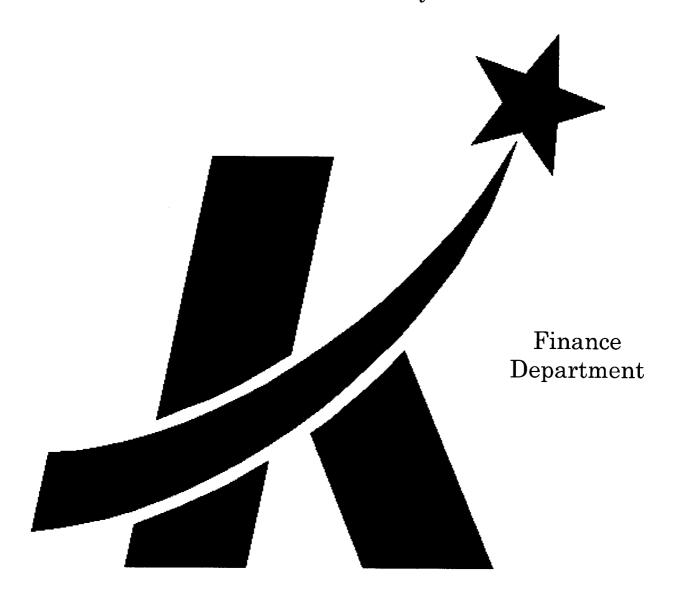
City of Killeen Financial Report October 2008 Executive Summary



Prepared by: Barbara Gonzales Director of Finance

Prepared 12/5/08

#### FINANCE DIRECTOR'S REPORT OCTOBER 2008

December 4, 2008

Mayor and City Council Members:

We are pleased to submit the Monthly City Council Financial Report and Executive Summary for the month of October 2008. The FY 2008-09 Annual Budget and Plan of Municipal Services is complete. In addition, the City's independent auditors continue to make progress on the FY 2007-08 annual audit.

Property tax revenues started off slow in October, as compared to the prior year; however collections more than rebounded in November. All other general fund revenue categories are meeting staff estimates. Total operating revenues and expenses for all major funds are on target with staff estimates with no significant variance noted. The Finance Department will work closely with the departments to monitor their revenues and expenses during FY 2007-08.

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.

As we begin a new fiscal year, the Finance Department will continue to monitor revenue and expenses and key economic indicators in every effort to provide relevant and reliable financial information.

Respectfully submitted,

Barbara A. Gonzales
Director of Finance

# CITY OF KILLEEN FINANCIAL REPORT- OCTOBER 2008 EXECUTIVE SUMMARY MAJOR OPERATING FUNDS

#### **GENERAL FUND**

- Revenues total \$2,735,298 for the month, down from last year's revenues of \$4,852,381 by 43.6%. The variance is primarily attributable to the timing of receipts of property tax revenues and franchise fees collected last year as compared to October of this year.
- > Sales Tax Collections for the month were \$1,371,951, a decrease of 4.0% from last October's collections of \$1,429,671.
- > Property Tax Collections during the month were \$7,494, a decrease from last year's collections of \$1,827,689. The variance is due to the timing of receipt of the ad valorem revenues.
- > Franchise Fees collected during October were \$410, compared to \$256,409 last October. The variance is attributable to the timing of receipt of the franchise fees.
- Permits & Inspections fees collected during October totaled \$85,212, down 23.9% from last year's revenue of \$111.954.
- > Court fines and fees were \$203,165 during October, up 9.4% over the prior year collections of \$185,736.
- > Interest Earned during October totaled \$51,381, down 51.9% from last October's interest earnings of \$106,782.
- > Total expenditures for October are \$6,143,866, 9.3% above \$5,620,817 last year. This variance is largely attributable to an increase in this October's Grants to Non-Profit organizations expenditures over last year.
- The ending fund balance for the month was \$15.9 million, down 14.3% from last year.

