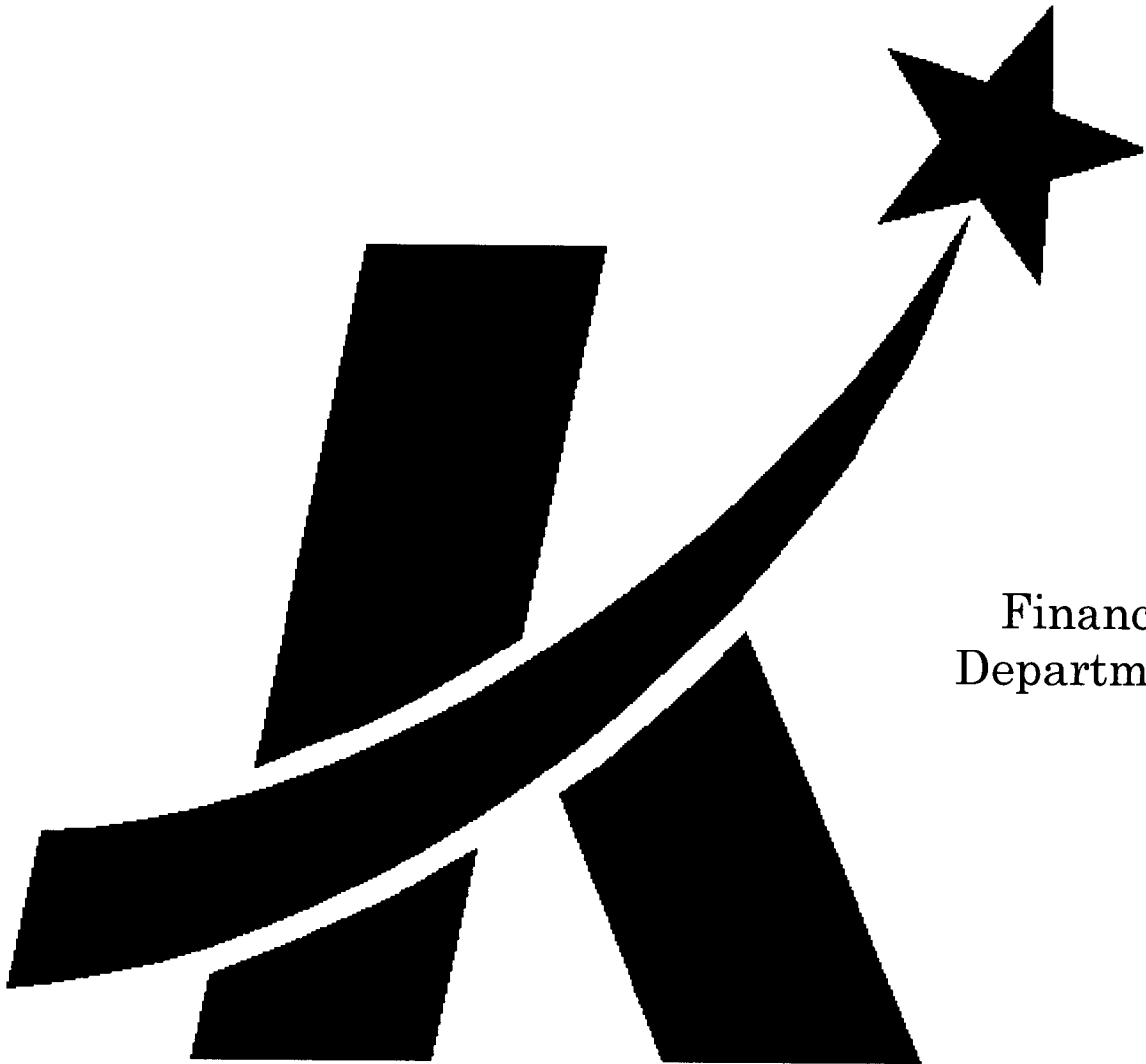


City of Killeen
Financial Report
January 2009
Executive Summary



Finance
Department

Prepared by:
Barbara Gonzales
Director of Finance

Prepared 2/25/09

FINANCE DIRECTOR'S REPORT
JANUARY 2009

February 25, 2009

Mayor and City Council Members:

We are pleased to submit the Monthly City Council Financial Report and Executive Summary for the month of January 2009. Finance staff has finished preparing the *Fiscal Year 2008-2009 Annual Budget and Plan of Municipal Services* that was published and distributed to City Council during the month of February. In addition, staff continues to work with our external auditors to complete the FY 2007-08 annual audit. The report is in the process of completion and a draft will be presented to City Council at the March 10th workshop. Finance staff will now begin preparing for the 2009-10 budget cycle. A kick-off meeting will be held for all City departments in late March.

General Fund revenues are meeting budget and staff projections, with 85.35% of the annual ad valorem assessment collected by January 31st. All other major fund operating revenue categories are meeting staff estimates. Total operating expenses for all major funds are on target with staff estimates with no significant variances noted. The Finance Department will work closely with the departments to monitor their revenues and expenses during FY 2008-09 and will present a first quarter financial review in early February.

Key economic indicators of the local economy reflect the recession that our country is currently facing. Two of the seven economic indicators monitored in this monthly report are positive with Unemployment Rate, Sales Tax Revenue, Aviation Enplanement and Deplanements, Building Permits, and Water and Sewer Tap Fees being negative. These indicators are discussed in detail in the attached Economic Indicators Summary Report.

Respectfully submitted,



Barbara Gonzales
Director of Finance

**CITY OF KILLEEN
FINANCIAL REPORT- JANUARY 2009
EXECUTIVE SUMMARY
MAJOR OPERATING FUNDS**

GENERAL FUND

- Revenues total \$3,435,212 for the month, down from last year's revenues of \$3,774,976 by 9.0%. Year-to-date general fund revenues of \$29,721,255 are up 8.6% over last year's total of \$27,361,843. The year-to-date variance is primarily attributable to property tax revenues.
- Sales Tax Collections for the month were \$1,347,340, a decrease of 8.7% from last January's collections of \$1,475,114. Year-to-date sales tax collections of \$5,856,952 are below last year's total of \$6,209,978 by 5.7%.
- Property Tax Collections during the month were \$629,903, a 19.1% decrease from last year's collections of \$778,369. Year-to-date property tax receipts of \$18,268,704 exceed last years total of \$15,712,086 by 16.3%.
- Franchise Fees collected during January were \$273,338 compared to \$263,428 last January. Year-to-date franchise revenues are \$743,624, an increase of 17.2% above last year's total of \$634,572.
- Permits & Inspections fees collected during January totaled \$57,271, down 45.9% from last year's revenue of \$105,866. Year-to-date revenues of \$283,499 are down 33.8% below last year's total of \$427,934.
- Court fines and fees were \$164,086 during January, down 22.7% from the prior year collections of \$212,295. Year-to-date revenues total \$672,391, 0.2% above last year's total of \$671,078.
- Interest Earned during January totaled \$39,272, a decrease of 68.0% over last January's interest earnings of \$122,707. Year-to-date interest earnings total \$213,989, 58.3% below last year's total of \$513,592.
- Total expenditures for January are \$5,057,741, 10.8% over \$4,565,190 last year. Year-to-date expenditures of \$20,128,301 are up 6.6% when compared to last year's expenditures of \$18,890,122. This variance is largely attributable to the new Lions Club Park facilities operations costs plus Police and Fire Department expenditures related to additional positions being filled this fiscal year.
- The ending fund balance for the month was \$27.8 million, up 0.2% from last year.

