

City of Killeen  
Financial Report  
September 2011  
Executive Summary



Finance  
Department

Prepared by:  
Barbara Gonzales  
Director of Finance

Prepared 11/18/11

**FINANCE DIRECTOR'S REPORT  
SEPTEMBER 2011**

November 14, 2011

Mayor and City Council Members:

We are pleased to submit the City Council Financial Report and Executive Summary for the fiscal year ended September 2011. September and October were busy periods for Finance Staff. The FY 2011-12 budget was finalized and adopted by the City Council on September 13<sup>th</sup>. Finance staff is preparing the *Fiscal Year 2011-12 Annual Budget and Plan of Municipal Services* that will be published and distributed upon completion. Finance staff is working closely with the internal auditor and preparing for the annual audit for FY 2010-11.

At fiscal year end, revenues in most major funds exceeded last year's results and are higher than the original staff projections in many areas. In the General Fund, sales tax revenue fell below the prior year by \$173,190 and property tax revenue was up by \$908,101. All other operating revenues including Water & Sewer, Solid Waste, and Drainage Utility Funds remain stable. Total operating expenses in all major funds ended the year on target with staff projections with no funds exceeding their annual budget appropriations.

For the month of September 2011, all seven economic indicators are negative. These indicators are discussed in detail in the attached Economic Indicators Summary Report.

Respectfully submitted,



Barbara A. Gonzales  
Director of Finance

**CITY OF KILLEEN  
FINANCIAL REPORT- SEPTEMBER 2011  
EXECUTIVE SUMMARY  
MAJOR OPERATING FUNDS**

**GENERAL FUND**

- Revenues total \$3,618,384 for the month, up from last year's revenues of \$2,693,797 by 34.3%. Year-to-date general fund revenues of \$65,284,949 are up 5.4% over last year's total of \$61,928,321. Year-to-date revenues are at 98% of the budget for the fiscal year.
- Sales Tax Collections for the month were \$1,338,321, a decrease of 3.6% from last September collections of \$1,388,299. Year-to-date sales tax collections of \$19,087,360 are below last year's total of \$19,305,987 by 1.1%.
- Property Tax Collections during the month were \$95,164, up from last year's collections of \$54,440. Year-to-date property tax receipts of \$22,881,513 exceed last year's total of \$21,973,412 by 4.1%. Year-to-date collections are at 99% of the budget for the fiscal year.
- Franchise Fees collected during September were \$764,316 compared to \$221 last September. Year-to-date franchise revenues of \$6,030,760 are above last year's total of \$5,209,695 by 15.8%. Year-to-date collections are at 114% of the budget for the fiscal year.
- Permits & Inspections fees collected during September totaled \$72,391, down 0.6% below last year's revenue of \$72,829. Year-to-date revenues of \$1,106,561 are 7.2% below last year's total of \$1,191,730. Year-to-date collections are at 93% of the budget for the fiscal year.
- Court fines and fees were \$218,880 during September, down 11.1% from the prior year collections of \$246,089. Year-to-date revenues total \$2,548,161, 9.2% above last year's total of \$2,332,851. Year-to-date collections are at 103% of the budget for the fiscal year.
- Interest Earned during September totaled \$8,422, a decrease of 6.7% from last September's interest earnings of \$9,031. Year-to-date interest earnings total \$80,292, 28.7% below last year's total of \$112,537. Year-to-date earnings are at 90% of the budget for the fiscal year.
- Total expenditures for September are \$5,976,966, compared to \$7,970,341 last year. Year-to-date expenditures of \$67,533,171 are up 10.0% when compared to last year's expenditures of \$61,394,223.
- The ending fund balance for the month was \$19.9 million, down 10.1% from last year.

**KILLEEN – FORT HOOD REGIONAL AIRPORT FUND (KFHRA)**

- KFHRA operating revenues (non-grants) for September was \$299,127 down 6.6% from \$320,178 last year. Year-to-date revenues total \$3,122,700, down 2.5% from \$3,202,007 in the prior year.
- Other revenues in September include FAA grant funds of \$24,564. The year-to-date total is \$2,184,494 compared to \$1,415,372 last year. Other Federal grant funds received in the prior year included \$2,514,669 from the American Recovery and Reinvestment Act (ARRA) for runway rehabilitation.
- KFHRA operating expenses (non-construction) of \$351,588 are down 10.1% for the month as compared to \$391,213 last year. Year-to-date expenses of \$3,119,080 are up 2.0% from last year's total of \$3,059,153.
- KFHRA construction project budgets total \$7,637,814 with \$2,301,039 expended year-to-date.
- The ending fund balance for the month was \$2,089,776 down 3.6% from last year.

**SKYLARK AIRFIELD FUND**

- Skylark operating revenues (non-grants) for the month were \$123,168, up 99.9% from \$61,610 last year. Year-to-date revenues of \$663,235 are up 20.7% from last year's total of \$549,460.
- Skylark operating expenses (non-improvements/construction) were \$105,300 for the month, up 96.9% from last year's total of \$53,467. Year-to-date expenses of \$722,409 are up 29.9% from last year's total of \$556,245. This variance is primarily attributable to an increase in fuel (cost of goods sold) costs.
- The ending fund balance for the month was \$446,627, down 9.6% from last year.

