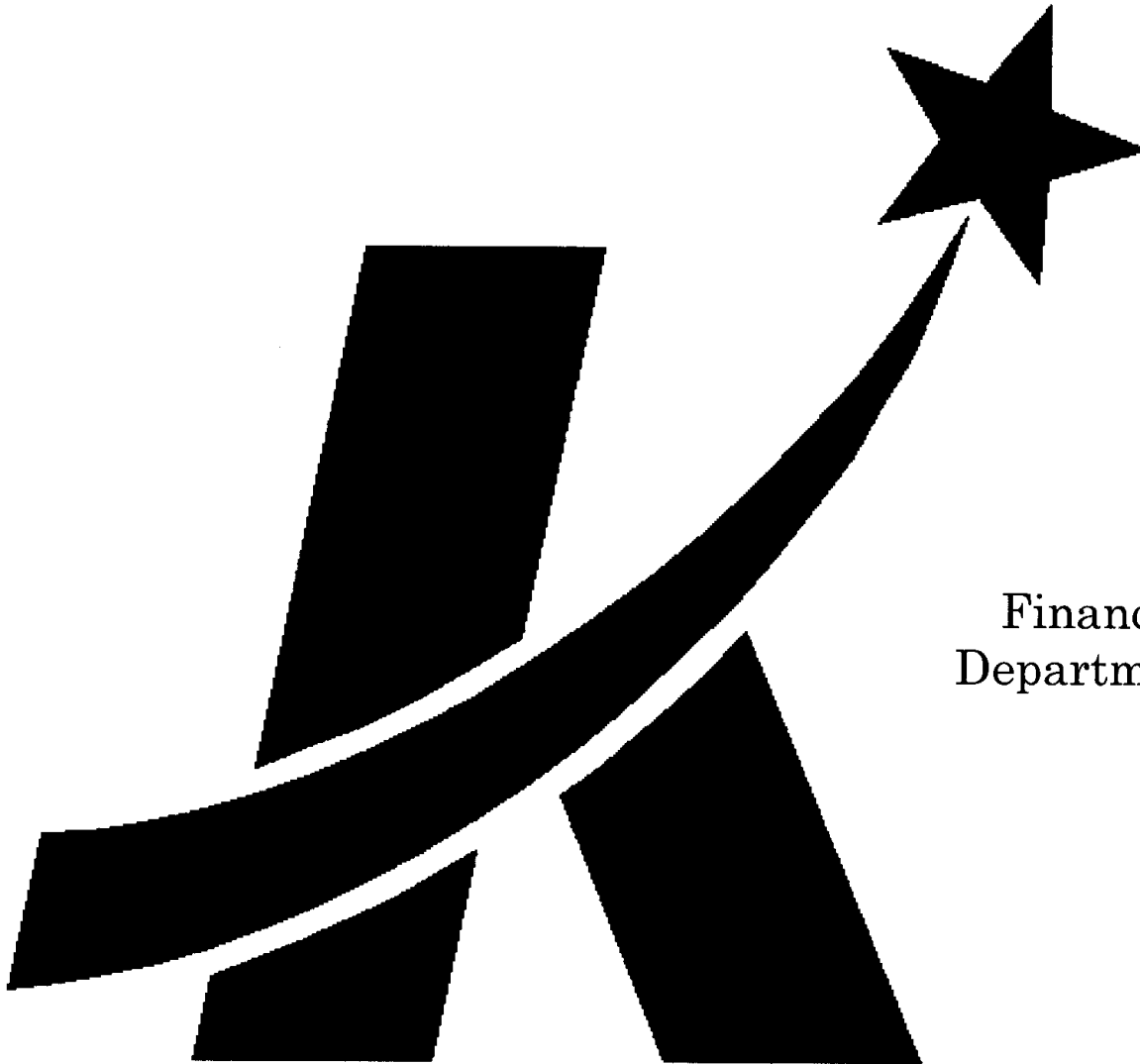


City of Killeen
Financial Report
October 2008
Executive Summary



Finance
Department

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.

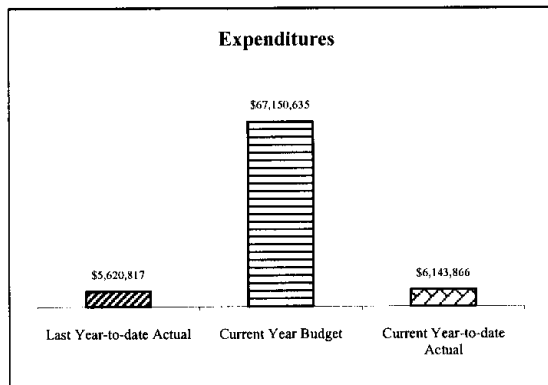
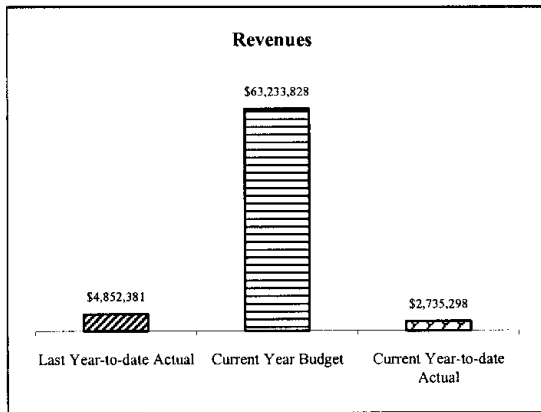
WATER AND SEWER FUND