#### KILLEEN - FORT HOOD REGIONAL AIRPORT FUND (KFHRA)

- > KFHRA operating revenues (non-grants) for October was \$182,994 down 11.0% from \$205,711 last year.
- > KFHRA operating expenses (non-construction) of \$278,246 were up 8.5% for the month as compared to \$256,454 last year. The variance is largely attributable to fuel sales costs.
- The ending fund balance for the month was \$843,455, down 32.8% from last year.

#### SKYLARK AIRFIELD FUND

- > Skylark operating revenues (non-grants) for the month were \$56,329, down 5.8% from \$59,807 last year.
- Skylark operating expenses (non-improvements/construction) were \$65,575 for the month, up 4.3% over last year's total of \$62,873.
- The ending fund balance for the month was \$418,923, down 6.6% from last year.

#### **SOLID WASTE FUND**

- ➤ Solid Waste operating revenues were \$973,722 for the month, down 4.0% when compared to last October's revenues of \$1,013,921.
- Expenses totaled \$904,218 for the month, up 23.5% as compared to \$731,168 last year. The increase is largely related to Refuse Transport and Disposal Costs not being recorded in last year's October expenditures as opposed to this year.
- > The ending fund balance for the month was \$4.2 million, down 4.8% from last year.

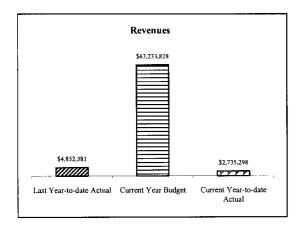
#### WATER AND SEWER FUND

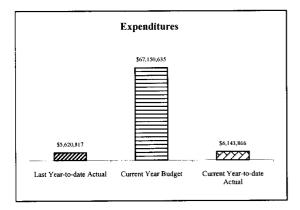
- Water and Sewer operating revenues total \$2,717,716, up 9.0% over last year's revenues of \$2,494,161. The increase is primarily from the Sale of Water revenue, up 17.9% over last October along with Sewer Fees Collected, up 10.0% from last year. Tap fees in October of \$56,555 is down 46.9% as compared to last year's amount of \$106,477.
- Expenses total \$2,809,935 for the month, up 3.9% as compared to \$2,704,036 last year.
- The ending fund balance for the month was \$19.2 million, down 3.9% from last year.

#### DRAINAGE UTILITY FUND

- > Drainage Utility operating revenues total \$264,406 for the month, down 1.4% from last October's revenues of \$268,212.
- Residential fees were \$198,705, up 4.7%, and Commercial fees were \$41,867, up 1.5% for the month as compared to last year.
- > Operating expenses for the month were \$97,605, up 37.5% as compared to \$71,005 last year. The increase is mainly attributable to engineering and drainage maintenance division expenditures.
- Major drainage capital improvement project budget is \$6,249,836 with nothing expended in October 2008. 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 \$8.4 million, down 6.1% from last year.

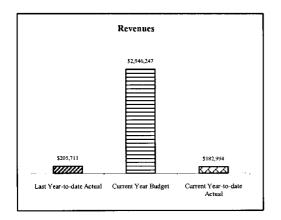
CITY OF KILLEEN GENERAL FUND FINANCIAL REPORT October 31, 2008





