

City of Killeen
Financial Report
December 2008
Executive Summary



Finance
Department

Prepared by:
Barbara Gonzales
Director of Finance

Prepared 1/27/09

**FINANCE DIRECTOR'S REPORT
DECEMBER 2008**

January 26, 2008

Mayor and City Council Members:

We are pleased to submit the Monthly City Council Financial Report and Executive Summary for the month of December 2008. Finance staff has finished preparing the *Fiscal Year 2008-2009 Annual Budget and Plan of Municipal Services* that will be published and distributed to City Council during the month of February. In addition, the City's independent auditors continue to make progress on the FY 2007-08 annual audit which should be completed in February.

General Fund revenues are meeting budget and staff projections, with 82.4% of the annual ad valorem assessment collected by December 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- DECEMBER 2008
EXECUTIVE SUMMARY
MAJOR OPERATING FUNDS**

GENERAL FUND

- Revenues total \$3,723,706 for the month, up from last year's revenues of \$3,207,512 by 16.1%. Year-to-date general fund revenues of \$26,286,043 are up 11.4% over last year's total of \$23,586,866. The year-to-date variance is primarily attributable to property tax revenues.
- Sales Tax Collections for the month were \$1,349,159, a decrease of 1.7% from last December's collections of \$1,372,391. Year-to-date sales tax collections of \$4,509,612 are below last year's total of \$4,734,864 by 4.8%.
- Property Tax Collections during the month were \$878,664, an increase over last year's collections of \$643,410 by 36.6%. Year-to-date property tax receipts of \$17,638,802 exceed last years total of \$14,933,717 by 18.1%.
- Franchise Fees collected during December were \$323,348 compared to \$1,794 last December. Year-to-date franchise revenues are \$470,286, up 26.7% over last year's total of \$371,144.
- Permits & Inspections fees collected during December totaled \$79,329, down 35.7% from last year's revenue of \$123,320. Year-to-date revenues of \$226,228 are 29.8% below last year's total of \$322,068.
- Court fines and fees were \$156,096 during December, up 22.0% over the prior year collections of \$127,905. Year-to-date revenues total \$508,305, 10.8% above last year's total of \$458,783.
- Interest Earned during December totaled \$56,114, a decrease of 60.3% from last December's interest earnings of \$141,489. Year-to-date interest earnings total \$174,717, 55.3% below last year's total of \$390,885.
- Total expenditures for December are \$4,597,807, 3.9% above \$4,439,018 last year. Year-to-date expenditures of \$15,070,559 are up 5.2% when compared to last year's expenditures of \$14,324,932.
- The ending fund balance for the month was \$30.5 million, up 6.9% from last year.

KILLEEN – FORT HOOD REGIONAL AIRPORT FUND (KFHRA)

- KFHRA operating revenues (non-grants) for December was \$252,131 down 21.2% from \$319,970 last year. Year-to-date revenues total \$642,242, down 7.3% from \$692,842 in the prior year.
- Other revenues in December include FAA grant funds of \$211,417.
- KFHRA operating expenses (non-construction) of \$228,901 were up 3.8% for the month as compared to \$220,583 last year. Year-to-date expenses of \$706,134 are up 0.6% from last year's total of \$701,624.
- The ending fund balance for the month was \$862,343, down 19.3% from last year.

SKYLARK AIRFIELD FUND

- Skylark operating revenues (non-grants) for the month were \$49,220, down 16.4% from \$58,844 last year. Year-to-date revenues of \$151,668 are down 17.8% from last year's total of \$184,443.
- Skylark operating expenses (non-improvements/construction) were \$32,096 for the month, down 27.6% from last year's total of \$44,320. Year-to-date expenses of \$142,557 are down 12.6% from last year's total of \$163,149.
- The ending fund balance for the month was \$437,280, down 7.6% from \$473,024 last year.

SOLID WASTE FUND

- Solid Waste operating revenues were \$1,259,574 for the month, up 45.7% when compared to last December's revenues of \$864,346. This increase is largely attributable to the timing of the November end of the month customer billing which was recorded in December as opposed to last year's being recorded in November. Year-to-date revenues of \$2,940,478 are up 3.2% compared to last year's total of \$2,850,523.
- Expenses totaled \$916,215 for the month, up 6.9% as compared to \$857,212 last year. Year-to-date expenses are \$2,743,646 up 8.7% from last year's total of \$2,524,435. This increase is largely related to an increase in Transfer Station Operations refuse disposal costs.
- The ending fund balance for the month was \$4.3 million, down 2.9% from last year.

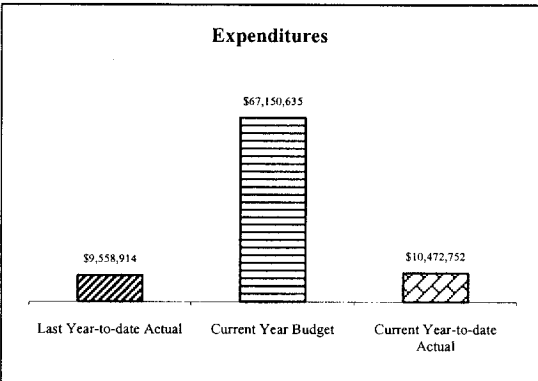
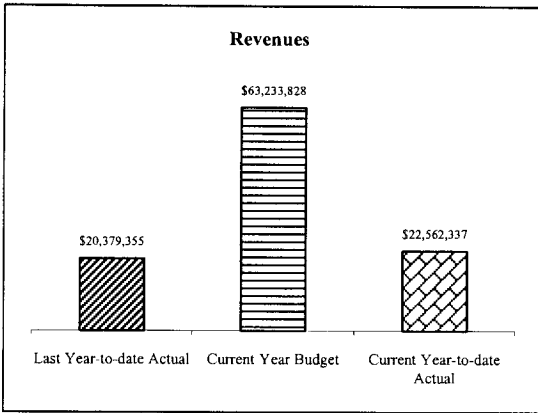
WATER AND SEWER FUND

- Water and Sewer operating revenues total \$2,744,250, up 33.0% over last year's revenues of \$2,062,810. This increase is largely attributable to the timing of the November end of the month customer billing which was recorded in December as opposed to last year's being recorded in November. Year-to-date revenues total \$7,410,547, up from last year's revenues of \$7,104,759 by 4.3%.
- Tap Fees total \$34,025 for the month, down 37.0% as compared to last year's fees of \$54,008. Year-to-date fees of \$132,265 are down from last years total of \$249,701 by 47.0%.
- Expenses total \$2,176,553 for the month, up 8.2% as compared to \$2,011,697 last year. Year-to-date expenses are \$7,279,893, up 5.0% from last year's total of \$6,933,308.
- The ending fund balance for the month was \$19.5 million, down 4.6% from last year.