### **SOLID WASTE FUND**

- Solid Waste operating revenues were \$1,246,508 for the month, up 3.7% when compared to last Septembers' revenues of \$1,201,592. Year-to-date revenues of \$15,125,155 are up 11.1% compared to last year's total of \$13,618,916. The increase represents the implementation of the rate increase in the solid waste fees approved during the budget process.
- Expenses totaled \$1,632,521 for the month, down 4.2% as compared to \$1,703,926 last year. Year-to-date expenses are \$14,575,150, up 12.1% from last year's total of \$12,996,765.
- The ending fund balance for the month was \$3.1 million, up 21.5% from last year.

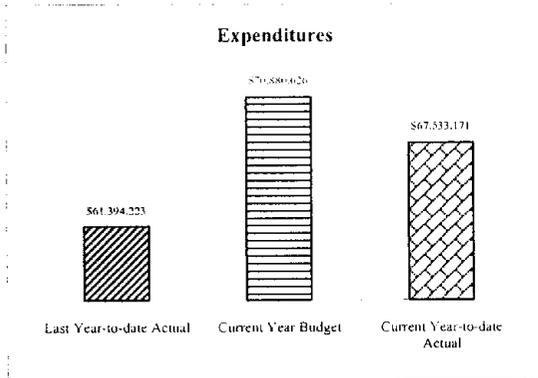
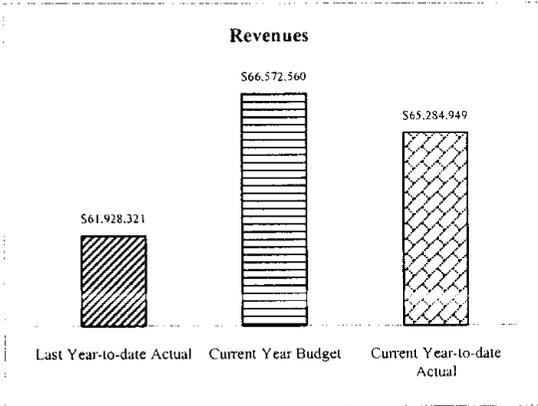
### **WATER AND SEWER FUND**

- Water and Sewer operating revenues total \$3,921,013, up 9.3% from last year's revenues of \$3,586,133. Year-to-date revenues total \$35,923,156, above last year's revenues of \$30,230,749 by 18.8%. The increase in the year-to-date revenue accounts is most likely due to the decrease in the amount of rain received this fiscal year as opposed to last year along with the implementation of the rate increase in the water and sewer fees approved during the budget process.
- Tap Fees total \$37,450 for the month, down 47.3% as compared to last year's fees of \$71,050. Year-to-date fees of \$903,260 are below last year's total of \$927,550 by 2.6%.
- Expenses total \$3,231,027 for the month, down 1.8% as compared to \$3,290,508 last year. Year-to-date expenses are \$34,017,586, up 12.4% from last year's total of \$30,260,039. This variance is largely attributable to increases in debt service requirements along with franchise fee and indirect cost transfer increases.
- The ending fund balance for the month was \$22.8 million, up 9.1% from last year.

### **DRAINAGE UTILITY FUND**

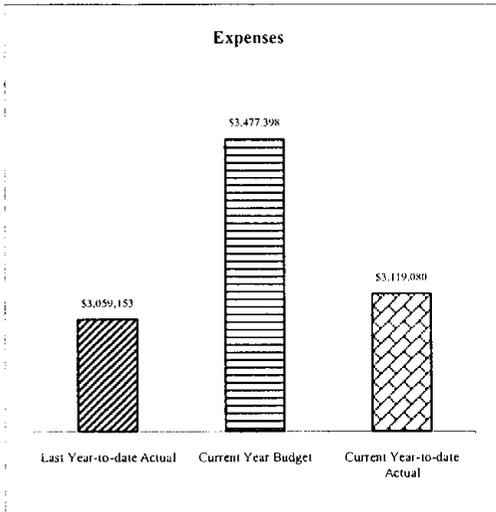
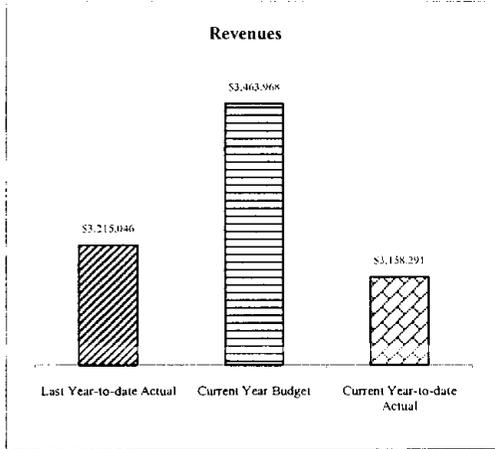
- Drainage Utility operating revenues total \$307,455 for the month, up 19.7% from last Septembers' revenues of \$256,886. Year-to-date revenues of \$3,639,001 are above last year's revenues of \$3,070,572 by 18.5%. The increase represents the implementation of the rate increase in the drainage utility fees approved during the budget process.
- Residential fees were \$255,319, up 19.6%, and Commercial fees were \$49,750, up 18.9% for the month. For the year, Residential fees are up 20.2% and Commercial fees are up 18.3%.
- Operating expenses for the month were \$361,666, down 35.3% from \$559,171 last year. Year-to-date expenses are \$2,944,230, up 18.4% from last year's total of \$2,486,879.
- Major drainage capital improvement project budget is \$5,955,633 with \$185,117 expended in September and \$516,400 expended year-to-date. These projects are funded with the proceeds from the \$8 million Certificate of Obligation issued in June 2006.
- The ending fund balance for the month was \$8.4 million, up 4.4% from last year.