- 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

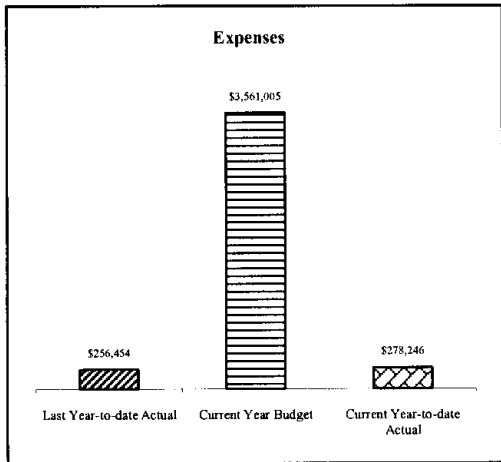
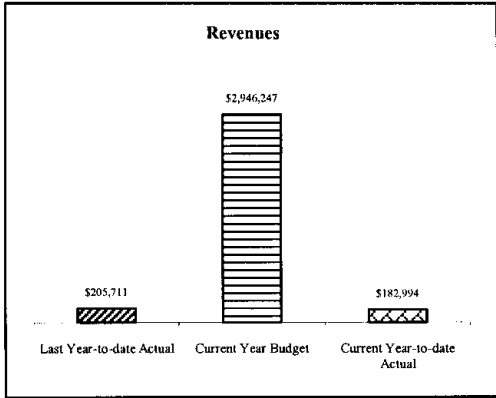
- Drainage Utility operating revenues total \$264,406 for the month, down 1.4% from last October's revenues of \$268,212.
- Residential fees were \$198,705, up 4.7%, and Commercial fees were \$41,867, up 1.5% for the month as compared to last year.
- Operating expenses for the month were \$97,605, up 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:			
Property Taxes	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	2,099,319	203,165	9.68%
Recreation Revenues	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%
TOTAL REVENUES:	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%
Public Safety	37,511,587	3,506,210	9.35%
Transfers Out	56,499	-	0.00%
TOTAL EXPENDITURES:	67,150,635	6,143,869	9.15%

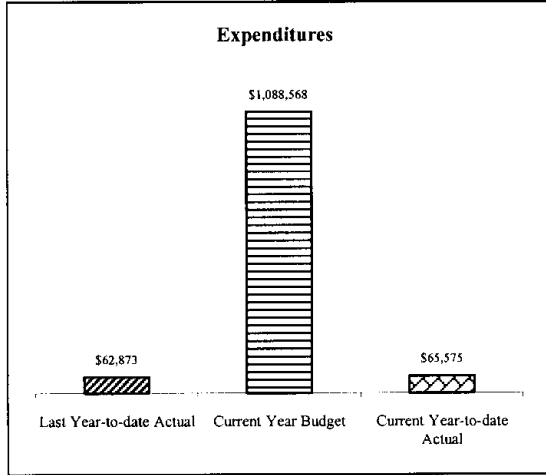
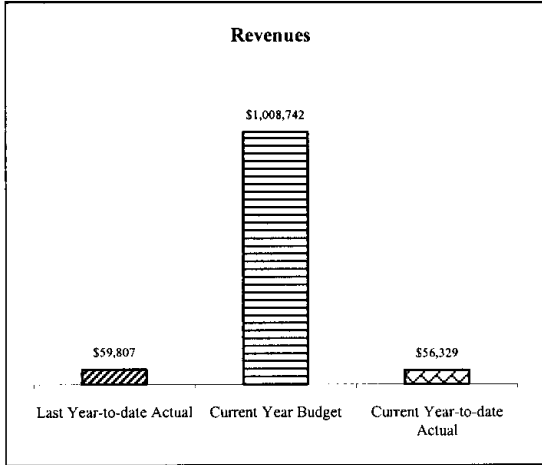
CITY OF KILLEEN
 KILLEEN-FORT HOOD REGIONAL AIRPORT FUND
 FINANCIAL REPORT
 October 31, 2008



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

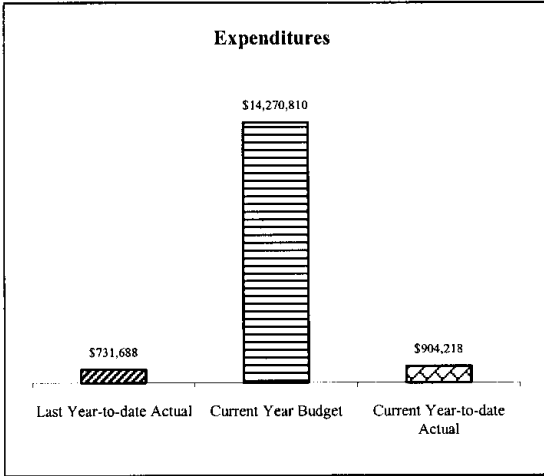
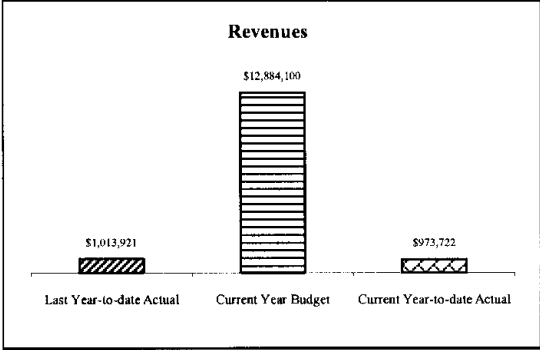
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	2,892,247	182,559	6.31%
Interest Earned	54,000	435	0.81%
FAA Grants	1,794,741	-	0.00%
FAA Grants Prior Years	331,910	-	0.00%
TXDOT Grant	-	-	-
TXDOT Grant Match	-	-	-
Transfer from Bond Fund	-	-	-
TOTAL REVENUES:	5,072,898	182,994	3.61%
EXPENSES:			
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



