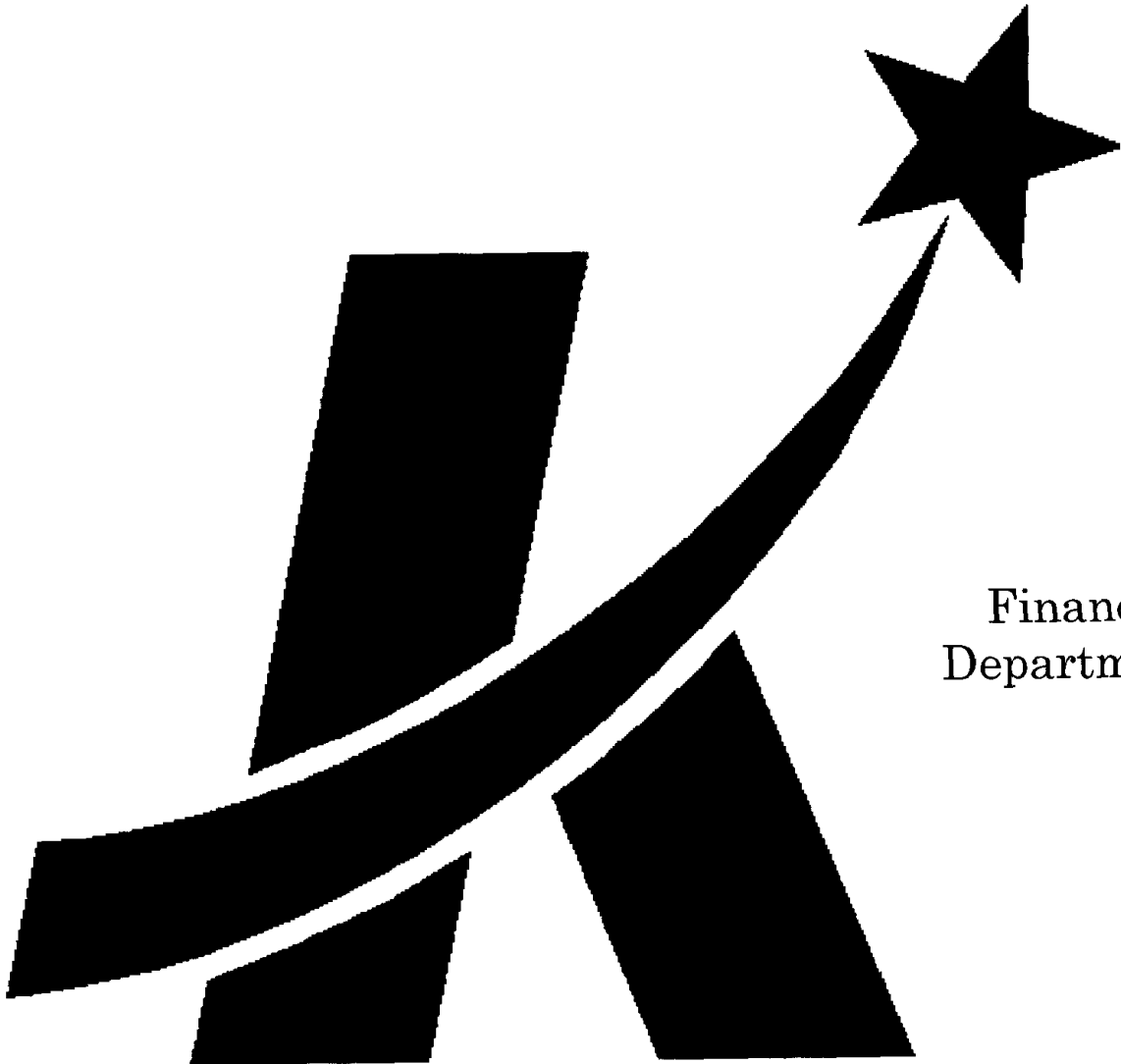


City of Killeen
Financial Report
March 2009
Executive Summary



Finance
Department

Prepared by:
Barbara Gonzales
Director of Finance

Prepared 4/24/09

**FINANCE DIRECTOR'S REPORT
MARCH 2009**

April 24, 2009

Mayor and City Council Members:

We are pleased to submit the Monthly City Council Financial Report and Executive Summary for the month of March 2009. The finance staff is currently working with the departments on the 2008-09 budget submission. In addition to the budget preparation, the finance staff is analyzing the current mid-year budget status for both revenue and expenditure projections and funding for additional departmental budget needs.

General Fund ad valorem revenues are meeting budget and staff projections, with 95.65% of the annual ad valorem assessment collected by March 31st. 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 Unemployment Rate, Sales Tax Revenue, Aviation Enplanement and Deplanements, Building Permits, Water and Sewer Tap Fees, and Hotel Occupancy Tax Revenues 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- MARCH 2009
EXECUTIVE SUMMARY
MAJOR OPERATING FUNDS**

GENERAL FUND

- Revenues total \$2,944,193 for the month, down from last year's revenues of \$3,183,598 by 7.5%. Year-to-date general fund revenues of \$37,854,342 are up 5.7% over last year's total of \$35,828,688.
- Sales Tax Collections for the month were \$1,326,545, a decrease of 13.6% from last March's collections of \$1,535,437. Year-to-date sales tax collections of \$9,140,869 are 8.2% below last year's total of \$9,957,715.
- Property Tax Collections during the month were \$323,047, an 8.9% increase below last year's collections of \$296,693. Year-to-date property tax receipts of \$20,473,682 exceed last years total of \$17,490,649 by 17.1%. Year-to-date collections are at 95.7% of the budget.
- Franchise Fees collected during March were \$463 compared to \$120,865 last March. Year-to-date franchise revenues of \$867,219 are below last year's total of \$904,453 by 4.1%.
- Permits & Inspections fees collected during March totaled \$97,554, down 5.4% from last year's revenue of \$103,078. Year-to-date revenues of \$450,088 are 31.5% below last year's total of \$656,631.
- Court fines and fees were \$197,473 during March, up 35.2% from the prior year collections of \$146,077. Year-to-date revenues total \$1,136,575, 9.3% above last year's total of \$1,040,100.
- Interest Earned during March totaled \$22,883, a decrease of 73.6% over last March's interest earnings of \$86,701. Year-to-date interest earnings total \$259,151, 62.6% below last year's total of \$693,470.
- Total expenditures for March are \$4,872,730, 9.1% above \$4,466,414 last year. Year-to-date expenditures of \$29,347,705 are up 5.3% when compared to last year's expenditures of \$27,867,960. 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 \$26.7 million, down 1.9% from last year.

