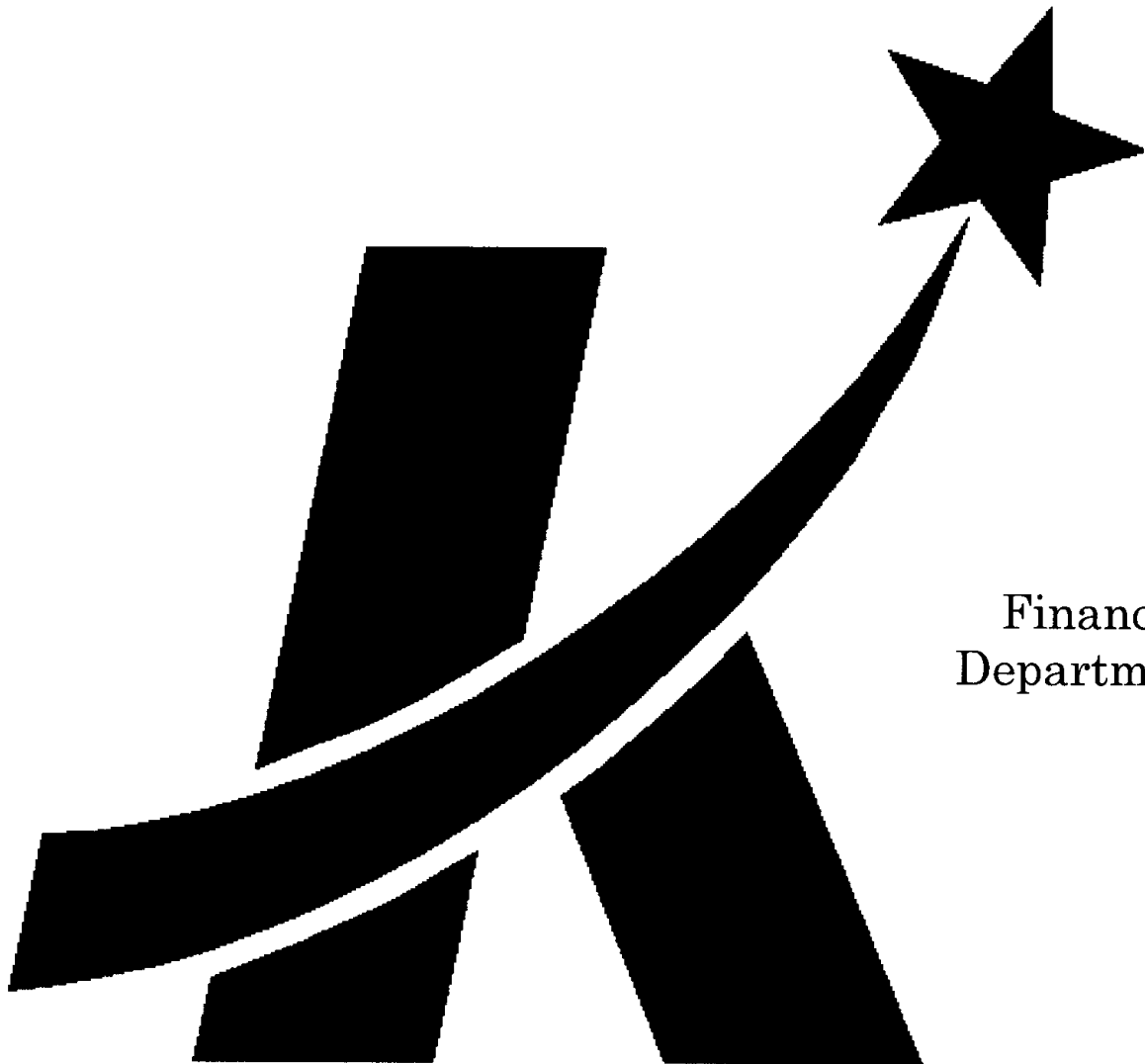


City of Killeen
Financial Report
June 2009
Executive Summary



Finance
Department

Prepared by:
Barbara Gonzales
Director of Finance

Prepared 7/24/09

FINANCE DIRECTOR'S REPORT
JUNE 2009

July 28, 2009

Mayor and City Council Members:

We are pleased to submit the Monthly City Council Financial Report and Executive Summary for the month of June 2009. Finance staff has been working closely with the City Manager on the 2009-10 City Manager's Preliminary Budget. The City Manager's Preliminary Budget will be distributed to City Council on August 18, 2009. In addition to the budget process, finance staff will be completing a 3rd quarter financial review for FY 2008-09 which will be presented to City Council in August.

General Fund ad valorem revenues are meeting budget and staff projections, with 98.22% of the annual ad valorem assessment collected by June 30th. 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.

Key economic indicators of the local economy reflect the recession that our country is currently facing. One of the seven economic indicators monitored in this monthly report is positive; with Aviation Enplanement and Deplanements holding neutral and Unemployment Rate, Sales Tax Revenue, Building Permits, Water and Sewer Tap Fees, and Hotel Occupancy Tax Revenues are 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-JUNE 2009
EXECUTIVE SUMMARY
MAJOR OPERATING FUNDS**

GENERAL FUND

- Revenues total \$6,432,430 for the month, up from last year's revenues of \$6,074,110 by 5.9%. Year-to-date general fund revenues of \$51,178,447 are up 4.5% over last year's total of \$48,974,927. The year-to-date variance is primarily attributable to property tax revenues.
- Sales Tax Collections for the month were \$1,431,416, a decrease of 1.3% from last June's collections of \$1,449,612. Year-to-date sales tax collections of \$13,473,263 are below last year's total of \$14,595,948 by 7.7%.
- Property Tax Collections during the month were \$114,737, a 54.8 decrease below last year's collections of \$253,848. Year-to-date property tax receipts of \$17,920,195 exceed last years total of \$17,920,195 by 17.0%. Year-to-date collections are at 98.2% of the budget with three months remaining in the fiscal year.
- Franchise Fees collected during June were \$3,056,312 compared to \$2,962,003 last June. Year-to-date franchise revenues of \$4,523,350 exceed last year's total of \$4,400,367 by 2.8%. Year-to-date collections are at 92.7% of the budget with three months remaining in the fiscal year.
- Permits & Inspections fees collected during June totaled \$105,170, a decrease of 50.1% from last year's revenue of \$210,752. Year-to-date revenues of \$767,286 are 33.1% below last year's total of \$1,146,351.
- Court fines and fees were \$505,912 during June, compared to the prior year collections of \$171,034. Year-to-date revenues total \$1,971,206, 29.0% above last year's total of \$1,527,821. This year's revenues include an adjustment of \$294,595 which was previously included in an escrow account. Without this adjustment, the month of June's increase would be 25.9% and the year-to-date increase would be 9.7%.
- Interest Earned during June totaled \$14,614, a decrease of 76.3% from last June's interest earnings of \$61,665. Year-to-date interest earnings total \$306,093, 65.9% below last year's total of \$898,267. Year-to-date earnings are at 80.7% of the budget with three months remaining in the fiscal year.
- Total expenditures for June are \$4,517,182, 0.6% above \$4,490,213 last year. Year-to-date expenditures of \$44,866,062 are up 3.7% when compared to last year's expenditures of \$43,281,628. 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 \$24.5 million, down 1.8% from last year.