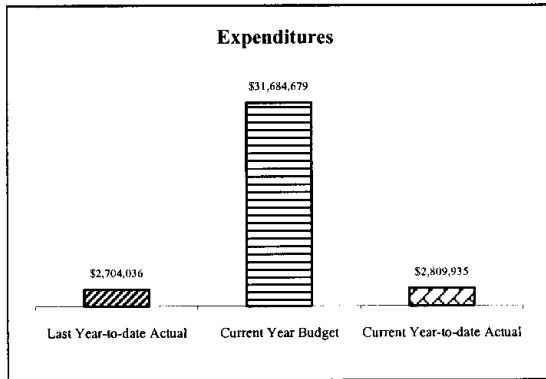
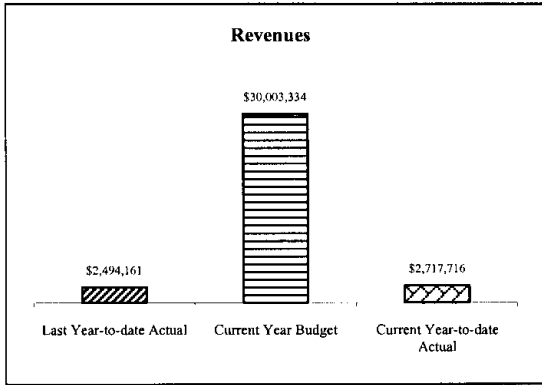
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	968,742	55,400	5.72%
Interest Earned	10,000	929	9.29%
FAA Grants	-	-	-
FAA Grants - Prior Years	-	-	-
TXDOT Grants	30,000	-	0.00%
TOTAL REVENUES:	1,008,742	56,329	5.58%
EXPENDITURES:			
Airport Operations	342,893	25,686	7.49%
Cost of Goods Sold	732,572	37,317	5.09%
Skylark Improvements	-	-	-
Skylark Construction	-	-	-
Non-Departmental	13,103	2,572	19.63%
TOTAL EXPENDITURES:	1,088,568	65,575	6.02%

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



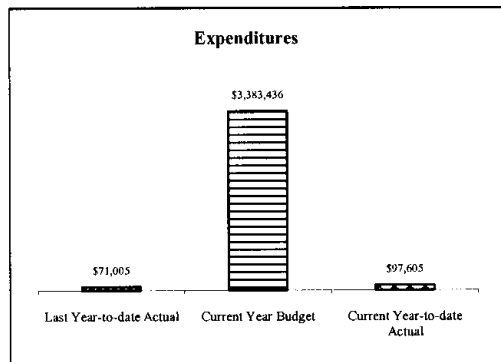
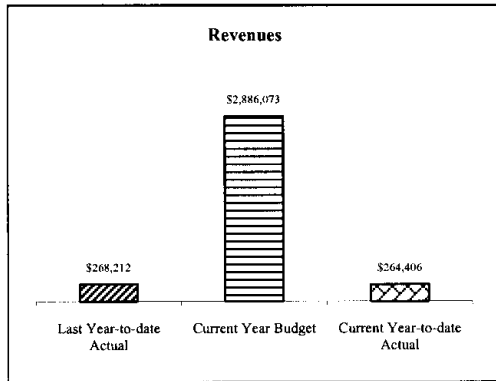
	Adopted	Y-T-D	% of Budget
REVENUES:			
Transfer Station Fees	320,000	24,961	7.80%
Dumpster Rentals	110,000	7,397	6.72%
Miscellaneous Revenues	40,100	5,626	14.03%
Recycling Revenues	174,000	6,357	3.65%
Commercial Sanitation Fees	5,450,000	400,258	7.34%
Residential Sanitation Fees	6,550,000	519,973	7.94%
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	1,655,914	151,461	9.15%
Recycling Program	382,570	27,188	7.11%
Transfer Station	4,831,819	116,585	2.41%
Mowing	921,408	62,478	6.78%
Debt Service	774,000	64,500	8.33%
Custodial Services	31,614	2,865	9.06%
Accounting	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:	14,270,810	904,217	6.34%

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	560,000	46,250	8.26%
Interest Earned	900,000	37,323	4.15%
Miscellaneous Receipts	21,000	19,200	91.43%
Transfers-In	-	-	-
TOTAL REVENUES:	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	3,393,198	282,767	8.33%
TOTAL EXPENDITURES:	31,684,679	2,809,932	8.87%

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
REVENUES:			
Residential Storm Water Fees	2,194,767	198,705	9.05%
Commercial Storm Water Fees	511,306	41,867	8.19%
Interest Earned	180,000	14,895	8.28%
Sale of Bonds	-	-	-
TCEQ Grant Revenue	-	8,939	-
TOTAL REVENUES:	2,886,073	264,406	9.16%
EXPENDITURES:			
Engineering Division	336,464	19,975	5.94%
Street Division	300,000	3,638	1.21%
Drainage Maintenance	1,419,116	72,753	5.13%
Drainage 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%
TOTAL EXPENDITURES:	9,633,272	97,605	1.01%