CITY OF KILLEEN  
 GENERAL FUND  
 FINANCIAL REPORT  
 September 30, 2011



	Adopted	Y-T-D	% of Budget
<b>REVENUES:</b>			
Property Taxes	23,193,281	22,881,513	98.66%
Sales & Occupancy Tax	20,211,562	19,087,360	94.44%
Franchise Tax	5,282,284	6,030,760	114.17%
Miscellaneous Revenues	3,667,839	3,721,797	101.47%
Permits & Inspections	1,187,500	1,106,561	93.18%
Court Fines & Fees	2,478,881	2,548,161	102.79%
Recreation Revenues	1,269,686	1,150,695	90.63%
Golf Course	1,275,780	1,303,722	102.19%
Interest Earned	89,000	80,292	90.22%
Intergovernmental Revenue	916,065	373,407	40.76%
Transfers In	7,000,682	7,000,681	100.00%
<b>TOTAL REVENUES:</b>	<b>66,572,560</b>	<b>65,284,949</b>	<b>98.07%</b>
<b>EXPENDITURES:</b>			
Administration	13,641,332	12,647,971	92.72%
Community Services	11,453,086	10,368,663	90.53%
Public Works	4,949,883	4,113,844	83.11%
Public Safety	40,758,617	40,373,226	99.05%
Transfers Out	77,708	29,468	37.92%
<b>TOTAL EXPENDITURES:</b>	<b>70,880,626</b>	<b>67,533,172</b>	<b>95.28%</b>

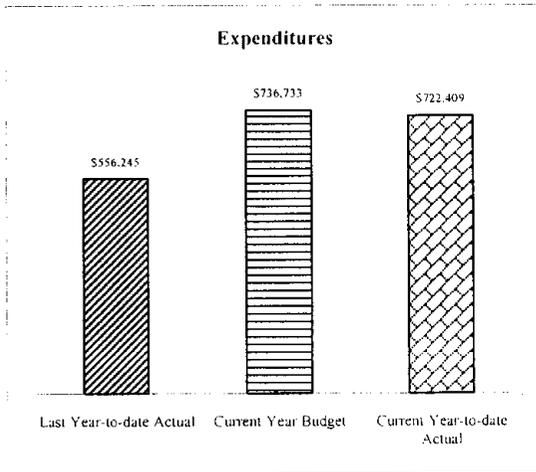
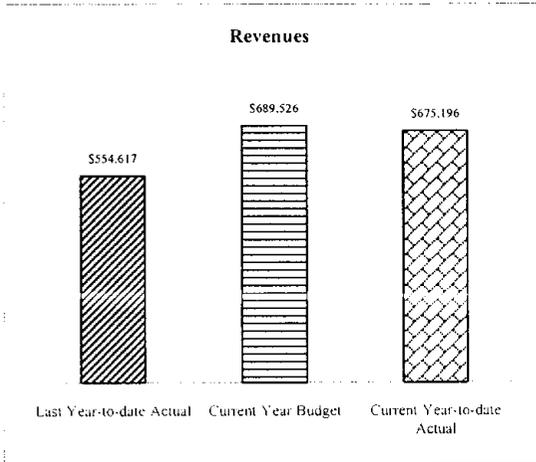
CITY OF KILLEEN  
 KILLEEN-FORT HOOD REGIONAL AIRPORT FUND  
 FINANCIAL REPORT  
 September 30, 2011



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

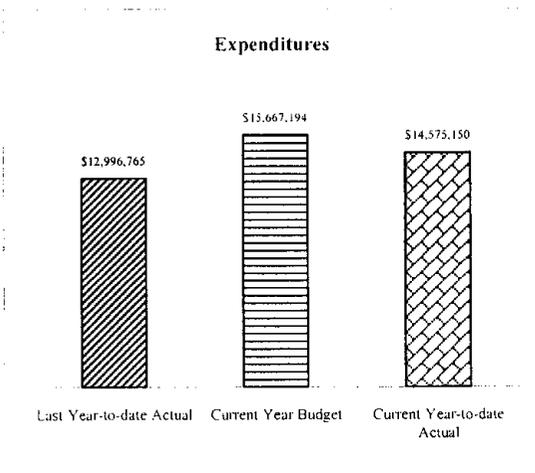
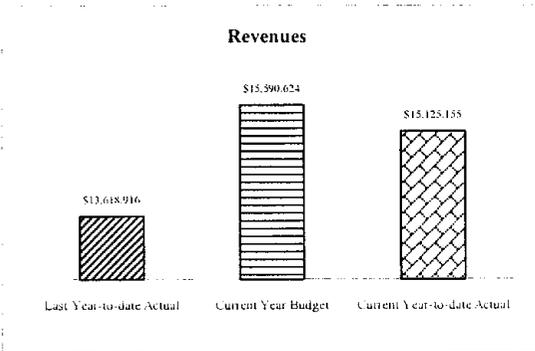
	Adopted	Y-T-D	% of Budget
<b>REVENUES:</b>			
Operating Revenues	3,432,228	3,121,742	90.95%
Interest Earned	1,740	958	55.06%
TSA Agreement	4,370,331	-	0.00%
FAA Grants	-	-	-
FAA Grants Prior Years	3,347,323	2,184,494	65.26%
ARRA	-	-	-
TXDOT Grant	30,000	35,591	118.64%
TXDOT Grant Match	-	-	-
Transfer from AV PFC	-	-	-
<b>TOTAL REVENUES:</b>	<b>11,181,622</b>	<b>5,342,785</b>	<b>47.78%</b>
<b>EXPENSES:</b>			
Airport Operations	2,836,484	2,593,341	91.43%
Cost of Goods Sold	294,042	229,607	78.09%
ARRA Projects	-	-	-
KFHRA Construction	7,637,814	2,301,039	30.13%
Information Technology	195,919	166,884	85.18%
Non-Departmental	150,953	129,248	85.62%
<b>TOTAL EXPENSES:</b>	<b>11,115,212</b>	<b>5,420,119</b>	<b>48.76%</b>

CITY OF KILLEEN  
 SKYLARK FIELD FUND  
 FINANCIAL REPORT  
 September 30, 2011



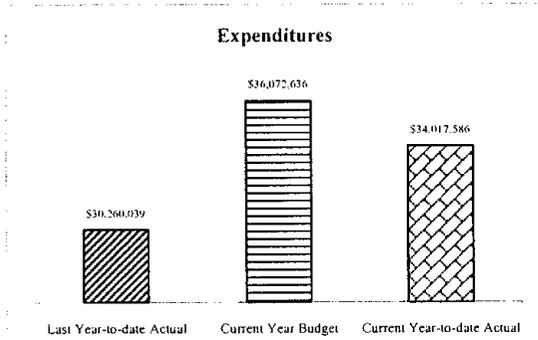
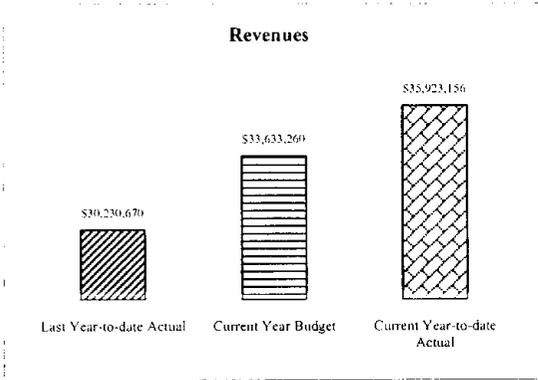
	Adopted	Y-T-D	% of Budget
<b>REVENUES:</b>			
Operating Revenues	673,776	662,521	98.33%
Interest Earned	1,000	714	71.40%
FAA Grants	-	-	-
FAA Grants - Prior Years	-	-	-
TXDOT Grants	14,750	11,961	81.09%
<b>TOTAL REVENUES:</b>	<b>689,526</b>	<b>675,196</b>	<b>97.92%</b>
<b>EXPENDITURES:</b>			
Airport Operations	273,644	256,810	93.85%
Cost of Goods Sold	447,000	453,666	101.49%
Skylark Improvements	-	-	-
Skylark Construction	-	-	-
Non-Departmental	16,089	11,933	74.17%
<b>TOTAL EXPENDITURES:</b>	<b>736,733</b>	<b>722,409</b>	<b>98.06%</b>

CITY OF KILLEEN  
 SOLID WASTE FUND  
 FINANCIAL REPORT  
 September 30, 2011



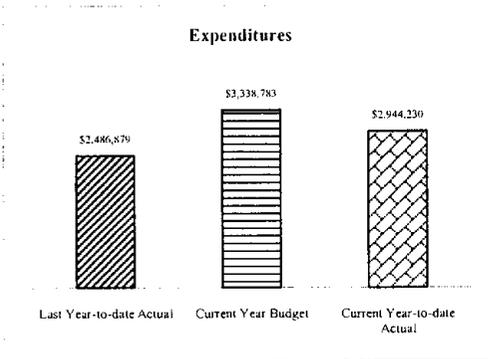
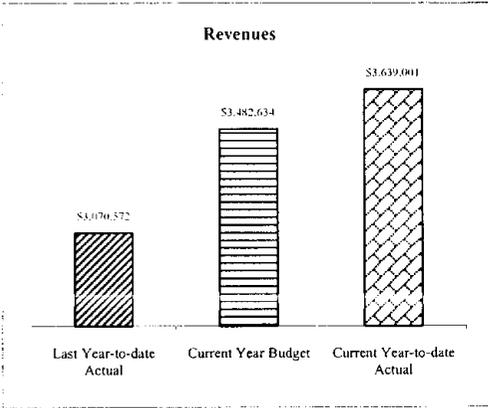
	Adopted	Y-T-D	% of Budget
<b>REVENUES:</b>			
Transfer Station Fees	375,950	384,968	102.40%
Dumpster Rentals	105,000	107,923	102.78%
Miscellaneous Revenues	1,057,100	581,972	55.05%
Recycling Revenues	189,095	237,981	125.85%
Commercial Sanitation Fees	5,643,042	5,327,768	94.41%
Residential Sanitation Fees	8,212,437	8,474,410	103.19%
Interest Earned	8,000	10,133	126.66%
<b>TOTAL REVENUES:</b>	<b>15,590,624</b>	<b>15,125,155</b>	<b>97.01%</b>
<b>EXPENDITURES:</b>			
Residential Operations	3,593,194	3,567,293	99.28%
Commercial Operations	2,212,895	2,069,649	93.53%
Recycling Program	320,662	287,267	89.59%
Transfer Station	4,500,260	4,180,817	92.90%
Mowing	875,145	841,550	96.16%
Debt Service	570,000	570,000	100.00%
Custodial Services	35,293	34,400	97.47%
Accounting	189,123	168,406	89.05%
Solid Waste Miscellaneous	1,239,723	724,871	58.47%
Transfer to General Fund	2,130,899	2,130,897	100.00%
<b>TOTAL EXPENDITURES:</b>	<b>15,667,194</b>	<b>14,575,150</b>	<b>93.03%</b>

