charges	592,597		
Total Expenditures	\$ 306,382,345	\$ 18,054,409	\$ 14,259,288

PROPOSED RATE COMPARISON TO OTHER DISTRICTS

2012 Fiscal Year Tax Rates



TAX RATE HISTORY



PROPOSED BUDGETS FOR ADOPTION

	General Fund	Food Service Fund	Debt Service Fund	2011-12 Budget
5700 Local, Intermediate, and Out-of-state	\$ 63,921,066	\$ 6,071,758	\$ 6,656,797	\$ 76,649,621
5800 State Program Revenue	201,319,279	122,500	7,703,826	209,145,605
5900 Federal Program Revenue	53,401,000	14,377,939	-	67,778,939
Total Revenues	318,641,345	20,572,197	14,360,623	353,574,165
11 Instruction	191,114,301	-	-	191,114,301
12 Instructional Resources and Media Services	8,712,791	-	-	8,712,791
13 Instructional Staff Development	5,398,755	-	-	5,398,755
21 Instructional Leadership	3,680,636	-	-	3,680,636
23 School Leadership	18,701,368	-	-	18,701,368
31 Guidance, Counseling and Evaluation Services	10,971,077	-	-	10,971,077
32 Social Work Services	1,334,848	-	-	1,334,848
33 Health Services	3,508,095	-	-	3,508,095
34 Student Transportation	10,413,831	-	-	10,413,831
35 Food Services	289,421	17,847,199	-	18,136,620
36 Cocurricular /Extracurricular Activities	6,968,350	-	-	6,968,350
41 General Administration	7,138,335	-	-	7,138,335
51 Plant Maintenance & Operations	28,976,808	207,210	-	29,184,018
52 Security and Monitoring Services	2,553,611	-	-	2,553,611
53 Data Processing Services	4,859,322	-	-	4,859,322
61 Community Services	767,099	-	-	767,099
71 Debt Service - Principal on Long Term Debt	-	-	9,390,000	9,390,000
72 Debt Service - Interest on Long Term Debt	-	-	4,867,288	4,867,288
73 Debt Service - Bond Issuance Cost and Fees	-	-	2,000	2,000
81 Facilities Acquisition and Construction	-	-	-	-
95 Juvenile Justice Program	401,100	-	-	401,100
99 Other Intergovernmental Charges	592,597	-	-	592,597
Total Expenditures	306,382,345	18,054,409	14,259,288	338,696,042
Other Sources	(12,259,000)	-	-	(12,259,000)
Excess (Deficiency)	\$ -	\$ 2,517,788	\$ 101,335	\$ 2,619,123