**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.

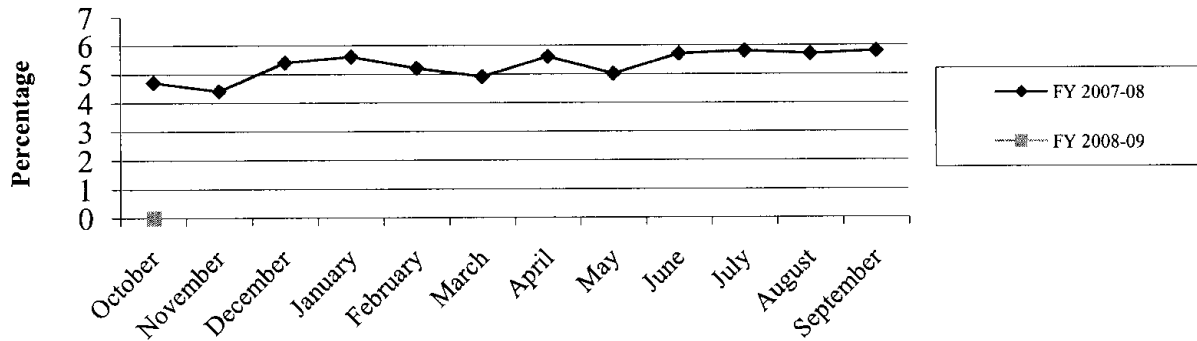
HOTEL OCCUPANCY TAX REVENUE

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

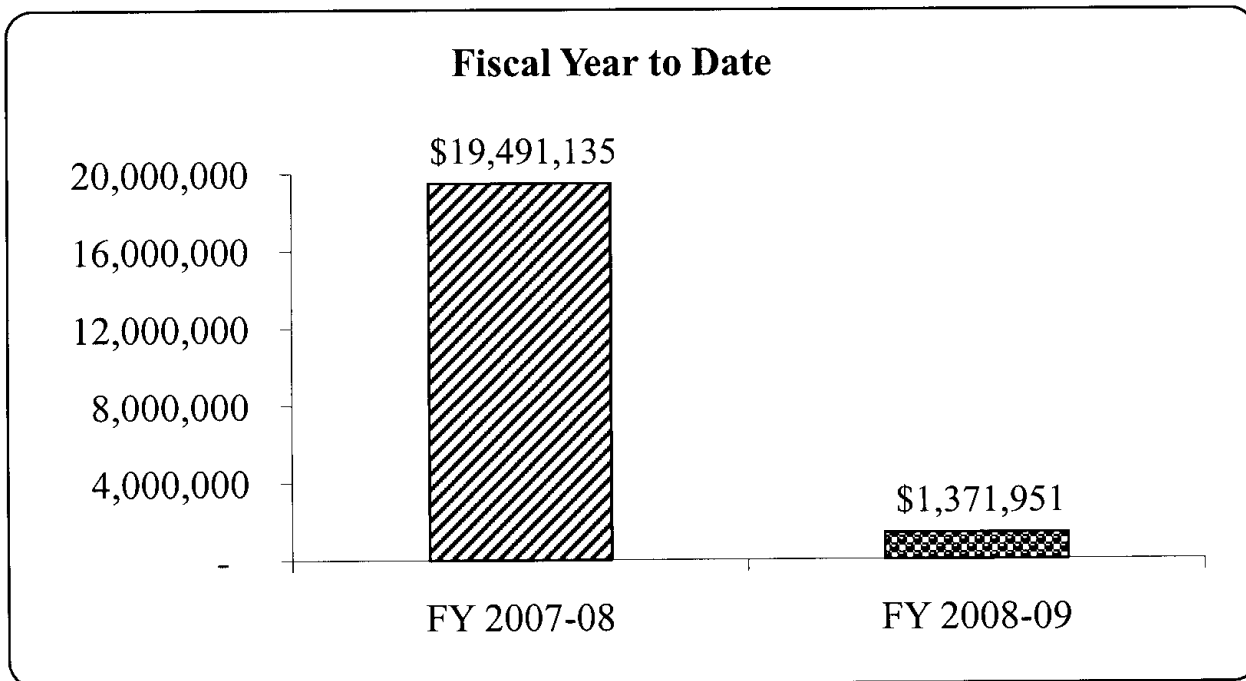
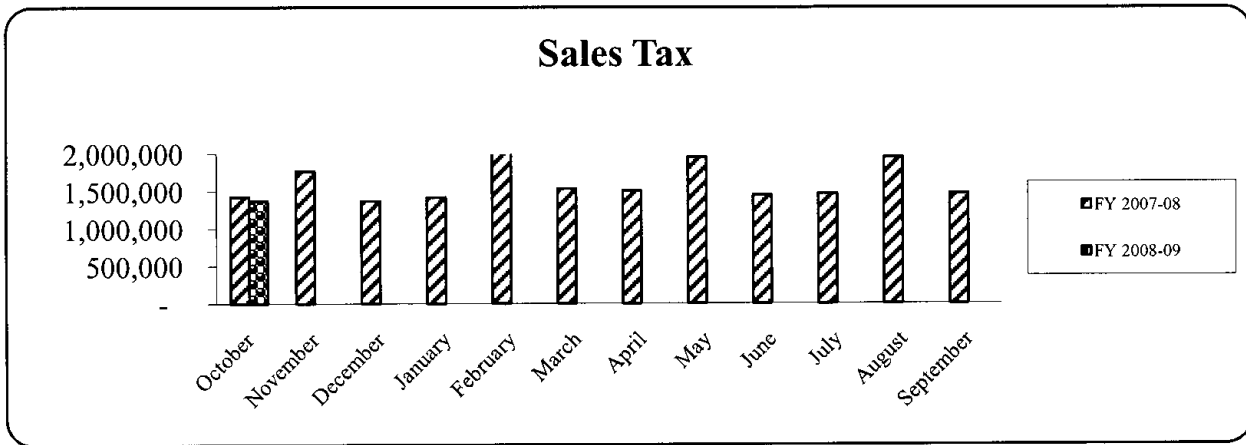
City of Killeen Economic Indicators Report

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	X		
Totals	2	0	5

Unemployment Rate

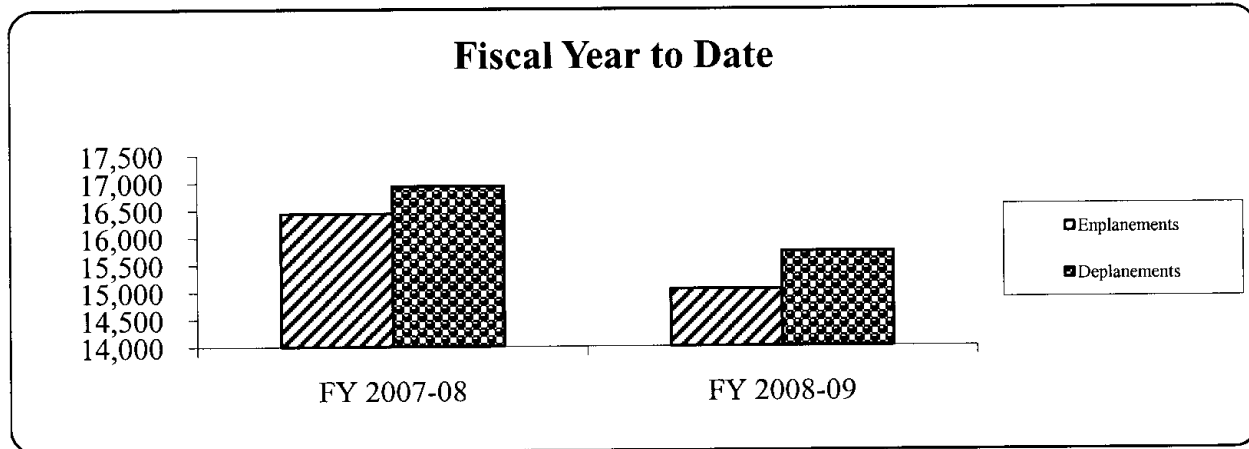
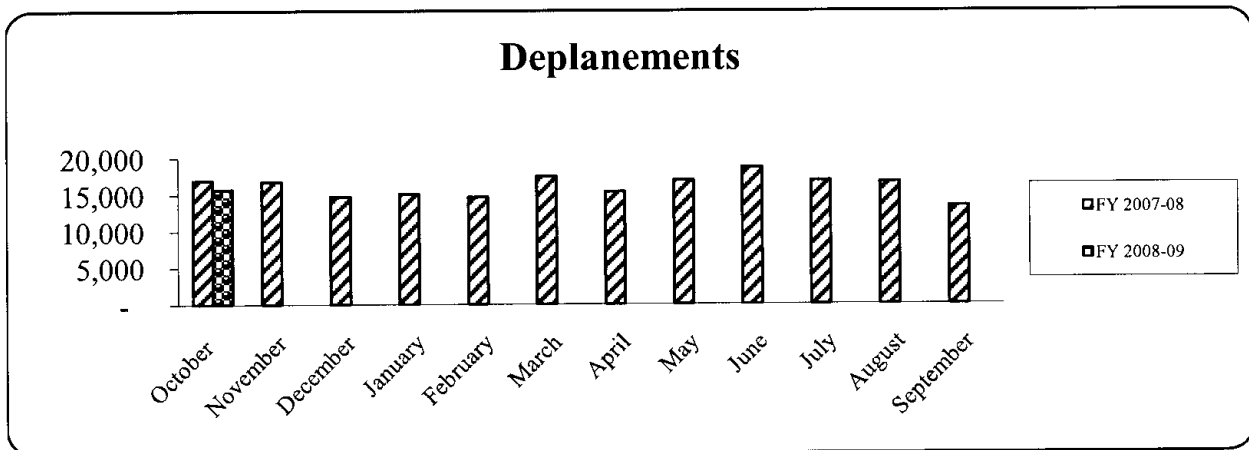
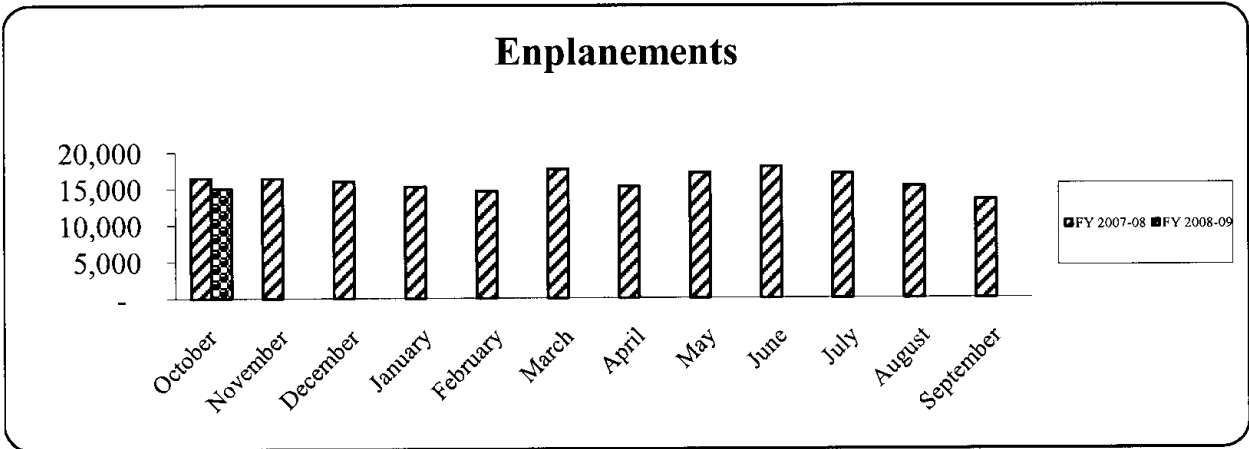


Sales Tax Revenues



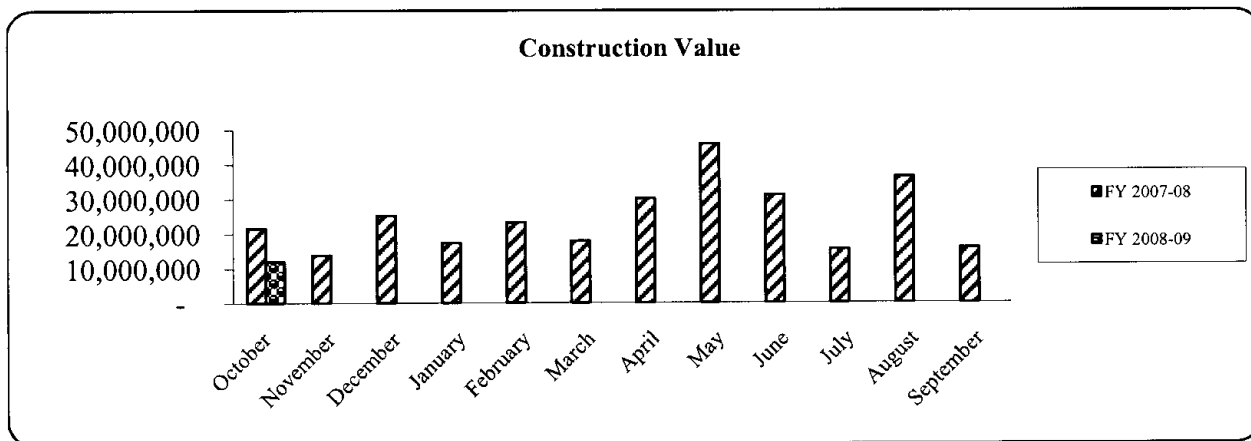
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue			X

Killeen Municipal Airport Total Passenger Count



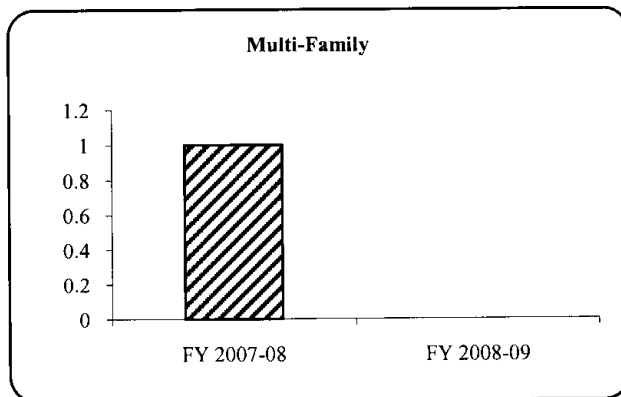
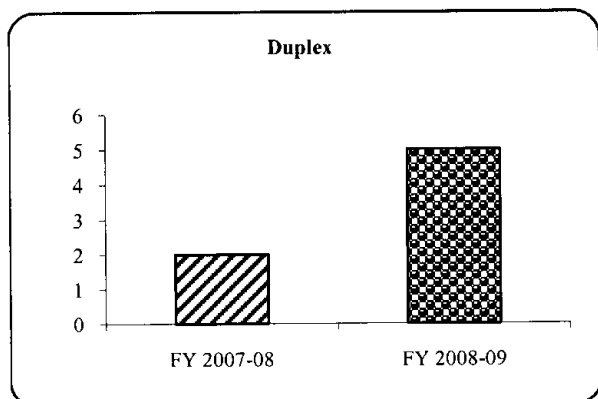
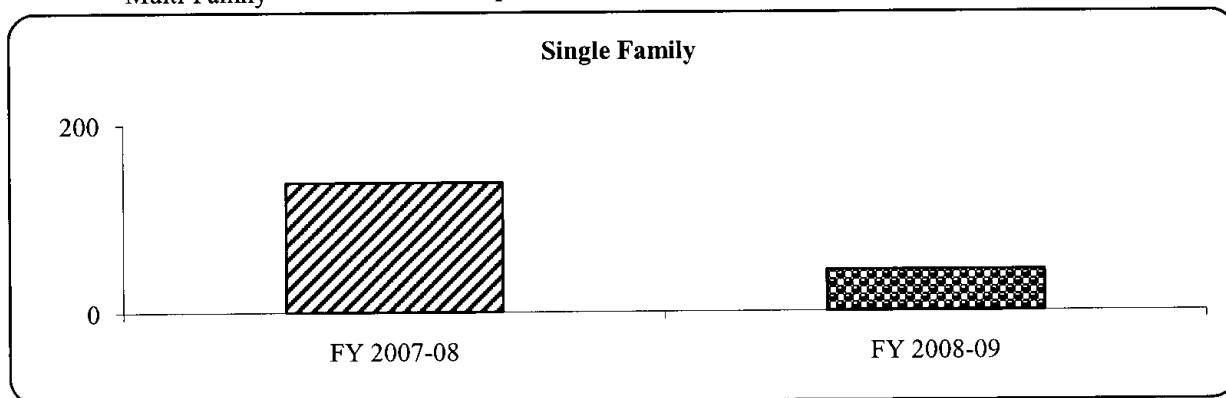
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements			x

Building Permits



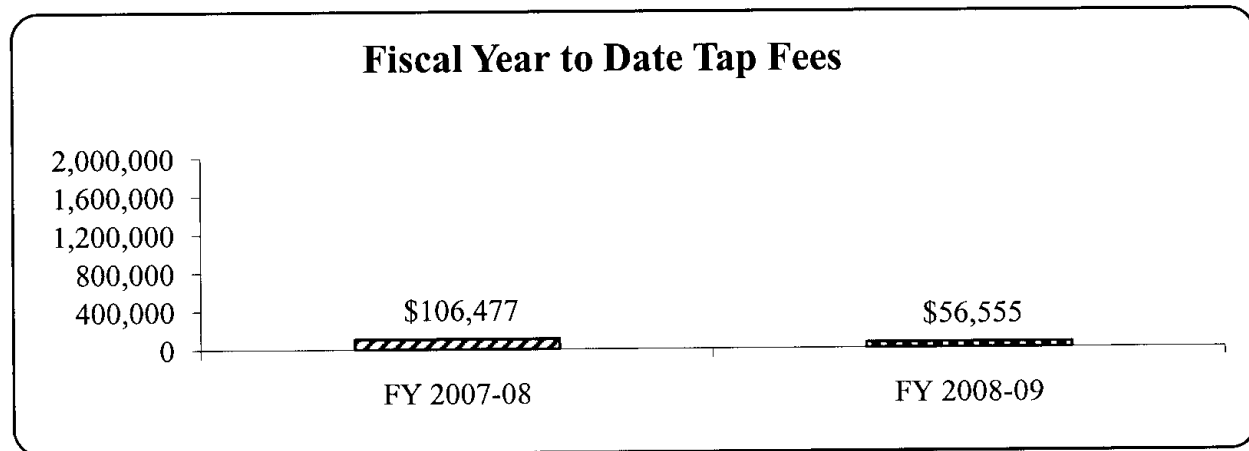
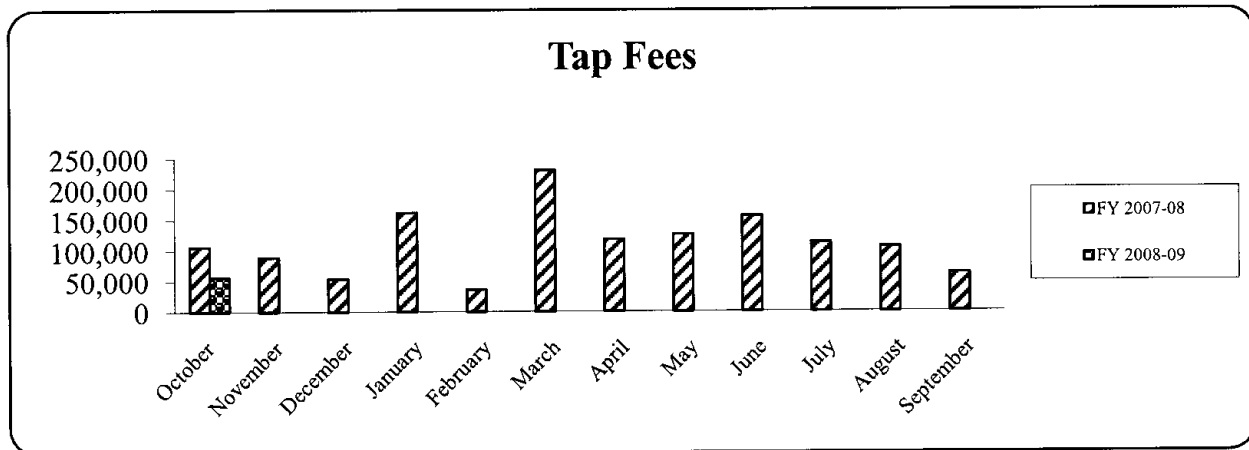
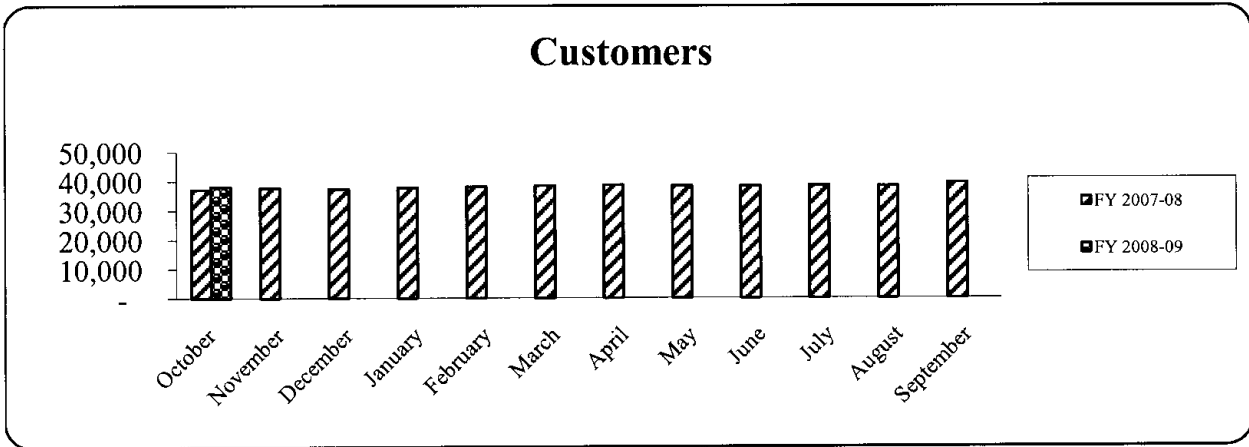
Number of Permits Issued