DRAINAGE UTILITY FUND

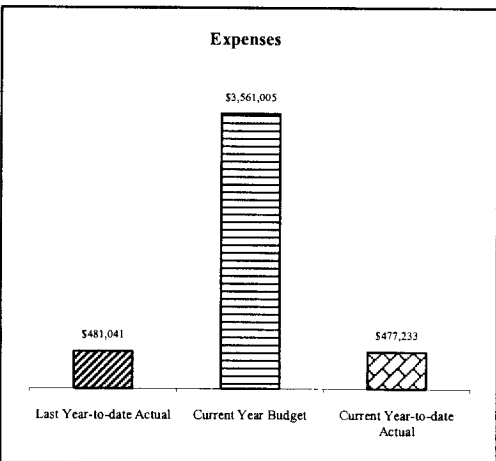
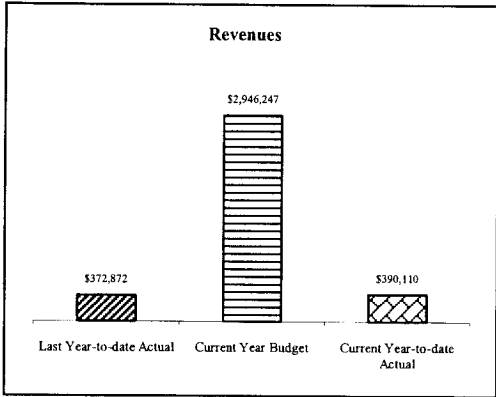
- Drainage Utility operating revenues total \$301,072 for the month, up 23.4% over last December's revenues of \$244,031. This increase is largely attributable to the timing of the November end of the month customer billing which was recorded in December as opposed to last year's being recorded in November. Year-to-date revenues of \$769,009 are below last year's revenues of \$774,907 by 0.8%.
- Residential fees year-to-date were \$593,445, up 7.7%, and Commercial fees year-to-date were \$126,046, up 7.6% for the year as compared to last fiscal year.
- Operating expenses for the month were \$87,413, up 3.3% as compared to \$84,642 last year. Year-to-date expenses are \$251,785, up 20.3% from last year's total of \$209,391.
- Major drainage capital improvement project budget is \$6,573,571 with \$70,151 expended in December. 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 \$8.6 million, down 6.4% from last year.

CITY OF KILLEEN
 GENERAL FUND
 FINANCIAL REPORT
 December 31, 2008



	Adopted	Y-T-D	% of Budget
REVENUES:			
Property Taxes	21,405,568	17,638,802	82.40%
Sales & Occupancy Tax	19,888,134	4,509,612	22.67%
Franchise Tax	5,084,970	470,286	9.25%
Miscellaneous Revenues	3,500,050	798,530	22.81%
Permits & Inspections	1,338,580	226,228	16.90%
Court Fines & Fees	2,099,319	508,305	24.21%
Recreation Revenues	969,225	115,189	11.88%
Golf Course	1,236,686	271,152	21.93%
Interest Earned	1,600,000	174,717	10.92%
Intergovernmental Revenue	707,259	226,637	32.04%
Transfers In	5,404,037	1,346,585	24.92%
TOTAL REVENUES:	63,233,828	26,286,043	41.57%
EXPENDITURES:			
Administration	13,144,591	3,369,932	25.64%
Community Services	10,776,758	1,982,008	18.39%
Public Works	5,661,200	1,055,689	18.65%
Public Safety	37,511,587	8,662,931	23.09%
Transfers Out	56,499	-	0.00%
TOTAL EXPENDITURES:	67,150,635	15,070,560	22.44%

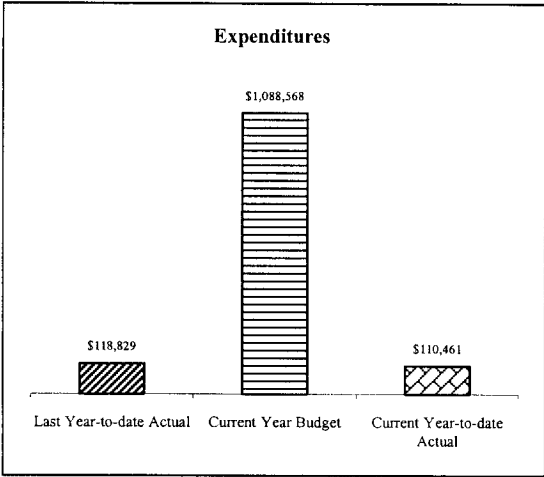
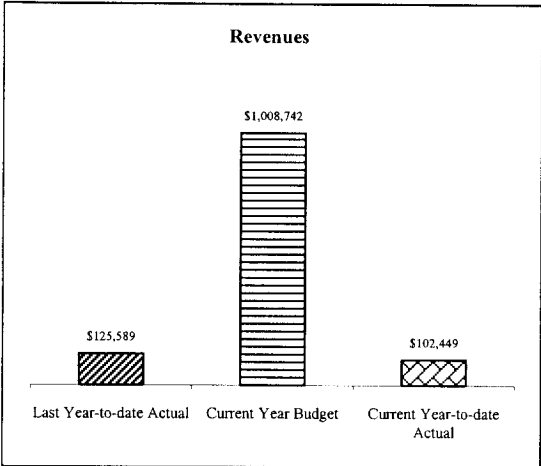
CITY OF KILLEEN
 KILLEEN-FORT HOOD REGIONAL AIRPORT FUND
 FINANCIAL REPORT
 December 31, 2008



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

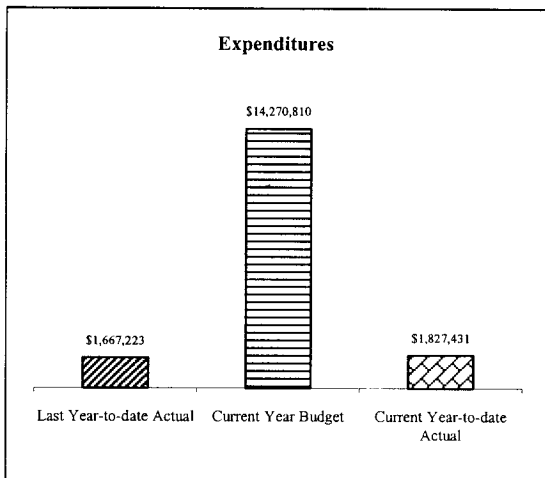
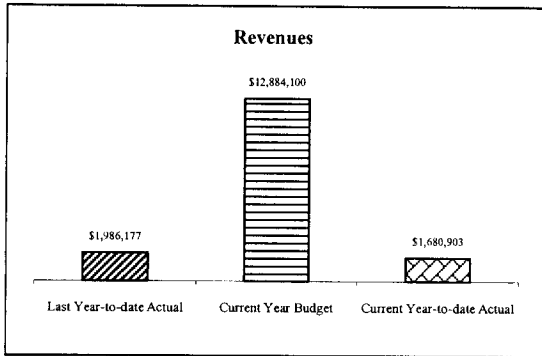
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues			
	2,892,247	641,099	22.17%
Interest Earned			
	54,000	1,143	2.12%
FAA Grants			
	1,794,741	-	0.00%
FAA Grants Prior Years			
	331,910	211,417	63.70%
TXDOT Grant			
	-	-	-
TXDOT Grant Match			
	-	-	-
Transfer from Bond Fund			
	-	-	-
TOTAL REVENUES:			
	5,072,898	853,659	16.83%
EXPENSES:			
Airport Operations			
	2,908,234	604,786	20.80%
Cost of Goods Sold			
	273,992	34,078	12.44%
KFHRA Construction			
	2,477,320	223,889	9.04%
Information Technology			
	186,566	45,859	24.58%
Non-Departmental			
	192,213	21,411	11.14%
TOTAL EXPENSES:			
	6,038,325	930,023	15.40%

CITY OF KILLEEN
 SKYLARK FIELD FUND
 FINANCIAL REPORT
 December 31, 2008



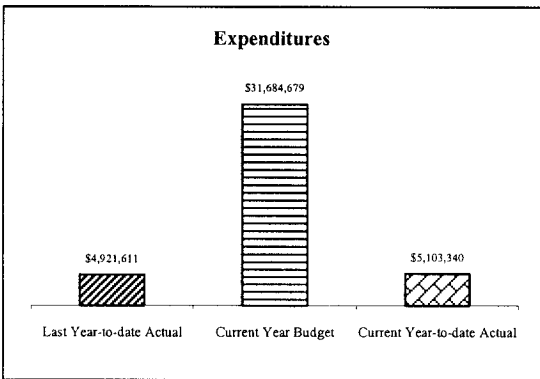
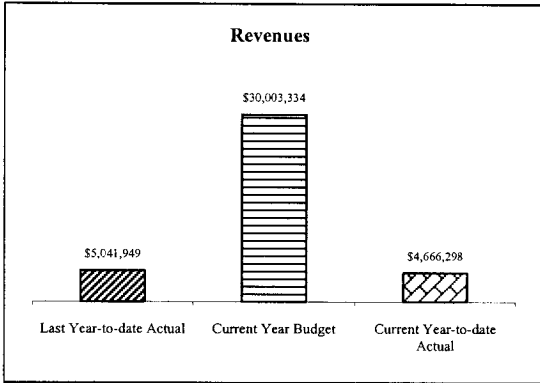
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	968,742	149,208	15.40%
Interest Earned	10,000	2,460	24.60%
FAA Grants	-	-	-
FAA Grants - Prior Years	-	-	-
TXDOT Grants	30,000	-	0.00%
TOTAL REVENUES:	1,008,742	151,668	15.04%
EXPENDITURES:			
Airport Operations	342,893	52,182	15.22%
Cost of Goods Sold	732,572	87,672	11.97%
Skylark Improvements	-	-	-
Skylark Construction	-	-	-
Non-Departmental	13,103	2,703	20.63%
TOTAL EXPENDITURES:	1,088,568	142,557	13.10%

CITY OF KILLEEN
 SOLID WASTE FUND
 FINANCIAL REPORT
 December 31, 2008



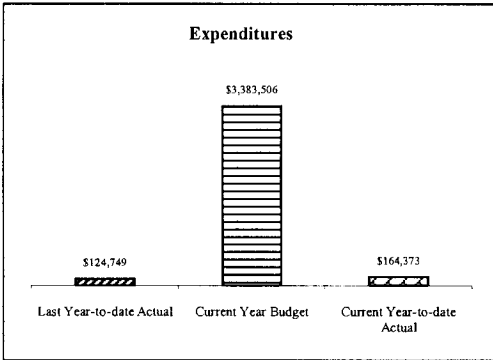
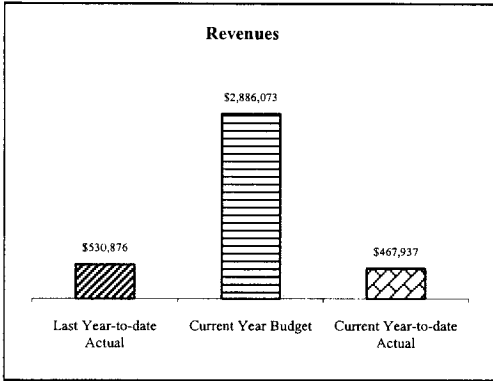
	Adopted	Y-T-D	% of Budget
REVENUES:			
Transfer Station Fees	320,000	63,276	19.77%
Dumpster Rentals	110,000	22,882	20.80%
Miscellaneous Revenues	40,100	14,827	36.98%
Recycling Revenues	174,000	25,645	14.74%
Commercial Sanitation Fees	5,450,000	1,249,476	22.93%
Residential Sanitation Fees	6,550,000	1,538,429	23.49%
Interest Earned	240,000	25,943	10.81%
TOTAL REVENUES:	12,884,100	2,940,478	22.82%
EXPENDITURES:			
Residential Operations	3,226,766	695,531	21.56%
Commercial Operations	1,655,914	384,390	23.21%
Recycling Program	382,570	76,471	19.99%
Transfer Station	4,831,819	722,400	14.95%
Mowing	921,408	171,484	18.61%
Debt Service	774,000	129,000	16.67%
Custodial Services	31,614	7,509	23.75%
Accounting	63,594	24,120	37.93%
Solid Waste Miscellaneous	389,981	34,455	8.84%
Transfer to General Fund	1,993,144	498,286	25.00%
TOTAL EXPENDITURES:	14,270,810	2,743,646	19.23%

CITY OF KILLEEN
 WATER & SEWER FUND
 FINANCIAL REPORT
 December 31, 2008



	Adopted	Y-T-D	% of Budget
REVENUES:			
Sale of Water	14,036,939	3,613,979	25.75%
Water & Sewer Taps	1,142,622	132,265	11.58%
Sewer Fees Collected	12,592,773	3,217,071	25.55%
Miscellaneous Revenues	750,000	181,024	24.14%
Delinquent Penalty	560,000	154,300	27.55%
Interest Earned	900,000	92,432	10.27%
Miscellaneous Receipts	21,000	19,476	92.74%
Transfers-In	-	-	-
TOTAL REVENUES:	30,003,334	7,410,547	24.70%
EXPENDITURES:			
Fleet Services	1,393,536	270,523	19.41%
Utility Collections	1,815,812	453,580	24.98%
Water & Sewer Contracts	11,772,595	2,997,911	25.47%
Operations	6,388,785	1,143,548	17.90%
Debt Service	5,008,029	1,252,132	25.00%
Miscellaneous	1,912,724	313,898	16.41%
Transfer to General Fund	3,393,198	848,300	25.00%
TOTAL EXPENDITURES:	31,684,679	7,279,892	22.98%

CITY OF KILLEEN
DRAINAGE UTILITY FUND
FINANCIAL REPORT
December 31, 2008



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	593,445	27.04%
Commercial Storm Water Fees	511,306	126,046	24.65%
Interest Earned	180,000	39,443	21.91%
Sale of Bonds	-	-	-
TCEQ Grant Revenue	-	10,075	-
TOTAL REVENUES:	2,886,073	769,009	26.65%
EXPENDITURES:			
Engineering Division	336,464	47,355	14.07%
Street Division	300,000	14,149	4.72%
Drainage Maintenance	1,419,116	186,038	13.11%
Drainage Projects - Minor	700,000	3,005	0.43%
Drainage Projects - Major	6,573,571	70,151	1.07%
Debt Service	584,958	-	0.00%
Non-Departmental	25,203	1,239	4.92%
Transfer to General Fund	17,695	-	0.00%
TOTAL EXPENDITURES:	9,957,007	321,937	3.23%

**CITY OF KILLEEN
ECONOMIC INDICATORS
REPORT SUMMARY
DECEMBER 2008**

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 December 2008, 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 December 2008 was 6.2 as compared to 5.4 during December 2007.

SALES TAX REVENUE

Sales Tax Collections for the month were \$1,349,159, a decrease of 1.7% under last December's collections of \$1,372,391. Year-to-date sales tax collections of \$4,388,633 are below last year's total of \$4,571,700 by 4.0%.

AVIATION ENPLANEMENTS & DEPLANEMENTS

Enplanements for the month total 15,811 a decrease of 1.4% as compared to 16,030 during December 2007. Year-to-date enplanements of 45,520 are under last year's total of 48,900 by 6.9%.

Deplanements for the month total 16,688, an increase of 12.9% as compared to 14,787 during December 2007. Year-to-date deplanements of 47,055 are under last year's total of 48,553 by 3.1%.

BUILDING PERMITS

Total dollar value of permits issued for the month was \$10,494,128, a 58.5% decrease under December 2007 dollar value of \$25,263,344. For the month 47 single-family and no duplex or multi-family home permits were issued.

UTILITY CUSTOMERS

For the month, the City had 38,290 active utility customers, an increase of 2.0% over the 37,531 active utility customers in December 2007. 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

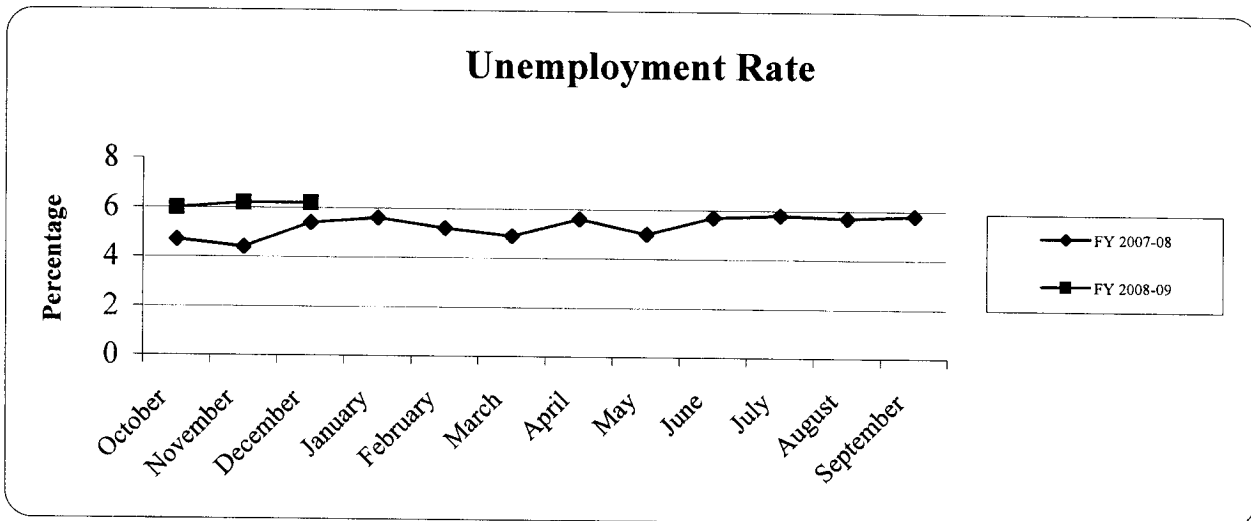
Tap Fees total \$34,025 for the month, down 37.0% as compared to last year's fees of \$54,008. Year to date revenues of \$132,265 are under last year's total of \$249,701 by 47.0%.