KILLEEN – FORT HOOD REGIONAL AIRPORT FUND (KFHRA)

- KFHRA operating revenues (non-grants) for March was \$293,745 up 14.3% from \$256,922 last year. Year-to-date revenues total \$1,266,465, down 6.7% from \$1,357,674 in the prior year.
- Other revenues in March include FAA grant funds of \$31,664. The year-to-date total is \$243,081 compared to \$1,107,912 in the prior year.
- KFHRA operating expenses (non-construction) of \$265,127 are down 0.4% for the month as compared to \$266,061 last year. Year-to-date expenses of \$1,468,482 are down from last year's total of \$1,472,202.
- The ending fund balance for the month was \$724,219, down 7.8% from last year.

SKYLARK AIRFIELD FUND

- Skylark operating revenues (non-grants) for the month were \$41,888, up 15.6% from \$36,240 last year. Year-to-date revenues of \$290,162 are down 11.1% from last year's total of \$326,349. This variance is primarily attributable to a decrease in fuel sales.
- Skylark operating expenses (non-improvements/construction) were \$38,224 for the month, down 17.9% from last year's total of \$46,280. Year-to-date expenses of \$255,393 are down 18.8% from last year's total of \$314,337.
- The ending fund balance for the month was \$462,938, up from \$460,921 last year.

SOLID WASTE FUND

- Solid Waste operating revenues were \$1,127,681 for the month, up 0.4% when compared to last March's revenues of \$1,123,657. Year-to-date revenues of \$5,827,038 are down 1.7% compared to last year's total of \$5,924,631.
- Expenses totaled \$931,831 for the month, down 26.5% as compared to \$1,267,485 last year. This decrease is primarily due to the timing of the payments of the Refuse Transport and Disposal Costs. Two months worth of payments were processed in March of last fiscal year as compared to one in this fiscal year. Year-to-date expenses are \$5,833,789, up 2.8% from last year's total of \$5,677,283.
- The ending fund balance for the month was \$3.0 million, down 31.7% from last year.

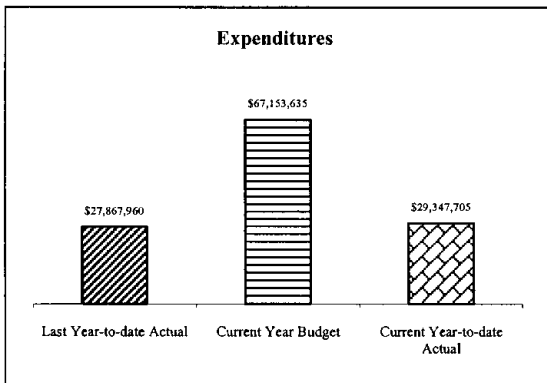
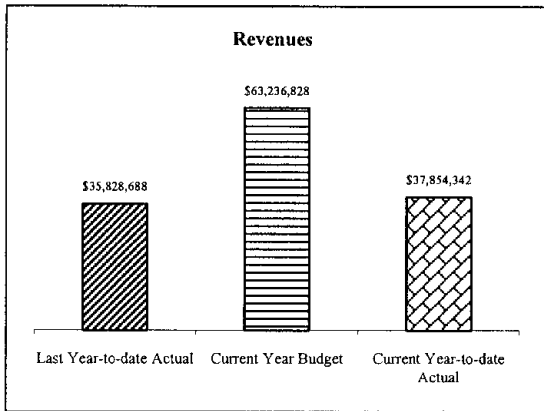
WATER AND SEWER FUND

- Water and Sewer operating revenues total \$2,371,729, down 10.6% from last year's revenues of \$2,653,143. Year-to-date revenues total \$13,880,914, below last year's revenues of \$14,189,829 by 2.2%. The variance is primarily due to the slow down in tap fee revenues and the decrease in interest earnings.
- Tap Fees total \$62,300 for the month, down 73.0% as compared to last year's fees of \$230,625. Year-to-date fees of \$274,690 are below last years total of \$678,528 by 59.5%. Tap Fees are not meeting projections with a collection rate at 24.0% of the current year budget.
- Expenses total \$2,337,543 for the month, down 1.5% as compared to \$2,373,447 last year. Year-to-date expenses are \$14,513,040, up 0.6% over last year's total of \$14,429,015.
- The ending fund balance for the month was \$18.7 million, down 6.4% from last year.

DRAINAGE UTILITY FUND

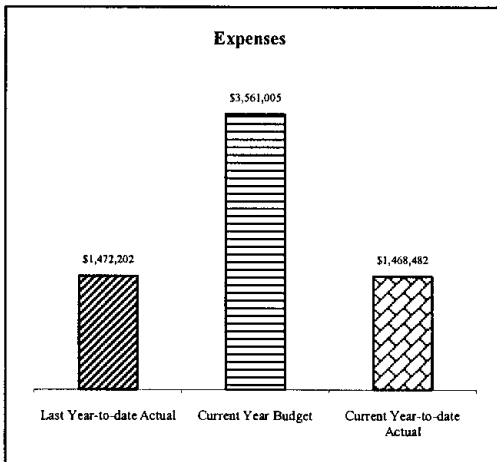
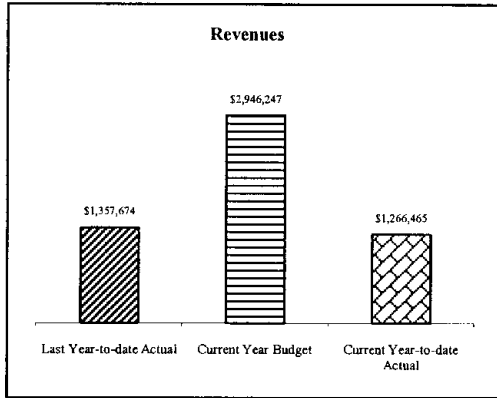
- Drainage Utility operating revenues total \$270,920 for the month, down 6.6% from last March's revenues of \$289,936. Year-to-date revenues of \$1,527,735 are below last year's revenues of \$1,597,852 by 4.4%. The variance is primarily due to the decrease in interest earnings.
- Residential fees were \$220,823, up 2.3%, and Commercial fees were \$45,784, up 4.6% for the month.
- Operating expenses for the month were \$121,531, down 49.4% from \$240,236 last year. Year-to-date expenses are \$807,701, up 0.9% from last year's total of \$800,385.
- Major drainage capital improvement project budget is \$6,573,571 with \$169,934 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 \$8.7 million, down 6.8% from last year.

CITY OF KILLBEN
 GENERAL FUND
 FINANCIAL REPORT
 March 31, 2009



	Adopted	Y-T-D	% of Budget
REVENUES:			
Property Taxes	21,405,568	20,473,682	95.65%
Sales & Occupancy Tax	19,888,134	9,140,869	45.96%
Franchise Tax	5,084,970	867,219	17.05%
Miscellaneous Revenues	3,500,050	1,635,969	46.74%
Permits & Inspections	1,338,580	450,088	33.62%
Court Fines & Fees	2,099,319	1,136,575	54.14%
Recreation Revenues	969,225	299,620	30.91%
Golf Course	1,236,686	573,439	46.37%
Interest Earned	1,600,000	259,151	16.20%
Intergovernmental Revenue	710,259	306,864	43.20%
Transfers In	5,404,037	2,710,866	50.16%
TOTAL REVENUES:	63,236,828	37,854,342	59.86%
EXPENDITURES:			
Administration	13,144,591	6,131,791	46.65%
Community Services	10,779,758	4,064,233	37.70%
Public Works	5,661,200	2,177,333	38.46%
Public Safety	37,511,587	16,974,347	45.25%
Transfers Out	56,499	-	0.00%
TOTAL EXPENDITURES:	67,153,635	29,347,704	43.70%

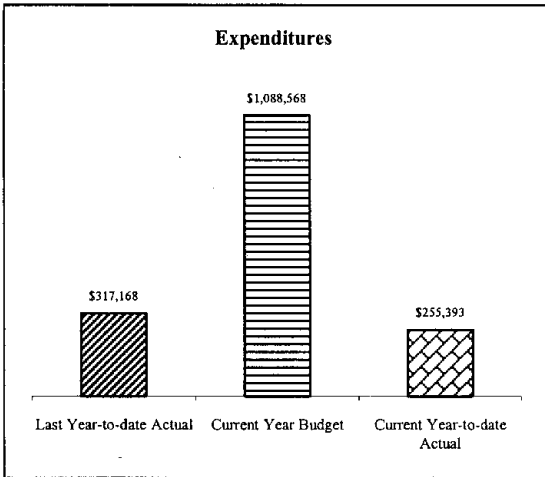
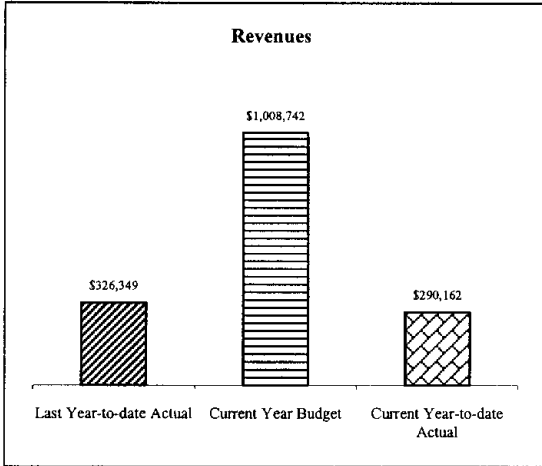
CITY OF KILLEEN
 KILLEEN-FORT HOOD REGIONAL AIRPORT FUND
 FINANCIAL REPORT
 March 31, 2009



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

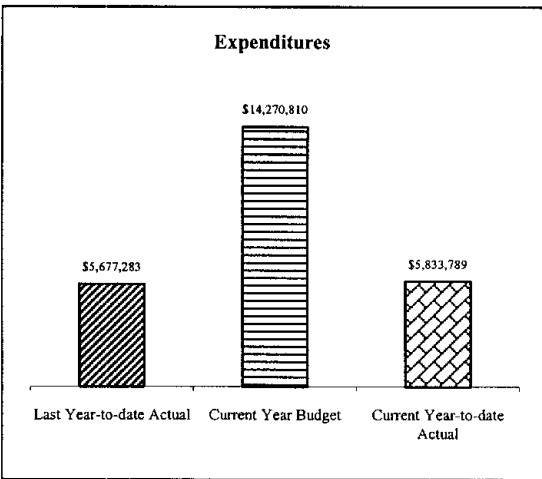
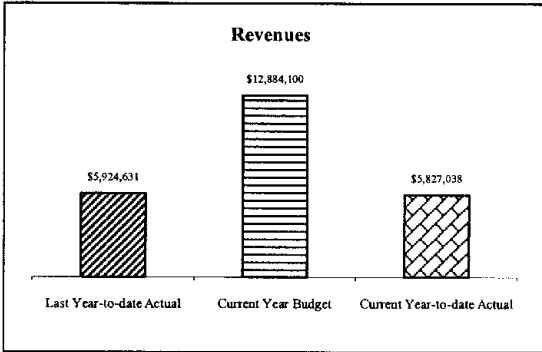
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	2,892,247	1,264,860	43.73%
Interest Earned	54,000	1,605	2.97%
FAA Grants	1,794,741	29,864	1.66%
FAA Grants Prior Years	331,910	213,217	64.24%
TXDOT Grant	-	-	-
TXDOT Grant Match	-	-	-
Transfer from Bond Fund	-	-	-
TOTAL REVENUES:	5,072,898	1,509,546	29.76%
EXPENSES:			
Airport Operations	2,908,234	1,262,047	43.40%
Cost of Goods Sold	273,992	56,162	20.50%
KFHRA Construction	2,477,320	255,552	10.32%
Information Technology	186,566	88,092	47.22%
Non-Departmental	192,213	62,182	32.35%
TOTAL EXPENSES:	6,038,325	1,724,035	28.55%

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



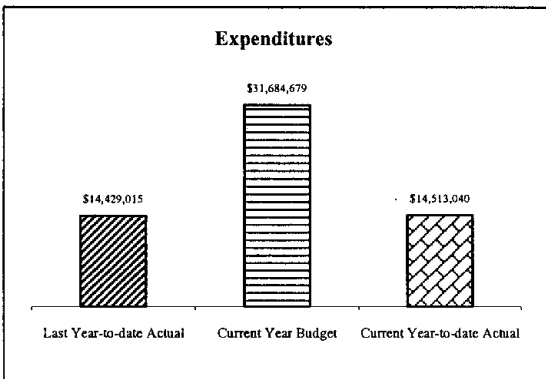
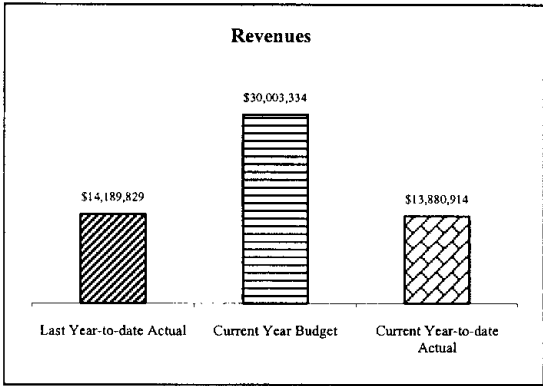
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	968,742	286,693	29.59%
Interest Earned	10,000	3,469	34.69%
FAA Grants	-	-	-
FAA Grants - Prior Years	-	-	-
TXDOT Grants	30,000	-	0.00%
TOTAL REVENUES:	1,008,742	290,162	28.76%
EXPENDITURES:			
Airport Operations	342,893	98,533	28.74%
Cost of Goods Sold	732,572	151,445	20.67%
Skylark Improvements	-	-	-
Skylark Construction	-	-	-
Non-Departmental	13,103	5,414	41.32%
TOTAL EXPENDITURES:	1,088,568	255,392	23.46%

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



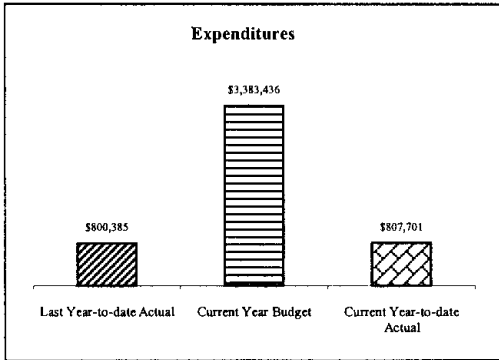
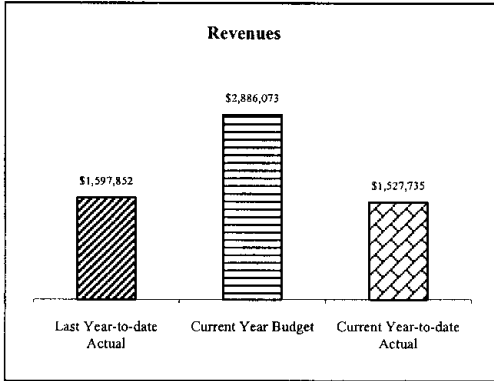
	Adopted	Y-T-D	% of Budget
REVENUES:			
Transfer Station Fees	320,000	134,171	41.93%
Dumpster Rentals	110,000	43,347	39.41%
Miscellaneous Revenues	40,100	34,075	84.98%
Recycling Revenues	174,000	49,830	28.64%
Commercial Sanitation Fees	5,450,000	2,422,975	44.46%
Residential Sanitation Fees	6,550,000	3,106,595	47.43%
Interest Earned	240,000	36,046	15.02%
TOTAL REVENUES:	12,884,100	5,827,039	45.23%
EXPENDITURES:			
Residential Operations	3,173,357	1,379,755	43.48%
Commercial Operations	1,641,710	718,755	43.78%
Recycling Program	382,570	145,098	37.93%
Transfer Station	4,816,819	1,699,434	35.28%
Mowing	921,408	354,162	38.44%
Debt Service	774,000	387,000	50.00%
Custodial Services	31,614	14,629	46.27%
Accounting	146,207	56,886	38.91%
Solid Waste Miscellaneous	389,981	81,497	20.90%
Transfer to General Fund	1,993,144	996,572	50.00%
TOTAL EXPENDITURES:	14,270,810	5,833,788	40.88%

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



	Adopted	Y-T-D	% of Budget
REVENUES:			
Sale of Water	14,036,939	6,596,435	46.99%
Water & Sewer Taps	1,142,622	274,690	24.04%
Sewer Fees Collected	12,592,773	6,191,680	49.17%
Miscellaneous Revenues	750,000	347,993	46.40%
Delinquent Penalty	560,000	299,790	53.53%
Interest Earned	900,000	150,350	16.71%
Miscellaneous Receipts	21,000	19,976	95.12%
Transfers-In	-	-	-
TOTAL REVENUES:	30,003,334	13,880,914	46.26%
EXPENDITURES:			
Fleet Services	1,393,536	531,510	38.14%
Utility Collections	1,815,812	911,799	50.21%
Water & Sewer Contracts	11,772,595	6,003,787	51.00%
Operations	6,388,785	2,176,801	34.07%
Debt Service	5,008,029	2,504,265	50.01%
Miscellaneous	1,912,724	688,280	35.98%
Transfer to General Fund	3,393,198	1,696,599	50.00%
TOTAL EXPENDITURES:	31,684,679	14,513,041	45.80%

CITY OF KILLEEN
DRAINAGE UTILITY FUND
FINANCIAL REPORT
March 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	1,193,646	54.39%
Commercial Storm Water Fees	511,306	250,664	49.02%
Interest Earned	180,000	55,463	30.81%
Sale of Bonds	-	-	-
TCEQ Grant Revenue	-	24,796	-
Miscellaneous Receipts	-	3,167	-
TOTAL REVENUES:	2,886,073	1,527,736	52.93%
EXPENDITURES:			
Engineering Division	336,464	96,280	28.62%
Street Division	300,000	101,077	33.69%
Drainage Maintenance	1,419,116	420,343	29.62%
Drainage Projects - Minor	700,000	4,745	0.68%
Drainage Projects - Major	6,573,571	169,934	2.59%
Debt Service	584,958	155,479	26.58%
Non-Departmental	25,203	12,082	47.94%
Transfer to General Fund	17,695	17,695	100.00%
TOTAL EXPENDITURES:	9,957,007	977,635	9.82%

**CITY OF KILLEEN
ECONOMIC INDICATORS
REPORT SUMMARY
MARCH 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 March 2009, one of the seven economic indicators is positive with Unemployment Rate, Sales Tax Revenue, Aviation Enplanement and Deplanements, Building Permits, Water and Sewer Tap Fees and Hotel Occupancy Tax Revenue being negative.

UNEMPLOYMENT RATE

The unemployment rate for the month of March 2009 was 6.1 as compared to 4.9 during March 2008.

SALES TAX REVENUE

Sales Tax Collections for the month were \$1,326,545, a decrease of 13.6% under last March's collections of \$1,535,437. Year-to-date sales tax collections of \$8,903,692 are below last year's total of \$9,685,390 by 8.1%.

AVIATION ENPLANEMENTS & DEPLANEMENTS

Enplanements for the month total 17,174 a decrease of 2.8% as compared to 17,663 during March 2008. Year-to-date enplanements of 89,092 are under last year's total of 96,500 by 7.7%.

Deplanements for the month total 16,677 a decrease of 4.5% as compared to 17,461 during March 2008. Year-to-date enplanements of 90,267 are under last year's total of 95,821 by 5.8%.

BUILDING PERMITS

Total dollar value of permits issued for the month was \$17,395,622, a 3.4% decrease under March 2008 dollar value of \$18,004,983. For the month 110 single-family, 4 duplex and no multi-family home permits were issued.

UTILITY CUSTOMERS

For the month, the City had 39,579 active utility customers, an increase of 2.6% over the 38,576 active utility customers in March 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 \$62,300 for the month, down 73.0% as compared to last year's fees of \$230,625. Year to date revenues of \$274,690 are under last year's total of \$678,528 by 59.5%.

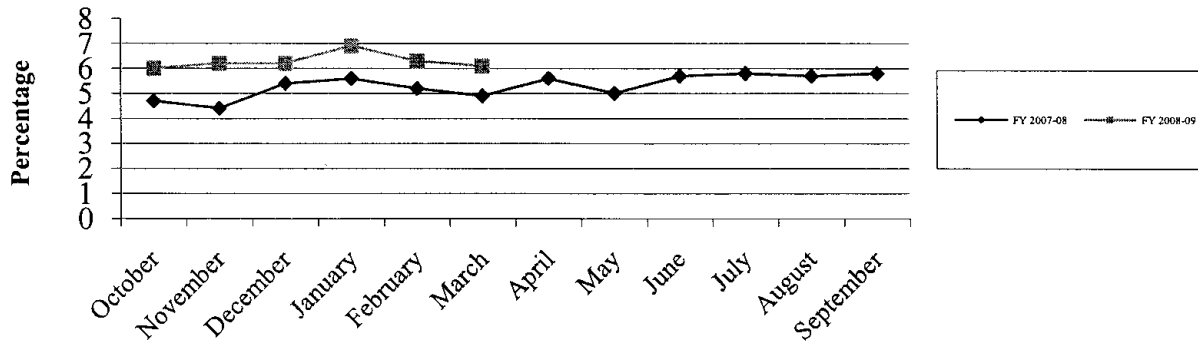
HOTEL OCCUPANCY TAX REVENUE

Hotel Occupancy Tax Revenue for the month was \$135,345, down 3.4% under last March's revenue \$140,054. Year to date revenues of \$738,304 are below last year's total of \$797,206 by 7.4%.

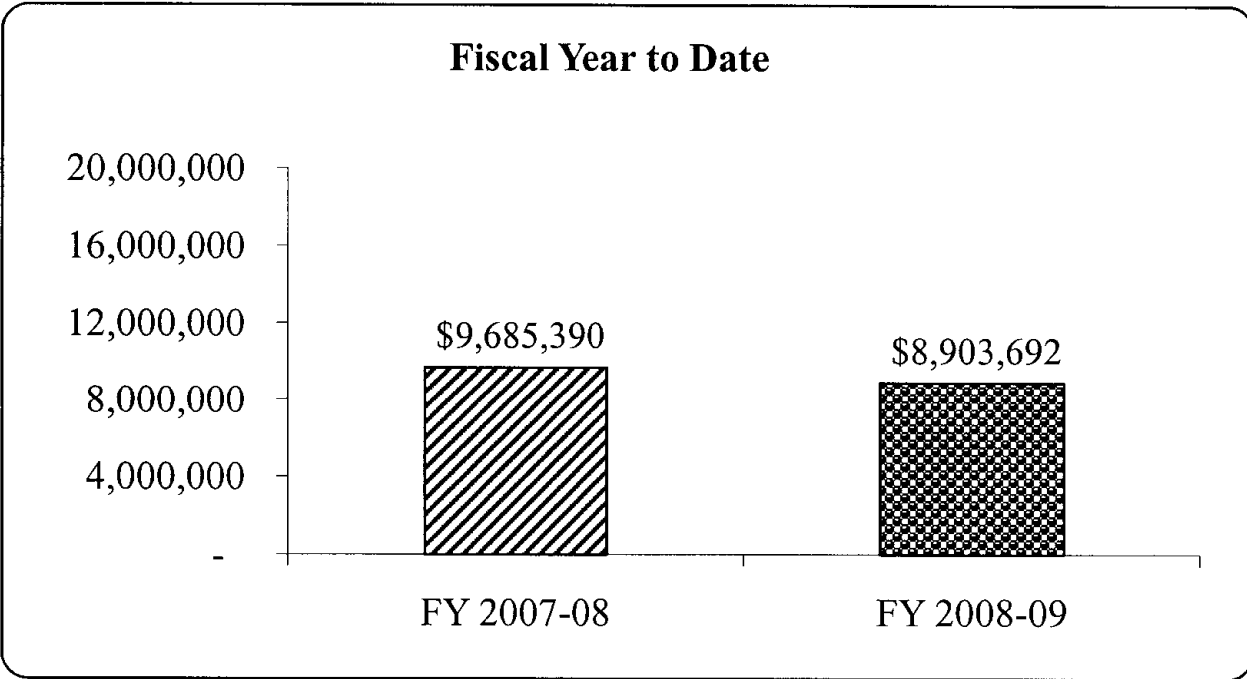
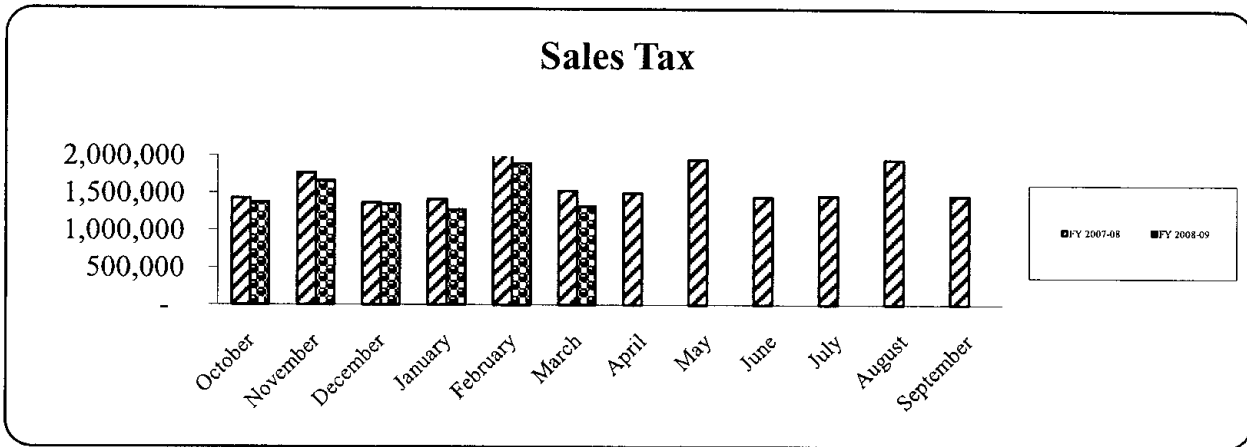
City of Killeen Economic Indicators Report

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	1	0	6

Unemployment Rate

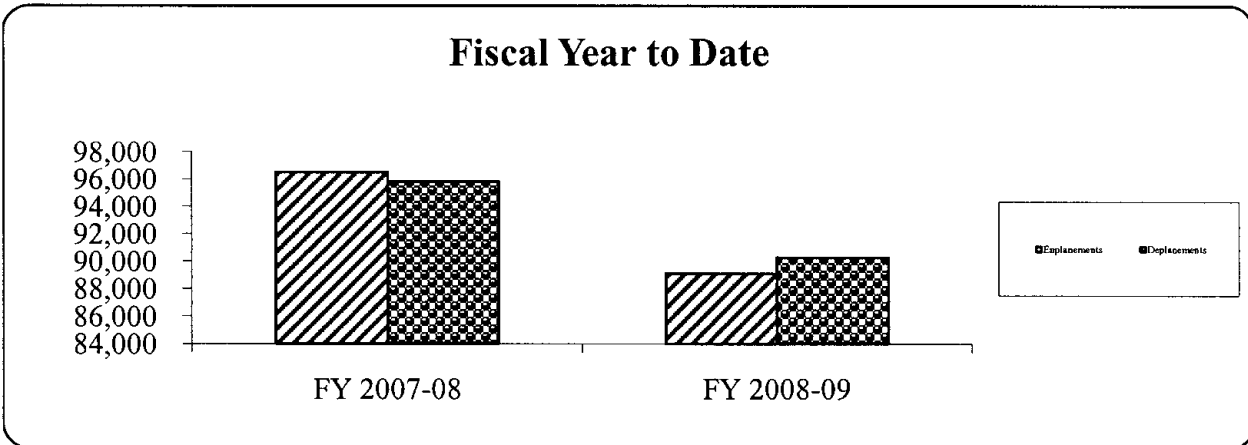
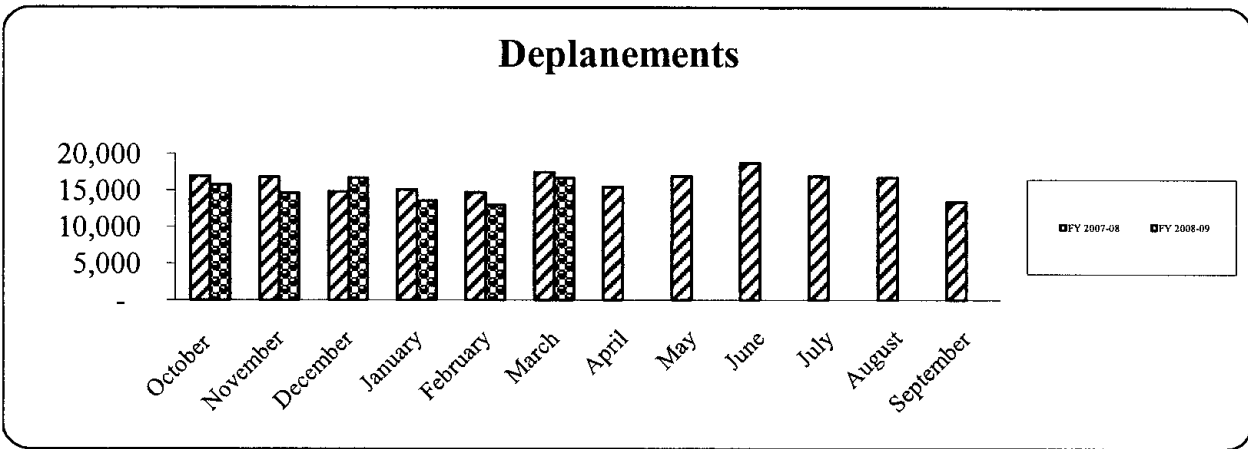
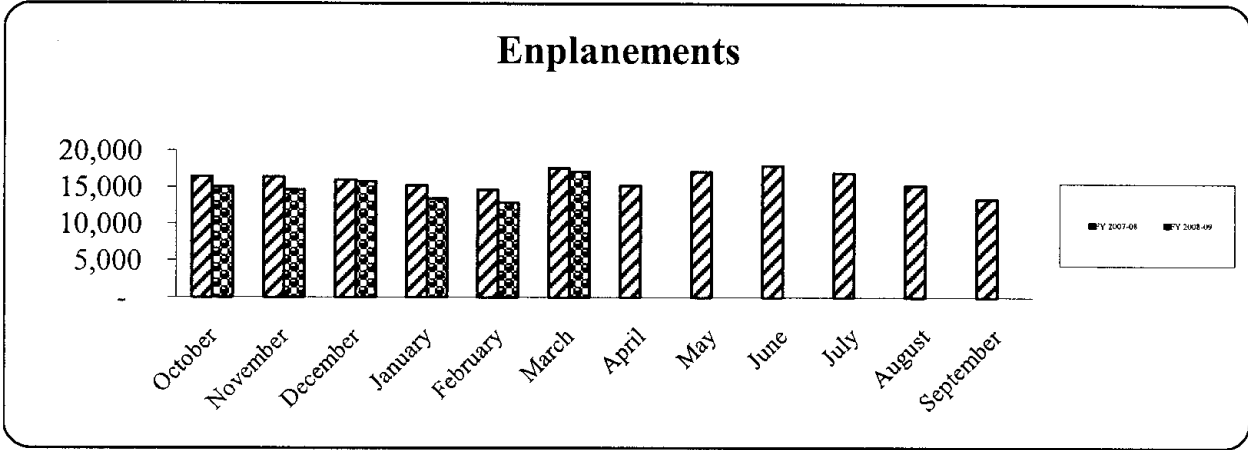


Sales Tax Revenues



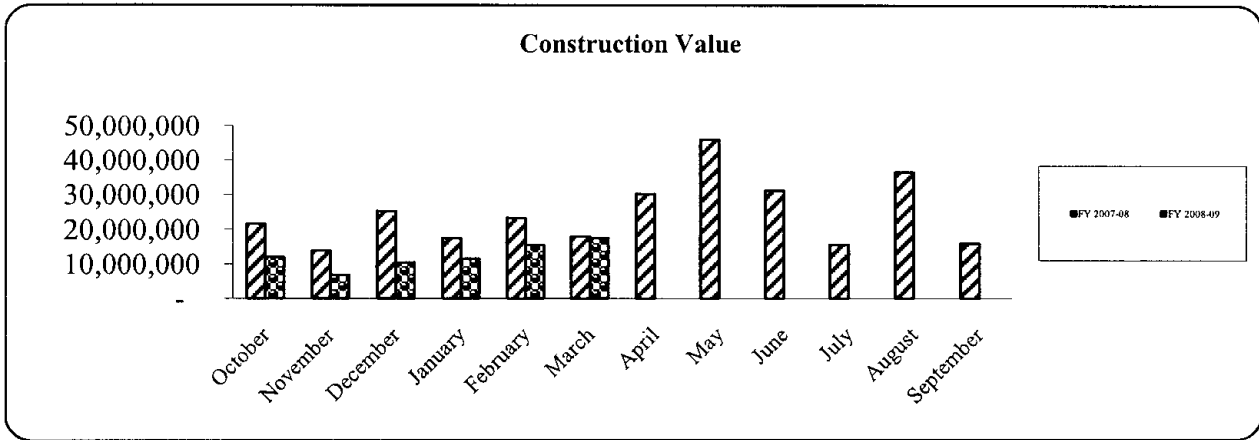
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue			X