Adopted	Y-T-D	% of Budget	
REVENUES:	1-1-1	Duager	
Property Taxes	7.404	0.040/	
21,405,568	7,494	0.04%	
Sales & Occupancy Tax			
19,888,134	1,438,671	7.23%	
Franchise Tax			
5,084,970	410	0.01%	
Miscellaneous Revenues			
3,500,050	295,780	8.45%	
Permits & Inspections			
1,338,580	85,212	6.37%	
Court Fines & Fees	00,212	0.07,0	
2,099,319	203,165	9.68%	
, ,	203,103	9.0070	
Recreation Revenues	70.005	7.570/	
969,225	73,335	7.57%	
Golf Course			
1,236,686	96,130	7.77%	
Interest Earned			
1,600,000	51,381	3.21%	
Intergovernmental Revenue			
707,259	34,857	4.93%	
Transfers In	,		
5,404,037	448,862	8.31%	
2,404,027	110,002	0.5170	
TOTAL REVENUES:			
	2 725 207	4 220/	
63,233,828	2,735,297	4.33%	
EXPENDITURES:			
Administration			
13,144,591	1,470,861	11.19%	
Community Services			
10,776,758	760,631	7.06%	
Public Works	, , , , , , , , , , , , , , , , , , , ,		
5,661,200	406,167	7.17%	
	400,107	7.1770	
Public Safety	2 506 210	0.250/	
37,511,587	3,506,210	9.35%	
Transfers Out		0.000/	
56,499	-	0.00%	
TOTAL EXPENDITURES:			
67,150,635	6,143,869	9.15%	

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



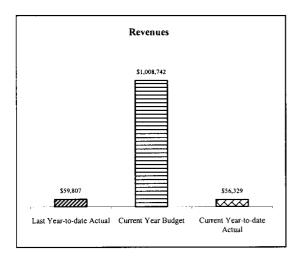
	Expenses	
\$256,454	\$3,561,005	\$278,246
Last Year-to-date Actual	Current Year Budget	Current Year-to-date Actual

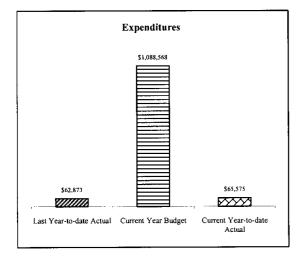
Note: For comparison purposes, the charts above exclude the Revenue from FAA Grants and the KFHRA Construction Expenses.

Adopted	Y-T-D	% of Budget
EVENUES:		
Operating Revenues		
2,892,247	182,559	6.31%
Interest Earned		
54,000	435	0.81%
FAA Grants		
1,794,741	-	0.00%
FAA Grants Prior Years		
331,910	-	0.00%
TXDOT Grant		
-	-	_
TXDOT Grant Match		
-	-	-
Transfer from Bond Fund		
-	-	-
TAL REVENUES:		
5,072,898	182,994	3.61%
XPENSES:		
Airport Operations		
2,908,234 Cost of Goods Sold	224,346	7.71%
<del></del>		

EXPENSES:		
Airport Operations		
2,908,234	224,346	7.71%
Cost of Goods Sold		
273,992	19,148	6.99%
KFHRA Construction		
2,389,976	-	0.00%
Information Technology		
186,566	19,636	10.52%
Non-Departmental		
192,213	15,117	7.86%
TOTAL EXPENSES:		
5,950,981	278,247	4.68%

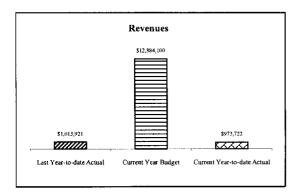
CITY OF KILLEEN SKYLARK FIELD FUND FINANCIAL REPORT October 31, 2008