CITY OF KILLEEN  
 WATER & SEWER FUND  
 FINANCIAL REPORT  
 September 30, 2011



	Adopted	Y-T-D	% of Budget
<b>REVENUES:</b>			
Sale of Water	16,401,361	17,872,761	108.97%
Water & Sewer Taps	946,000	927,581	98.05%
Sewer Fees Collected	14,757,233	14,858,185	100.68%
Miscellaneous Revenues	702,000	899,375	128.12%
Delinquent Penalty	633,000	1,232,655	194.73%
Interest Earned	78,000	73,764	94.57%
Miscellaneous Receipts	18,000	58,835	326.86%
Transfers-In	-	-	-
Lease Proceeds	55,066	-	0.00%
Accident Insurance Reimb	27,000	-	0.00%
Loaner Fee	15,600	-	0.00%
<b>TOTAL REVENUES:</b>	<b>33,633,260</b>	<b>35,923,156</b>	<b>106.81%</b>
<b>EXPENDITURES:</b>			
Fleet Services	1,356,056	1,143,163	84.30%
Fleet Replacement Program	514,050	115,451	22.46%
Utility Collections	1,846,660	1,798,039	97.37%
Water & Sewer Contracts	12,141,173	12,141,172	100.00%
Operations	6,808,463	5,915,629	86.89%
Debt Service	6,585,000	6,585,000	100.00%
Miscellaneous	2,184,203	1,682,108	77.01%
Transfer to General Fund	4,637,031	4,637,024	100.00%
<b>TOTAL EXPENDITURES:</b>	<b>36,072,636</b>	<b>34,017,586</b>	<b>94.30%</b>

CITY OF KILLEEN  
DRAINAGE UTILITY FUND  
FINANCIAL REPORT  
September 30, 2011



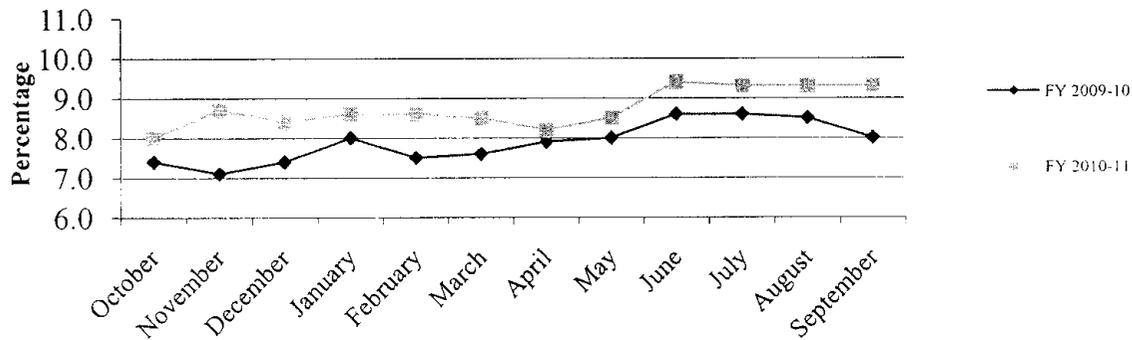
Note: For comparison purposes, the charts above exclude the Revenue from Sale of Bonds and the Major Drainage Project Expenditures.

	Adopted	Y-T-D	% of Budget
<b>REVENUES:</b>			
Residential Storm Water Fees	2,945,045	3,031,397	102.93%
Commercial Storm Water Fees	516,354	592,699	114.79%
Interest Earned	15,735	12,927	82.15%
Sale of Bonds	-	-	-
TCEQ Grant Revenue	-	1,978	-
Miscellaneous Receipts	5,500	-	0.00%
<b>TOTAL REVENUES:</b>	<b>3,482,634</b>	<b>3,639,001</b>	<b>104.49%</b>
<b>EXPENDITURES:</b>			
Engineering Division	519,343	369,004	71.05%
Street Division	300,000	298,192	99.40%
Drainage Maintenance	1,369,615	1,269,145	92.66%
Drainage Projects - Minor	250,000	146,462	58.58%
Drainage Projects - Major	5,955,633	516,400	8.67%
Debt Service	582,958	580,268	99.54%
Non-Departmental	84,115	48,407	57.55%
Transfer to General Fund	232,752	232,752	100.00%
<b>TOTAL EXPENDITURES:</b>	<b>9,294,416</b>	<b>3,460,630</b>	<b>37.23%</b>

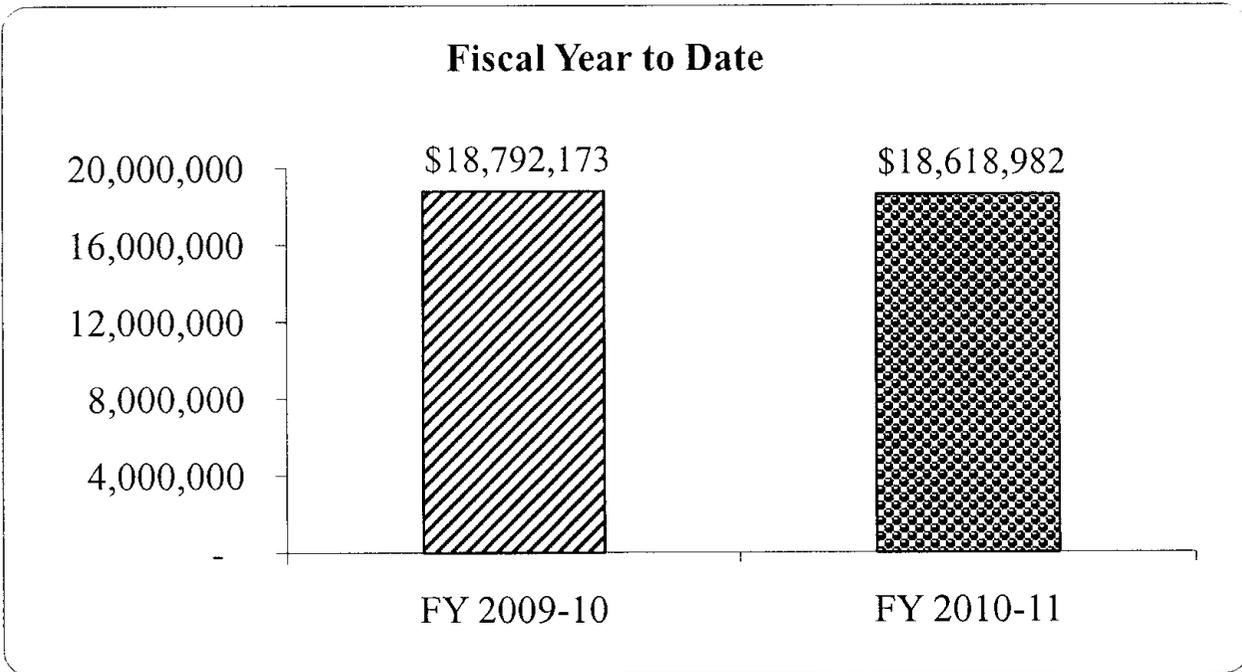
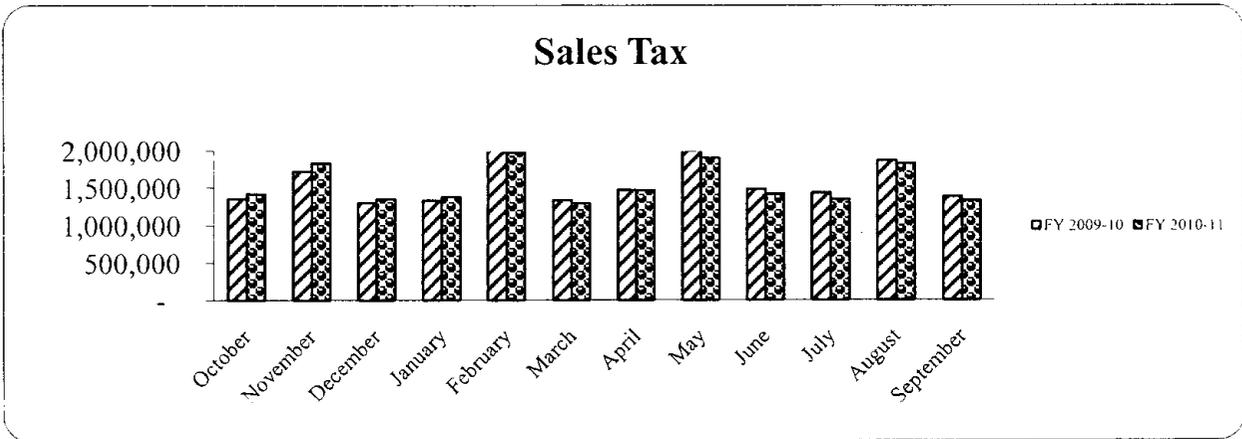
## City of Killeen Economic Indicators Report

Economic Indicator	Positive	Neutral	Negative
Killeen Unemployment Rate			<b>X</b>
Sales Tax Revenue			<b>X</b>
Aviation Enplanements/Deplanements			<b>X</b>
Building Permits			<b>X</b>
Utility Customers			<b>X</b>
Water & Sewer Tap Fees			<b>X</b>
Hotel Occupancy Tax Revenues			<b>X</b>
Totals	<b>0</b>	<b>0</b>	<b>7</b>

### Unemployment Rate

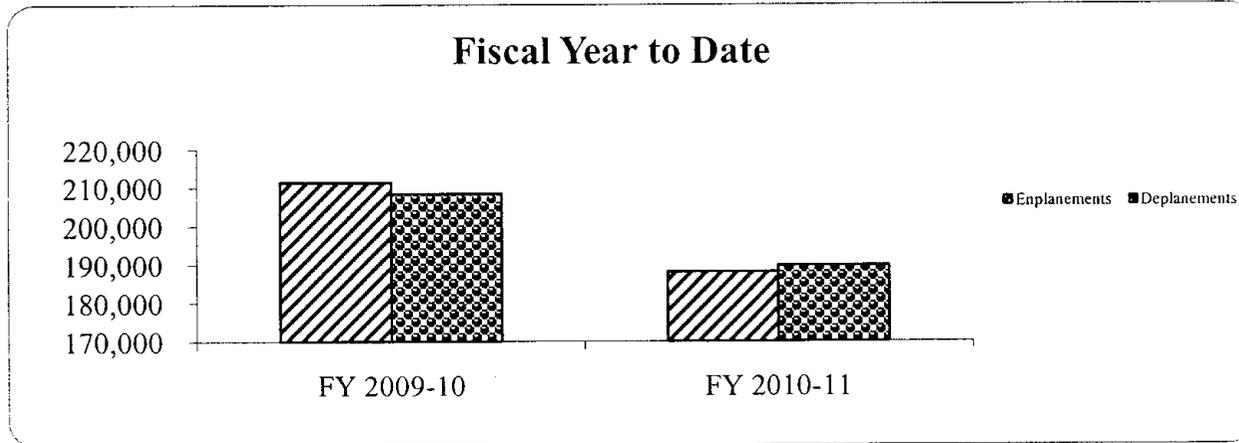
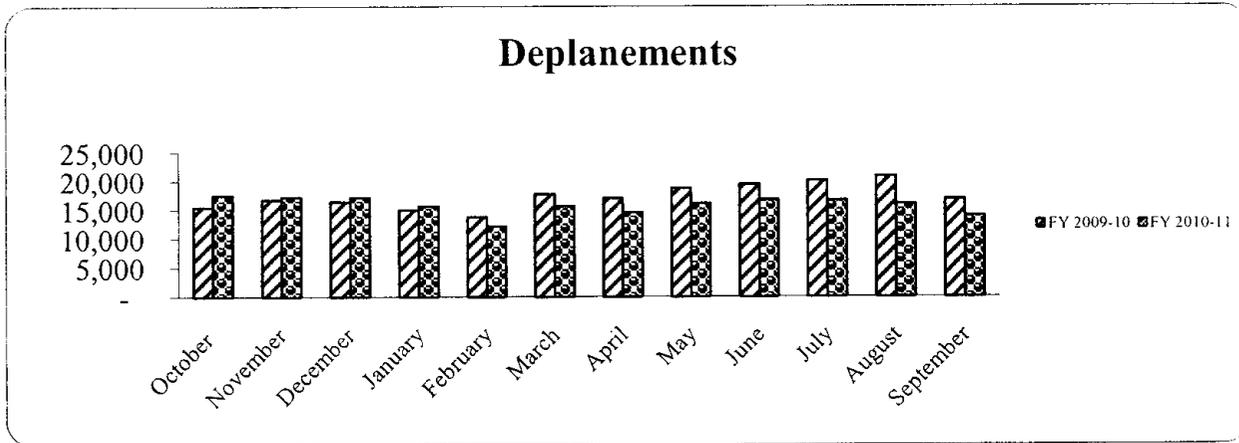
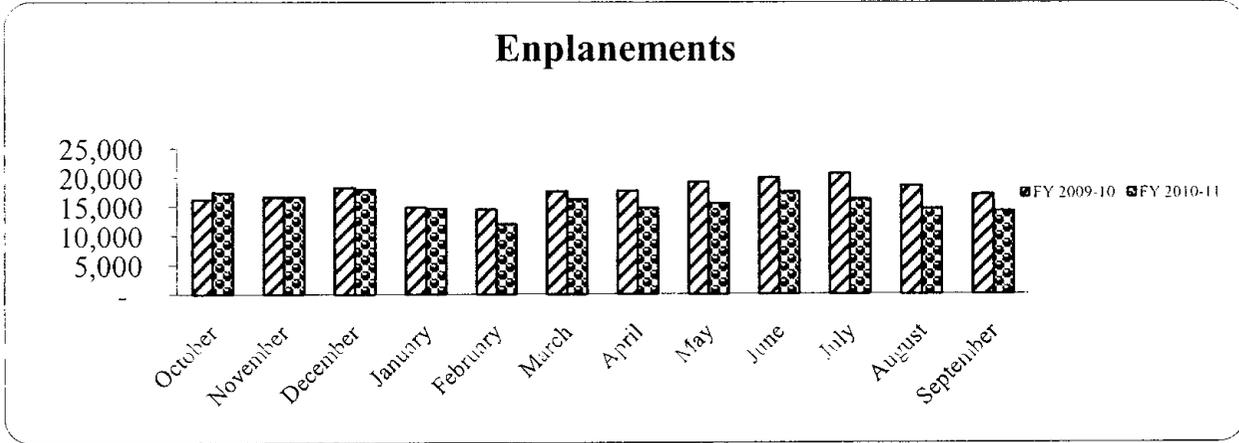