HOTEL OCCUPANCY TAX REVENUE

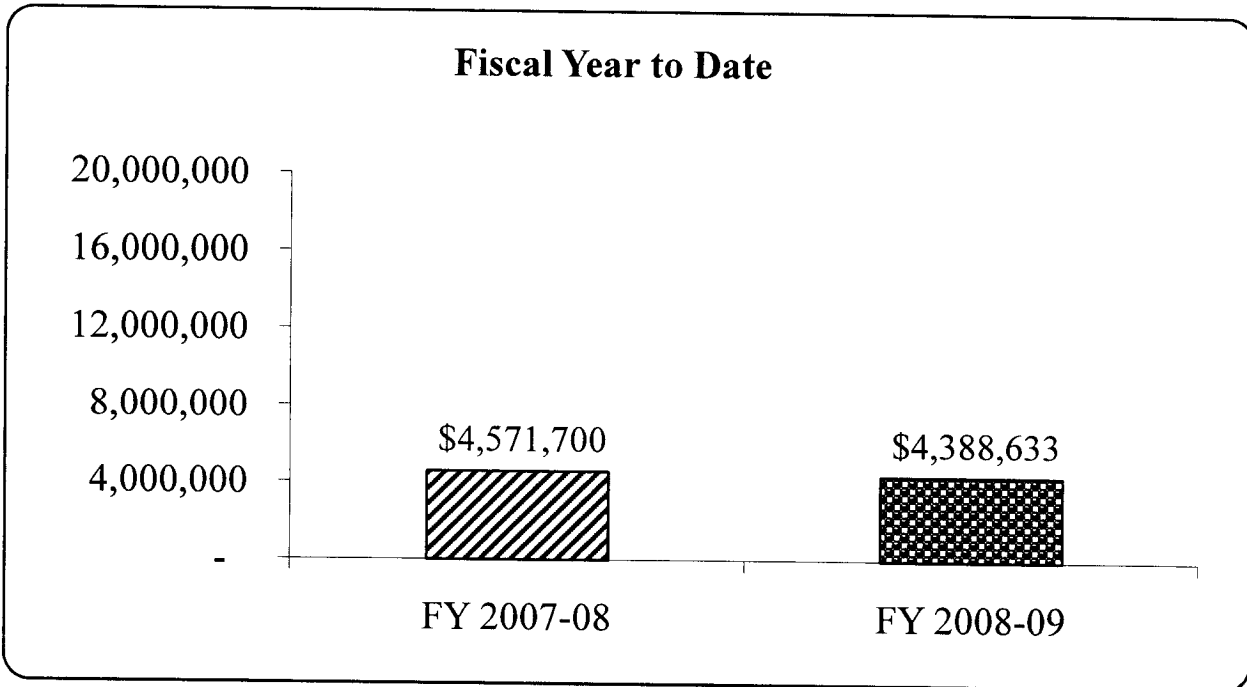
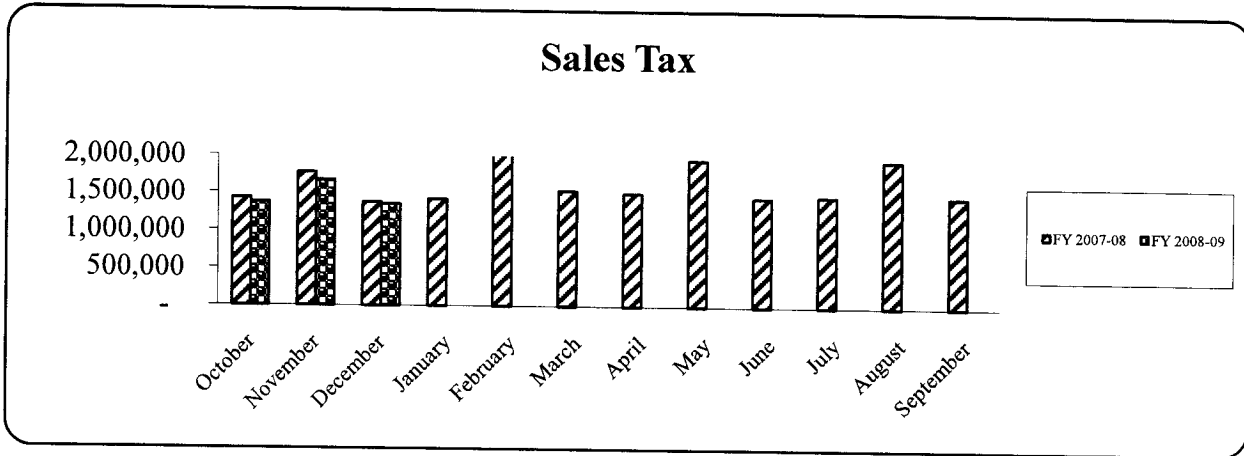
Hotel Occupancy Tax Revenue for the month was \$156,865, up 32.8% above last December's revenue of \$118,094. Year to date revenues of \$377,417 are above last year's total of \$354,713 by 6.4%.