KILLEEN – FORT HOOD REGIONAL AIRPORT FUND (KFHRA)

- KFHRA operating revenues (non-grants) for January was \$187,243 down 10.3% from \$208,752 last year. Year-to-date revenues total \$829,485, down 8.0% from \$901,594 in the prior year.
- KFHRA operating expenses (non-construction) of \$292,177 were up 21.1% for the month as compared to \$241,300 last year. Year-to-date expenses of \$998,311 are up 5.9% from last year's total of \$942,924.
- The ending fund balance for the month was \$757,409, down 39.0% from last year.

SKYLARK AIRFIELD FUND

- Skylark operating revenues (non-grants) for the month were \$52,755, down 13.3% from \$60,860 last year. Year-to-date revenues of \$204,424 are down 16.7% from last year's total of \$245,293.
- Skylark operating expenses (non-improvements/construction) were \$42,905 for the month, down 18.3% from last year's total of \$52,534. Year-to-date expenses of \$185,462 are down 13.2% from last year's total of \$213,745.
- The ending fund balance for the month was \$447,131, down from \$480,809 last year.

SOLID WASTE FUND

- Solid Waste operating revenues were \$986,414 for the month, down 8.6% when compared to last January's revenues of \$1,079,017. Year-to-date revenues of \$3,926,891 are down 0.1% compared to last year's total of \$3,929,540. This is largely attributable to a decrease in interest earnings.
- Expenses totaled \$1,151,881 for the month, up 25.2% as compared to \$920,252 last year. Year-to-date expenses are \$3,895,527, up 13.1% from last year's total of \$3,444,687. This increase is largely related to an increase in Transfer Station Operations refuse disposal costs along with other divisional budgeted expenditure increases.
- The ending fund balance for the month was \$3.0 million, down 34.4% over last year.

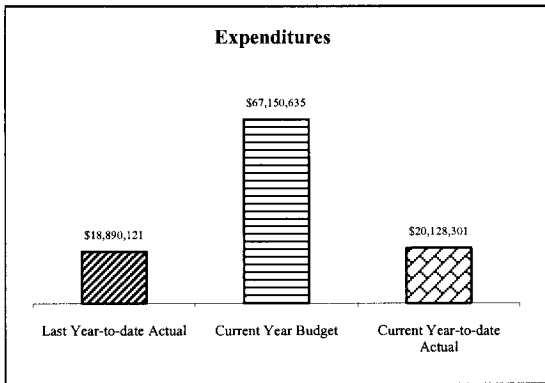
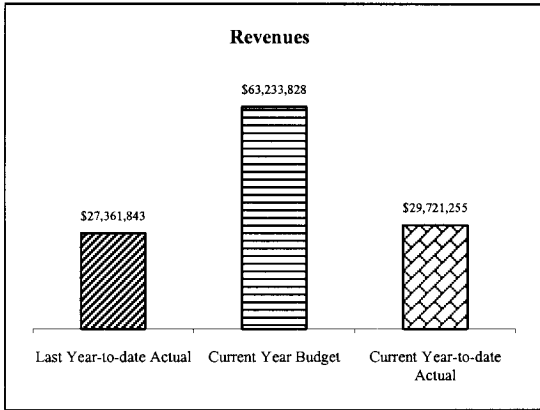
WATER AND SEWER FUND

- Water and Sewer operating revenues total \$2,315,384, down 6.1% from last year's revenues of \$2,465,661. Year-to-date revenues total \$9,725,932, exceeding last year's revenues of \$9,570,420 by 1.6%.
- Tap Fees total \$20,975 for the month, down 87.0% as compared to last year's fees of \$161,802. Year-to-date fees of \$153,240 are below last year's total of \$411,503 by 62.8%. Tap Fees are not meeting projections with a collection rate at 13.4% of the current budget.
- Expenses total \$2,889,495 for the month, down 1.2% as compared to \$2,925,641 last year. Year-to-date expenses are \$10,169,387, up 3.2% from last year's total of \$9,858,949.
- The ending fund balance for the month was \$18.9 million, down 5.2% from last year.

DRAINAGE UTILITY FUND

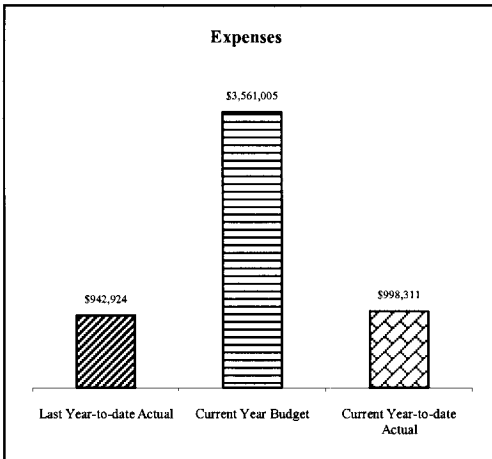
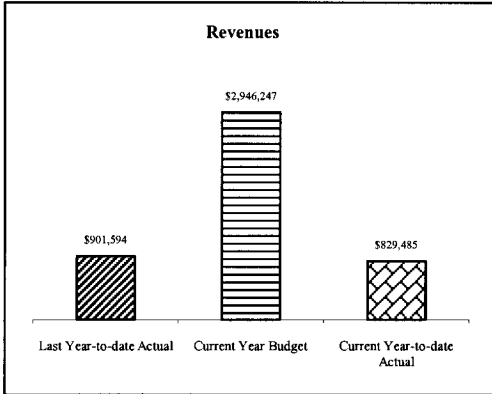
- Drainage Utility operating revenues total \$264,291 for the month, down 7.8% from last January's revenues of \$286,203. Year-to-date revenues of \$1,033,300 are less than last year's revenues of \$1,061,110 by 2.6%. This is attributable to a decrease in interest earnings.
- Residential fees were \$794,152 for the year, up 4.4%, and Commercial fees were \$167,705 for the year, up 3.9%.
- Operating expenses for the month were \$302,537, up 26.7% from \$238,849 last year. Year-to-date expenses are \$554,322, up 23.7% from last year's total of \$448,240. The increase in expenses is primarily related to budgeted increases in the Engineering and Drainage Maintenance divisions.
- Major drainage capital improvement project budget is \$6,573,571 with \$48,987 expended in January and \$119,138 expended year-to-date. These projects are funded with the proceeds from the \$8 million Certificate of Obligation issued in June of 2006.
- The ending fund balance for the month was \$8.56 million, down 7.8% from last year.

CITY OF KILLEEN
 GENERAL FUND
 FINANCIAL REPORT
 January 31, 2009



	Adopted	Y-T-D	% of Budget
REVENUES:			
Property Taxes	21,405,568	18,268,704	85.35%
Sales & Occupancy Tax	19,888,134	5,856,952	29.45%
Franchise Tax	5,084,970	743,624	14.62%
Miscellaneous Revenues	3,500,050	1,078,846	30.82%
Permits & Inspections	1,338,580	283,499	21.18%
Court Fines & Fees	2,099,319	672,391	32.03%
Recreation Revenues	969,225	149,808	15.46%
Golf Course	1,236,686	402,664	32.56%
Interest Earned	1,600,000	213,989	13.37%
Intergovernmental Revenue	707,259	255,330	36.10%
Transfers In	5,404,037	1,795,447	33.22%
TOTAL REVENUES:	63,233,828	29,721,254	47.00%
EXPENDITURES:			
Administration	13,144,591	4,467,216	33.99%
Community Services	10,776,758	2,770,798	25.71%
Public Works	5,661,200	1,447,125	25.56%
Public Safety	37,511,587	11,443,165	30.51%
Transfers Out	56,499	-	0.00%
TOTAL EXPENDITURES:	67,150,635	20,128,304	29.97%

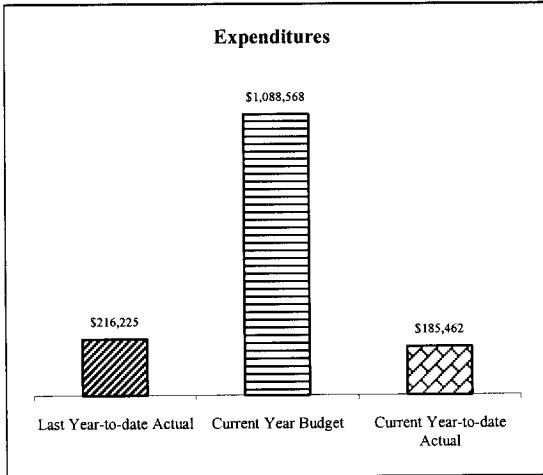
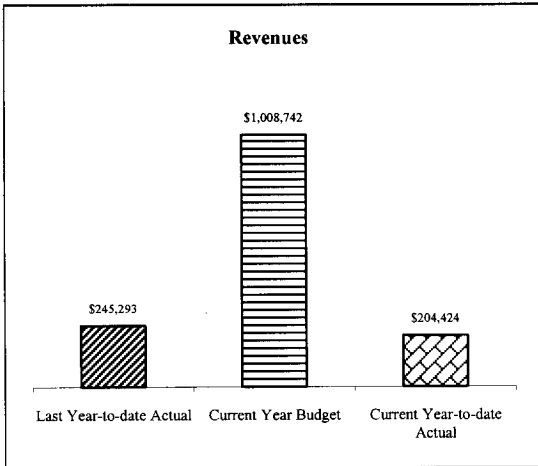
CITY OF KILLEEN
 KILLEEN-FORT HOOD REGIONAL AIRPORT FUND
 FINANCIAL REPORT
 January 31, 2009



Note: For comparison purposes, the charts above exclude the Revenue from FAA Grants and the KFHR Construction Expenses.

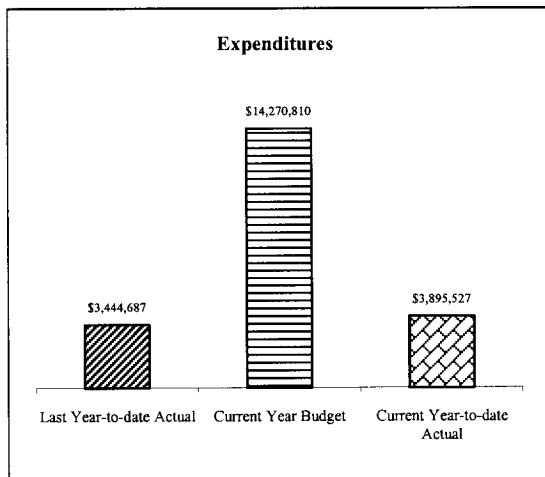
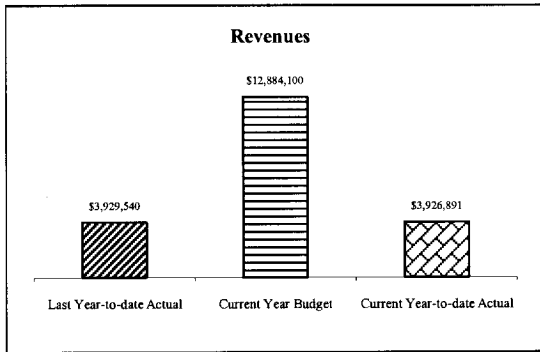
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	2,892,247	828,142	28.63%
Interest Earned	54,000	1,343	2.49%
FAA Grants	1,794,741	-	0.00%
FAA Grants Prior Years	331,910	211,417	63.70%
TXDOT Grant	-	-	-
TXDOT Grant Match	-	-	-
Transfer from Bond Fund	-	-	-
TOTAL REVENUES:	5,072,898	1,040,902	20.52%
EXPENSES:			
Airport Operations	2,908,234	855,693	29.42%
Cost of Goods Sold	273,992	41,555	15.17%
KFHRA Construction	2,477,320	223,889	9.04%
Information Technology	186,566	61,178	32.79%
Non-Departmental	192,213	39,885	20.75%
TOTAL EXPENSES:	6,038,325	1,222,200	20.24%

CITY OF KILLEEN
 SKYLARK FIELD FUND
 FINANCIAL REPORT
 January 31, 2009



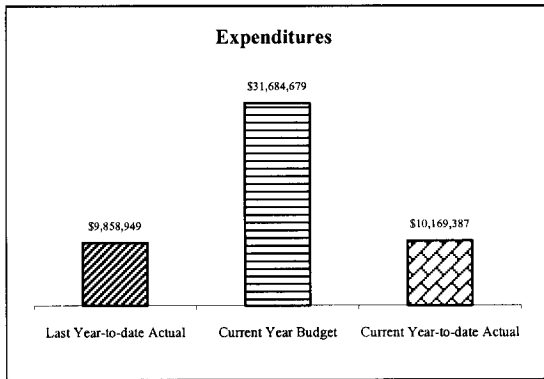
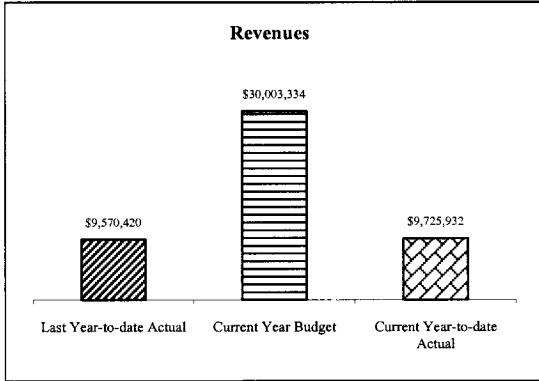
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	968,742	201,514	20.80%
Interest Earned	10,000	2,910	29.10%
FAA Grants	-	-	-
FAA Grants - Prior Years	-	-	-
TXDOT Grants	30,000	-	0.00%
TOTAL REVENUES:	1,008,742	204,424	20.27%
EXPENDITURES:			
Airport Operations	342,893	67,818	19.78%
Cost of Goods Sold	732,572	112,315	15.33%
Skylark Improvements	-	-	-
Skylark Construction	-	-	-
Non-Departmental	13,103	5,330	40.68%
TOTAL EXPENDITURES:	1,088,568	185,463	17.04%

CITY OF KILLEEN
 SOLID WASTE FUND
 FINANCIAL REPORT
 January 31, 2009



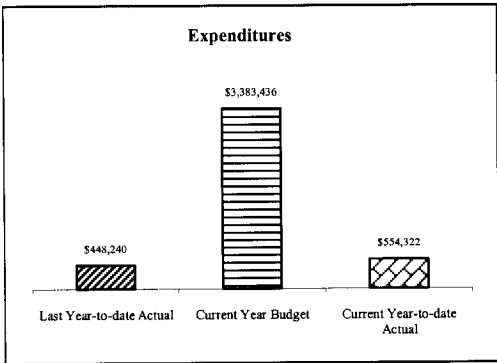
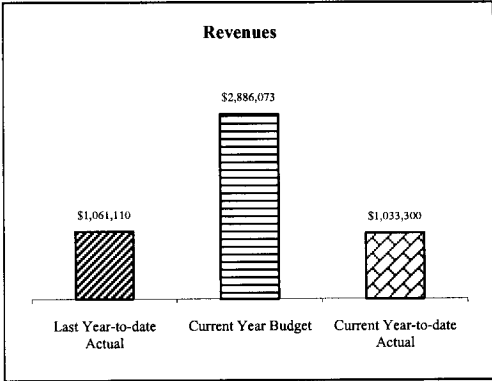
	Adopted	Y-T-D	% of Budget
REVENUES:			
Transfer Station Fees	320,000	84,137	26.29%
Dumpster Rentals	110,000	30,206	27.46%
Miscellaneous Revenues	40,100	33,182	82.75%
Recycling Revenues	174,000	31,901	18.33%
Commercial Sanitation Fees	5,450,000	1,654,332	30.35%
Residential Sanitation Fees	6,550,000	2,062,043	31.48%
Interest Earned	240,000	31,088	12.95%
TOTAL REVENUES:	12,884,100	3,926,889	30.48%
EXPENDITURES:			
Residential Operations	3,226,766	960,254	29.76%
Commercial Operations	1,655,914	507,896	30.67%
Recycling Program	382,570	99,852	26.10%
Transfer Station	4,831,819	1,057,847	21.89%
Mowing	921,408	237,670	25.79%
Debt Service	774,000	258,000	33.33%
Custodial Services	31,614	10,151	32.11%
Accounting	63,594	34,936	54.94%
Solid Waste Miscellaneous	389,981	64,538	16.55%
Transfer to General Fund	1,993,144	664,381	33.33%
TOTAL EXPENDITURES:	14,270,810	3,895,525	27.30%

CITY OF KILLEEN
 WATER & SEWER FUND
 FINANCIAL REPORT
 January 31, 2009



	Adopted	Y-T-D	% of Budget
REVENUES:			
Sale of Water	14,036,939	4,717,013	33.60%
Water & Sewer Taps	1,142,622	153,240	13.41%
Sewer Fees Collected	12,592,773	4,270,793	33.91%
Miscellaneous Revenues	750,000	237,148	31.62%
Delinquent Penalty	560,000	206,740	36.92%
Interest Earned	900,000	121,521	13.50%
Miscellaneous Receipts	21,000	19,476	92.74%
Transfers-In	-	-	-
TOTAL REVENUES:	30,003,334	9,725,931	32.42%
EXPENDITURES:			
Fleet Services	1,393,536	360,733	25.89%
Utility Collections	1,815,812	650,007	35.80%
Water & Sewer Contracts	11,772,595	4,373,126	37.15%
Operations	6,388,785	1,533,155	24.00%
Debt Service	5,008,029	1,669,510	33.34%
Miscellaneous	1,912,724	451,791	23.62%
Transfer to General Fund	3,393,198	1,131,066	33.33%
TOTAL EXPENDITURES:	31,684,679	10,169,388	32.10%

CITY OF KILLEEN
DRAINAGE UTILITY FUND
FINANCIAL REPORT
January 31, 2009



Note: For comparison purposes, the charts above exclude the Revenue from Sale of Bonds and the Major Drainage Project Expenditures.

	Adopted	Y-T-D	% of Budget
REVENUES:			
Residential Storm Water Fees	2,194,767	794,152	36.18%
Commercial Storm Water Fees	511,306	167,705	32.80%
Interest Earned	180,000	46,647	25.92%
Sale of Bonds	-	-	-
TCEQ Grant Revenue	-	24,796	-
TOTAL REVENUES:	2,886,073	1,033,300	35.80%
EXPENDITURES:			
Engineering Division	336,464	66,819	19.86%
Street Division	300,000	61,571	20.52%
Drainage Maintenance	1,419,116	261,863	18.45%
Drainage Projects - Minor	700,000	4,745	0.68%
Drainage Projects - Major	6,573,571	119,138	1.81%
Debt Service	584,958	155,479	26.58%
Non-Departmental	25,203	3,846	15.26%
Transfer to General Fund	17,695	-	0.00%
TOTAL EXPENDITURES:	9,957,007	673,461	6.76%

**CITY OF KILLEEN
ECONOMIC INDICATORS
REPORT SUMMARY
JANUARY 2009**

There are seven economic indicators monitored by this report. They are 1) Killeen Unemployment Rate, 2) Sales Tax Revenue, 3) Aviation Enplanements and Deplanements, 4) Building Permits, 5) Utility Customers, 6) Water and Sewer Tap Fees, and 7) Hotel Occupancy Tax Revenue. For the month of January 2009, two of the seven economic indicators are positive with Unemployment Rate, Sales Tax Revenue, Aviation Enplanement and Deplanements, Building Permits, and Water and Sewer Tap Fees being negative.

UNEMPLOYMENT RATE

The unemployment rate for the month of January 2009 is not available at this time.

SALES TAX REVENUE

Sales Tax Collections for the month were \$1,284,158, a decrease of 9.5% under last January's collections of \$1,419,480. Year-to-date sales tax collections of \$5,672,791 are below last year's total of \$5,991,180 by 5.3%.

AVIATION ENPLANEMENTS & DEPLANEMENTS

Enplanements for the month total 13,475 a decrease of 11.7% as compared to 15,265 during January 2008. Year-to-date enplanements of 58,995 are under last year's total of 64,165 by 8.1%.

Deplanements for the month total 13,571, a decrease of 10.1% as compared to 15,089 during January 2008. Year-to-date deplanements of 60,626 are under last year's total of 63,642 by 4.7%.

BUILDING PERMITS

Total dollar value of permits issued for the month was \$11,602,771, a 33.5% decrease under January 2008 dollar value of \$17,443,824. For the month 35 single-family and no duplex or multi-family home permits were issued.

UTILITY CUSTOMERS

For the month, the City had 38,914 active utility customers, an increase of 2.5% over the 37,953 active utility customers in January 2008. Finance staff will monitor this data as deployments and re-deployments of Fort Hood troops may have an impact on the City's active utility accounts.

WATER AND SEWER TAP FEES

Tap Fees total \$20,975 for the month, down 87.0% as compared to last year's fees of \$161,802. Year to date revenues of \$153,240 are under last year's total of \$411,503 by 62.8%.

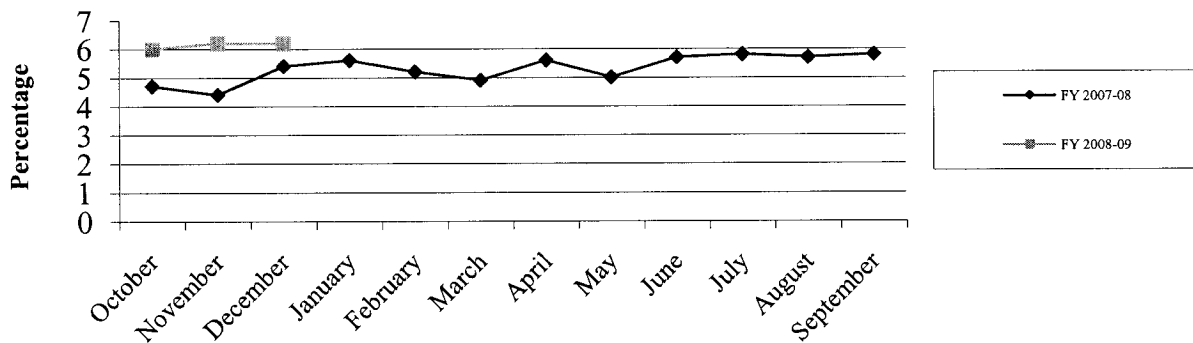
HOTEL OCCUPANCY TAX REVENUE

Hotel Occupancy Tax Revenue for the month was \$92,062, down 14.9% under last January's revenue of \$108,143. Year to date revenues of \$469,479 are above last year's total of \$462,856 by 1.4%.

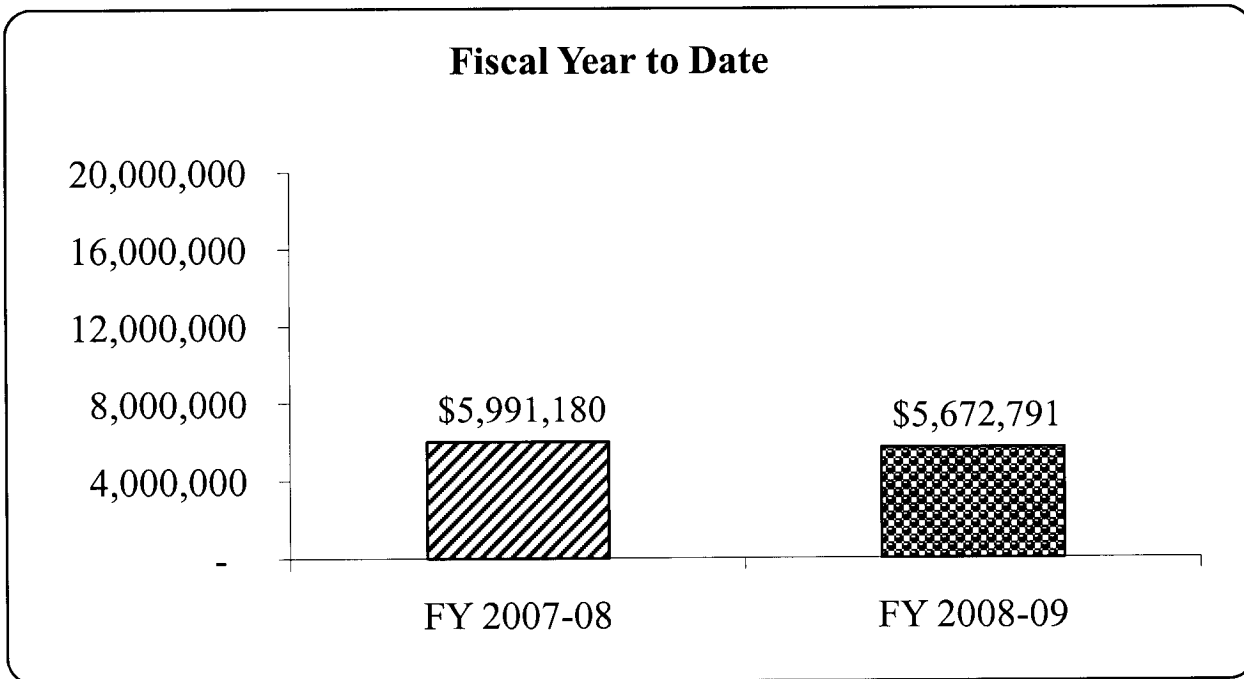
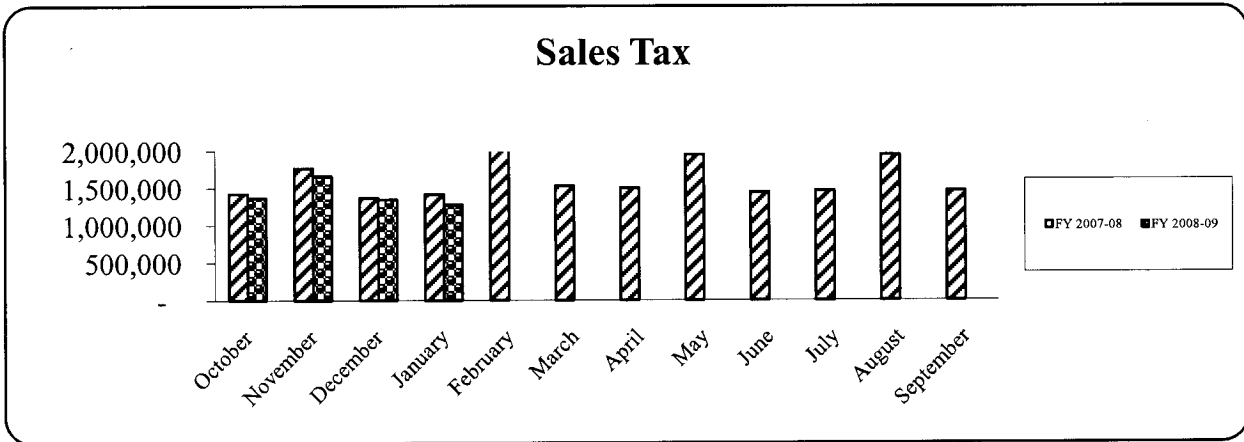
City of Killeen Economic Indicators Report

Economic Indicator	Positive	Neutral	Negative
Killeen Unemployment Rate			X
Sales Tax Revenue			X
Aviation Enplanements/Deplanements			X
Building Permits			X
Utility Customers	X		
Water & Sewer Tap Fees			X
Hotel Occupancy Tax Revenues	X		
Totals	2	0	5

Unemployment Rate

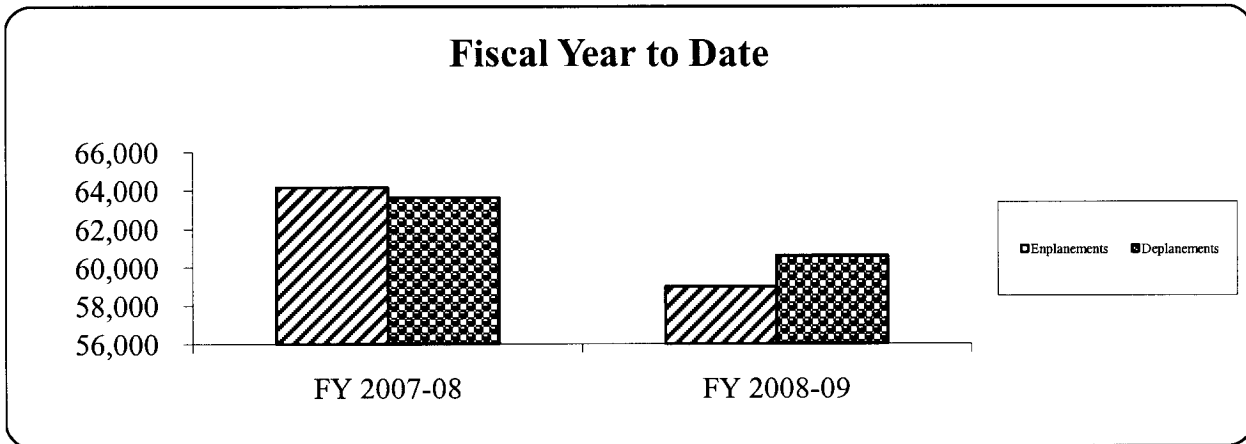
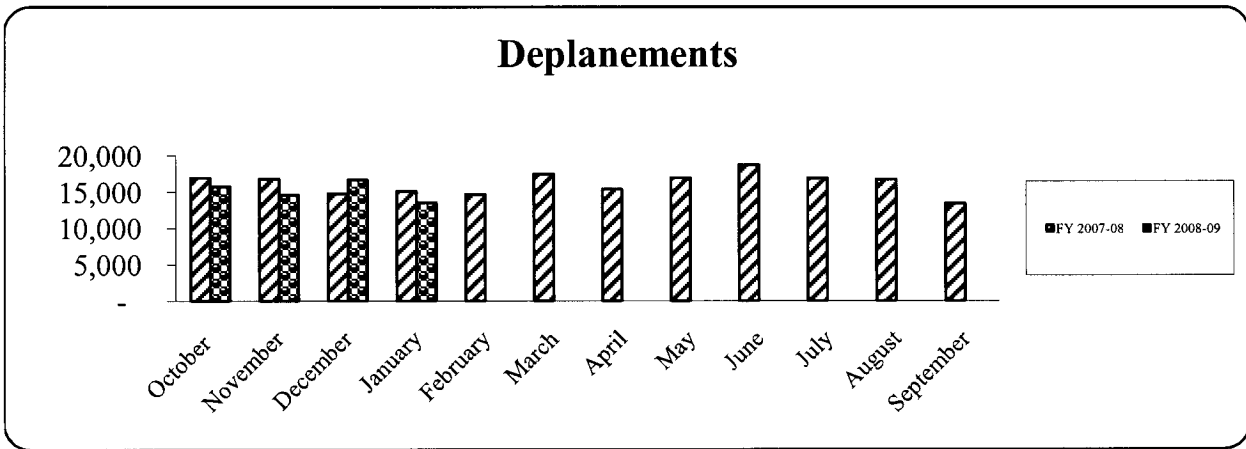
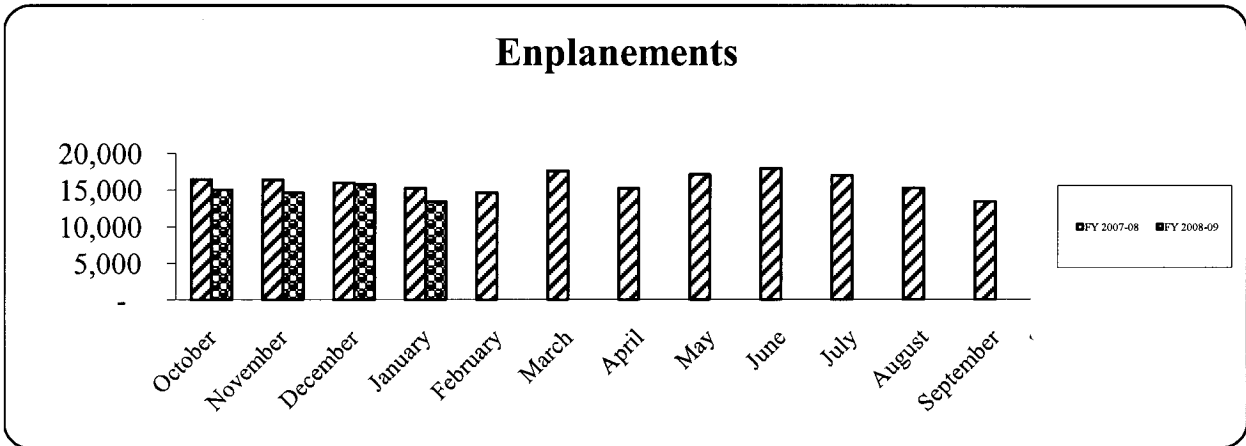


Sales Tax Revenues



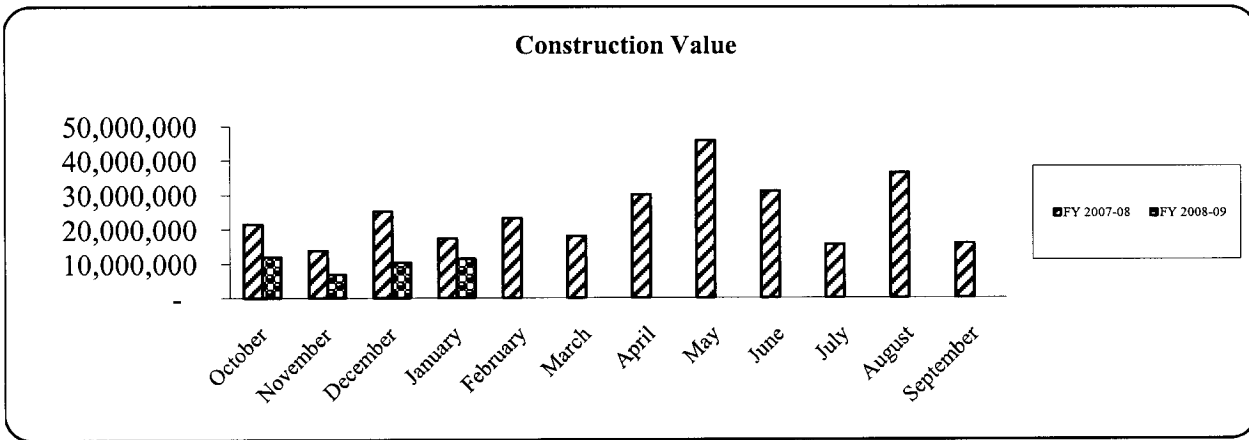
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue			X

Killeen Municipal Airport Total Passenger Count



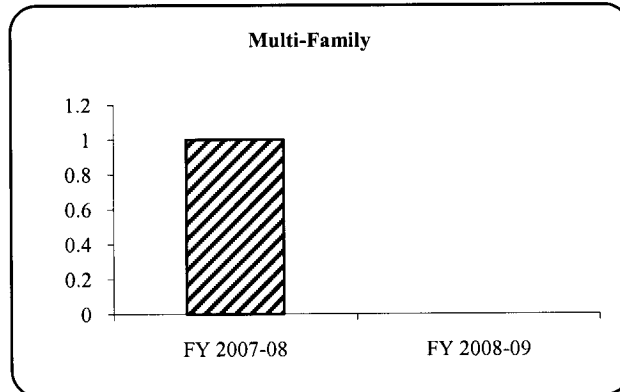
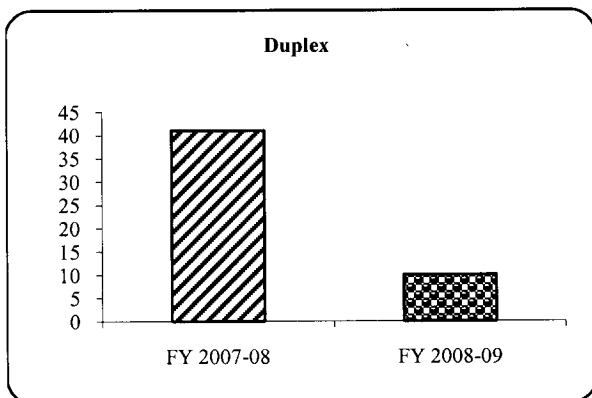
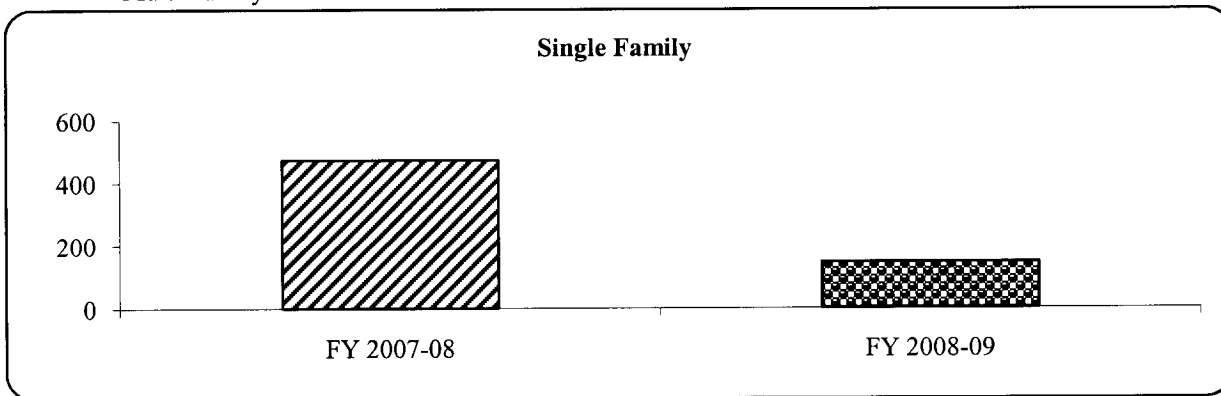
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements			x

Building Permits



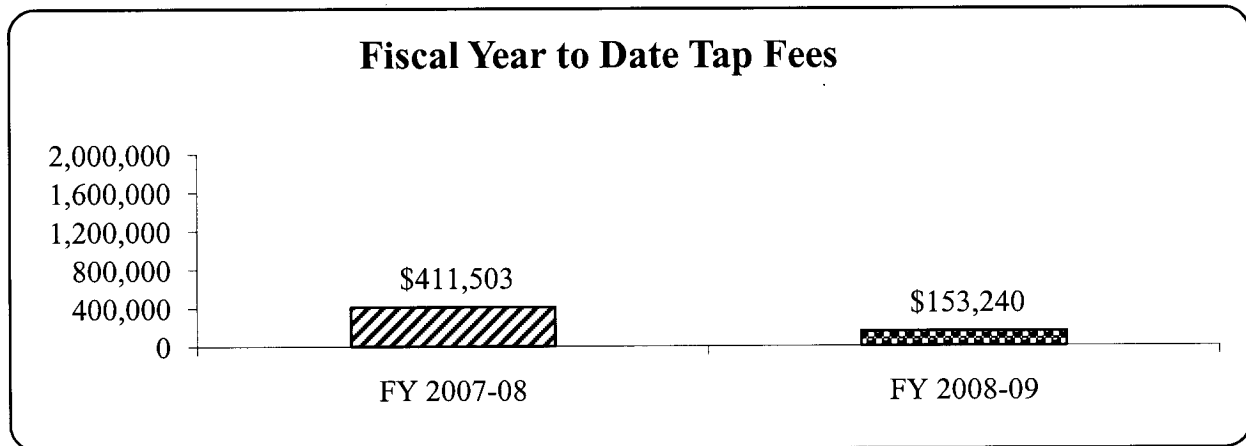
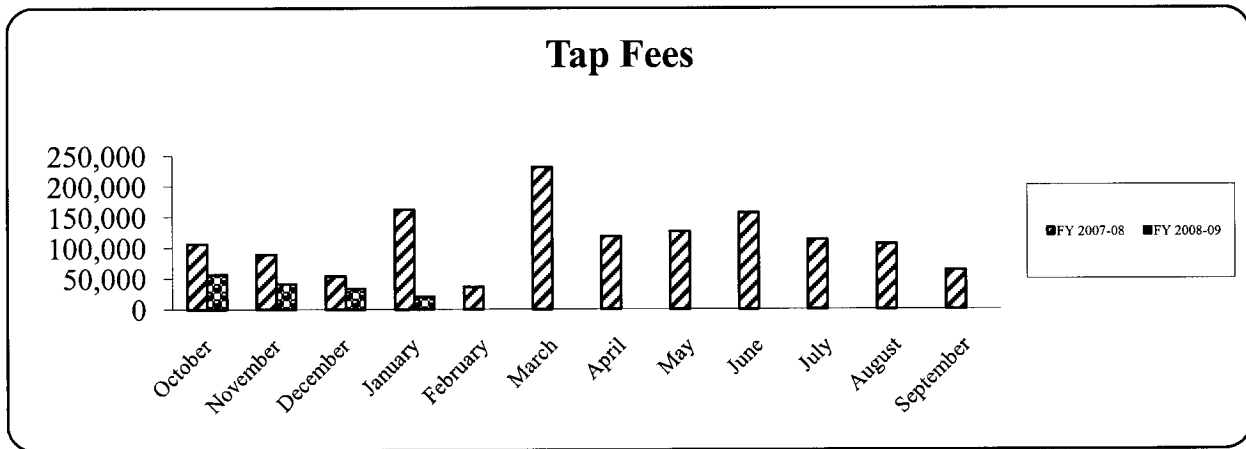
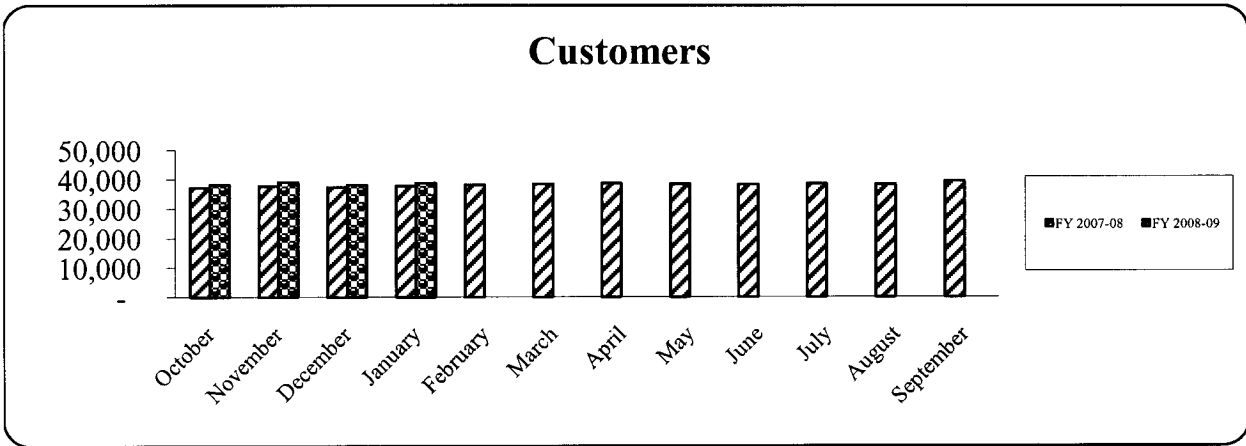
Number of Permits Issued

	FY 2007-08	FY 2008-09
Single Family	474	146
Duplex	41	10
Multi-Family	1	0



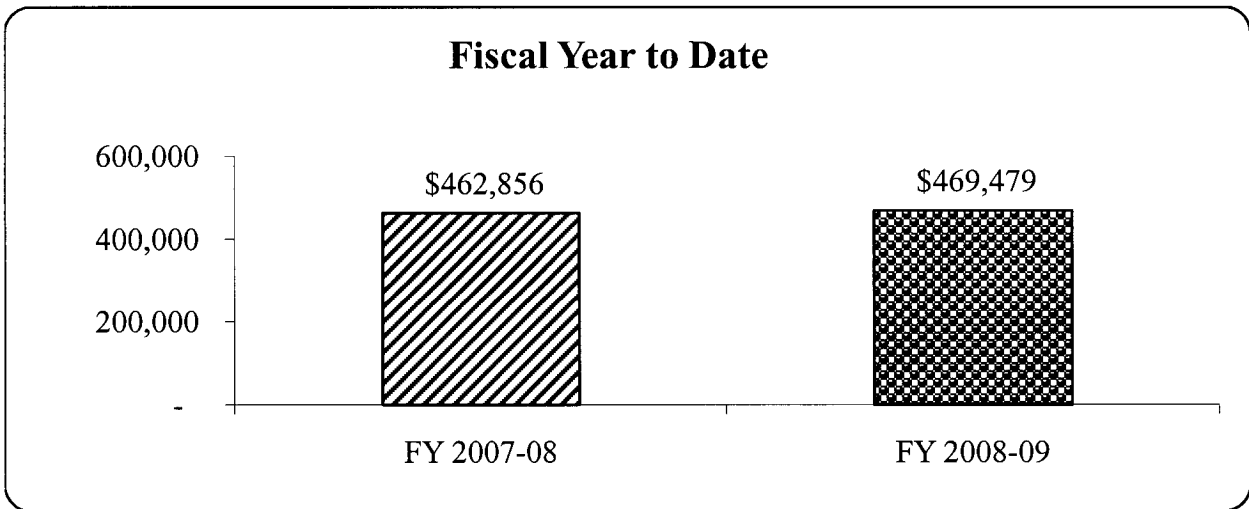
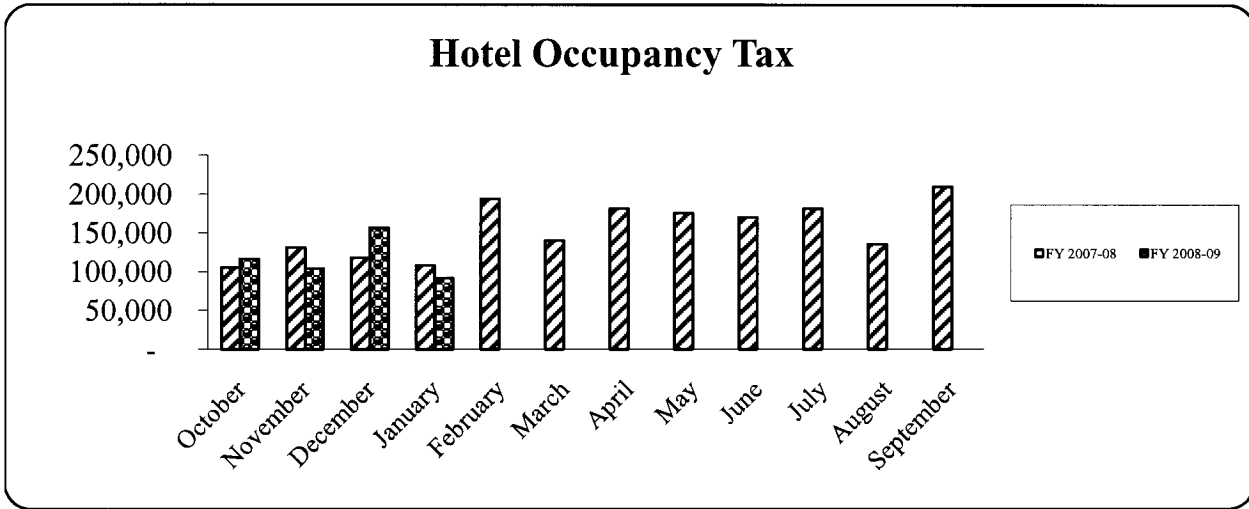
Economic Indicator	Positive	Neutral	Negative
Building Permits			x

Utility Indicators



Economic Indicator	Positive	Neutral	Negative
Utility Customers	X		
Water & Sewer Tap Fees			X

Hotel Occupancy Tax Revenues



Economic Indicator	Positive	Neutral	Negative
Hotel Occupancy Tax Revenues	X		

City of Killeen
Data Summaries

Killeen Unemployment Rate												
	October	November	December	January	February	March	April	May	June	July	August	September
FY 2007-08	4.7	4.4	5.4	5.6	5.2	4.9	5.6	5.0	5.7	5.8	5.7	5.8
FY 2008-09	6.0	6.2	6.2									

Sales Tax Receipts													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	1,429,671	1,769,638	1,372,391	1,419,480	2,158,773	1,535,437	1,507,146	1,953,800	1,449,612	1,470,897	1,954,255	1,470,035	5,991,180
FY 2008-09	1,371,951	1,667,523	1,349,159	1,284,158									5,672,791

Aviation-Total Passenger Count													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	16,441	16,429	16,030	15,265	14,672	17,663	15,283	17,159	17,983	17,008	15,319	13,479	64,165
FY 2008-09	15,046	14,663	15,811	13,475									58,995

Displacements													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	16,939	16,827	14,787	15,089	14,718	17,461	15,398	16,929	18,692	16,893	16,724	13,423	63,642
FY 2008-09	15,736	14,631	16,688	13,571									60,626

Building Permits													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	21,611,797	13,853,474	25,263,344	17,443,824	23,285,832	18,004,983	30,152,383	45,945,732	31,243,481	15,607,632	36,506,517	15,976,527	78,172,439
FY 2008-09	12,032,289	6,888,907	10,494,128	11,602,771									41,018,095

Number of Permits Issued													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
Single Family	139	73	166	96	68	98	143	170	103	79	129	87	474
FY 2007-08	44	20	47	35									146

Duplex													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	2	13	26	2	4	10	6	6	11	12	-	1	41
FY 2008-09	5	5	-	-									10

Multi-family													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	1	-	-	4	28	-	-	-	5	1	-	-	1
FY 2008-09	-	-	-	-	-	-	-	-	-	-	-	-	-

Utility Customers													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	37,220	37,765	37,531	37,953	38,262	38,576	38,797	38,571	38,440	38,736	38,503	39,551	39,551
FY 2008-09	38,291	39,273	38,290	38,914									

Water & Sewer Tap Fees													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	106,477	89,216	54,008	161,802	36,400	230,625	118,188	126,102	156,152	112,766	105,742	62,777	411,503
FY 2008-09	56,555	41,685	34,025	20,975									153,240

Hotel Occupancy Tax Revenues													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	105,535	131,084	118,094	108,143	194,296	140,054	181,674	175,686	170,541	181,489	135,830	209,934	462,856
FY 2008-09	116,326	104,226	156,865	92,062									469,479