Killeen Municipal Airport Total Passenger Count



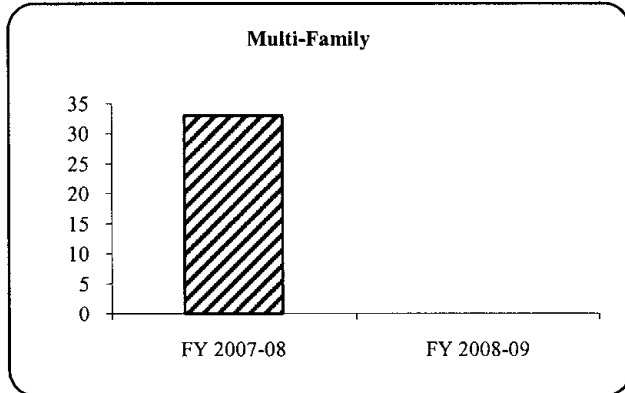
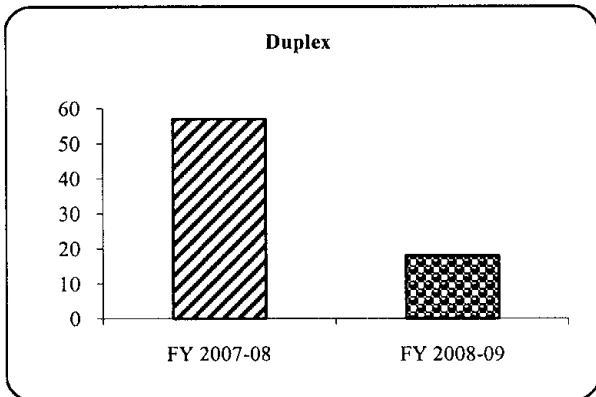
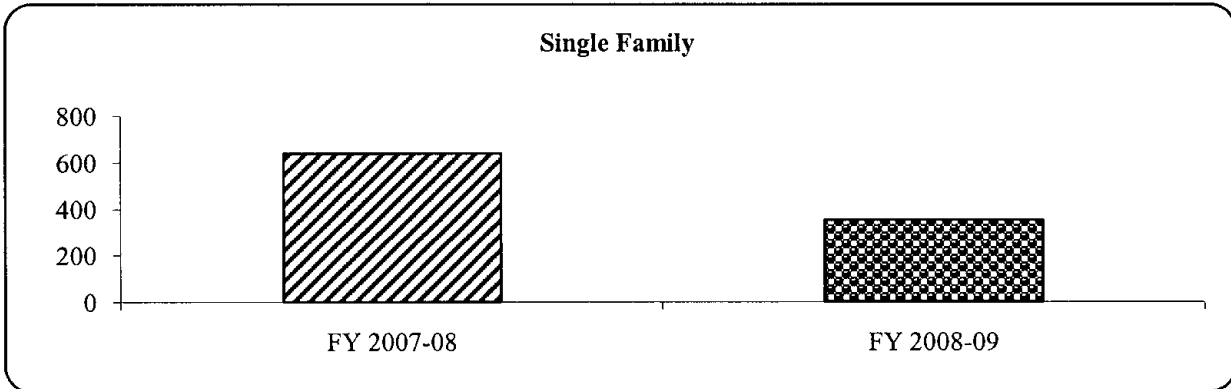
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements			x

Building Permits



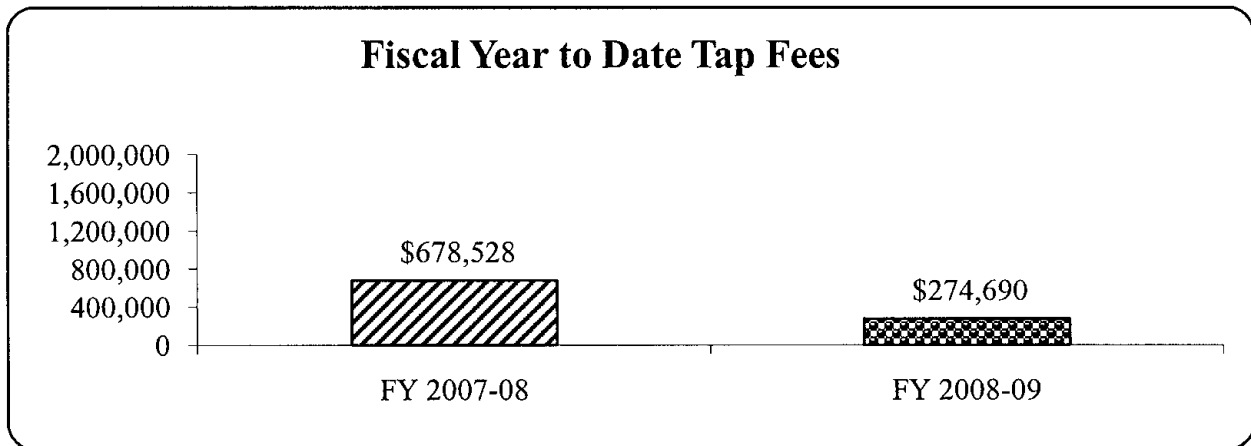
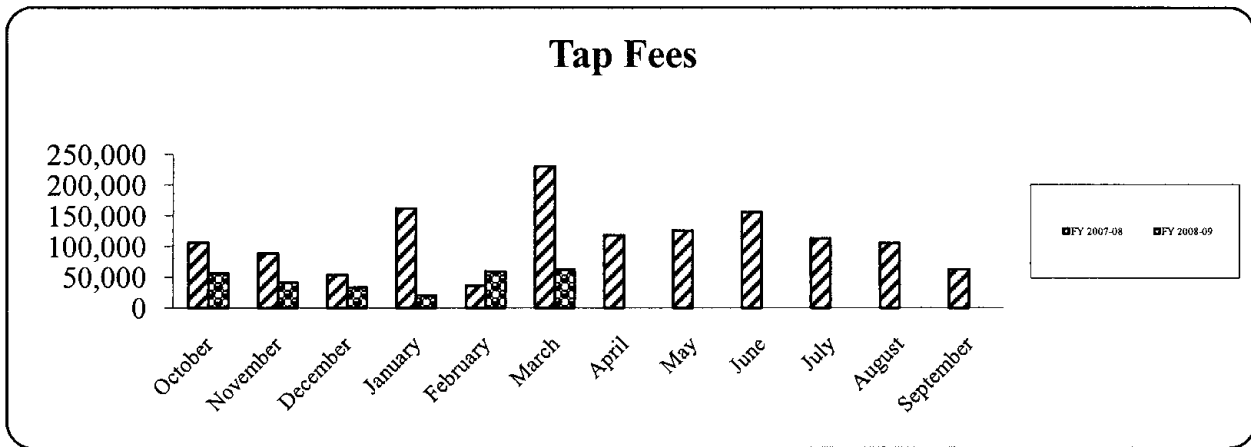
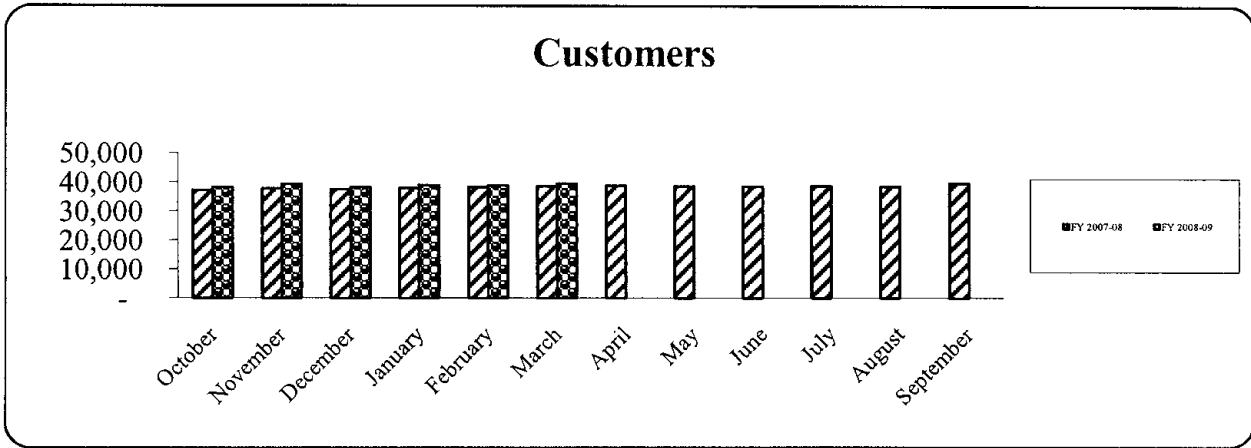
Number of Permits Issued

	FY 2007-08	FY 2008-09
Single Family	640	355
Duplex	57	18
Multi-Family	33	0



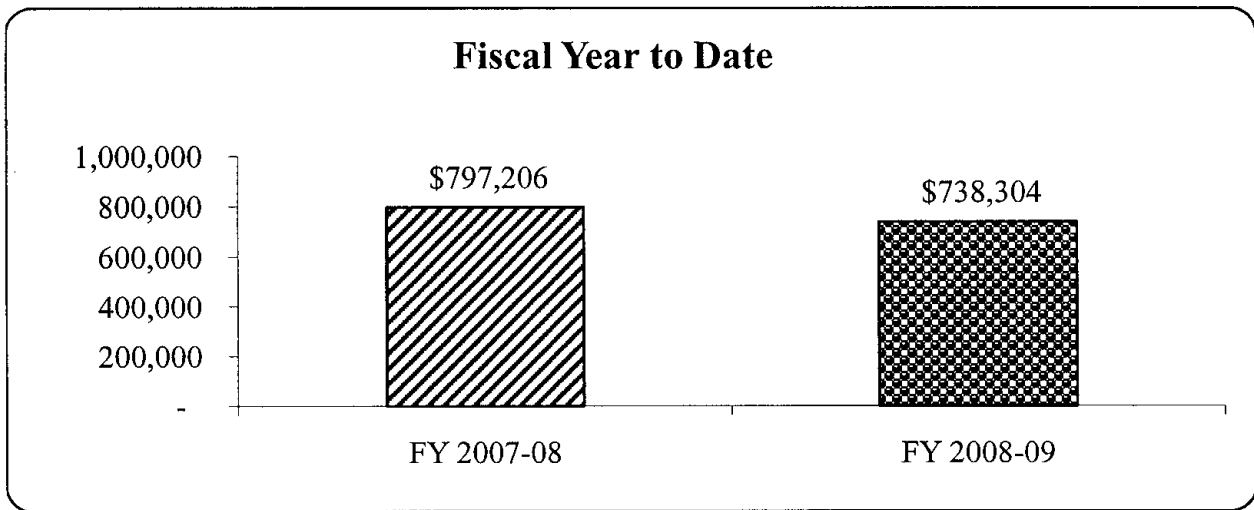
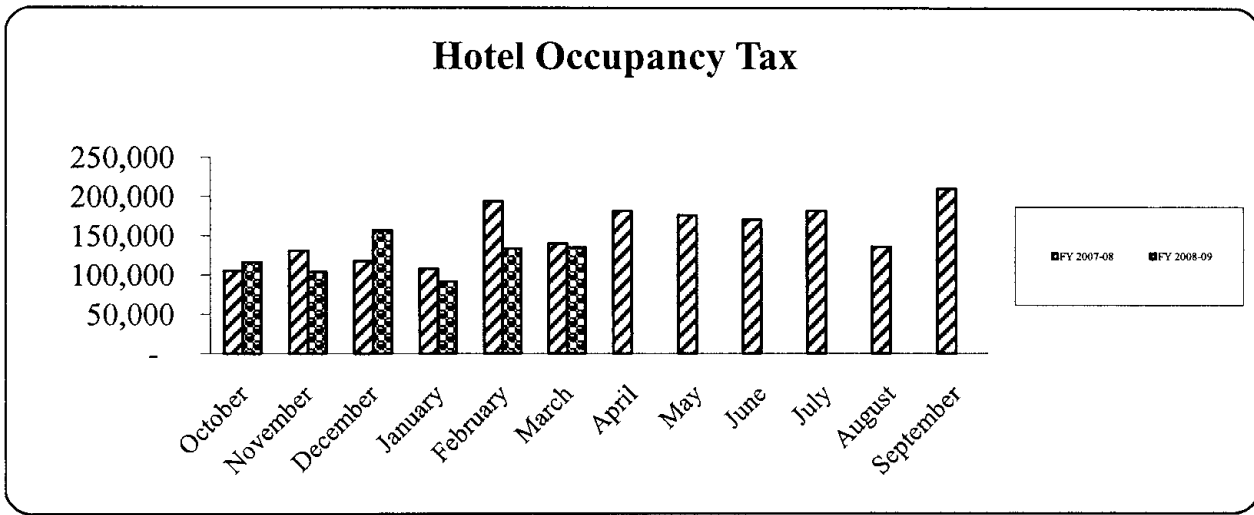
Economic Indicator	Positive	Neutral	Negative
Building Permits			x

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