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

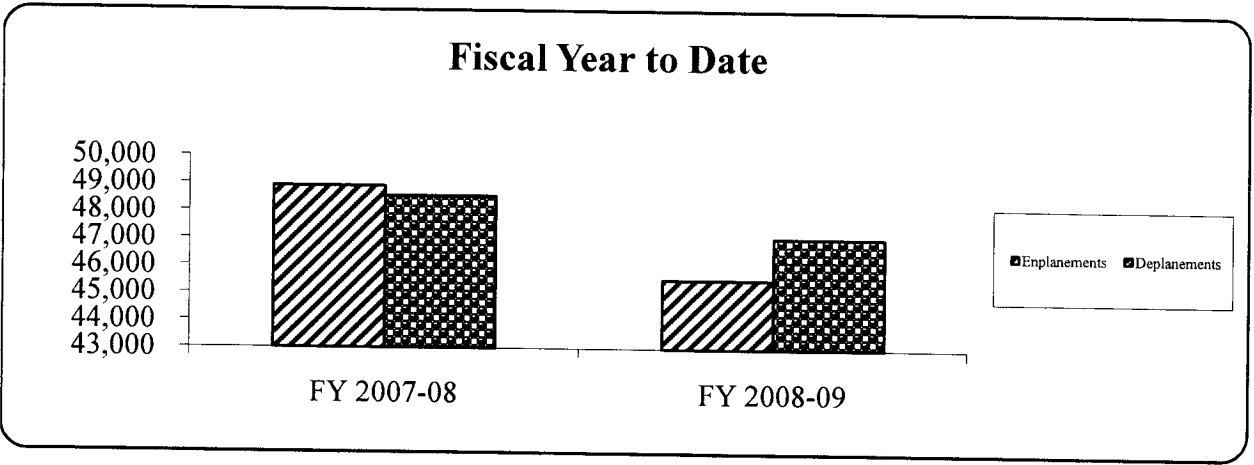
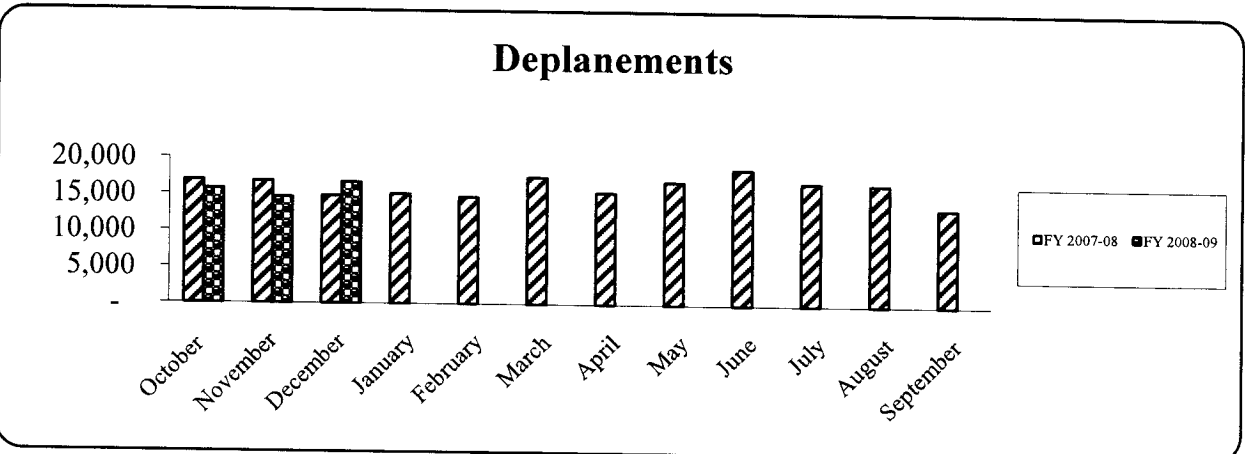
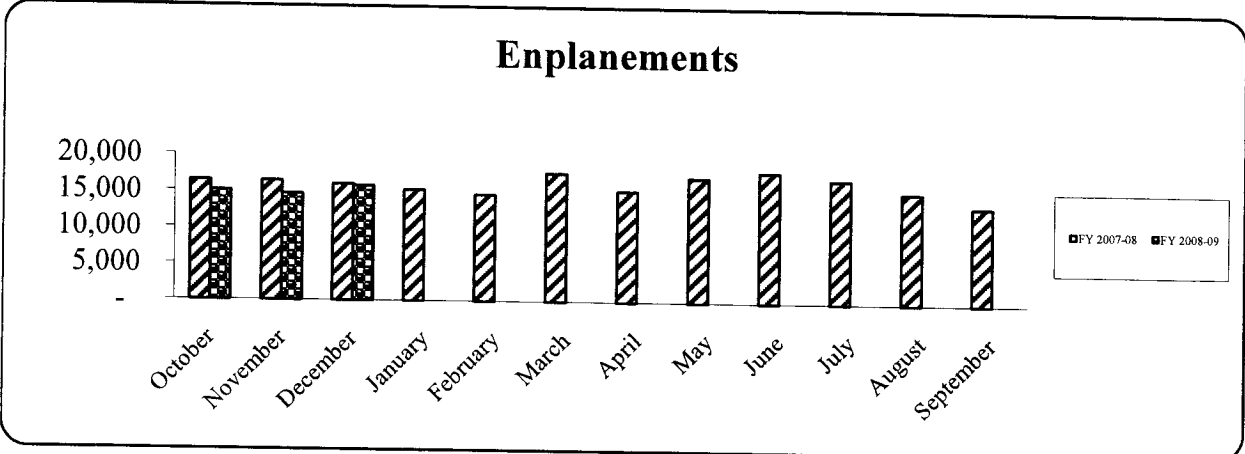


Sales Tax Revenues



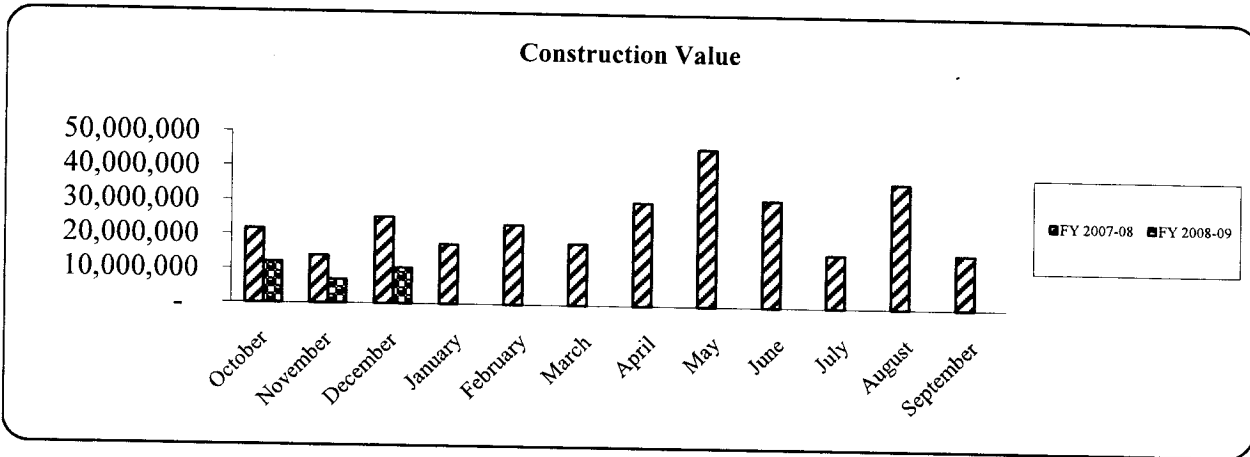
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue			X

Killeen Municipal Airport Total Passenger Count



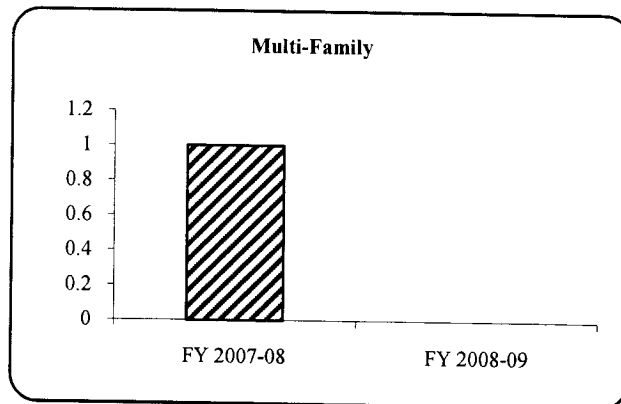
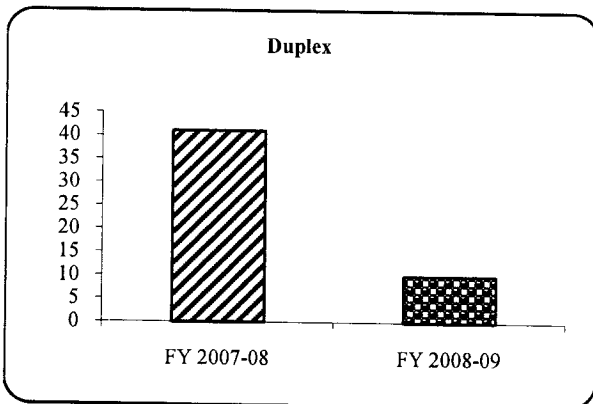
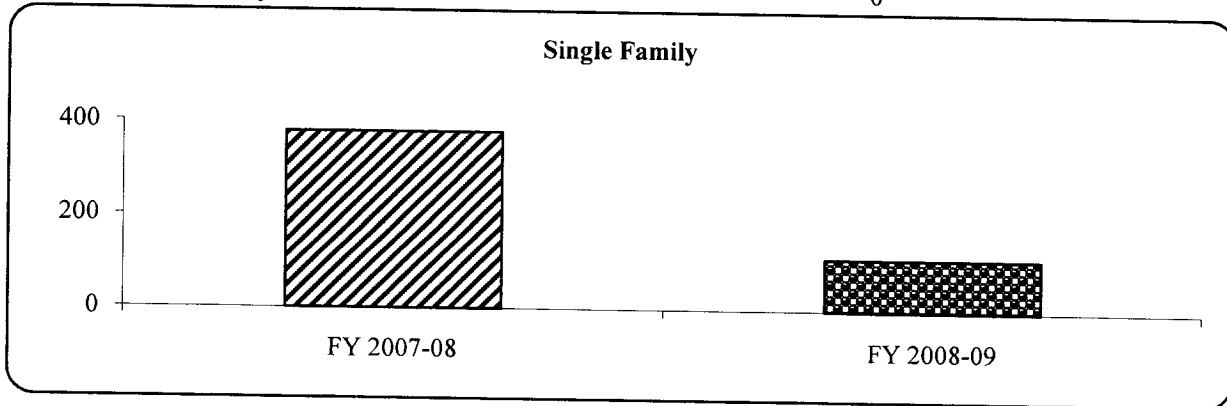
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements			x

Building Permits



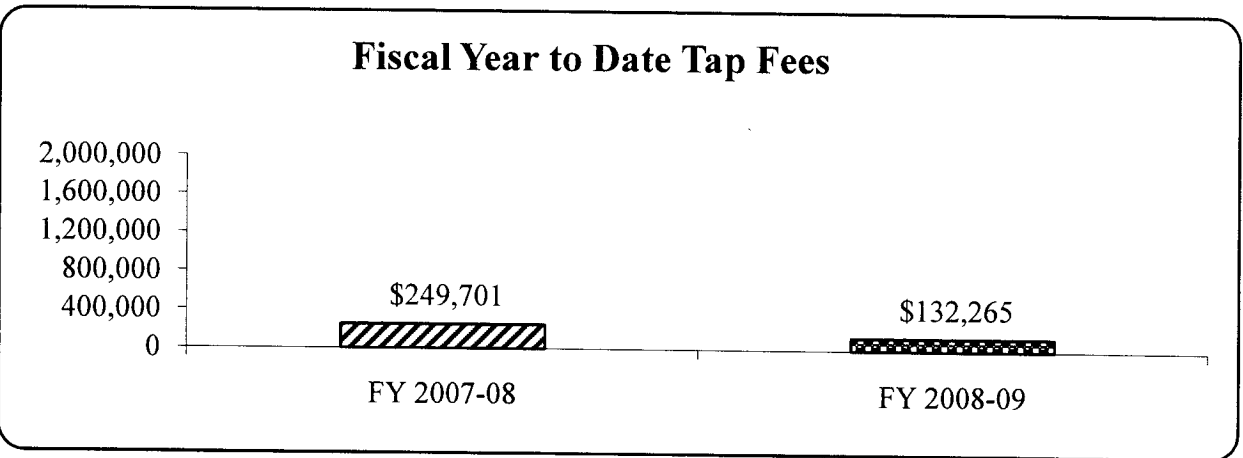
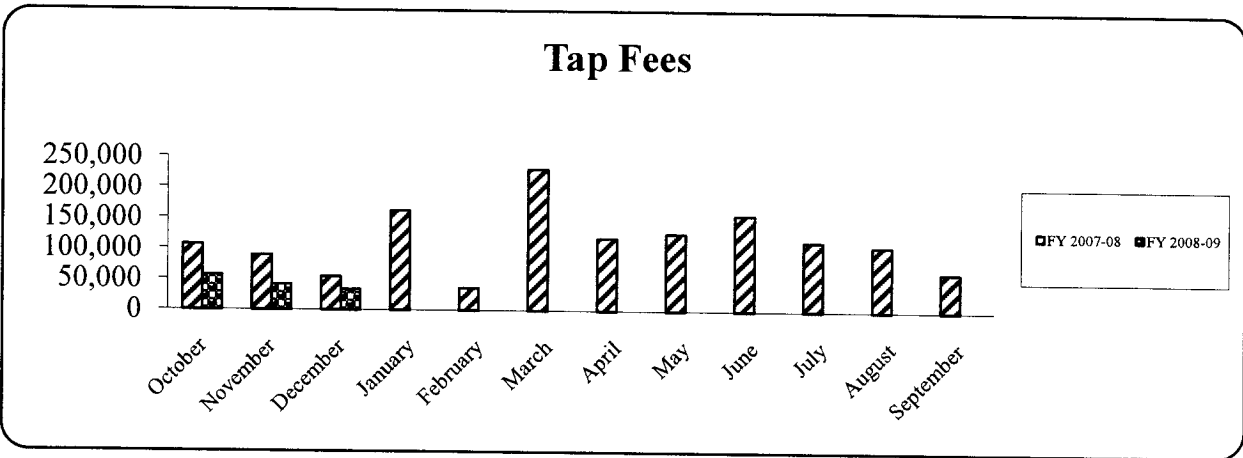
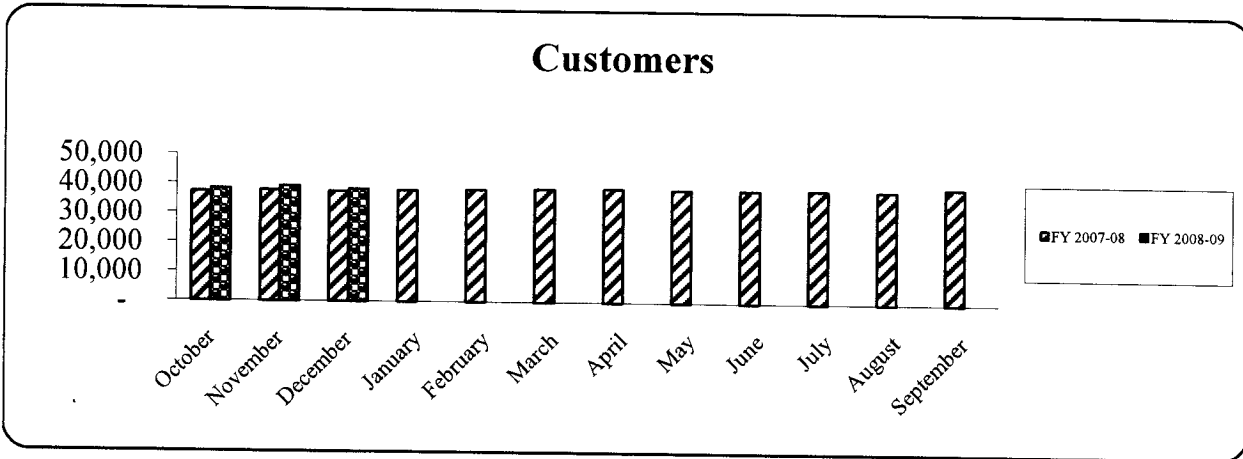
Number of Permits Issued