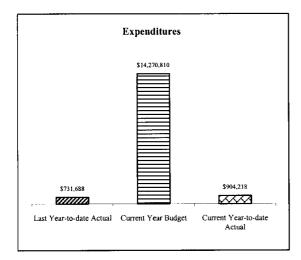




Ado	pted	Y-T-D	% of Budget
EVENUES:	-		5
Operating Revenues			
	968,742	55,400	5.72%
Interest Earned	**	020	0.000
FAA Grants	10,000	929	9.29%
FAA Grants			
FAA Grants - Prior Y	rears	-	_
THE GIAMS THE	-	_	_
TXDOT Grants			
	30,000	-	0.00%
TAL REVENUES:			
	008,742	56,329	5.58%
(PENDITURES:			
<b>XPENDITURES:</b> Airport Operations Cost of Goods Sold	342,893	25,686	7.49%
Airport Operations  Cost of Goods Sold	732,572	25,686 37,317	7.49% 5.09%
Airport Operations	732,572		
Airport Operations  Cost of Goods Sold  Skylark Improvemen	732,572 ts		
Airport Operations  Cost of Goods Sold	732,572 ts		
Airport Operations  Cost of Goods Sold  Skylark Improvemen  Skylark Construction	732,572 tts -	37,317	5.09% - -
Airport Operations  Cost of Goods Sold  Skylark Improvemen  Skylark Construction	732,572 ts		
Airport Operations  Cost of Goods Sold  Skylark Improvemen	732,572 ts - - 13,103	37,317	5.09% - -
Airport Operations  Cost of Goods Sold  Skylark Improvemen  Skylark Construction  Non-Departmental	732,572 ts - - 13,103	37,317	5.09% - -

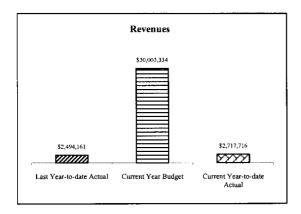
CITY OF KILLEEN SOLID WASTE FUND FINANCIAL REPORT October 31, 2008

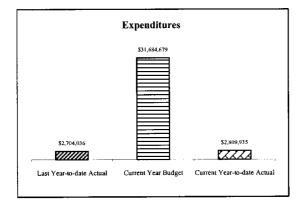




Adopted	Y-T-D	% of Budget
REVENUES:		Ũ
Transfer Station Fees		
320,000	24,961	7.80%
Dumpster Rentals		
110,000	7,397	6.72%
Miscellaneous Revenues		
40,100	5,626	14.03%
Recycling Revenues		
174,000	6,357	3.65%
Commercial Sanitation Fees		
5,450,000	400,258	7.34%
Residential Sanitation Fees		
6,550,000	519,973	7.94%
Interest Earned		
240,000	9,150	3.81%
TOTAL REVENUES:		
12,884,100	973,722	7.56%
EXPENDITURES:		
Residential Operations		
3,226,766	274,754	8.51%
Commercial Operations		0.4.507
1,655,914	151,461	9.15%
Recycling Program		m 110/
382,570	27,188	7.11%
Transfer Station		
4,831,819	116,585	2.41%
Mowing	62.470	C 2001
921,408	62,478	6.78%
Debt Service	/ a maa	0.0007
774,000	64,500	8.33%
Custodial Services		0.055
31,614	2,865	9.06%
Accounting		7.500/
63,594	4,772	7.50%
Solid Waste Miscellaneous		
389,981	33,519	8.60%
Transfer to General Fund		
1,993,144	166,095	8.33%
TOTAL EXPENDITURES:		

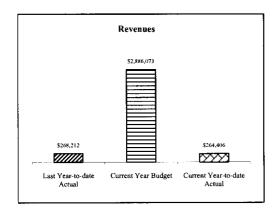
CITY OF KILLEEN WATER & SEWER FUND FINANCIAL REPORT October 31, 2008

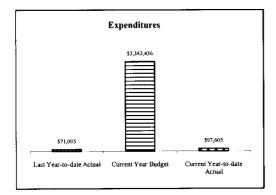




Adopted	Y-T-D	% of Budget	
REVENUES:			
Sale of Water			
14,036,939	1,354,288	9.65%	
Water & Sewer Taps			
1,142,622	56,555	4.95%	
Sewer Fees Collected	,		
12,592,773	1,143,771	9.08%	
Miscellaneous Revenues	,		
750,000	60,330	8.04%	
Delinquent Penalty	00,550	0.0.70	
560,000	46,250	8.26%	
Interest Earned	40,250	0.2070	
900,000	37,323	4.15%	
Miscellaneous Receipts	37,323	4.1370	
_	19,200	91.43%	
21,000 Tranfers-In	19,200	91.4370	
Tranters-in			
-	-	-	
moment provides			
TOTAL REVENUES:	2 51 5 51 5	0.0604	
30,003,334	2,717,717	9.06%	
EXPENDITURES:			
Fleet Services			
1,393,536	105,445	7.57%	
Utility Collections			
1,815,812	183,752	10.12%	
Water & Sewer Contracts			
11,772,595	1,405,858	11.94%	
Operations			
6,388,785	374,723	5.87%	
Debt Service			
5,008,029	417,377	8.33%	
Miscellaneous	,		
1,912,724	40,010	2.09%	
Transfer to General Fund	,	0,,0	
3,393,198	282,767	8.33%	
3,393,196	202,707	0.5570	
TOTAL EXPENDITURES:			
31,684,679	2,809,932	8.87%	
51,064,079	2,009,932	0.0770	
i e e e e e e e e e e e e e e e e e e e			

CITY OF KILLEEN DRAINAGE UTILITY FUND FINANCIAL REPORT October 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
EVENUES:			C
Residential Storm Water Fee			
	2,194,767	198,705	9.05%
Commercial Storm Water Fo	ees 511,306	41,867	8.19%
Interest Earned	311,500	41,007	0.1970
	180,000	14,895	8.28%
Sale of Bonds			
POPO Count Danson	-	-	-
CEQ Grant Revenue	_	8,939	_
AL REVENUES:		0,,00	
	2,886,073	264,406	9.16%
PENDITURES: Engineering Division Street Division	336,464 300,000	19,975 3,638	5.94% 1.21%
rainage Maintenance			
mainogo Dugieste - Misses	1,419,116	72,753	5.13%
Orainage Projects - Minor	700,000	-	0.00%
Drainage Projects - Major	6,249,836	-	0.00%
Debt Service	584,958	-	0.00%
Non-Departmental	25,203	1,239	4.92%
Transfer to General Fund		,	
	17,695	-	0.00%

#### CITY OF KILLEEN ECONOMIC INDICATORS REPORT SUMMARY OCTOBER 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 October 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 October 2008 was 6.0 as compared to 4.7 during October 2007.

#### SALES TAX REVENUE

Sales Tax Collections for the month were \$1,371,951, a decrease under last October's collections of \$1,429,671.

#### **AVIATION ENPLANEMENTS & DEPLANEMENTS**

Enplanements for the month total 15,046 a decrease of 8.5% as compared to 16,441 during October 2007.

Deplanements for the month total 15,736, a decrease of 7.1% as compared to 16,939 during October 2007.

#### **BUILDING PERMITS**

Total dollar value of permits issued for the month was \$12,032,289, a 44.3% decrease under October 2007 dollar value of \$21,611,797. For the month 44 single-family, 5 duplex and no multi-family home permits were issued.

#### UTILITY CUSTOMERS

For the month, the City had 38,291 active utility customers, an increase of 2.9% over the 37,220 active utility customers in October 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

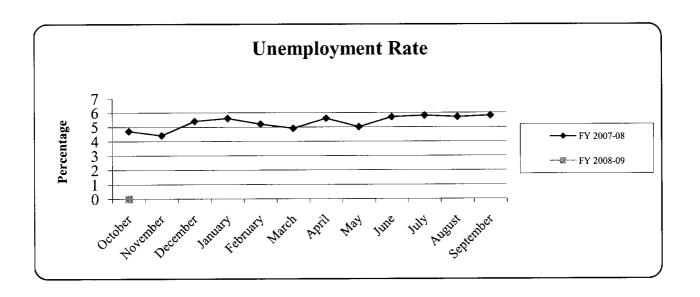
Tap Fees total \$56,555 for the month, down 46.9% as compared to last year's fees of \$106,477.