## Sales Tax Revenues



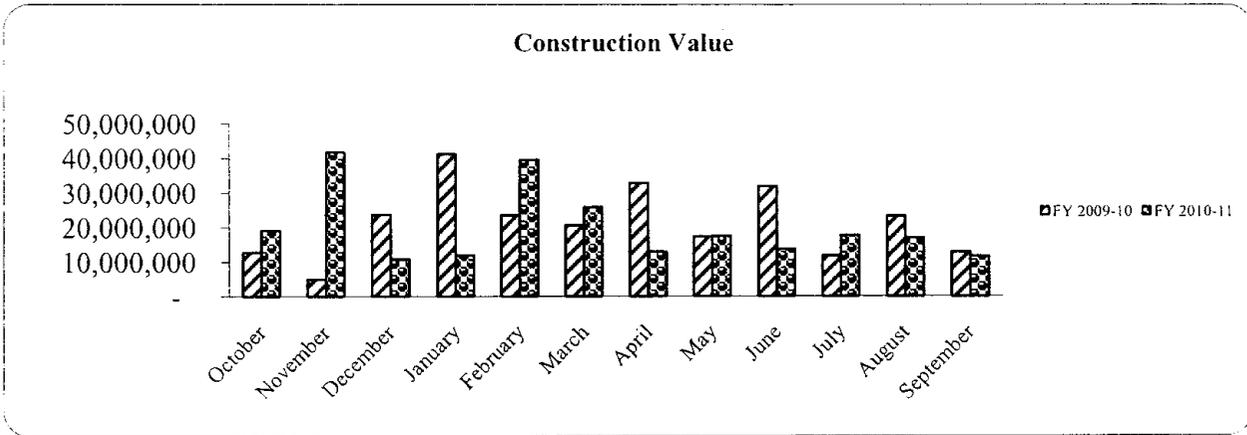
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue			x

## Killeen Municipal Airport Total Passenger Count



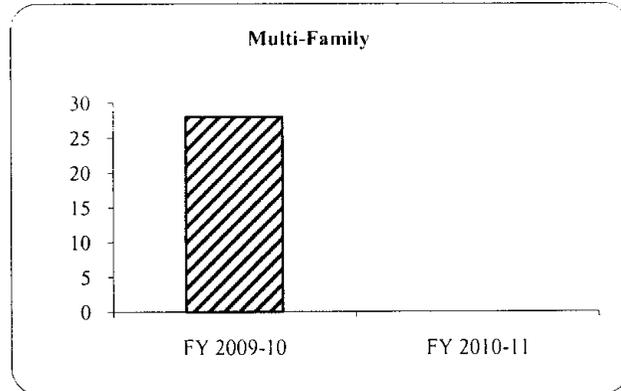
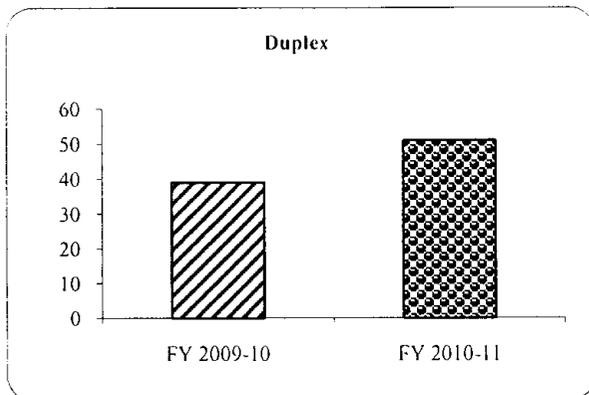
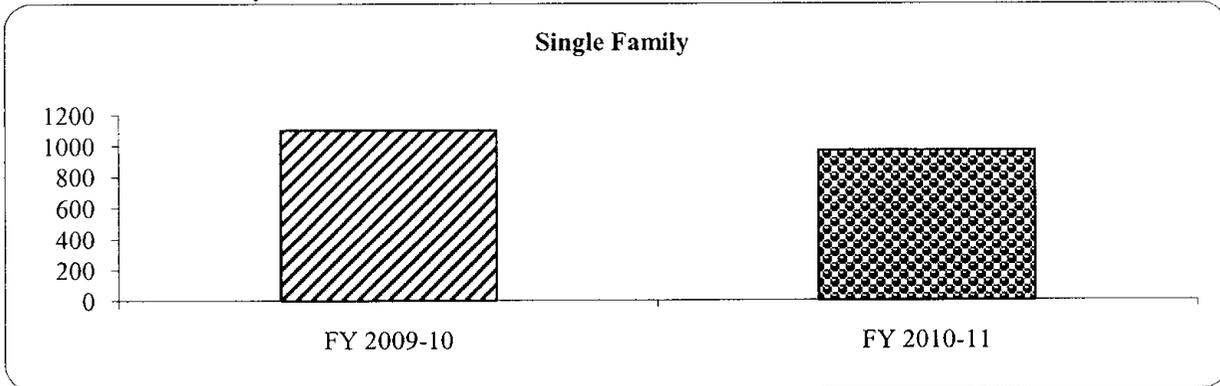
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements			x

## