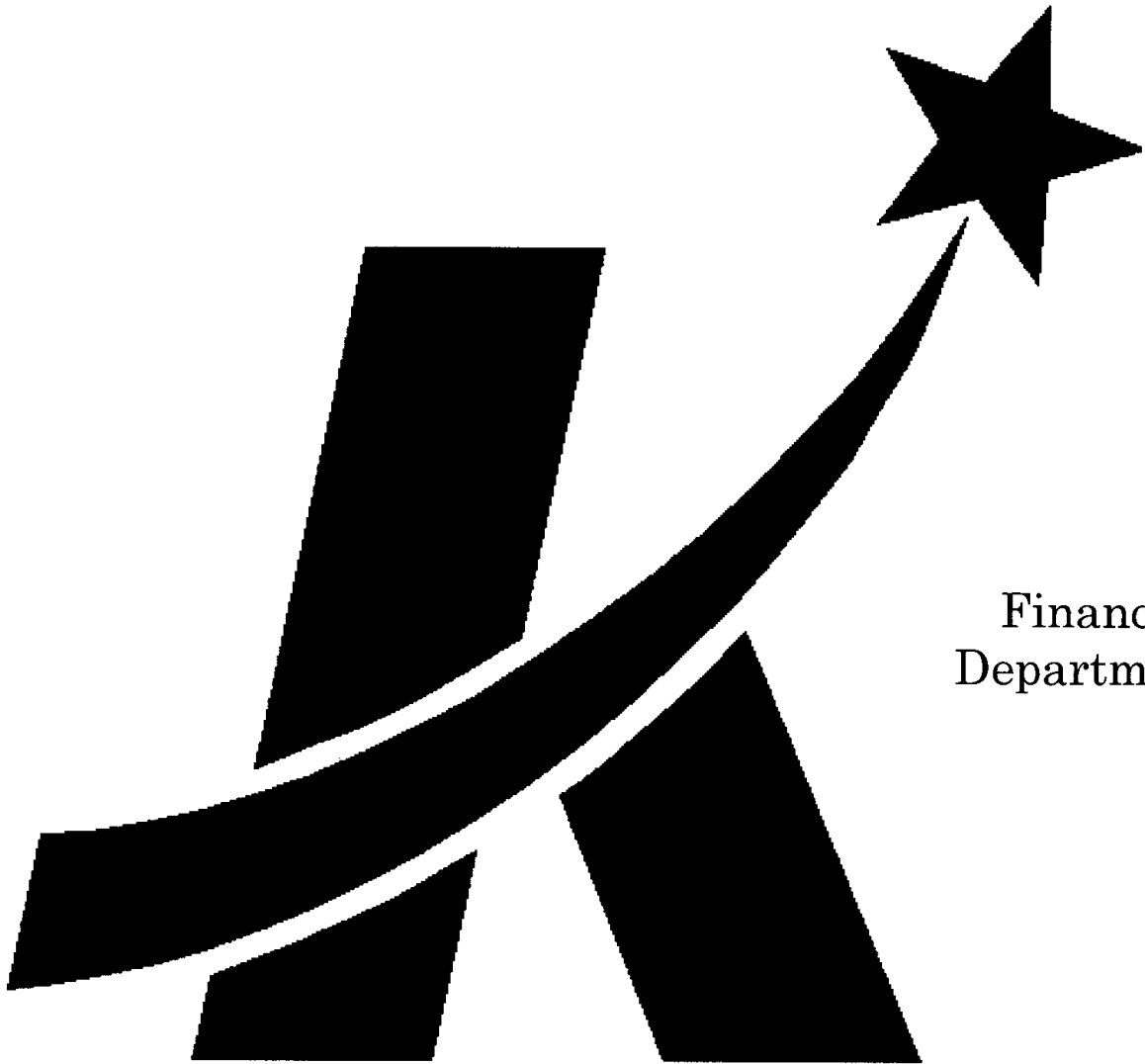


City of Killeen
Financial Report
May 2009
Executive Summary



Finance
Department

Prepared by:
Barbara Gonzales
Director of Finance

Prepared 6/23/09

**FINANCE DIRECTOR'S REPORT
MAY 2009**

June 26, 2009

Mayor and City Council Members:

We are pleased to submit the Monthly City Council Financial Report and Executive Summary for the month of May 2009. Finance staff is working with the departments and the City Manager on the 2009-10 budget submission. The City Manager's Preliminary Budget should be ready for Council distribution in July. In addition to the budget preparation, finance staff completed a mid-year budget review and mid-year budget amendment which was approved by City Council on June 23, 2009.

General Fund ad valorem revenues are meeting budget and staff projections, with 97.44% of the annual ad valorem assessment collected by May 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- MAY 2009
EXECUTIVE SUMMARY
MAJOR OPERATING FUNDS**

GENERAL FUND

- Revenues total \$3,353,252 for the month, down from last year's revenues of \$3,714,261 by 9.7%. Year-to-date general fund revenues of \$44,746,017 are up 4.3% over last year's total of \$42,900,817.
- Sales Tax Collections for the month were \$1,812,418, a decrease of 7.2% from last May's collections of \$1,953,800. Year-to-date sales tax collections of \$12,041,847 are below last year's total of \$13,146,336 by 8.4%.
- Property Tax Collections during the month were \$122,419, an 11.0% increase above last year's collections of \$110,318. Year-to-date property tax receipts of \$20,858,414 exceed last years total of \$17,666,347 by 18.1%. Year-to-date collections are at 97.4% of the budget.
- Franchise Fees collected during May were \$168,824 compared to \$189,154 last May. Year-to-date franchise revenues of \$1,467,039 are above last year's total of \$1,438,363 by 2.0%.
- Permits & Inspections fees collected during May totaled \$109,842, down 23.2% from last year's revenue of \$142,950. Year-to-date revenues of \$662,116 are 29.2% below last year's total of \$935,599. The variance is largely attributable to Building Permits and Inspections coming in at a lower rate than the prior year.
- Court fines and fees were \$167,914 during May, up 8.2% above the prior year collections of \$155,235. Year-to-date revenues total \$1,465,294, 8.0% above last year's total of \$1,356,788.
- Interest Earned during May totaled \$15,451, a decrease of 77.5% below last May's interest earnings of \$68,769. Year-to-date interest earnings total \$291,479, 65.2% below last year's total of \$836,602. Year-to-date earnings are at 18.2% of the budget.
- Total expenditures for May are \$4,657,504, 5.3% above \$4,424,108 last year. Year-to-date expenditures of \$40,348,880 are up 4.0% when compared to last year's expenditures of \$38,791,415. 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 \$22.6 million, down 3.4% from last year.

KILLEEN – FORT HOOD REGIONAL AIRPORT FUND (KFHRA)

- KFHRA operating revenues (non-grants) for May was \$158,834 down 24.4% from \$210,000 last year. Year-to-date revenues total \$1,657,316, down 7.9% from \$1,800,474 in the prior year.
- Other revenues in May include FAA grant funds of \$195,048. The year-to-date total is \$438,129 compared to \$1,525,444 last year.
- KFHRA operating expenses (non-construction) of \$224,436 are down 13.7% for the month as compared to \$260,020 last year. Year-to-date expenses of \$1,981,374 are down 4.0% from last year's total of \$2,062,867.
- The ending fund balance for the month was \$1,592,543.

SKYLARK AIRFIELD FUND

- Skylark operating revenues (non-grants) for the month were \$38,382, down 46.8% from \$72,166 last year. Year-to-date revenues of \$369,313 are down 20.4% below last year's total of \$464,066.
- Skylark operating expenses (non-improvements/construction) were \$36,944 for the month, down 47.6% from last year's total of \$70,489. Year-to-date expenses of \$328,494 are down 28.4% from last year's total of \$458,858.
- The ending fund balance for the month was \$468,988, up from \$453,760 last year.

SOLID WASTE FUND

- Solid Waste operating revenues were \$1,010,506 for the month, up 3.0% when compared to last May's revenues of \$981,597. Year-to-date revenues of \$7,779,220 are down 1.4% compared to last year's total of \$7,886,266.
- Expenses totaled \$1,123,426 for the month, up 22.3% as compared to \$918,477 last year. Year-to-date expenses are \$8,108,137, up 11.6% from last year's total of \$7,481,692. 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 \$2.7 million, down 41.1% from last year.

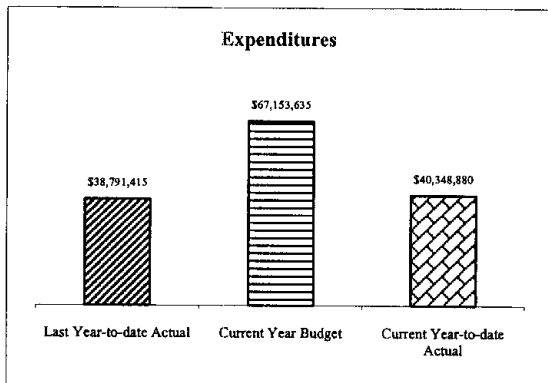
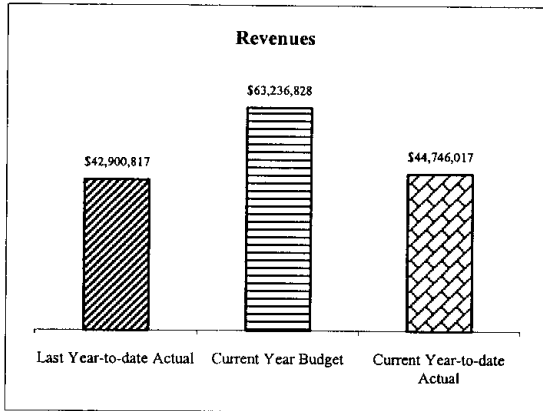
WATER AND SEWER FUND

- Water and Sewer operating revenues total \$2,383,191, down 3.0% below last year's revenues of \$2,455,913. Year-to-date revenues total \$18,332,996, below last year's revenues of \$18,930,638 by 3.2%. The variance is primarily due to the slow down in tap fee revenues and the decrease in interest earnings.
- Tap Fees total \$60,200 for the month, down 52.3% as compared to last year's fees of \$126,102. Year-to-date fees of \$423,090 are below last years total of \$922,818 by 54.2%.
- Expenses total \$1,346,815 for the month, down 41.7% as compared to \$2,308,419 last year. Year-to-date expenses are \$18,196,525, down 5.0% from last year's total of \$19,149,848. This variance is largely due to the timing of the May 2009 monthly contract payment to the Bell County Water Control Improvement District along with a reduction in the Debt Service transfer from the previous fiscal year.
- The ending fund balance for the month was \$19.5 million, down 2.7% from last year.

DRAINAGE UTILITY FUND

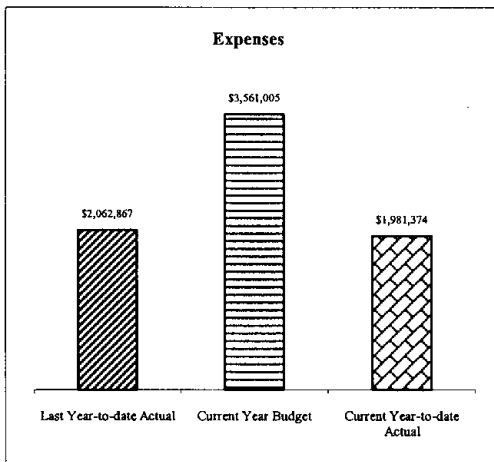
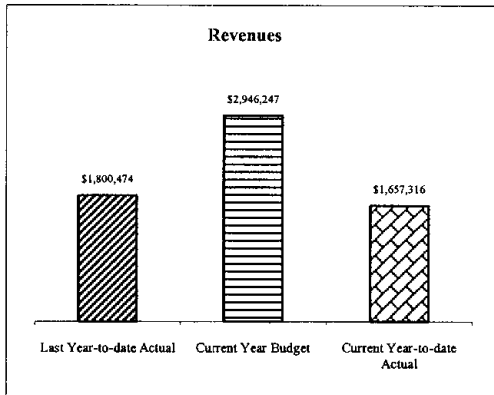
- Drainage Utility operating revenues total \$249,960 for the month, down 2.6% from last May's revenues of \$256,643. Year-to-date revenues of \$2,031,748 are below last year's revenues of \$2,108,554 by 3.6%. The variance is primarily due to the decrease in interest earnings.
- Residential fees were \$204,557, up 5.1%, and Commercial fees were \$42,176, up 6.2% for the month. For the year, Residential fees are up 3.6% and Commercial fees are up 3.1%.
- Operating expenses for the month were \$111,026, down 62.1% from \$292,571 last year. Year-to-date expenses are \$1,049,125, down 14.2% from last year's total of \$1,222,611. The decrease in expenses is primarily related to a reduction in Minor drainage projects from last year's operations.
- Major drainage capital improvement project budget is \$6,565,289 with \$30,110 expended in May and \$258,717 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 \$8.9 million, down 5.3% from last year.

CITY OF KILLEEN
 GENERAL FUND
 FINANCIAL REPORT
 May 31, 2009



	Adopted	Y-T-D	% of Budget
REVENUES:			
Property Taxes	21,405,568	20,858,414	97.44%
Sales & Occupancy Tax	19,888,134	12,406,496	62.38%
Franchise Tax	5,084,970	1,467,039	28.85%
Miscellaneous Revenues	3,500,050	2,280,928	65.17%
Permits & Inspections	1,338,580	662,116	49.46%
Court Fines & Fees	2,099,319	1,465,294	69.80%
Recreation Revenues	969,225	405,224	41.81%
Golf Course	1,236,686	838,195	67.78%
Interest Earned	1,600,000	291,479	18.22%
Intergovernmental Revenue	710,259	462,243	65.08%
Transfers In	5,404,037	3,608,590	66.78%
TOTAL REVENUES:	63,236,828	44,746,018	70.76%
EXPENDITURES:			
Administration	13,144,591	8,094,953	61.58%
Community Services	10,779,758	5,661,804	52.52%
Public Works	5,661,200	3,053,728	53.94%
Public Safety	37,511,587	23,538,396	62.75%
Transfers Out	56,499	-	0.00%
TOTAL EXPENDITURES:	67,153,635	40,348,881	60.08%

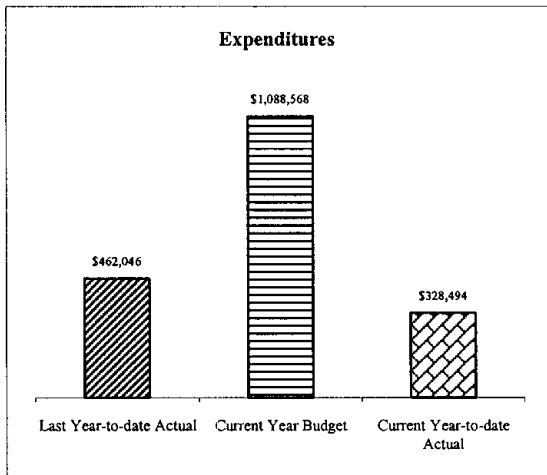
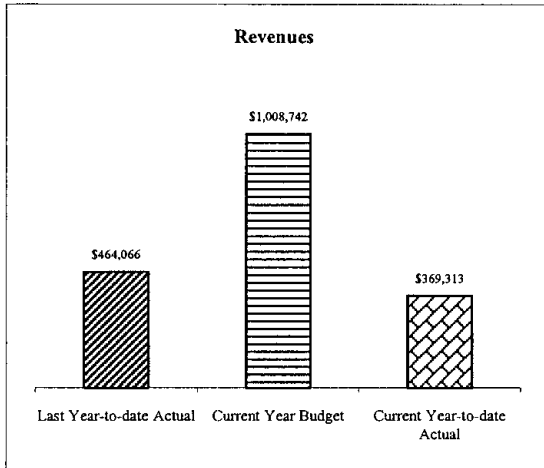
CITY OF KILLEEN
 KILLEEN-FORT HOOD REGIONAL AIRPORT FUND
 FINANCIAL REPORT
 May 31, 2009



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

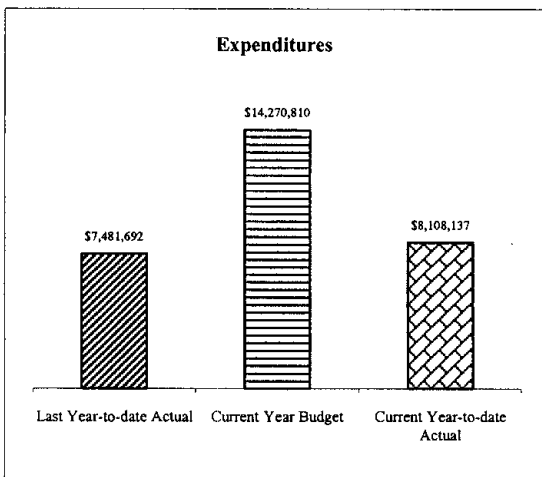
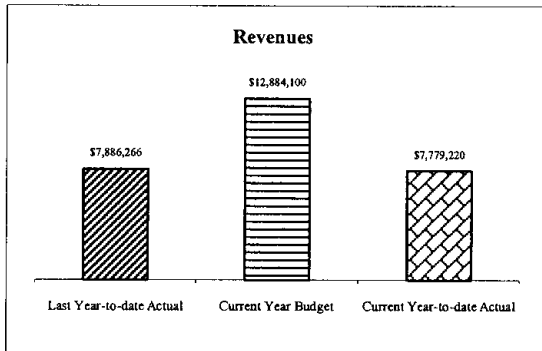
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues			
Interest Earned	2,892,247	1,655,496	57.24%
FAA Grants	54,000	1,820	3.37%
FAA Grants Prior Years	2,672,040	195,311	7.31%
TXDOT Grant	636,167	242,818	38.17%
TXDOT Grant Match	-	-	-
Transfer from Bond Fund	-	-	-
TOTAL REVENUES:	6,254,454	2,095,445	33.50%
EXPENSES:			
Airport Operations			
Cost of Goods Sold	2,908,234	1,706,813	58.69%
KFHRA Construction	273,992	75,470	27.54%
Information Technology	3,354,619	580,525	17.31%
Non-Departmental	186,566	122,537	65.68%
	192,213	76,554	39.83%
TOTAL EXPENSES:	6,915,624	2,561,899	37.05%

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



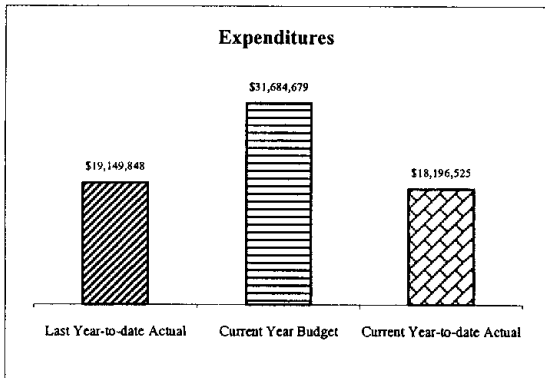
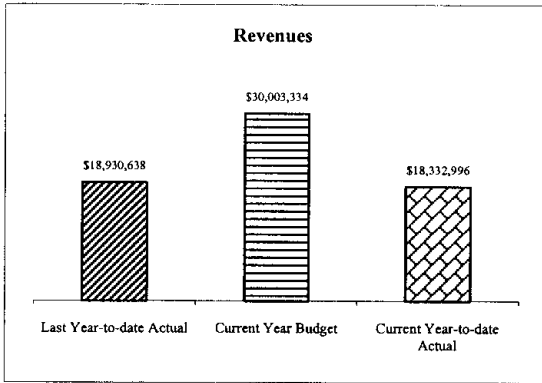
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	968,742	365,421	37.72%
Interest Earned	10,000	3,892	38.92%
FAA Grants	-	-	-
FAA Grants - Prior Years	-	-	-
TXDOT Grants	30,000	-	0.00%
TOTAL REVENUES:	1,008,742	369,313	36.61%
EXPENDITURES:			
Airport Operations	342,893	136,846	39.91%
Cost of Goods Sold	732,572	184,583	25.20%
Skylark Improvements	-	-	-
Skylark Construction	-	-	-
Non-Departmental	13,103	7,065	53.92%
TOTAL EXPENDITURES:	1,088,568	328,494	30.18%

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



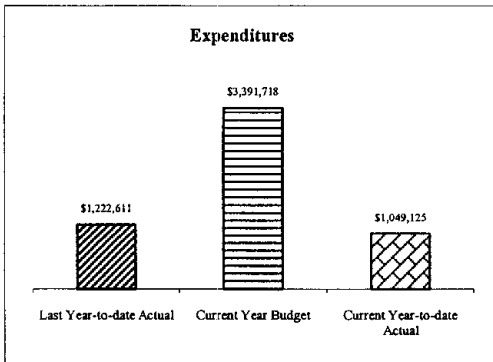
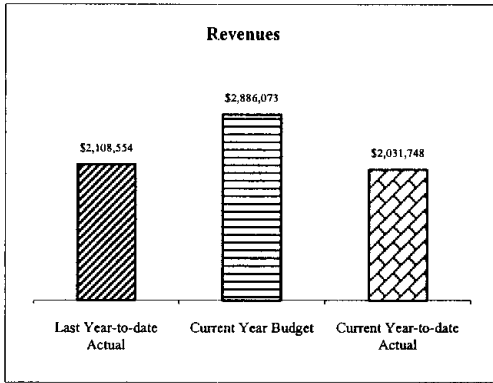
	Adopted	Y-T-D	% of Budget
REVENUES:			
Transfer Station Fees	320,000	194,525	60.79%
Dumpster Rentals	110,000	57,014	51.83%
Miscellaneous Revenues	40,100	35,060	87.43%
Recycling Revenues	174,000	69,978	40.22%
Commercial Sanitation Fees	5,450,000	3,199,054	58.70%
Residential Sanitation Fees	6,550,000	4,183,874	63.88%
Interest Earned	240,000	39,714	16.55%
TOTAL REVENUES:	12,884,100	7,779,219	60.38%
EXPENDITURES:			
Residential Operations	3,173,357	1,913,410	60.30%
Commercial Operations	1,641,710	967,832	58.95%
Recycling Program	382,570	242,002	63.26%
Transfer Station	4,816,819	2,425,133	50.35%
Mowing	921,408	494,898	53.71%
Debt Service	774,000	516,000	66.67%
Custodial Services	31,614	20,031	63.36%
Accounting	146,207	86,607	59.24%
Solid Waste Miscellaneous	389,981	113,462	29.09%
Transfer to General Fund	1,993,144	1,328,763	66.67%
TOTAL EXPENDITURES:	14,270,810	8,108,138	56.82%

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



	Adopted	Y-T-D	% of Budget
REVENUES:			
Sale of Water	14,036,939	8,520,180	60.70%
Water & Sewer Taps	1,142,622	423,090	37.03%
Sewer Fees Collected	12,592,773	8,330,060	66.15%
Miscellaneous Revenues	750,000	465,986	62.13%
Delinquent Penalty	560,000	396,530	70.81%
Interest Earned	900,000	177,173	19.69%
Miscellaneous Receipts	21,000	19,976	95.12%
Tranfers-In	-	-	-
TOTAL REVENUES:	30,003,334	18,332,995	61.10%
EXPENDITURES:			
Fleet Services	1,393,536	724,047	51.96%
Utility Collections	1,815,812	1,187,686	65.41%
Water & Sewer Contracts	11,772,595	6,825,876	57.98%
Operations	6,382,535	2,990,344	46.85%
Debt Service	5,008,029	3,339,019	66.67%
Miscellaneous	1,918,974	867,422	45.20%
Transfer to General Fund	3,393,198	2,262,132	66.67%
TOTAL EXPENDITURES:	31,684,679	18,196,526	57.43%

CITY OF KILLEEN
DRAINAGE UTILITY FUND
FINANCIAL REPORT
May 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	1,599,311	72.87%
Commercial Storm Water Fees	511,306	333,884	65.30%
Interest Earned	180,000	62,126	34.51%
Sale of Bonds	-	-	-
TCEQ Grant Revenue	-	33,260	-
Miscellaneous Receipts	-	3,167	-
TOTAL REVENUES:	2,886,073	2,031,748	70.40%
EXPENDITURES:			
Engineering Division	336,464	139,937	41.59%
Street Division	300,000	119,397	39.80%
Drainage Maintenance	1,419,116	595,883	41.99%
Drainage Projects - Minor	700,000	4,745	0.68%
Drainage Projects - Major	6,573,571	258,717	3.94%
Debt Service	584,958	157,279	26.89%
Non-Departmental	25,203	14,190	56.30%
Transfer to General Fund	17,695	17,695	100.00%
TOTAL EXPENDITURES:	9,957,007	1,307,843	13.13%

**CITY OF KILLEEN
ECONOMIC INDICATORS
REPORT SUMMARY
MAY 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 May 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 May 2009 was 6.0 as compared to 5.0 during May 2008.

SALES TAX REVENUE

Sales Tax Collections for the month were \$1,812,418, a decrease of 7.2% under last May's collections of \$1,953,800. Year-to-date sales tax collections of \$12,041,847 are below last year's total of \$13,146,336 by 8.4%.

AVIATION ENPLANEMENTS & DEPLANEMENTS

Enplanements for the month total 17,693 an increase of 3.1% as compared to 17,159 during May 2008. Year-to-date enplanements of 122,899 are under last year's total of 128,942 by 4.7%.

Deplanements for the month total 17,919 an increase of 5.8% as compared to 16,929 during May 2008. Year-to-date enplanements of 124,156 are under last year's total of 128,148 by 3.1%.

BUILDING PERMITS

Total dollar value of permits issued for the month was \$22,831,443, a 50.3% decrease under May 2008 dollar value of \$45,945,732. For the month 123 single-family, 5 duplex and 2 multi-family home permits were issued.

UTILITY CUSTOMERS

For the month, the City had 39,851 active utility customers, an increase of 3.3% over the 38,571 active utility customers in May 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 \$60,200 for the month, down 52.3% as compared to last year's fees of \$126,102. Year to date revenues of \$423,090 are under last year's total of \$922,818 by 54.2%.

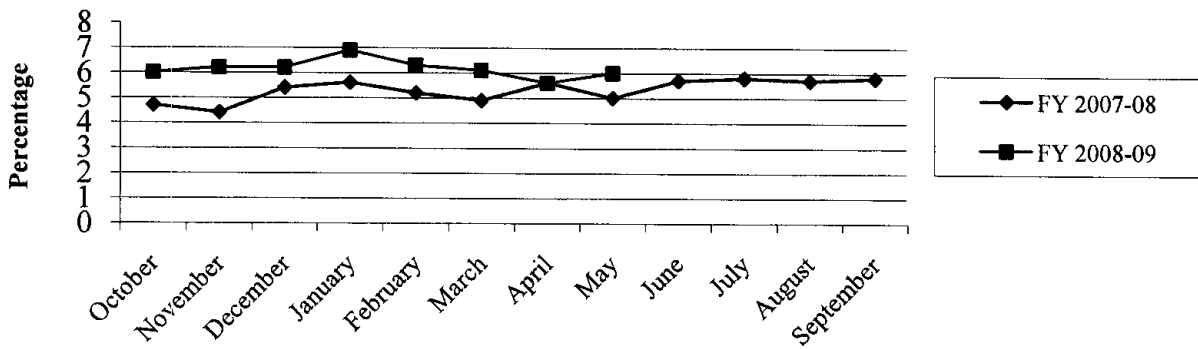
HOTEL OCCUPANCY TAX REVENUE

Hotel Occupancy Tax Revenue for the month was \$119,852, down 31.8% under last May's revenue \$175,686. Year to date revenues of \$1,018,464 are below last year's total of \$1,154,566 by 11.8%.

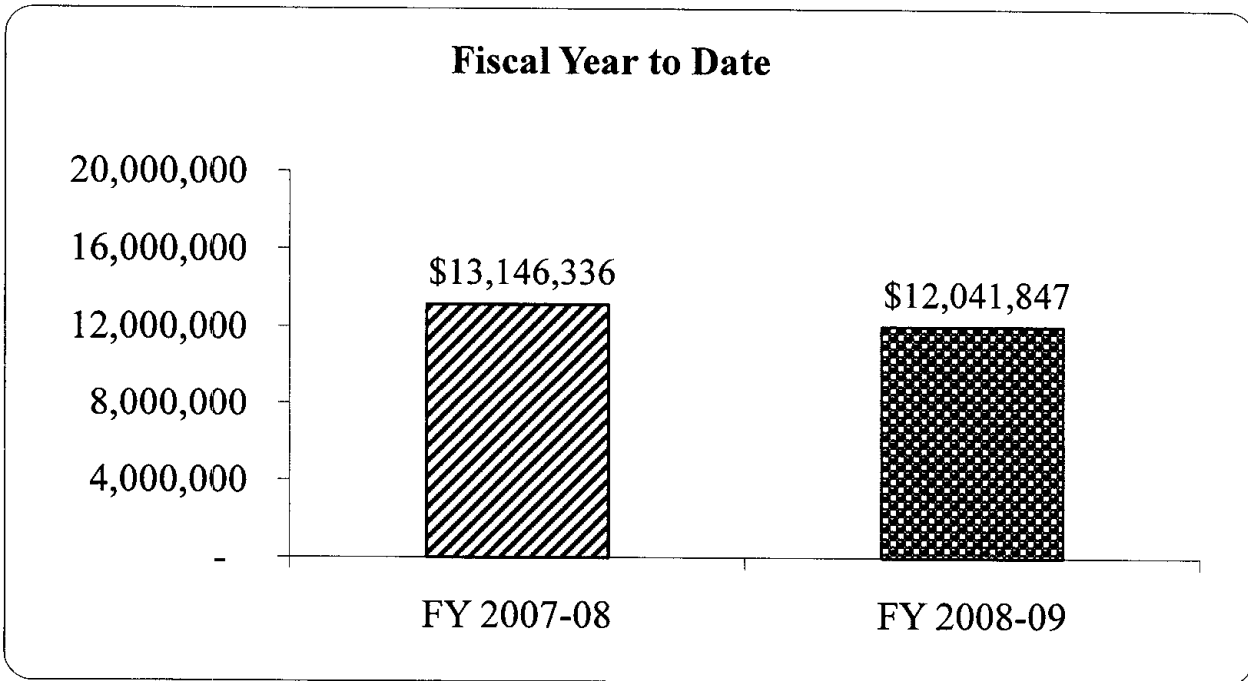
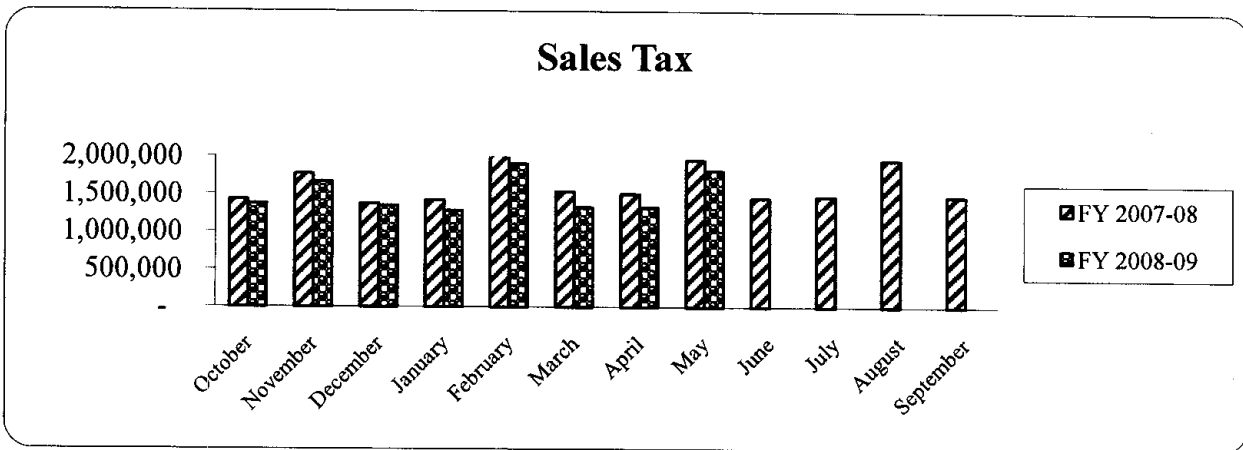
City of Killeen Economic Indicators Report

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

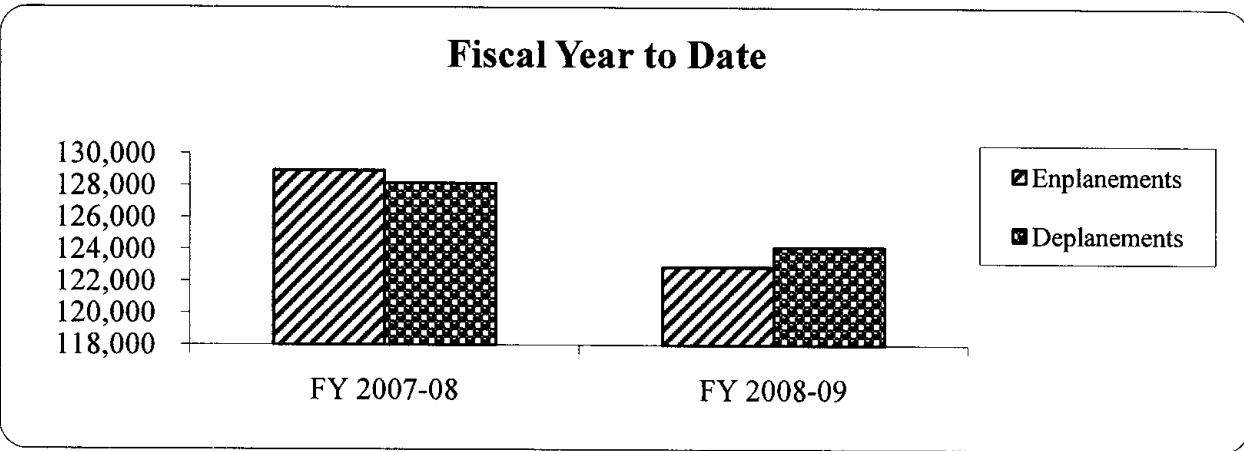
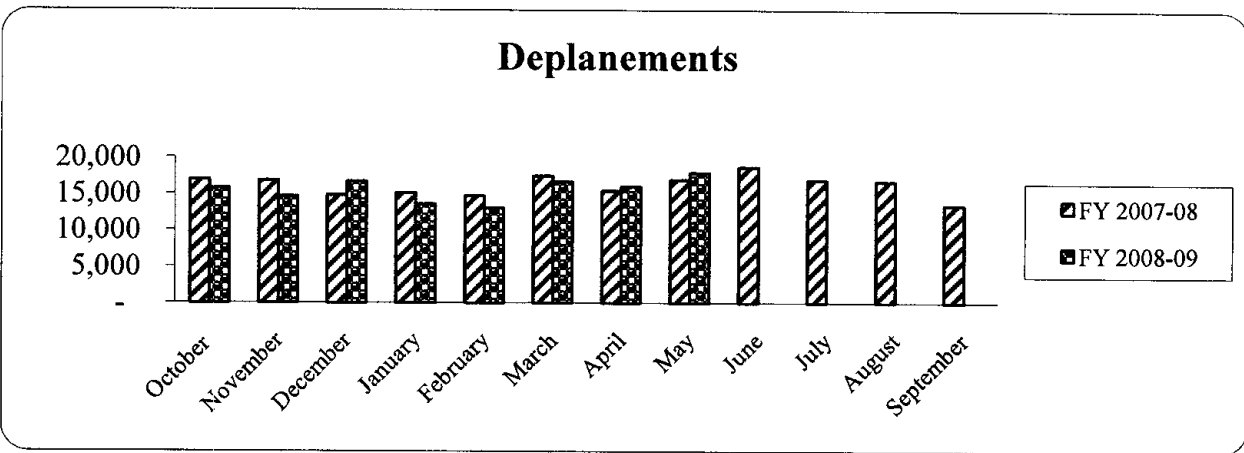
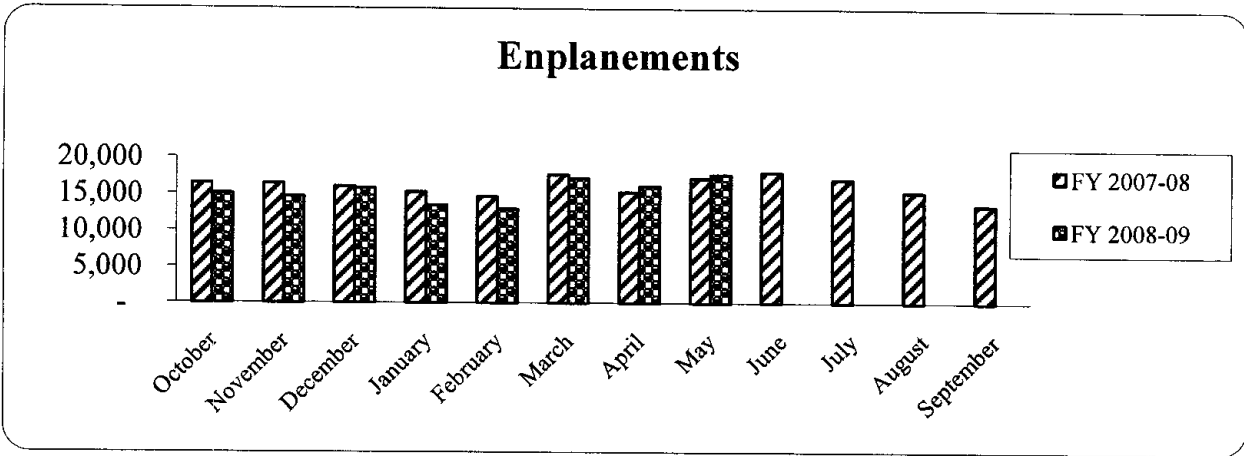


Sales Tax Revenues



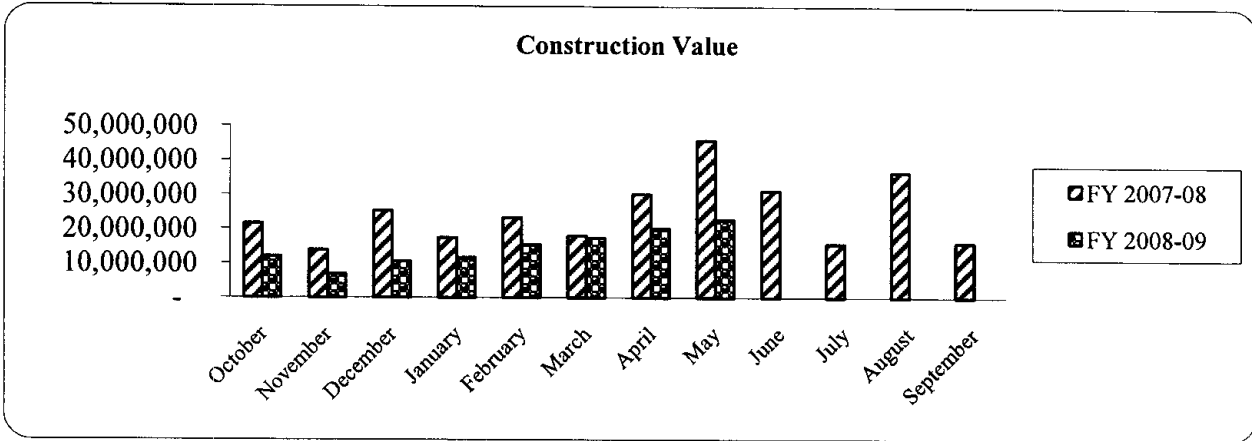
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue			X

Killeen Municipal Airport Total Passenger Count



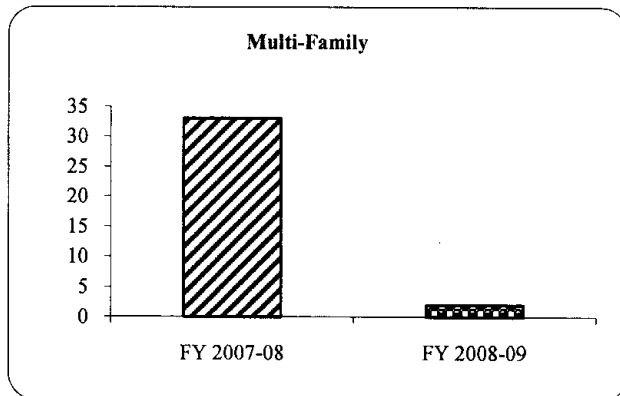
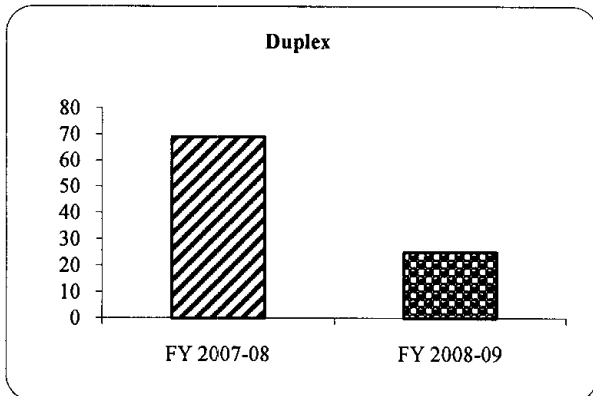
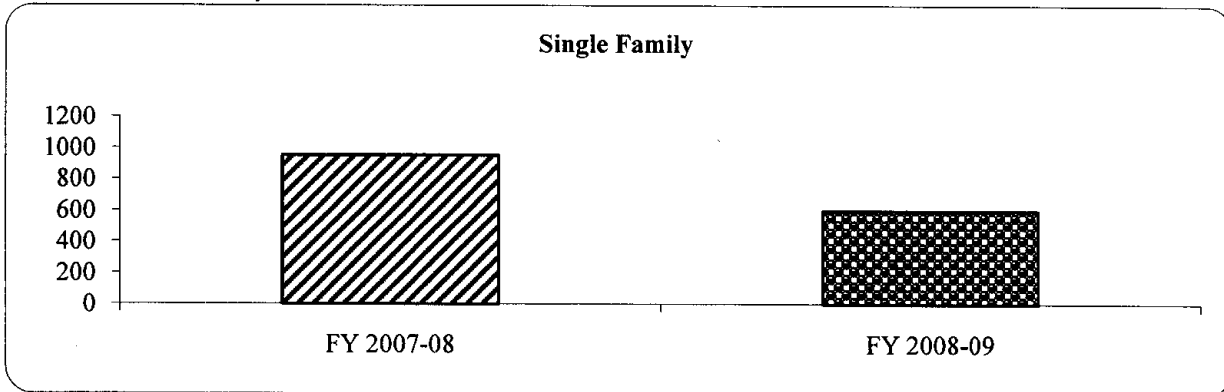
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements			x

Building Permits



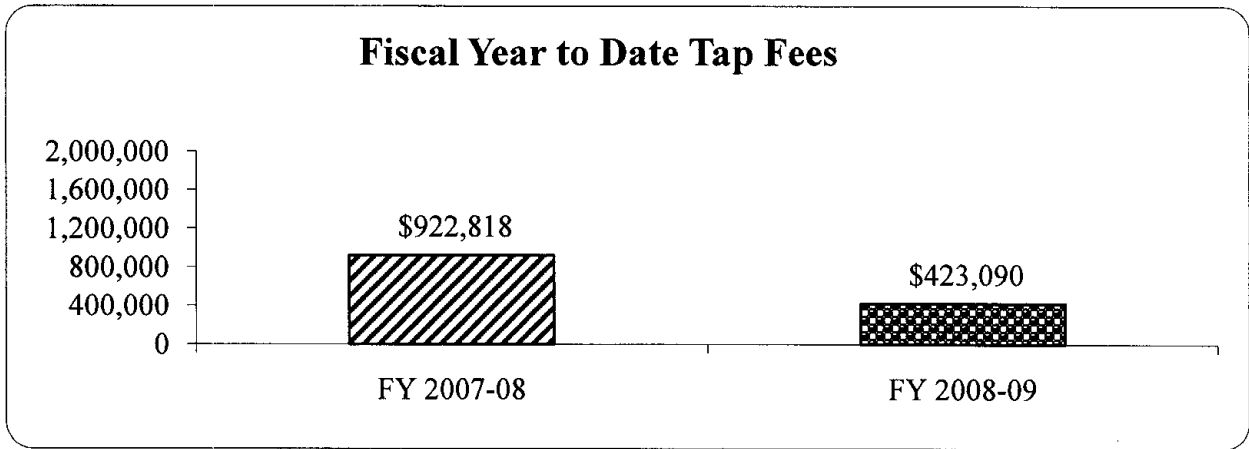
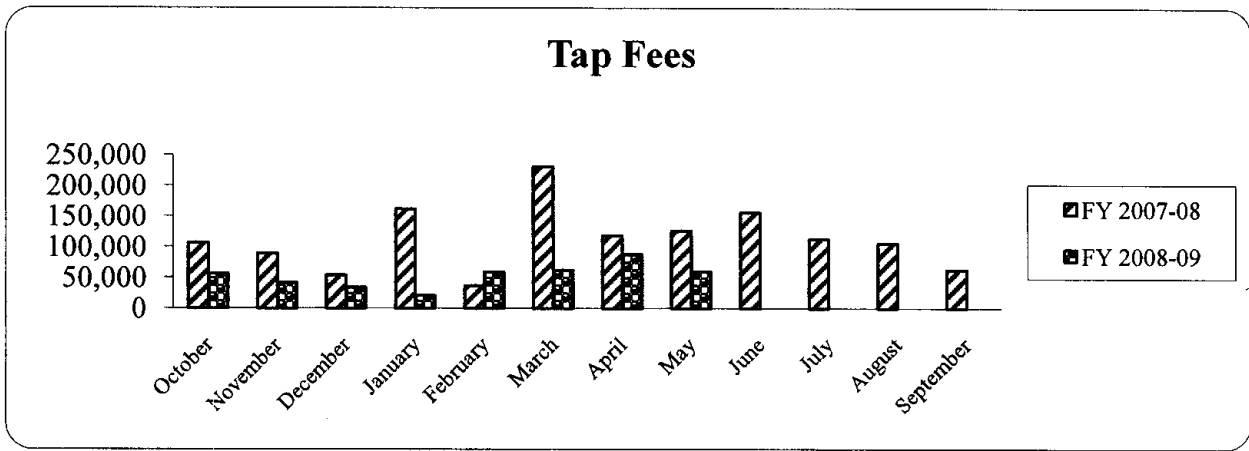
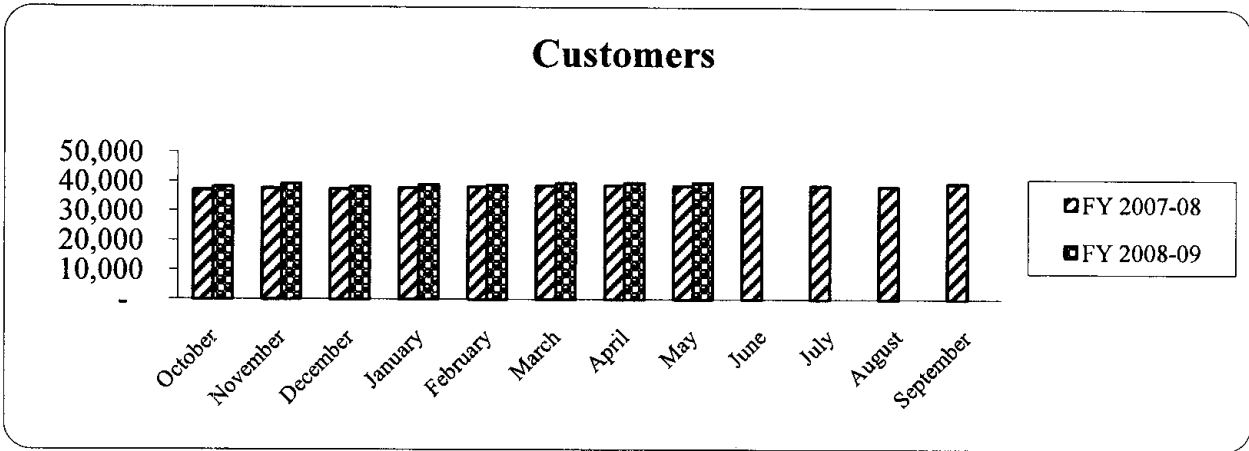
Number of Permits Issued

	FY 2007-08	FY 2008-09
Single Family	953	599
Duplex	69	25
Multi-Family	33	2



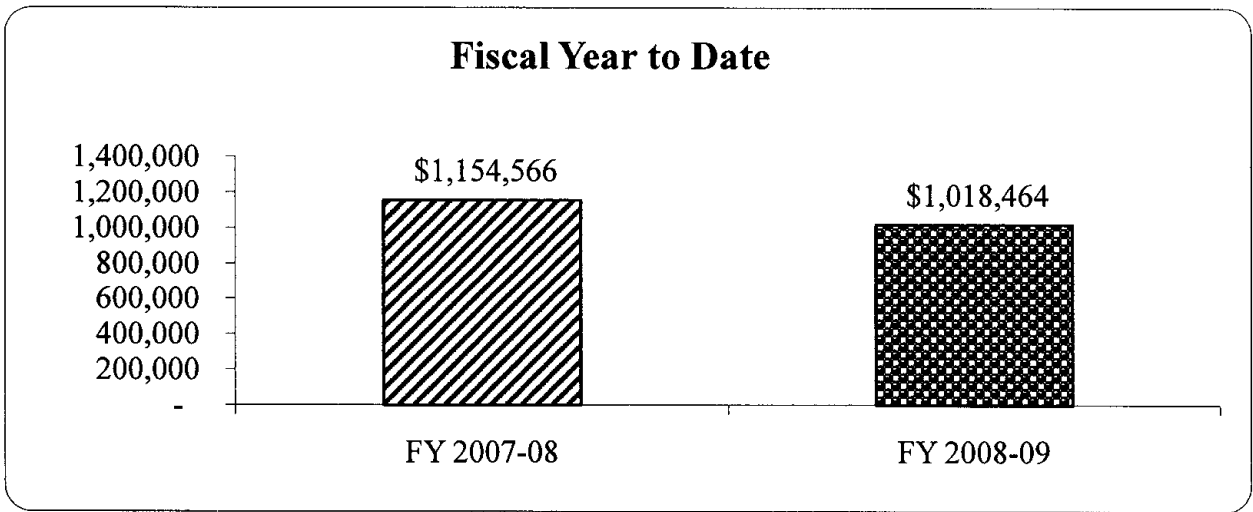
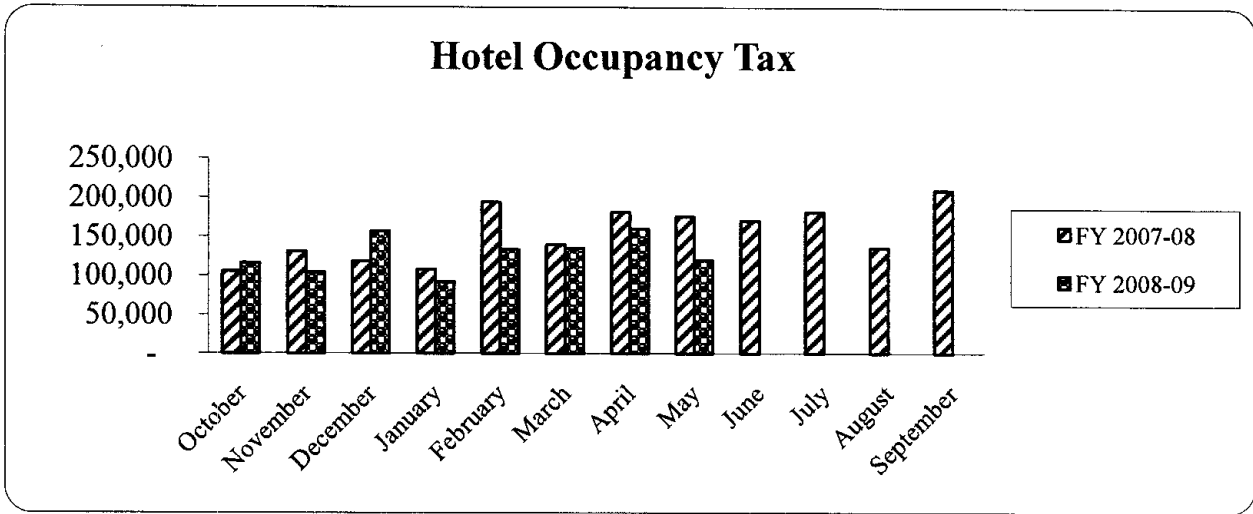
Economic Indicator	Positive	Neutral	Negative
Building Permits			x

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
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	6.9	6.3	6.1	5.6	6.0	5.7	5.8	5.7	5.8

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	13,146,336
FY 2008-09	1,371,951	1,667,523	1,349,159	1,284,158	1,904,356	1,326,545	1,325,737	1,812,418	1,449,612	1,470,897	1,954,255	1,470,035	12,041,847

Aviation-Total Passenger Count													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
Enplanements	16,441	16,429	16,030	15,265	14,672	17,663	15,283	17,159	17,983	17,008	15,319	13,479	128,942
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	128,942
FY 2008-09	15,046	14,663	15,811	13,475	12,923	17,174	16,114	17,693	17,983	17,008	15,319	13,479	122,899

Deplanements													
	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	128,148
FY 2008-09	15,736	14,631	16,688	13,571	12,964	16,677	15,970	17,919	18,692	16,893	16,724	13,423	124,156

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	195,561,369
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	31,243,481	15,607,632	36,506,517	15,976,527	116,846,883

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	953
FY 2008-09	44	20	47	35	99	110	121	123	103	79	129	87	599

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	69
FY 2008-09	5	5	-	-	4	4	2	5	11	12	-	-	25

Multi-family													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2007-08	1	-	-	4	28	-	-	-	5	1	-	-	33
FY 2008-09	-	-	-	-	-	-	-	2	5	1	-	-	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	37,853	38,262	38,576	38,797	38,571	38,440	38,736	38,503	39,551	423,090
FY 2008-09	38,291	39,273	38,290	38,914	38,812	39,579	39,651	39,851	38,440	38,736	38,503	39,551	423,090

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	922,818
FY 2008-09	56,555	41,685	34,025	20,975	59,150	62,300	88,200	60,200	156,152	112,766	105,742	62,777	423,090

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	1,154,566
FY 2008-09	116,376	104,226	156,865	92,062	133,480	135,345	160,308	119,852	170,541	181,489	135,830	209,934	1,018,464