KILLEEN – FORT HOOD REGIONAL AIRPORT FUND (KFHRA)

- KFHRA operating revenues (non-grants) for June was \$347,884 down 0.8% from \$350,551 last year. Year-to-date revenues total \$2,005,199, down 6.8% from \$2,151,024 in the prior year.
- Other revenues in June include FAA grant funds of \$24,657. The year-to-date total is \$462,786 compared to \$1,914,055 last year.
- KFHRA operating expenses (non-construction) of \$244,068 are up 10.2% for the month as compared to \$221,586 last year. Year-to-date expenses of \$2,225,442 are down 2.6% from last year's total of \$2,284,454.
- The ending fund balance for the month was \$1,718,370.

SKYLARK AIRFIELD FUND

- Skylark operating revenues (non-grants) for the month were \$60,149, up 13.6% from \$52,937 last year. Year-to-date revenues of \$429,462 are down 16.9% below last year's total of \$517,002.
- Skylark operating expenses (non-improvements/construction) were \$18,102 for the month, down 76.1% from last year's total of \$75,823. Year-to-date expenses of \$346,596 are down 35.2% from last year's total of \$534,680. The variance is primarily related to a decrease in Cost of Goods Sold (Fuel purchases).
- The ending fund balance for the month was \$511,035, up from \$430,874 last year.

SOLID WASTE FUND

- Solid Waste operating revenues were \$1,009,239 for the month, down 5.0% when compared to last June's revenues of \$1,062,317. Year-to-date revenues of \$8,788,459 are down 1.8% compared to last year's total of \$8,948,583.
- Expenses totaled \$1,071,482 for the month, up 5.9% as compared to \$1,012,050 last year. Year-to-date expenses are \$9,179,620, up 8.1% from last year's total of \$8,493,742. 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 \$2.6 million, down 43.1% from last year.

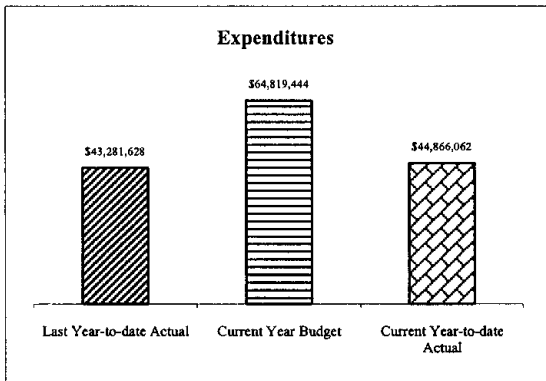
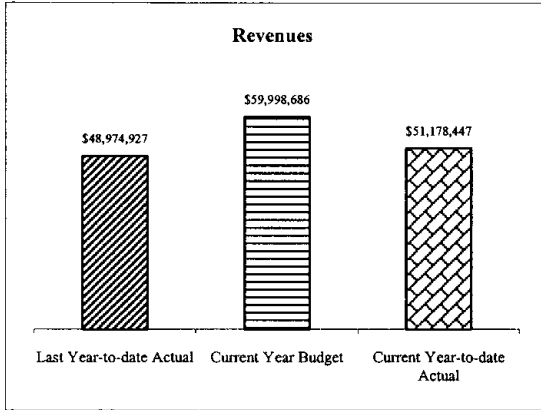
WATER AND SEWER FUND

- Water and Sewer operating revenues total \$2,670,661, down 8.3% from last year's revenues of \$2,911,645. Year-to-date revenues total \$21,003,657, are below last year's revenues of \$21,842,283 by 3.8%. The variance is primarily due to the slow down in tap fee revenues and the decrease in interest earnings.
- Tap Fees total \$67,489 for the month, down 56.8% as compared to last year's fees of \$156,152. Year-to-date fees of \$490,579 are below last year's total of \$1,078,970 by 54.5%.
- Expenses total \$2,086,393 for the month, below 52.1% as compared to \$4,355,772 last year. This decrease is primarily related to the \$1,939,349 purchase of property from the West Bell County Water Supply Corporation which occurred in June of 2008. Year-to-date expenses are \$20,282,918, down 13.7% from last year's total of \$23,505,621.
- The ending fund balance for the month was \$20.1 million, up 8.0% from last year.

DRAINAGE UTILITY FUND

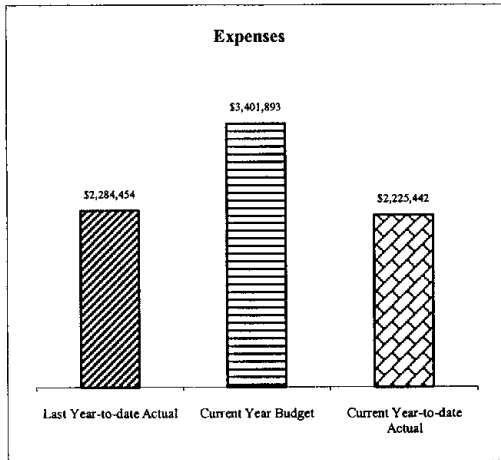
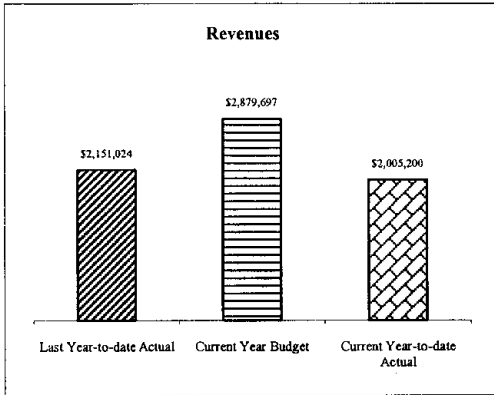
- Drainage Utility operating revenues total \$247,619 for the month, up 1.8% over last June's revenues of \$243,259. Year-to-date revenues of \$2,279,367 are below last year's revenues of \$2,351,812 by 3.8%. The variance is primarily due to the decrease in interest earnings.
- Residential fees were \$203,229, up 1.9%, and Commercial fees were \$41,545, down 1.8% for the month. For the year, Residential fees are up 3.4% and Commercial fees are up 2.5%.
- Operating expenses for the month were \$123,612, down 58.4% from \$296,858 last year. Year-to-date expenses are \$1,172,738, down 22.8% from last year's total of \$1,519,469. The decrease in expenses is primarily related to a reduction in Minor drainage projects and Drainage Maintenance from last year's operations.
- Major drainage capital improvement project budget is \$6,565,289 with \$40,647 expended in June and \$299,364 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 \$9.0 million, down 3.7% from last year.