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



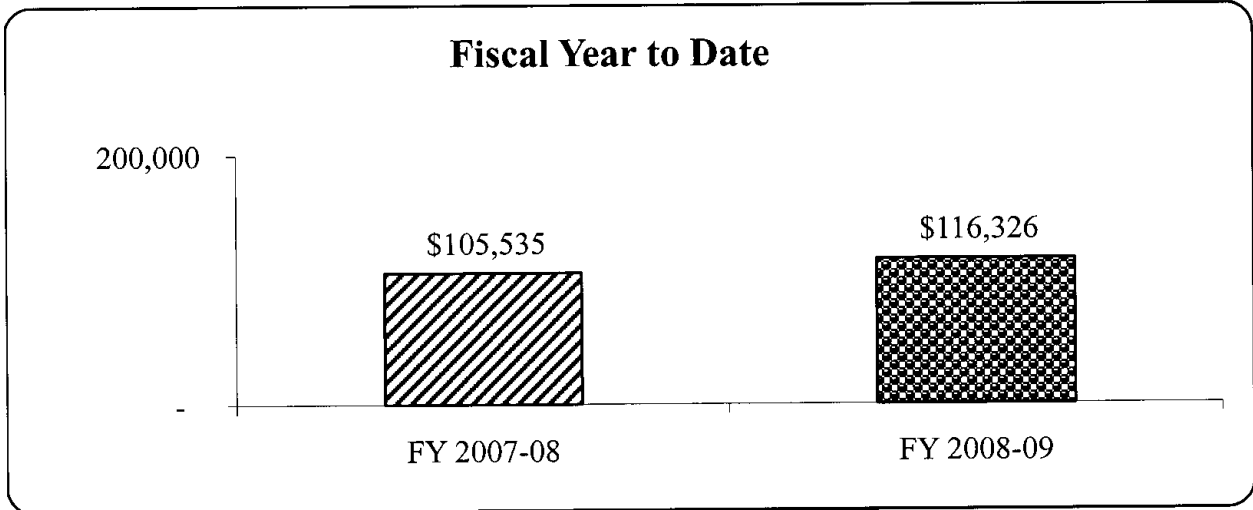
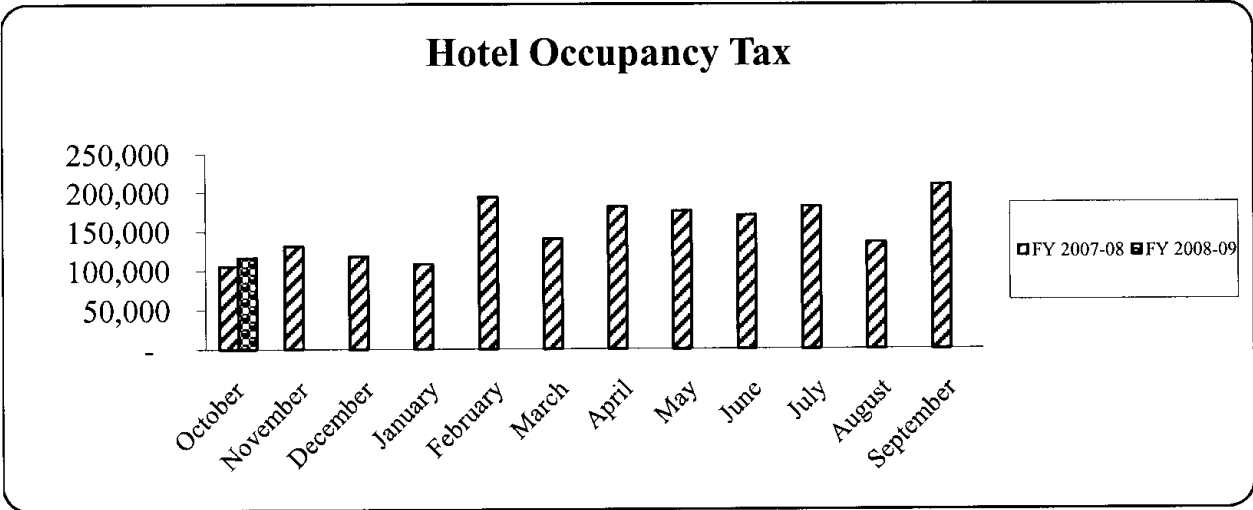
Economic Indicator	Positive	Neutral	Negative
Building Permits			x

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		