	FY 2007-08	FY 2008-09
Single Family	378	111
Duplex	41	10
Multi-Family	1	0



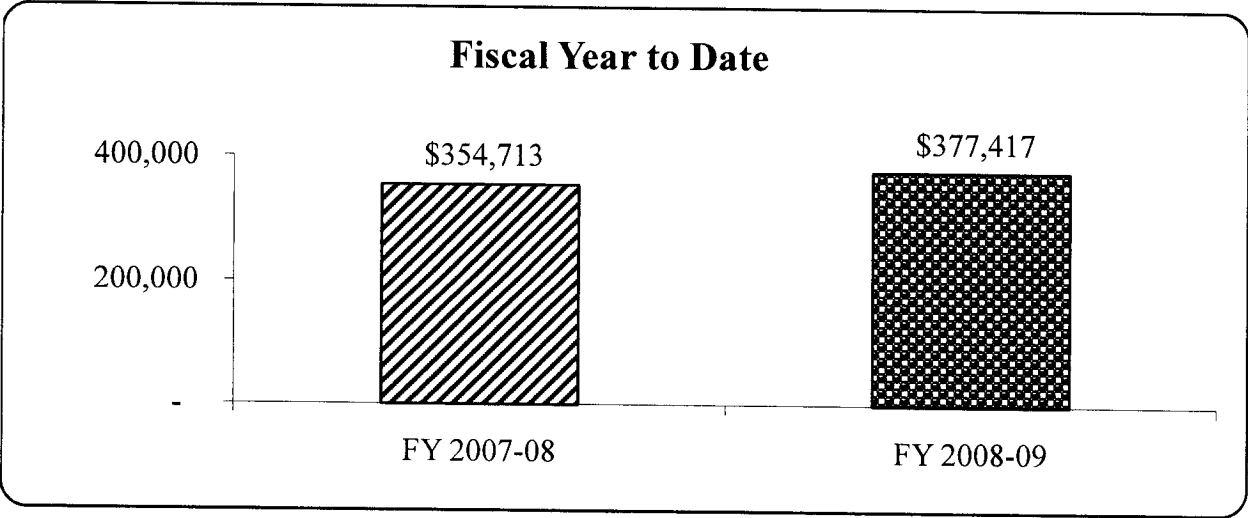
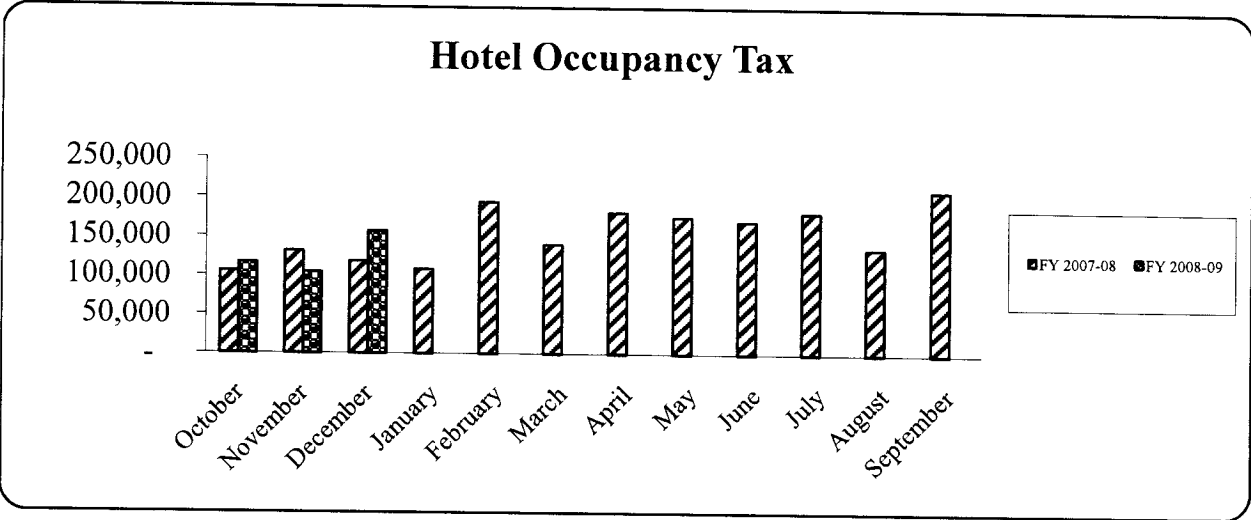
Economic Indicator	Positive	Neutral	Negative
Building Permits			X

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													
FY 2007-08	October	November	December	January	February	March	April	May	June	July	August	September	
	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													
FY 2007-08	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
	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	4,571,700
FY 2008-09	1,371,951	1,667,523	1,349,159										4,388,633
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	48,900
FY 2008-09	15,046	14,663	15,811										45,520
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	48,553
FY 2008-09	15,736	14,631	16,688										47,055
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	60,728,615
FY 2008-09	12,032,289	6,888,907	10,494,128										28,415,324
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	378
FY 2007-08	44	20	47										111
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													
FY 2007-08	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
	38,291	37,765	37,531	37,953	38,262	38,576	38,797	38,571	38,440	38,736	38,503	39,551	450,256
FY 2008-09	38,291	39,273	38,290										382,900
Water & Sewer Tap Fees													
FY 2007-08	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
	106,477	89,216	54,008	161,802	36,400	230,625	118,188	126,102	156,152	112,766	105,742	62,777	249,701
FY 2008-09	56,555	41,685	34,025										132,265
Hotel Occupancy Tax Revenues													
FY 2007-08	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
	105,535	131,084	118,094	108,143	194,296	140,054	181,674	175,686	170,541	181,489	135,830	209,934	354,713
FY 2008-09	116,326	104,226	156,865										377,417