CITY OF KILLEEN
 GENERAL FUND
 FINANCIAL REPORT
 June 30, 2009



	Adopted	Y-T-D	% of Budget
REVENUES:			
Property Taxes	21,352,616	20,973,152	98.22%
Sales & Occupancy Tax	18,452,068	13,837,912	74.99%
Franchise Tax	4,880,606	4,523,350	92.68%
Miscellaneous Revenues	3,472,108	2,676,385	77.08%
Permits & Inspections	954,000	767,286	80.43%
Court Fines & Fees	2,480,845	1,971,206	79.46%
Recreation Revenues	753,391	493,633	65.52%
Golf Course	1,159,605	950,115	81.93%
Interest Earned	379,151	306,093	80.73%
Intergovernmental Revenue	710,259	621,865	87.55%
Transfers In	5,404,037	4,057,451	75.08%
TOTAL REVENUES:	59,998,686	51,178,448	85.30%
EXPENDITURES:			
Administration	12,778,282	8,980,963	70.28%
Community Services	10,050,288	6,331,752	63.00%
Public Works	5,464,543	3,443,819	63.02%
Public Safety	36,469,832	26,109,527	71.59%
Transfers Out	56,499	-	0.00%
TOTAL EXPENDITURES:	64,819,444	44,866,061	69.22%

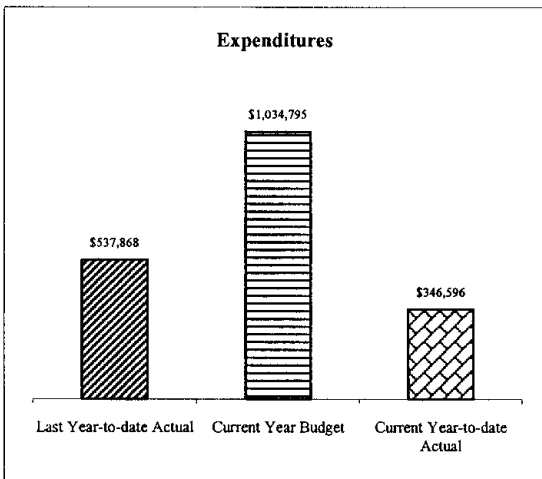
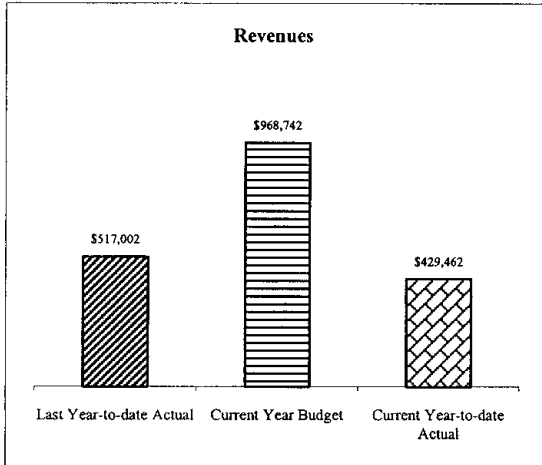
CITY OF KILLEEN
 KILLEEN-FORT HOOD REGIONAL AIRPORT FUND
 FINANCIAL REPORT
 June 30, 2009



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

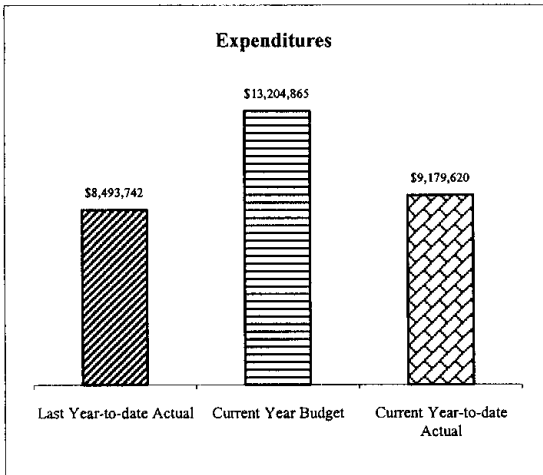
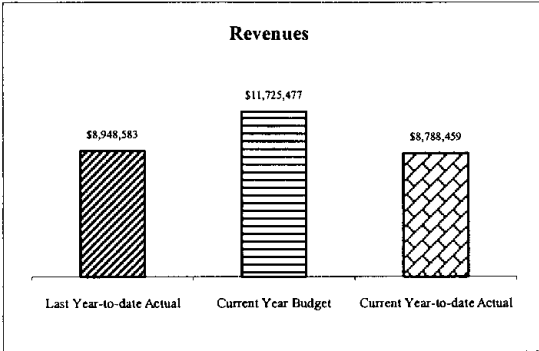
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues			
	2,825,697	2,003,198	70.89%
Interest Earned	54,000	2,001	3.71%
FAA Grants	2,672,040	195,311	7.31%
FAA Grants Prior Years	636,167	267,475	42.04%
TXDOT Grant	-	-	-
TXDOT Grant Match	-	-	-
Transfer from Bond Fund	-	-	-
TOTAL REVENUES:	6,187,904	2,467,985	39.88%
EXPENSES:			
Airport Operations	2,820,072	1,894,212	67.17%
Cost of Goods Sold	203,042	75,470	37.17%
KFHRA Construction	3,354,619	631,832	18.83%
Information Technology	186,566	140,395	75.25%
Non-Departmental	192,213	115,365	60.02%
TOTAL EXPENSES:	6,756,512	2,857,274	42.29%

CITY OF KILLEEN
 SKYLARK FIELD FUND
 FINANCIAL REPORT
 June 30, 2009



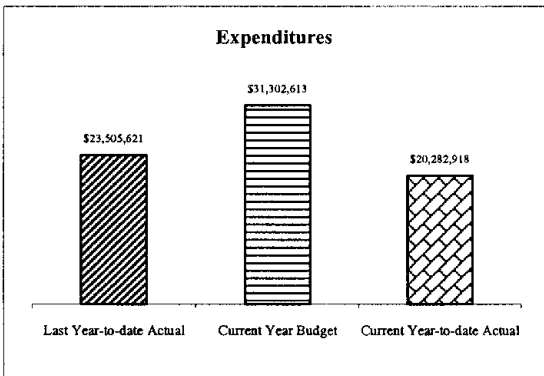
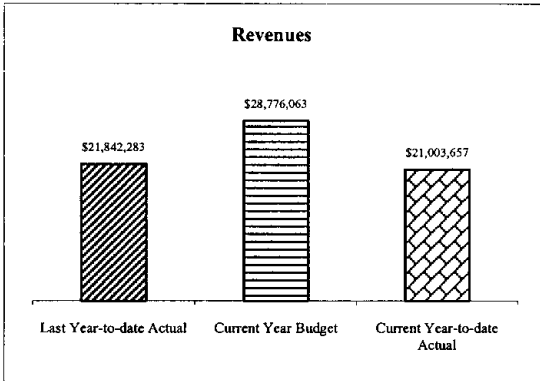
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	928,742	425,389	45.80%
Interest Earned	10,000	4,072	40.72%
FAA Grants	-	-	-
FAA Grants - Prior Years	-	-	-
TXDOT Grants	30,000	-	0.00%
TOTAL REVENUES:	968,742	429,461	44.33%
EXPENDITURES:			
Airport Operations	329,120	154,701	47.00%
Cost of Goods Sold	692,572	184,830	26.69%
Skylark Improvements	-	-	-
Skylark Construction	-	-	-
Non-Departmental	13,103	7,065	53.92%
TOTAL EXPENDITURES:	1,034,795	346,596	33.49%

CITY OF KILLEEN
 SOLID WASTE FUND
 FINANCIAL REPORT
 June 30, 2009



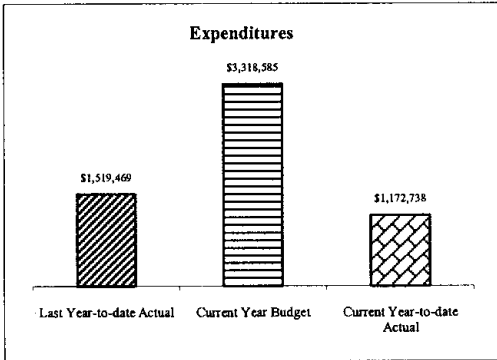
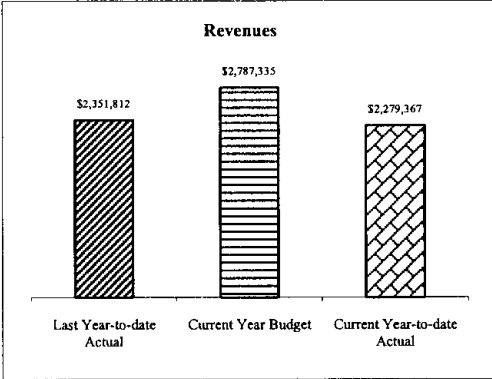
	Adopted	Y-T-D	% of Budget
REVENUES:			
Transfer Station Fees	310,000	224,669	72.47%
Dumpster Rentals	100,000	62,647	62.65%
Miscellaneous Revenues	67,077	35,444	52.84%
Recycling Revenues	113,400	83,094	73.28%
Commercial Sanitation Fees	4,800,000	3,609,955	75.21%
Residential Sanitation Fees	6,260,000	4,730,428	75.57%
Interest Earned	75,000	42,221	56.29%
TOTAL REVENUES:	11,725,477	8,788,458	74.95%
EXPENDITURES:			
Residential Operations	3,039,227	2,130,857	70.11%
Commercial Operations	1,519,922	1,093,055	71.92%
Recycling Program	355,638	266,661	74.98%
Transfer Station	4,335,045	2,798,748	64.56%
Mowing	793,071	563,063	71.00%
Debt Service	774,000	580,500	75.00%
Custodial Services	31,614	24,068	76.13%
Accounting	146,207	99,732	68.21%
Solid Waste Miscellaneous	216,997	128,079	59.02%
Transfer to General Fund	1,993,144	1,494,858	75.00%
TOTAL EXPENDITURES:	13,204,865	9,179,621	69.52%

CITY OF KILLEEN
 WATER & SEWER FUND
 FINANCIAL REPORT
 June 30, 2009



	Adopted	Y-T-D	% of Budget
REVENUES:			
Sale of Water	14,036,939	9,847,182	70.15%
Water & Sewer Taps	590,897	490,579	83.02%
Sewer Fees Collected	12,592,773	9,484,498	75.32%
Miscellaneous Revenues	750,000	524,333	69.91%
Delinquent Penalty	560,000	446,940	79.81%
Interest Earned	224,454	189,765	84.55%
Miscellaneous Receipts	21,000	19,976	95.12%
Transfers-In	-	383	-
TOTAL REVENUES:	28,776,063	21,003,656	72.99%
EXPENDITURES:			
Fleet Services	1,354,688	799,898	59.05%
Utility Collections	1,778,900	1,331,712	74.86%
Water & Sewer Contracts	11,772,595	7,411,133	62.95%
Operations	6,076,229	3,412,363	56.16%
Debt Service	5,008,029	3,339,019	66.67%
Miscellaneous	1,918,974	1,443,895	75.24%
Transfer to General Fund	3,393,198	2,544,899	75.00%
TOTAL EXPENDITURES:	31,302,613	20,282,919	64.80%

CITY OF KILLEEN
DRAINAGE UTILITY FUND
FINANCIAL REPORT
June 30, 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	1,802,540	82.13%
Commercial Storm Water Fees	511,306	375,429	73.43%
Interest Earned	81,262	64,971	79.95%
Sale of Bonds	-	-	-
TCEQ Grant Revenue	-	33,260	-
Miscellaneous Receipts	-	3,167	-
TOTAL REVENUES:	2,787,335	2,279,367	81.78%
EXPENDITURES:			
Engineering Division	334,287	158,589	47.44%
Street Division	300,000	124,618	41.54%
Drainage Maintenance	1,356,442	674,145	49.70%
Drainage Projects - Minor	700,000	26,165	3.74%
Drainage Projects - Major	6,565,289	299,364	4.56%
Debt Service	584,958	157,279	26.89%
Non-Departmental	25,203	14,247	56.53%
Transfer to General Fund	17,695	17,695	100.00%
TOTAL EXPENDITURES:	9,883,874	1,472,102	14.89%

**CITY OF KILLEEN
ECONOMIC INDICATORS
REPORT SUMMARY
JUNE 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 June 2009, one of the seven economic indicators is positive; one is neutral and Unemployment Rate, Sales Tax Revenue, Building Permits, Water and Sewer Tap Fees and Hotel Occupancy Tax Revenue being negative.

UNEMPLOYMENT RATE

The unemployment rate for the month of June 2009 was 7.1 as compared to 5.7 during June 2008.

SALES TAX REVENUE

Sales Tax Collections for the month were \$1,431,416, a decrease of 1.3% under last June's collections of \$1,449,612. Year-to-date sales tax collections of \$13,473,263 are below last year's total of \$14,595,948 by 7.7%.

AVIATION ENPLANEMENTS & DEPLANEMENTS

Enplanements for the month total 20,774 an increase of 15.5% as compared to 17,983 during June 2008. Year-to-date enplanements of 143,673 are under last year's total of 146,925 by 2.2%.

Deplanements for the month total 19,005 an increase of 1.7% as compared to 18,692 during June 2008. Year-to-date enplanements of 143,161 are under last year's total of 146,840 by 2.5%.

BUILDING PERMITS

Total dollar value of permits issued for the month was \$19,058,805, a 39.0% decrease under June 2008 dollar value of \$31,243,481. For the month 68 single-family, and no duplex or multi-family home permits were issued.

UTILITY CUSTOMERS

For the month, the City had 39,967 active utility customers, an increase of 4.0% over the 38,440 active utility customers in June 2008. Finance staff will monitor this data as deployments and re-deployments of Fort Hood troops June have an impact on the City's active utility accounts.

WATER AND SEWER TAP FEES

Tap Fees total \$67,489 for the month, down 56.8% as compared to last year's fees of \$156,152. Year to date revenues of \$490,579 are under last year's total of \$1,078,970 by 54.5%.