#### HOTEL OCCUPANCY TAX REVENUE

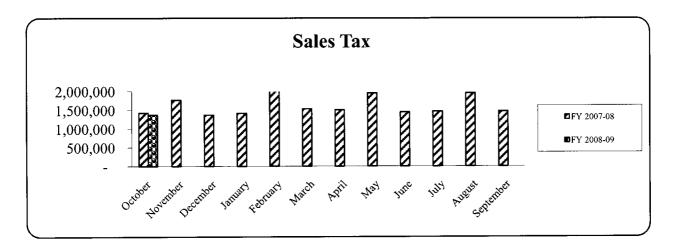
Hotel Occupancy Tax Revenue for the month was \$116,326, up 10.2% over last October's revenue of \$105,535.

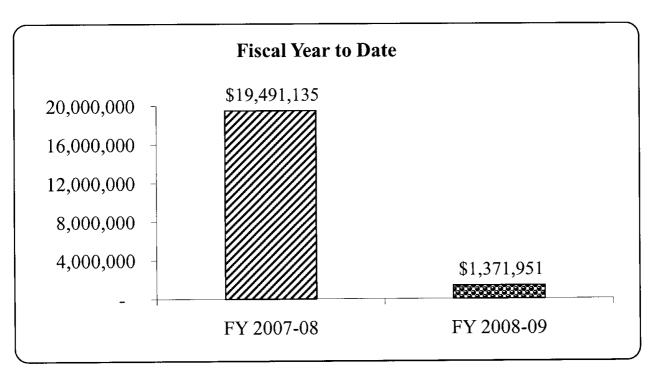
## City of Killeen Economic Indicators Report

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	Х		
Totals	2	0	5



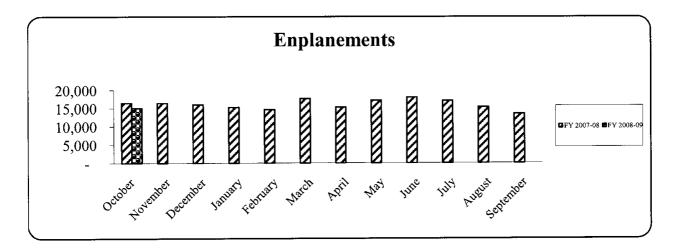
## **Sales Tax Revenues**

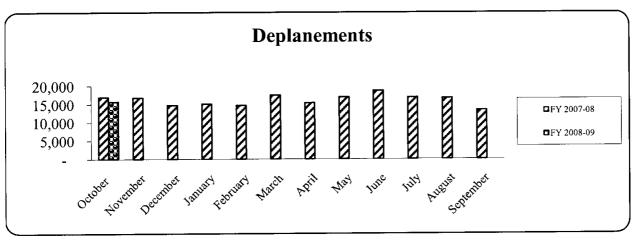


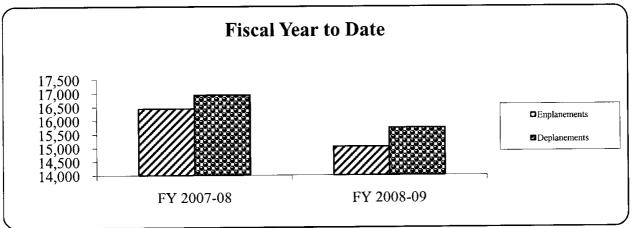


Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue			X

## **Killeen Municipal Airport Total Passenger Count**

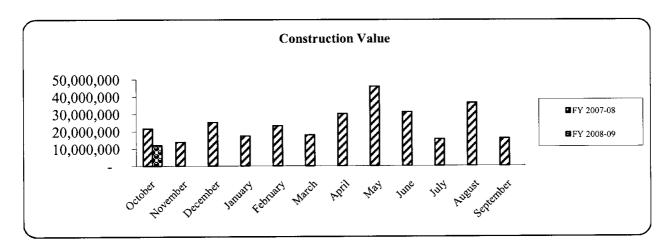






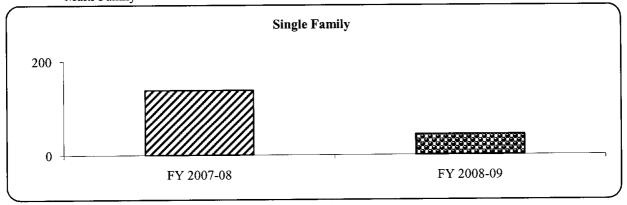
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements			Х

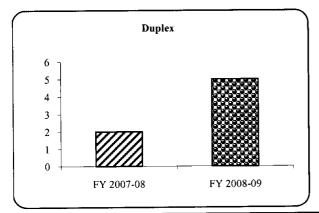
## **Building Permits**

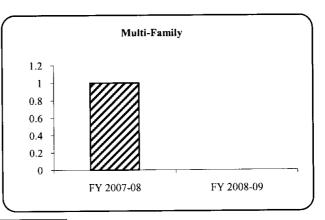


## Number of Permits Issued

	FY 2007-08	FY 2008-09
Single Family	139	44
Duplex	2	5
Multi-Family	1	0

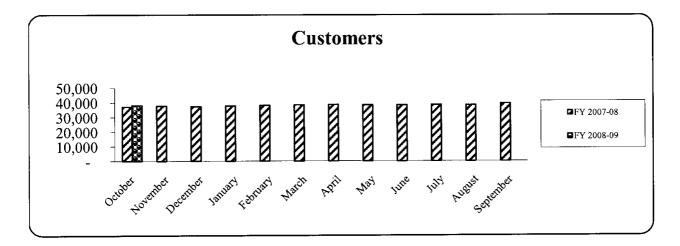


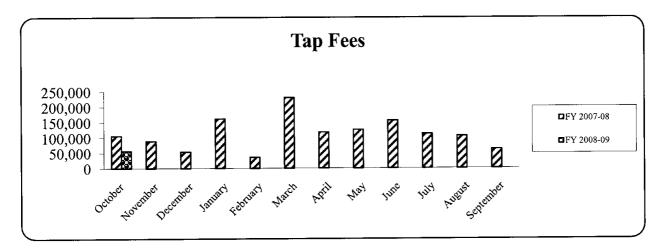


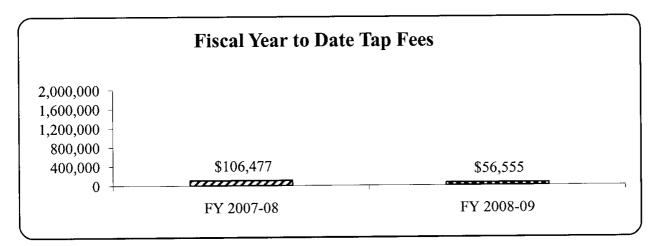


Economic Indicator	Positive	Neutral	Negative
Building Permits			X

## **Utility Indicators**

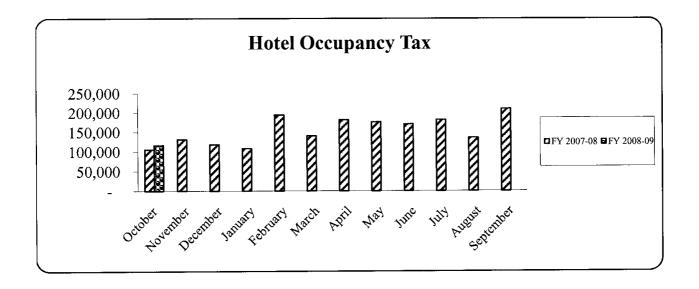


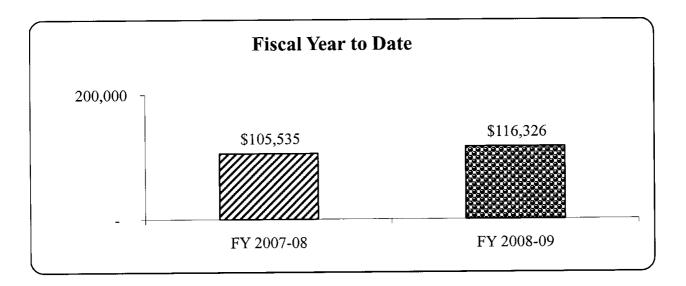




Economic Indicator	Positive	Neutral	Negative
Utility Customers	X		
Water & Sewer Tap Fees			X

## **Hotel Occupancy Tax Revenues**





Economic Indicator	Positive	Neutral	Negative
Hotel Occupancy Tax Revenues	X		

City of Killeen Data Summaries

7.11 1.2													
FY 2007-09	October 4.7 6.0	November 4.4	December 5.4	January 5.6	February 5.2	March 4.9	April 5.6	May 5.0	June 5.7	July 5.8	August 5.7	September 5.8	
Sales Tax Receints													
FY 2007-08 FY 2008-09	October 1,429,671 1,371,951	November 1,769,638	December 1,372,391	January 1,419,480	February 2,158,773	March 1,535,437	April 1,507,146	May 1,953,800	June 1,449,612	July 1,470,897	August 1,954,255	September 1,470,035	YTD Total 1,429,671 1,371,951
Aviation-Total Passenger Count	r Count												
FY 2007-08 FY 2008-09	October 16,441 15,046	November 16,429	December 16,030	January 15,265	February 14,672	March 17,663	April 15,283	May 17,159	June 17,983	July 17,008	August 15,319	September 13,479	YTD Total 16,441 15,046
Deplanements													
FY 2007-08 FY 2008-09	October 16,939 15,736	November 16,827	December 14,787	January 15,089	February 14,718	March 17,461	April 15,398	May 16,929	June 18,692	July 16,893	August 16,724	September 13,423	YTD Total 16,939 15,736
Building Permits Construction Value								:	,	,			
FY 2007-08 FY 2008-09	October 21,611,797 12,032,289	November 13,853,474	December 25,263,344	January 17,443,824	February 23,285,832	March 18,004,983	April 30,152,383	May 45,945,732	June 31,243,481	July 15,607,632	August 36,506,517	September 15,976,527	YTD Total 21,611,797 12,032,289
Number of Permits Issued Single Family	Ę.												
FY 2007-08 FY 2008-09	October 139 44	November 73	December 166	January 96	February 68	March 98	April 143	May 170	June 103	ylul 79	August 129	September 87	YTD Total 139 44
Duplex FY 2007-08 FY 2008-09	October 2 5	November 13	December 26	January 2	February 4	March 10	April 6	May 6	June 11	July 12	August -	September 1	YTD Total 2 5
Multi-family								;		;			4
FY 2007-08 FY 2008-09	October 1	November	December .	January 4	rebruary 28	March	Aprii -	May -	June 5	l I	August -	September	Y I D 10tal
Utility Customers													
FY 2007-08 FY 2008-09	October 37,220 38,291	November 37,765	December 37,531	January 37,953	February 38,262	March 38,576	April 38,797	May 38,571	June 38,440	July 38,736	August 38,503	September 39,551	
Water & Sewer Tap Fees	S												
FY 2007-08 FY 2008-09	October 106,477 56,555	November 89,216	December 54,008	January 161,802	February 36,400	March 230,625	April 118,188	May 126,102	June 156,152	July 112,766	August 105,742	September 62,777	YTD Total 106,477 56,555
Hotel Occupancy Tax Revenues	SettleAre												
FY 2007-08 FY 2008-09	October 105,535	November 131,084	December 118,094	January 108,143	February 194,296	March 140,054	April 181,674	May 175,686	June 170,541	July 181,489	August 135,830	September 209,934	YTD Total 105,535
F I 2008-02	110,270												110,020

