

City of Killeen
Financial Report
November 2008
Executive Summary



Finance
Department

Prepared by:
Barbara Gonzales
Director of Finance

Prepared 1/2/09

**FINANCE DIRECTOR'S REPORT
NOVEMBER 2008**

December 29, 2008

Mayor and City Council Members:

We are pleased to submit the Monthly City Council Financial Report and Executive Summary for the month of November 2008. Finance staff is 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 January. 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 80% of the annual ad valorem assessment collected by November 30th. 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. 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, and Water and Sewer Tap Fees and Hotel Occupancy Tax 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- NOVEMBER 2008
EXECUTIVE SUMMARY
MAJOR OPERATING FUNDS**

GENERAL FUND

- Revenues total \$19,827,039 for the month, up from last year's revenues of \$15,526,974 by 27.7%. Year-to-date general fund revenues of \$22,562,337 are up 10.7% over last year's total of \$20,379,355. The variance is primarily attributable to property tax revenues collected through November of this year as compared to last year.
- Sales Tax Collections for the month were \$1,721,783, a decrease of 5.6% on last November's collections of \$1,823,380. Year-to-date sales tax collections of \$3,160,453 are 6.0% below last year's total of \$3,362,473.
- Property Tax Collections during the month were \$16,752,644, an increase of 34.4% above last year's collections of \$12,462,618. Year-to-date property tax receipts of \$16,760,138 exceed last years total of \$14,290,307 by 17.3%.
- Franchise Fees collected during November were \$146,528, an increase of 29.7%, compared to \$112,941 last November. Year-to-date franchise revenues are \$146,938, down 60.2% over last year's total of \$369,350. This is primarily due to the Cable Television franchise fee that was received earlier last year.
- Permits & Inspections fees collected during November totaled \$61,686, down 28.9% from last year's revenue of \$86,794. Year-to-date revenues of \$146,898 are 26.1% down from last year's total of \$198,748.
- Court fines and fees were \$149,044 during November, an increase of 2.7% over the prior year collections of \$145,149. Year-to-date revenues total \$352,209, 6.5% above last year's total of \$330,878.
- Interest Earned during November totaled \$67,221, a decrease of 52.9% from last November's interest earnings of \$142,614. Year-to-date interest earnings total \$118,603, 52.4% below last year's total of \$249,396.
- Total expenditures for November are \$4,328,886, 1.5% above \$4,265,097 last year. Year-to-date expenditures of \$10,472,752 are up 5.9% when compared to last year's expenditures of \$9,885,914.
- The ending fund balance for the month was \$31.4 million, up 5.4% from last year.

KILLEEN – FORT HOOD REGIONAL AIRPORT FUND (KFHRA)

- KFHRA operating revenues (non-grants) for November was \$207,116 up 23.9% from \$167,161 last year. Year-to-date revenues total \$390,110, up 4.6% from \$372,872 in the prior year.
- KFHRA operating expenses (non-construction) of \$200,986 were down 10.5% for the month as compared to \$224,587 last year. Year-to-date expenses of \$477,233 are down 0.8% from last year's total of \$481,041. There were also construction expenses in November of \$138,394.
- The ending fund balance for the month was \$713,191, down 36.1% from last year.

SKYLARK AIRFIELD FUND

- Skylark operating revenues (non-grants) for the month were \$46,120, down 29.9% from \$65,782 last year. Year-to-date revenues of \$102,449 are down 18.4% from last year's total of \$125,589. This increase is largely attributable to a decrease in fuel sales revenue. There will be a corresponding decrease in the expense related to the cost of goods sold.
- Skylark operating expenses (non-improvements/construction) were \$44,886 for the month, down 19.8% from last year's total of \$55,956. Year-to-date expenses of \$110,461 are down 7.0% from last year's total of \$118,829.
- The ending fund balance for the month was \$420,157, down 8.4% from last year.

SOLID WASTE FUND

- Solid Waste operating revenues were \$707,182 for the month, down 27.3% when compared to last November's revenues of \$972,256. Year-to-date revenues of \$1,680,903 are down 15.4% compared to last year's total of \$1,986,177. This decrease is largely attributable to the timing of the end of the month customer billing which got recorded in December as opposed to last year's being recorded in November.
- Expenses totaled \$923,213 for the month, down 1.3% as compared to \$935,535 last year. Year-to-date expenses are \$1,827,431, up 9.6% from last year's total of \$1,667,223.
- The ending fund balance for the month was \$4.0 million, down 10.4% from last year.

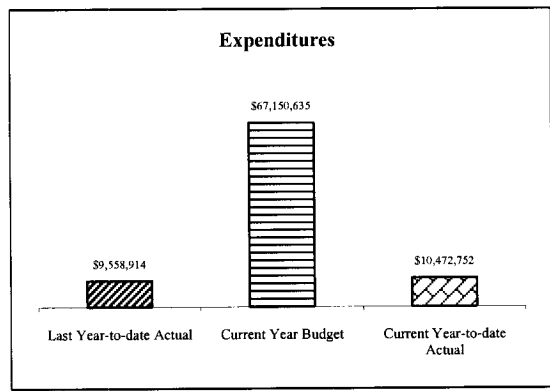
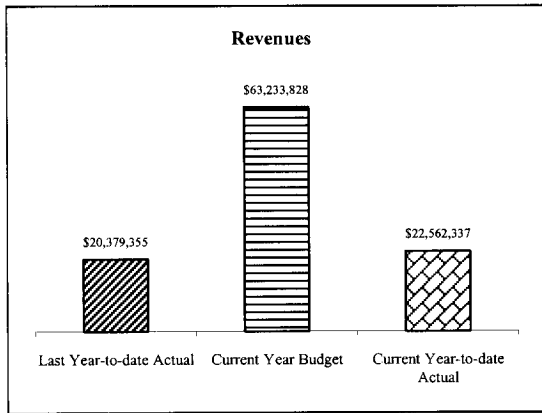
WATER AND SEWER FUND

- Water and Sewer operating revenues total \$1,948,581, down 23.5% from last year's revenues of \$2,547,788. Year-to-date revenues total \$4,666,298, down from last year's revenues of \$5,041,949 by 7.5%. This decrease is largely attributable to the timing of the end of the month customer billing which got recorded in December as opposed to last year's being recorded in November.
- Expenses total \$2,293,405 for the month, up 3.4% as compared to \$2,217,575 last year. Year-to-date expenses are \$5,103,340, up 3.7% from last year's total of \$4,921,611.
- The ending fund balance for the month was \$18.9 million, down 7.1% from last year.

DRAINAGE UTILITY FUND

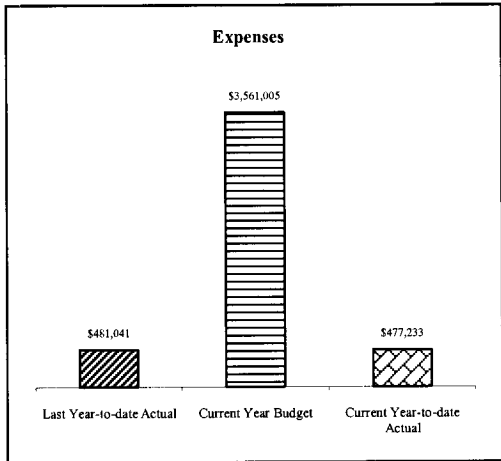
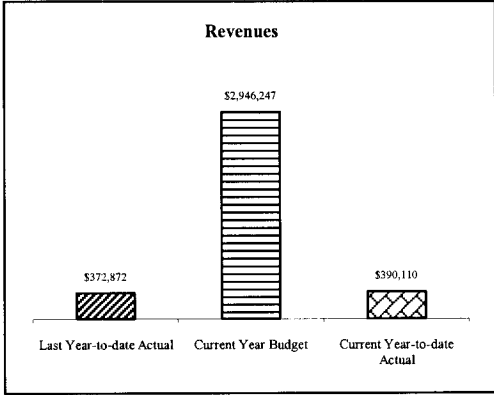
- Drainage Utility operating revenues total \$203,531 for the month, down 22.5% below last November's revenues of \$262,664. Year-to-date revenues of \$467,937 are below last year's revenues of \$530,876 by 11.9%. This decrease is largely attributable to the timing of the end of the month customer billing which got recorded in December as opposed to last year's being recorded in November.
- Operating expenses for the month were \$66,767, up 24.2% as compared to \$53,744 last year. Year-to-date expenses are \$164,373, up 31.8% from last year's total of \$124,749.
- The ending fund balance for the month was \$8.5 million, down 6.4% from last year.

CITY OF KILLEEN
 GENERAL FUND
 FINANCIAL REPORT
 November 30, 2008



	Adopted	Y-T-D	% of Budget
REVENUES:			
Property Taxes	21,405,568	16,760,138	78.30%
Sales & Occupancy Tax	19,888,134	3,160,453	15.89%
Franchise Tax	5,084,970	146,938	2.89%
Miscellaneous Revenues	3,500,050	528,821	15.11%
Permits & Inspections	1,338,580	146,898	10.97%
Court Fines & Fees	2,099,319	352,209	16.78%
Recreation Revenues	969,225	91,894	9.48%
Golf Course	1,236,686	158,449	12.81%
Interest Earned	1,600,000	118,603	7.41%
Intergovernmental Revenue	707,259	200,210	28.31%
Transfers In	5,404,037	897,724	16.61%
TOTAL REVENUES:	63,233,828	22,562,337	35.68%
EXPENDITURES:			
Administration	13,144,591	2,362,156	17.97%
Community Services	10,776,758	1,363,554	12.65%
Public Works	5,661,200	724,160	12.79%
Public Safety	37,511,587	6,022,882	16.06%
Transfers Out	56,499	-	0.00%
TOTAL EXPENDITURES:	67,150,635	10,472,752	15.60%

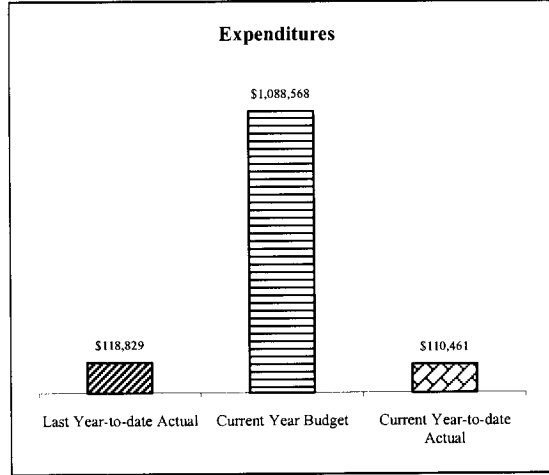
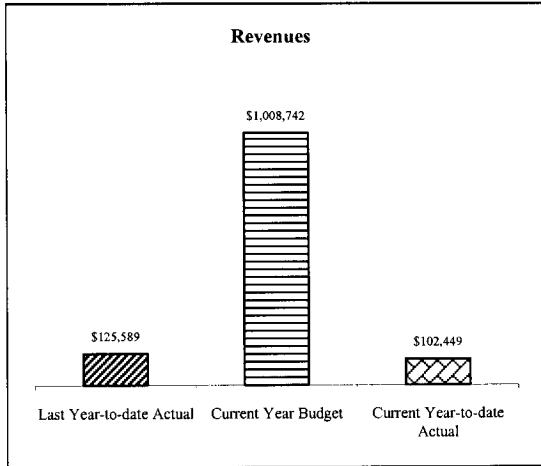
CITY OF KILLEEN
 KILLEEN-FORT HOOD REGIONAL AIRPORT FUND
 FINANCIAL REPORT
 November 30, 2008



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

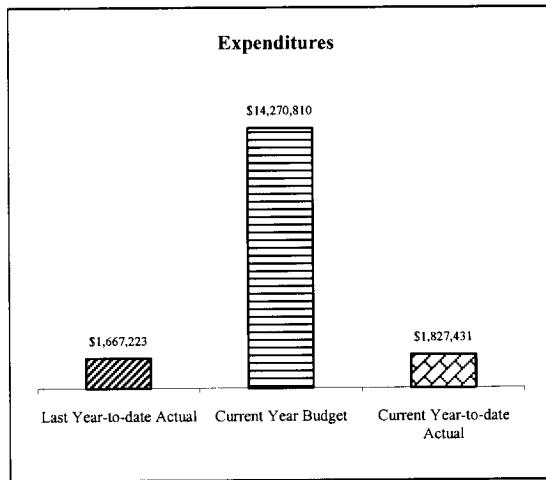
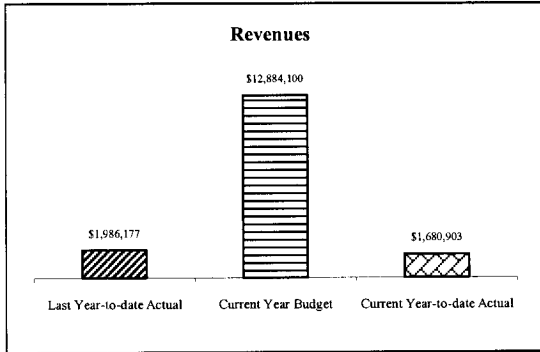
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	2,892,247	389,286	13.46%
Interest Earned	54,000	825	1.53%
FAA Grants	1,794,741	-	0.00%
FAA Grants Prior Years	331,910	-	0.00%
TXDOT Grant	-	-	-
TXDOT Grant Match	-	-	-
Transfer from Bond Fund	-	-	-
TOTAL REVENUES:	5,072,898	390,111	7.69%
EXPENSES:			
Airport Operations	2,908,234	403,071	13.86%
Cost of Goods Sold	273,992	25,632	9.36%
KFHRA Construction	2,477,320	138,394	5.59%
Information Technology	186,566	32,246	17.28%
Non-Departmental	192,213	16,284	8.47%
TOTAL EXPENSES:	6,038,325	615,627	10.20%

CITY OF KILLEEN
 SKYLARK FIELD FUND
 FINANCIAL REPORT
 November 30, 2008



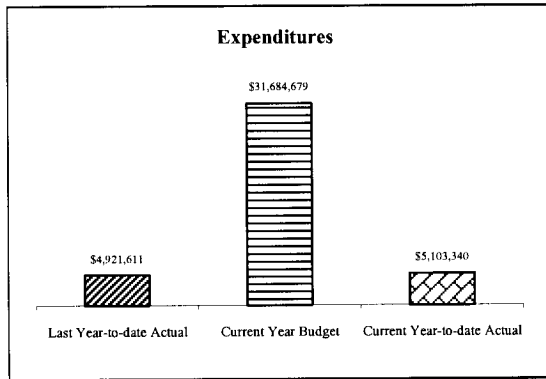
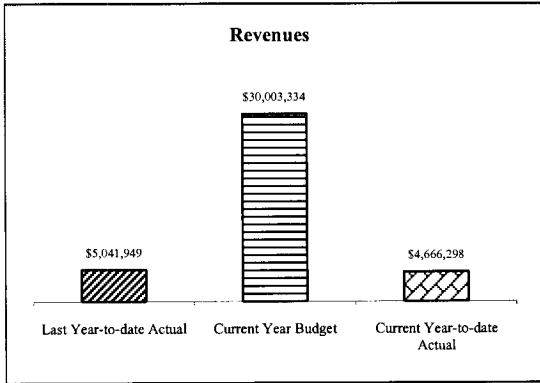
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	968,742	100,689	10.39%
Interest Earned	10,000	1,760	17.60%
FAA Grants	-	-	-
FAA Grants - Prior Years	-	-	-
TXDOT Grants	30,000	-	0.00%
TOTAL REVENUES:	1,008,742	102,449	10.16%
EXPENDITURES:			
Airport Operations	342,893	42,100	12.28%
Cost of Goods Sold	732,572	65,658	8.96%
Skylark Improvements	-	-	-
Skylark Construction	-	-	-
Non-Departmental	13,103	2,703	20.63%
TOTAL EXPENDITURES:	1,088,568	110,461	10.15%

CITY OF KILLEEN
 SOLID WASTE FUND
 FINANCIAL REPORT
 November 30, 2008



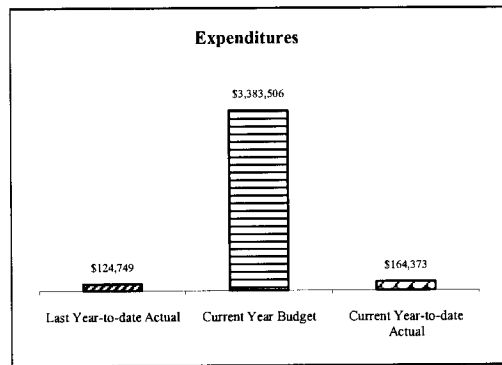
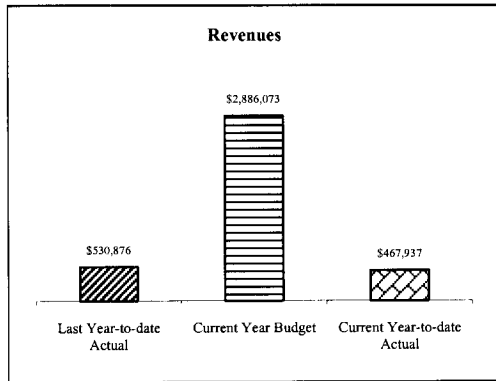
	Adopted	Y-T-D	% of Budget
REVENUES:			
Transfer Station Fees	320,000	44,141	13.79%
Dumpster Rentals	110,000	8,833	8.03%
Miscellaneous Revenues	40,100	5,854	14.60%
Recycling Revenues	174,000	16,167	9.29%
Commercial Sanitation Fees	5,450,000	663,737	12.18%
Residential Sanitation Fees	6,550,000	924,389	14.11%
Interest Earned	240,000	17,782	7.41%
TOTAL REVENUES:	12,884,100	1,680,903	13.05%
EXPENDITURES:			
Residential Operations	3,226,766	460,830	14.28%
Commercial Operations	1,655,914	266,891	16.12%
Recycling Program	382,570	51,932	13.57%
Transfer Station	4,831,819	415,624	8.60%
Mowing	921,408	117,648	12.77%
Debt Service	774,000	129,000	16.67%
Custodial Services	31,614	5,118	16.19%
Accounting	63,594	13,950	21.94%
Solid Waste Miscellaneous	389,981	34,247	8.78%
Transfer to General Fund	1,993,144	332,191	16.67%
TOTAL EXPENDITURES:	14,270,810	1,827,431	12.81%

CITY OF KILLEEN
 WATER & SEWER FUND
 FINANCIAL REPORT
 November 30, 2008



	Adopted	Y-T-D	% of Budget
REVENUES:			
Sale of Water	14,036,939	2,291,620	16.33%
Water & Sewer Taps	1,142,622	98,240	8.60%
Sewer Fees Collected	12,592,773	1,982,803	15.75%
Miscellaneous Revenues	750,000	101,785	13.57%
Delinquent Penalty	560,000	100,380	17.93%
Interest Earned	900,000	71,994	8.00%
Miscellaneous Receipts	21,000	19,476	92.74%
Transfers-In	-	-	-
TOTAL REVENUES:	30,003,334	4,666,298	15.55%
EXPENDITURES:			
Fleet Services	1,393,536	179,908	12.91%
Utility Collections	1,815,812	300,132	16.53%
Water & Sewer Contracts	11,772,595	2,217,656	18.84%
Operations	6,388,785	750,227	11.74%
Debt Service	5,008,029	834,755	16.67%
Miscellaneous	1,912,724	255,128	13.34%
Transfer to General Fund	3,393,198	565,533	16.67%
TOTAL EXPENDITURES:	31,684,679	5,103,339	16.11%

CITY OF KILLEEN
 DRAINAGE UTILITY FUND
 FINANCIAL REPORT
 November 30, 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	356,678	16.25%
Commercial Storm Water Fees	511,306	72,972	14.27%
Interest Earned	180,000	28,211	15.67%
Sale of Bonds	-	-	-
TCEQ Grant Revenue	-	10,075	-
TOTAL REVENUES:	2,886,073	467,936	16.21%
EXPENDITURES:			
Engineering Division	336,464	34,694	10.31%
Street Division	300,000	6,903	2.30%
Drainage Maintenance	1,419,116	121,536	8.56%
Drainage Projects - Minor	700,000	-	0.00%
Drainage Projects - Major	6,573,571	-	0.00%
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	164,372	1.65%

**CITY OF KILLEEN
ECONOMIC INDICATORS
REPORT SUMMARY
NOVEMBER 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 November 2008, one 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 and Hotel Occupancy Tax being negative.

UNEMPLOYMENT RATE

The unemployment rate for the month of November 2008 was 6.2 as compared to 4.4 during November 2007.

SALES TAX REVENUE

Sales Tax Collections for the month were \$1,667,523, a decrease of 5.8% under last November's collections of \$1,769,638. Year-to-date sales tax collections of 3,039,474 are below last year's total of \$3,199,309 by 5.0%.

AVIATION ENPLANEMENTS & DEPLANEMENTS

Enplanements for the month total 14,663 a decrease of 10.7% as compared to 16,429 during November 2007. Year-to-date enplanements of 29,709 are under last year's total of 32,870 by 9.6%.

Deplanements for the month total 14,631, a decrease of 13.1% as compared to 16,827 during November 2007. Year-to-date deplanements of 30,367 are under last year's total of 33,766 by 10.1%.

BUILDING PERMITS

Total dollar value of permits issued for the month was \$6,888,907, a 50.3% decrease under November 2007 dollar value of \$13,853,474. For the month 20 single-family, 5 duplex and no multi-family home permits were issued.

UTILITY CUSTOMERS

For the month, the City had 39,273 active utility customers, an increase of 4.0% over the 37,765 active utility customers in November 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 \$41,685 for the month, down 53.3% as compared to last year's fees of \$89,216. Year to date revenues of \$98,240 are under last year's total of \$195,693 by 49.8%.

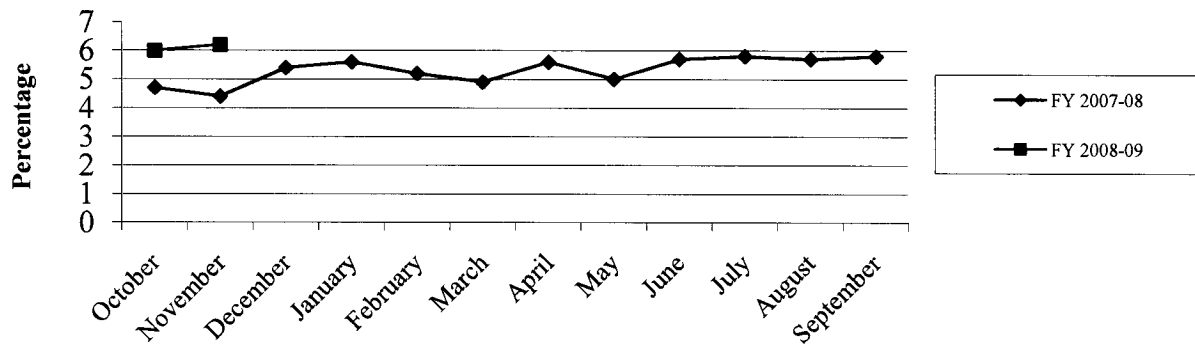
HOTEL OCCUPANCY TAX REVENUE

Hotel Occupancy Tax Revenue for the month was \$104,226, down 20.5% under last November's revenue of \$131,084. Year to date revenues of \$220,552 are under last year's total of \$236,619 by 6.8%.

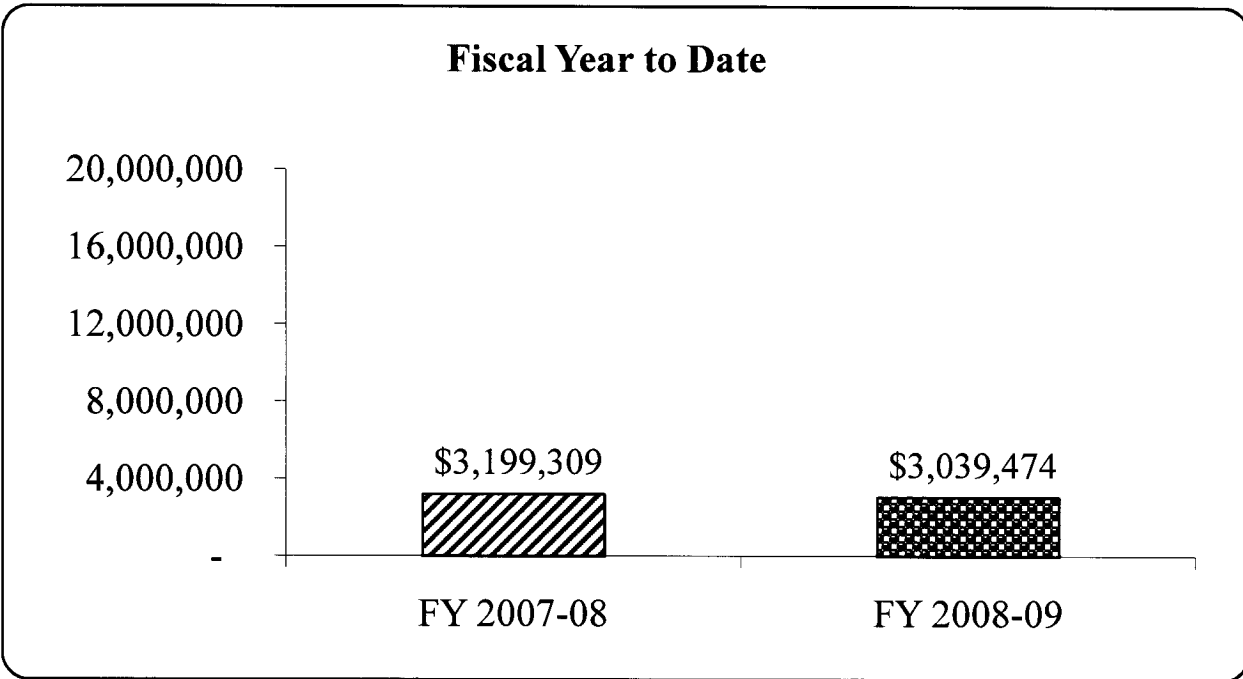
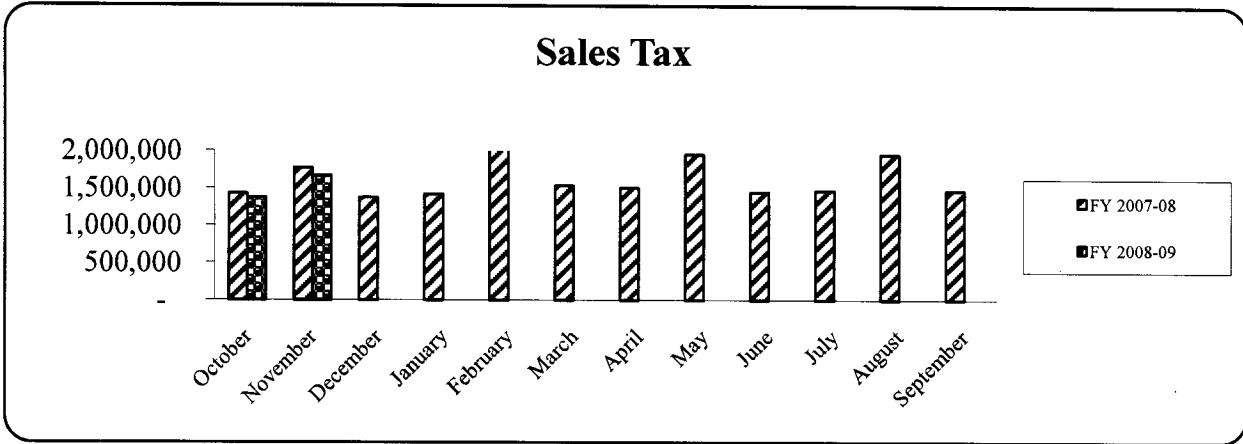
City of Killeen Economic Indicators Report

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



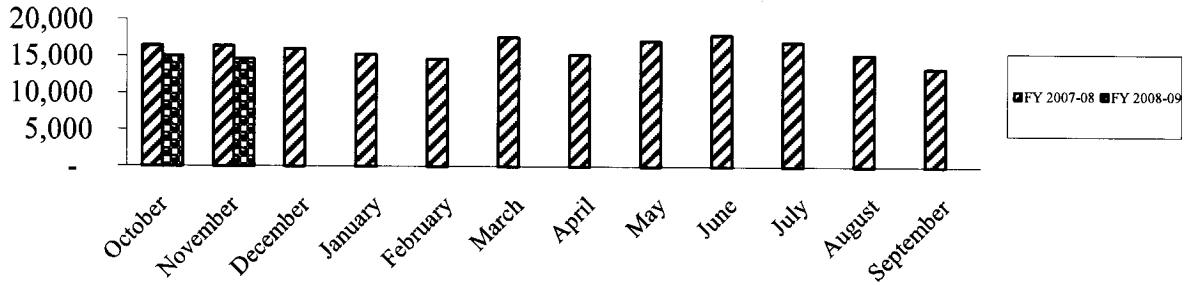
Sales Tax Revenues



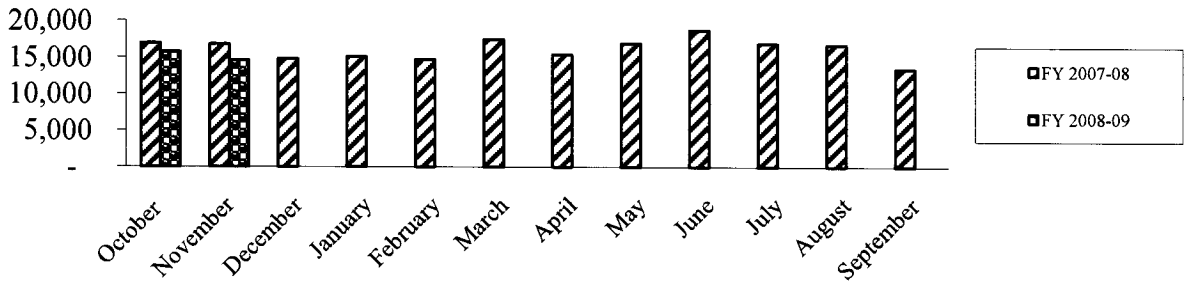
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue			X

Killeen Municipal Airport Total Passenger Count

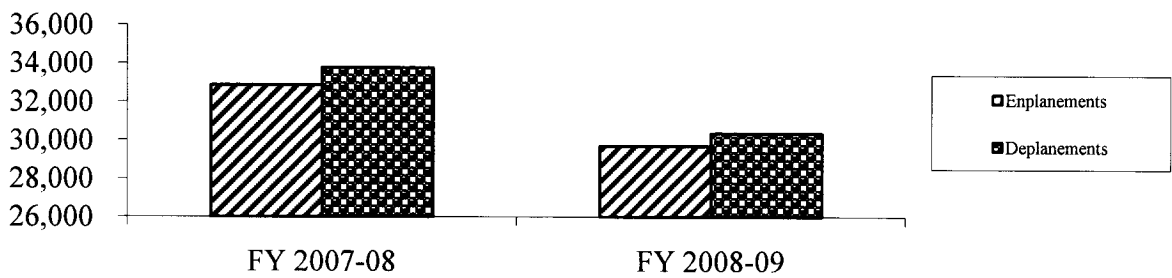
Enplanements



Deplanements

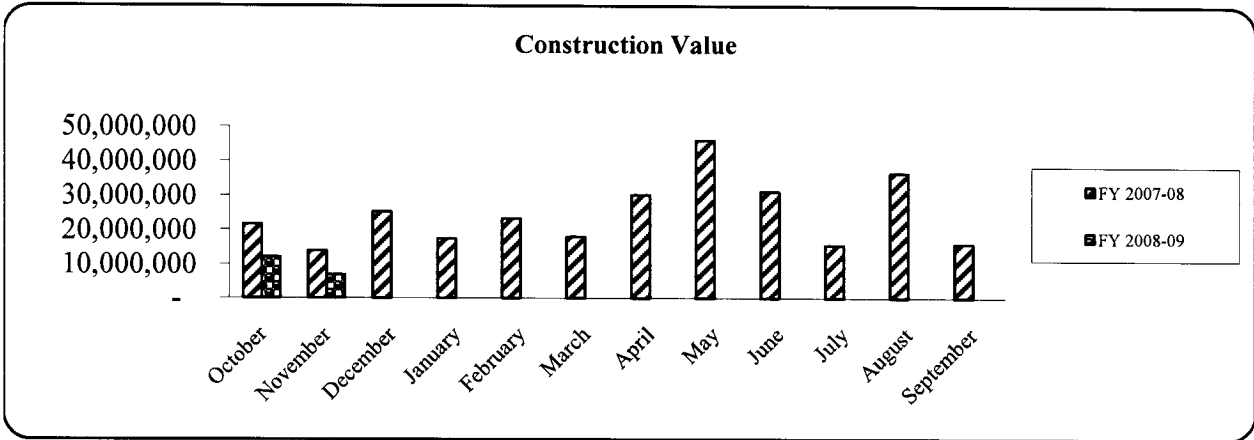


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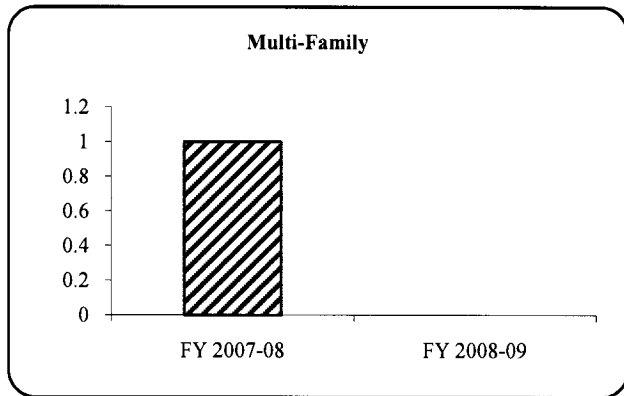
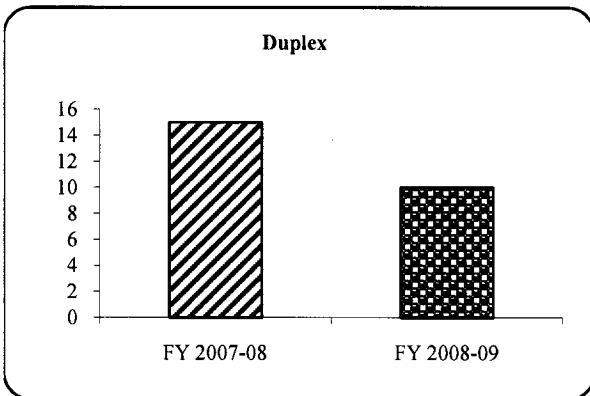
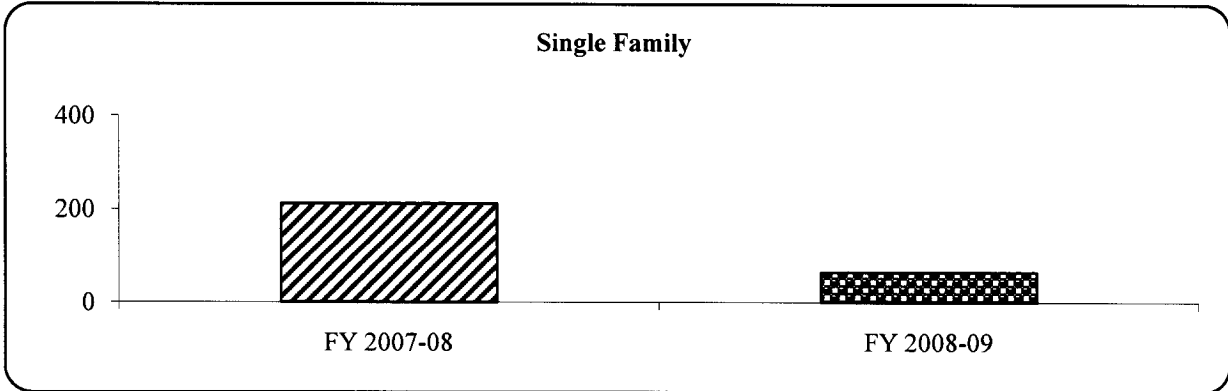
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements			x

Building Permits



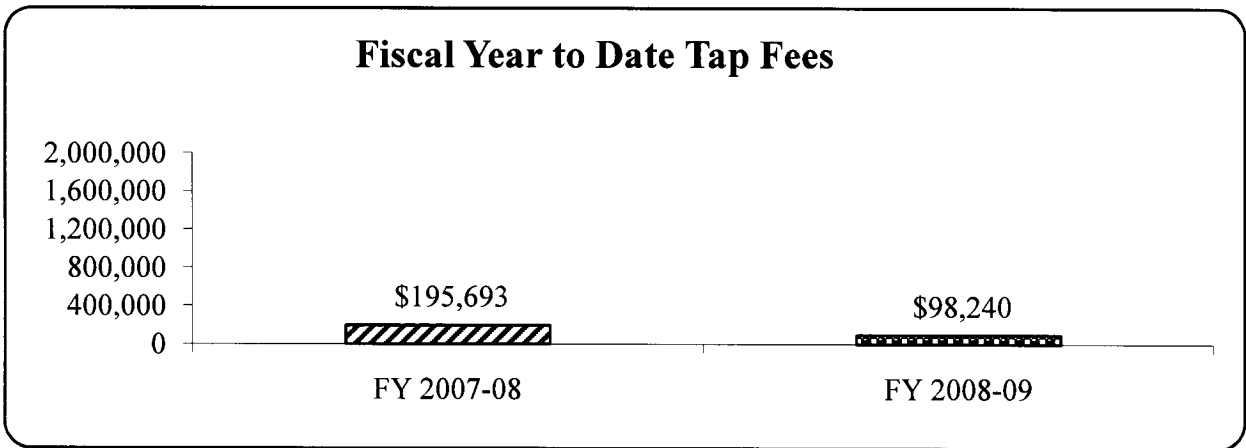
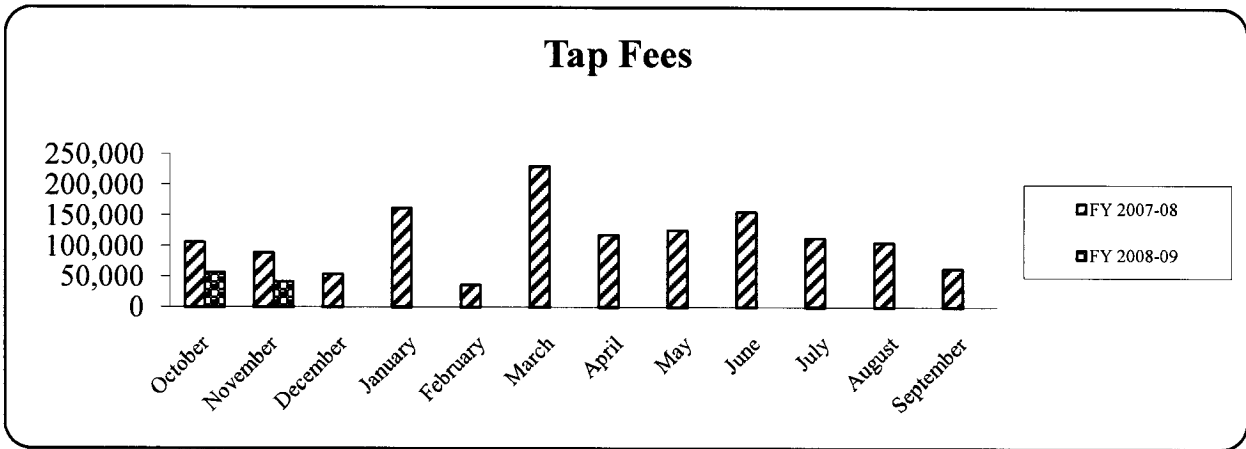
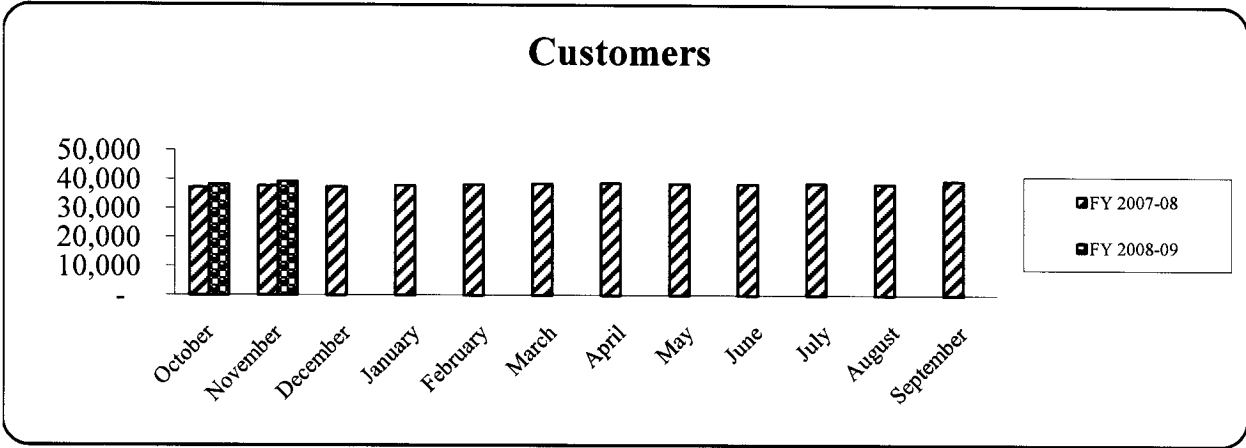
Number of Permits Issued

	FY 2007-08	FY 2008-09
Single Family	212	64
Duplex	15	10
Multi-Family	1	0



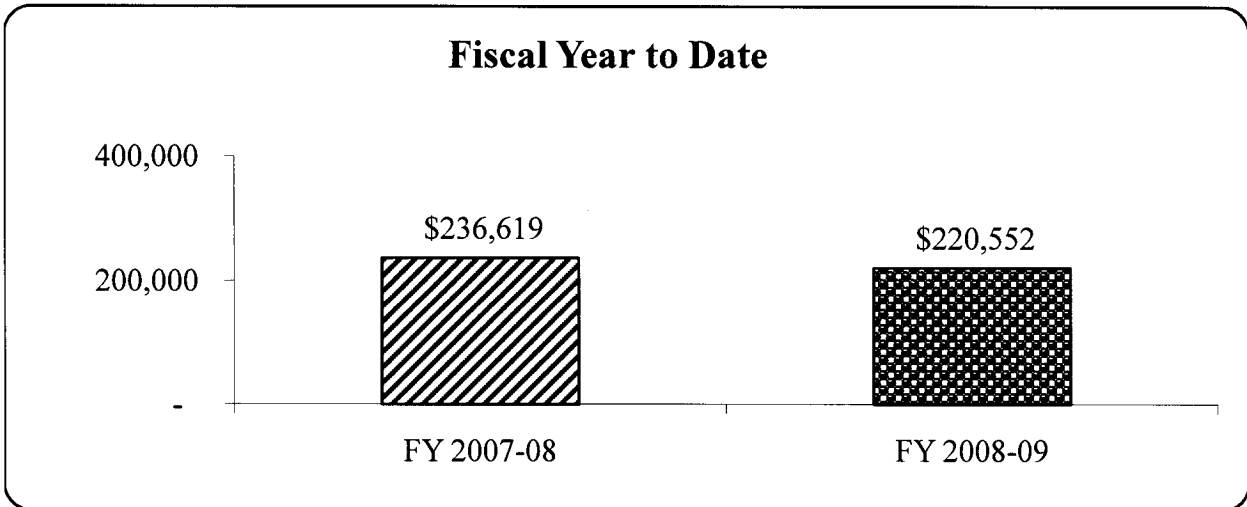
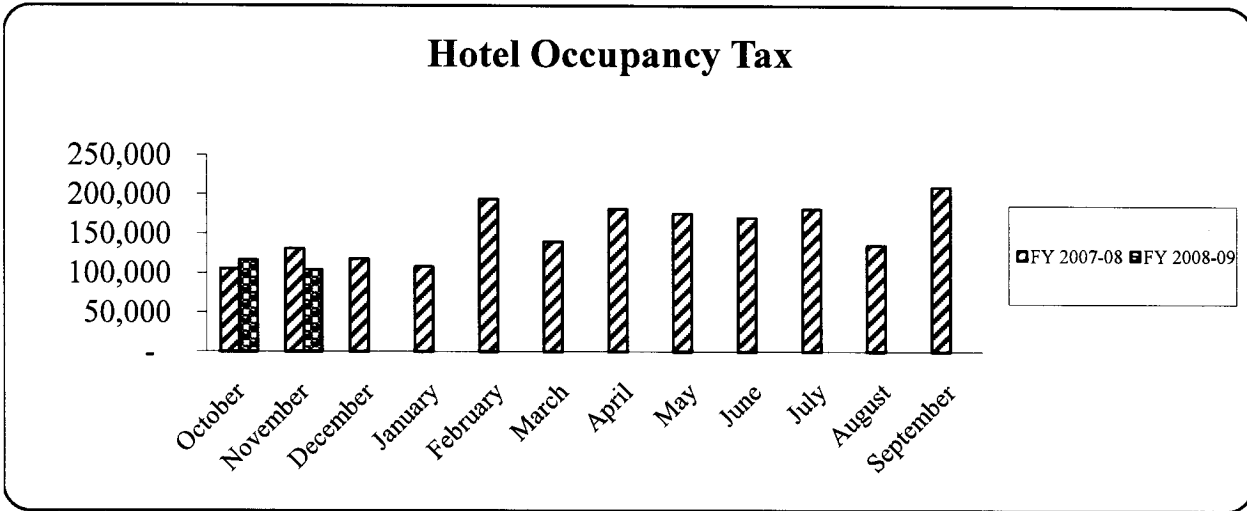
Economic Indicator	Positive	Neutral	Negative
Building Permits			x

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