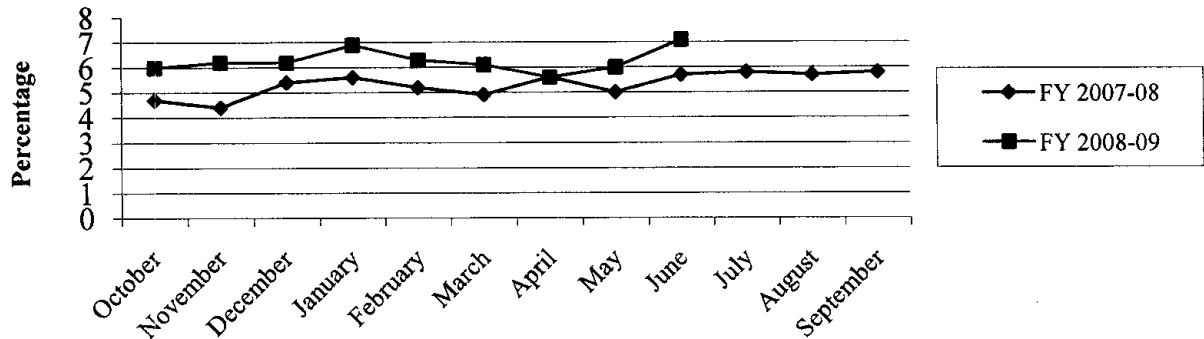
HOTEL OCCUPANCY TAX REVENUE

Hotel Occupancy Tax Revenue for the month was \$152,466, down 10.6% under last June's revenue \$170,541. Year to date revenues of \$1,170,930 are below last year's total of \$1,325,107 by 11.6%.

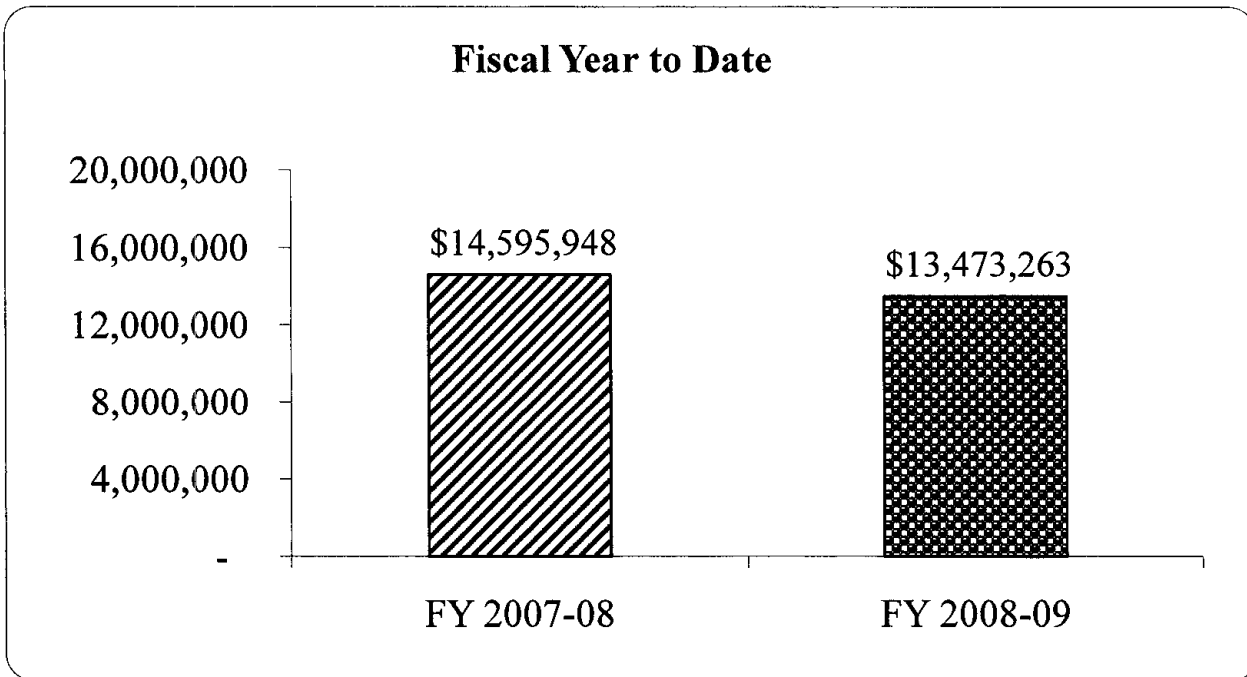
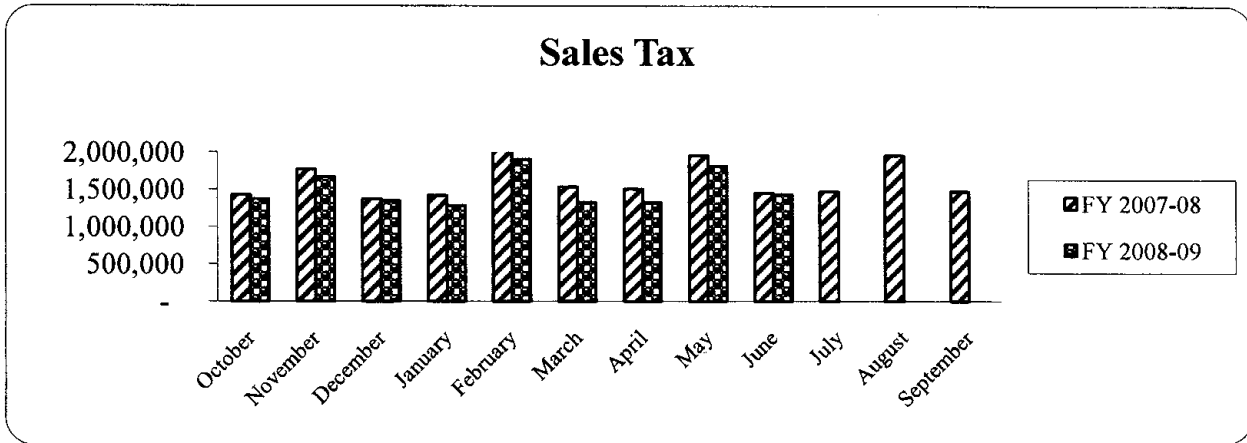
City of Killeen Economic Indicators Report

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	1	1	5

Unemployment Rate

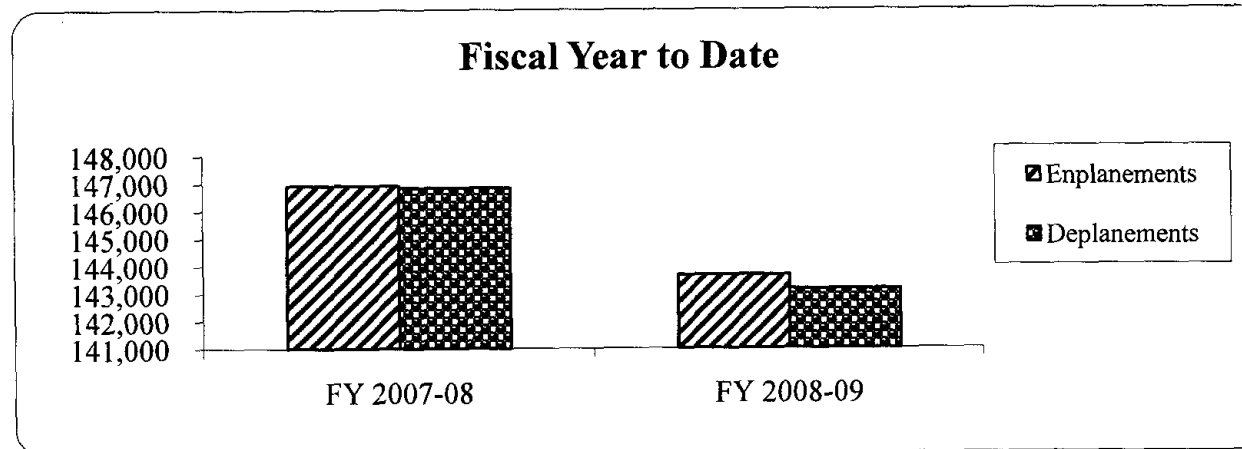
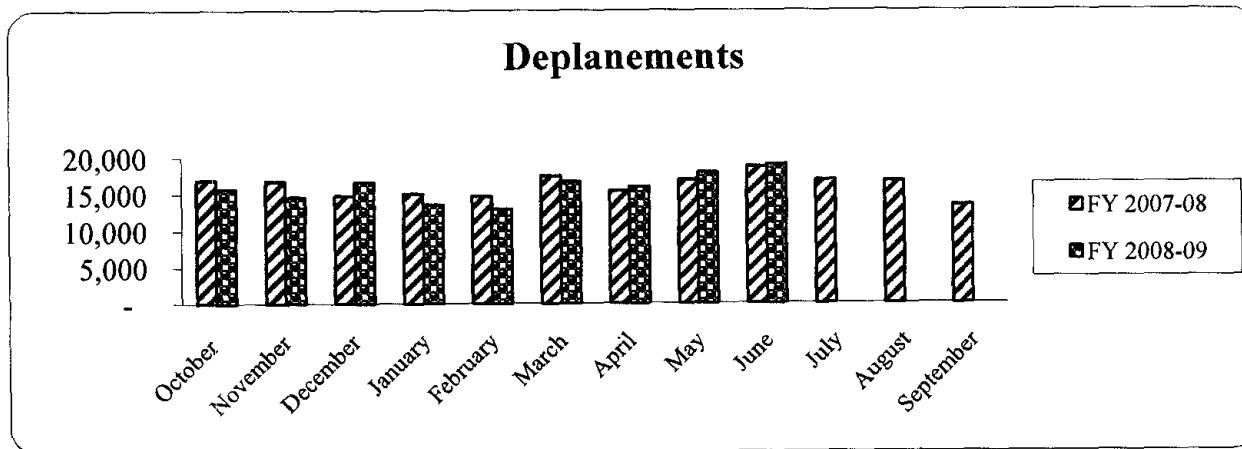
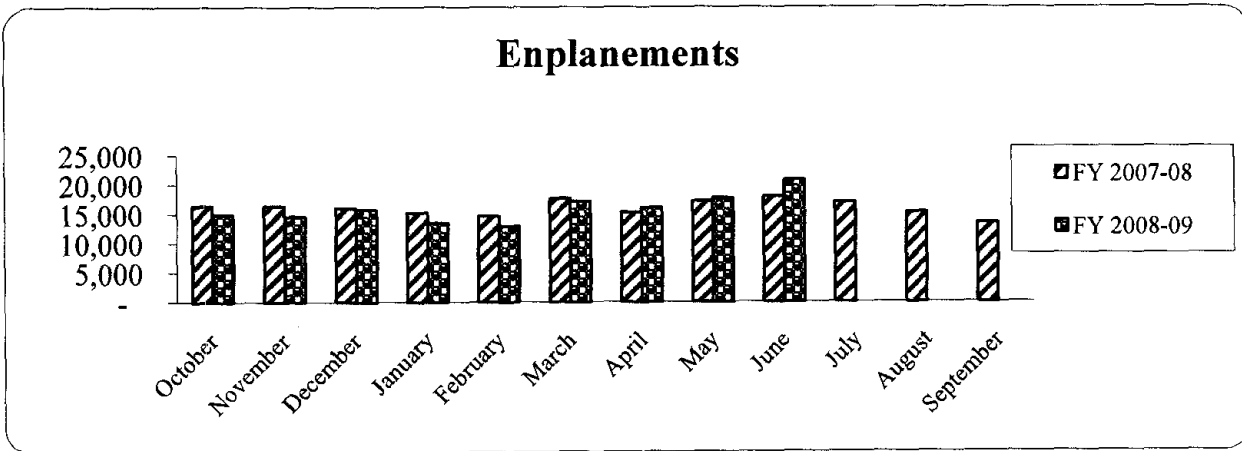


Sales Tax Revenues



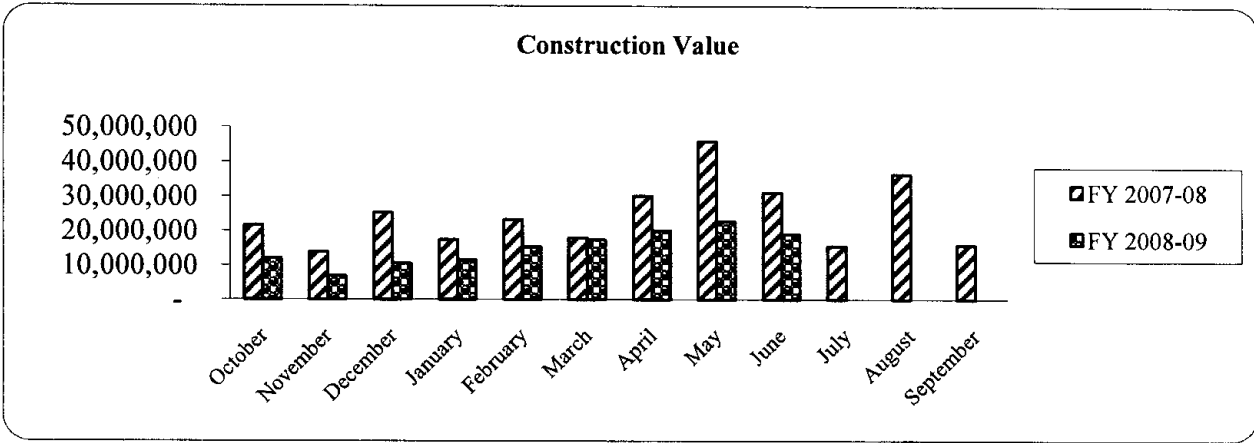
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue			X

Killeen Municipal Airport Total Passenger Count



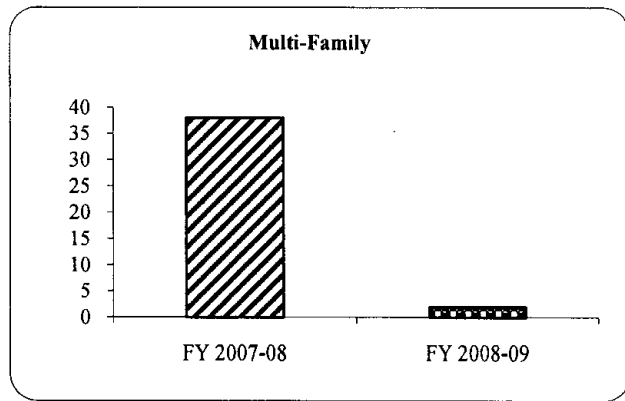
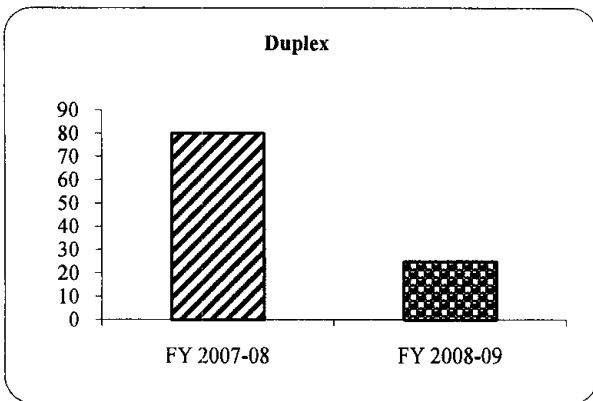
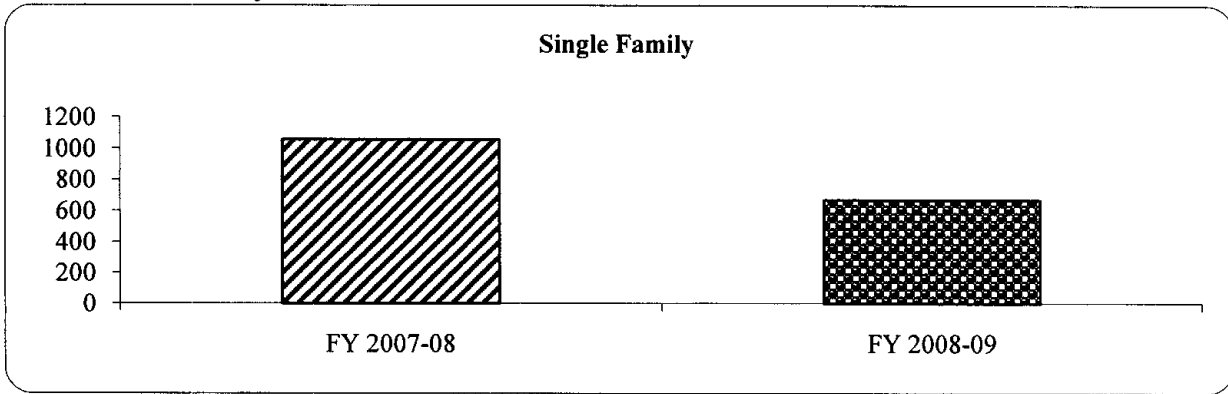
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements		x	

Building Permits



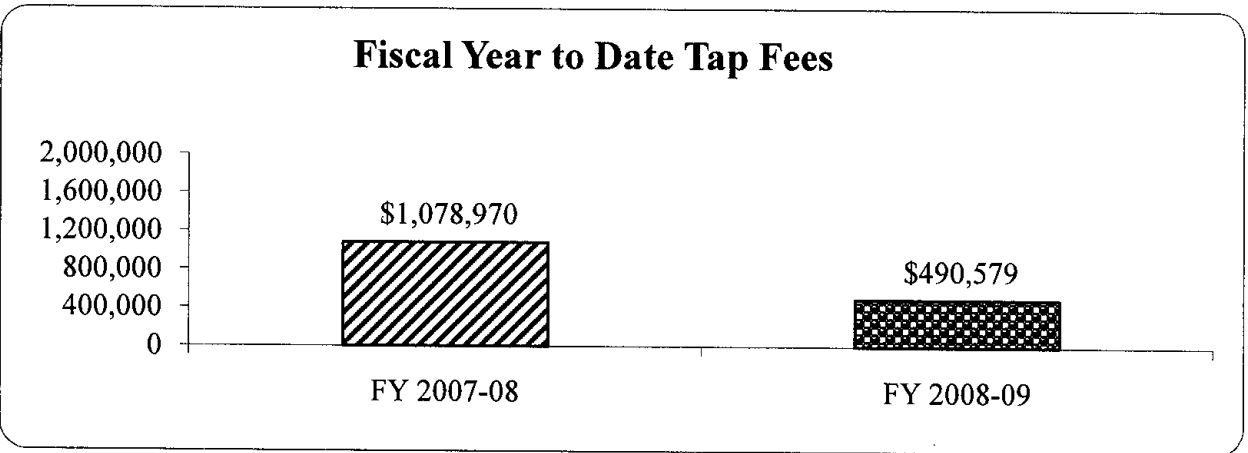
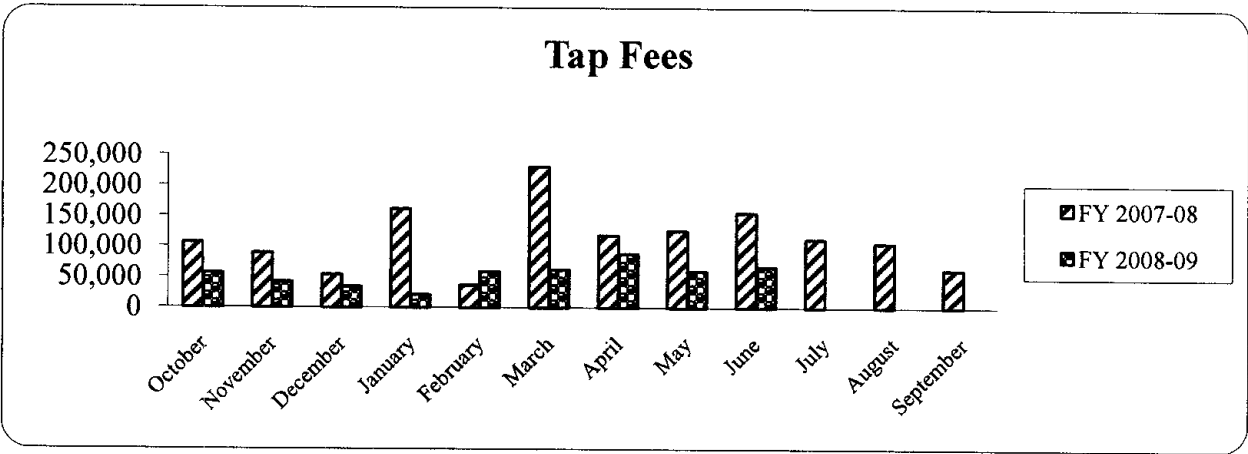
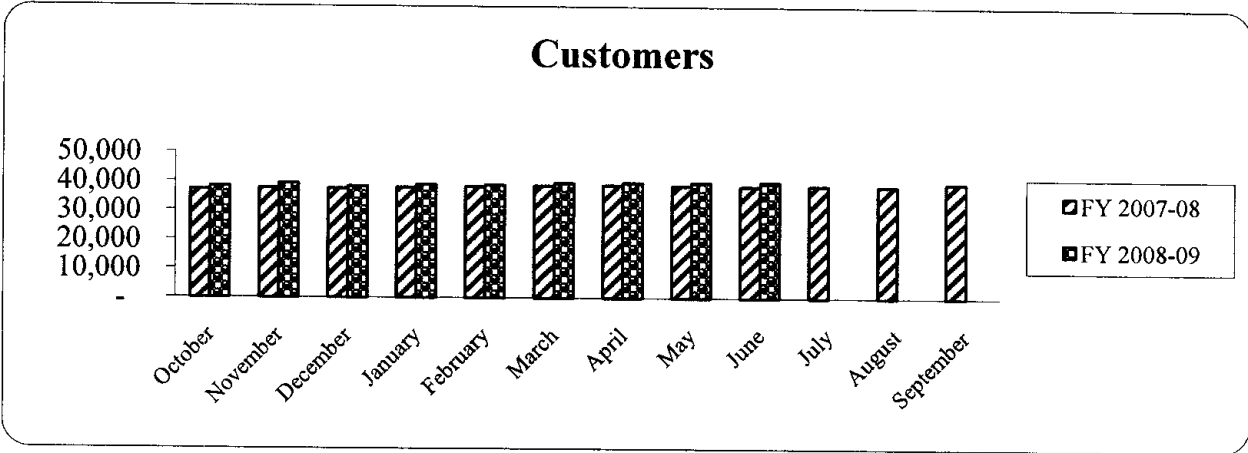
Number of Permits Issued

	FY 2007-08	FY 2008-09
Single Family	1056	667
Duplex	80	25
Multi-Family	38	2



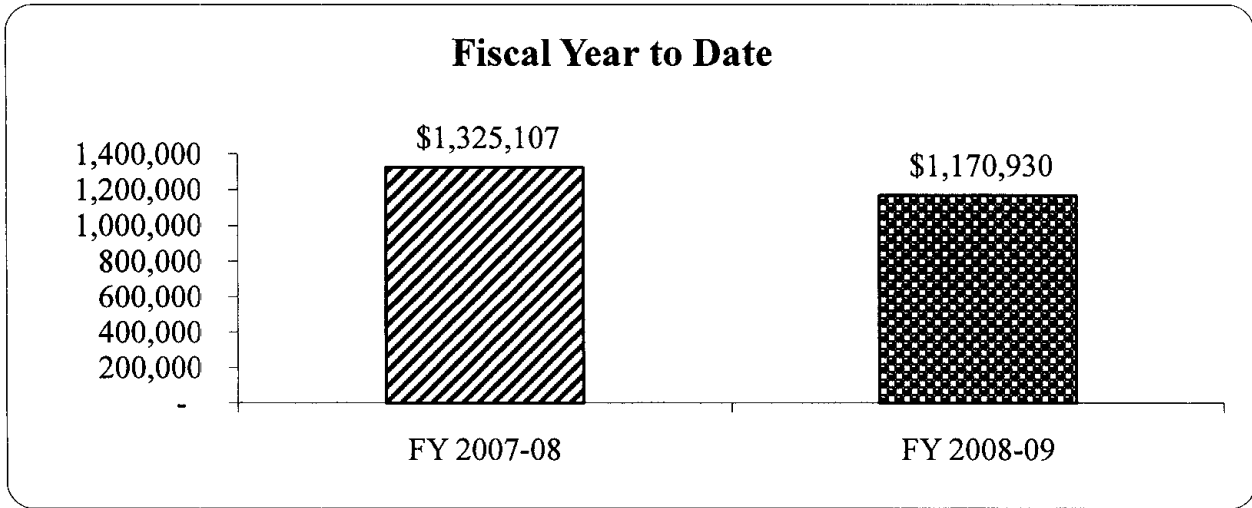
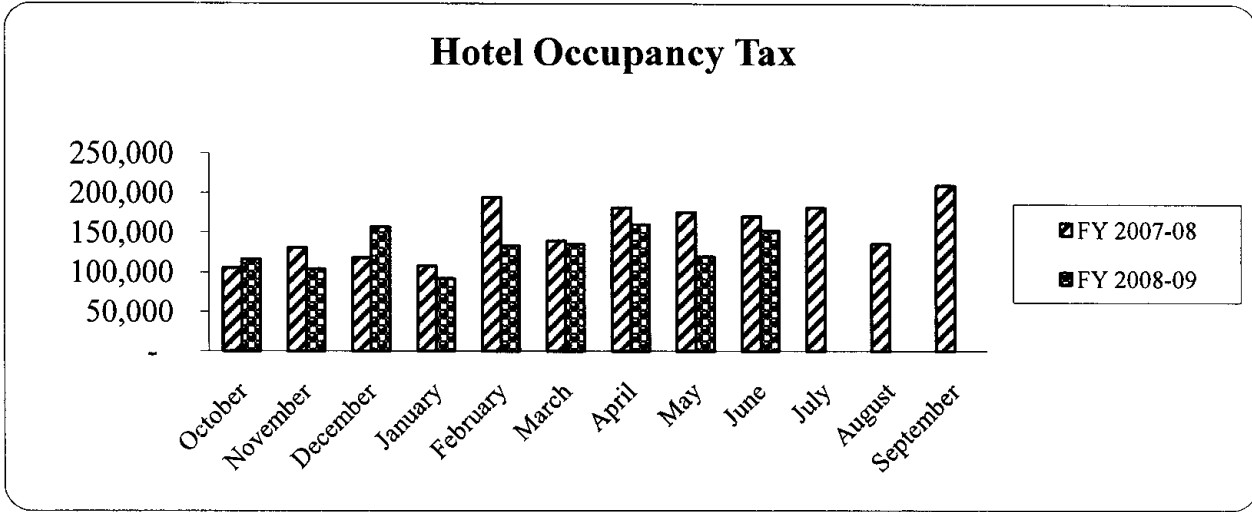
Economic Indicator	Positive	Neutral	Negative
Building Permits			x

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	YTD Total
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	14,595,948
FY 2008-09	6.0	6.2	6.2	6.9	6.3	6.1	5.6	6.0	7.1				13,473,263

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	14,595,948
FY 2008-09	1,371,951	1,667,523	1,349,159	1,284,158	1,904,356	1,328,545	1,325,737	1,812,418	1,431,416				13,473,263

Aviation-Total Passenger Count Enplanements	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	146,925
FY 2008-09	15,046	14,663	15,811	13,475	12,923	17,174	16,114	17,693	20,774				143,673

Deplanements	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	16,959	16,827	14,787	15,089	14,718	17,461	15,398	16,929	18,692	16,893	16,724	13,423	146,840
FY 2008-09	15,736	14,631	16,688	13,571	12,964	16,677	15,970	17,919	19,005				143,161

Building Permits Construction Value	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	226,804,850
FY 2008-09	12,032,289	6,888,907	10,494,128	11,602,771	15,478,470	17,395,622	20,123,253	22,831,443	19,058,805				135,905,688

Number of Permits Issued Single Family	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	139	73	166	96	68	98	143	170	103	79	129	87	1,056
FY 2008-09	44	20	47	35	99	110	121	123	68				667

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	80
FY 2008-09	5	5	-	-	4	4	2	5	-				25

Multi-family	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	1	-	-	4	28	-	-	-	2	1	-	-	38
FY 2008-09	-	-	-	-	-	-	-	-	-	-	-	-	2

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	395,551
FY 2008-09	38,291	39,273	38,290	38,914	38,812	39,579	39,651	39,851	39,967				395,551

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	1,078,970
FY 2008-09	56,555	41,685	34,025	20,975	59,150	62,300	88,200	60,200	67,489				480,579

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	1,325,107
FY 2008-09	116,326	104,226	156,865	92,062	133,480	135,345	160,308	119,852	152,466				1,170,930



Team Killeen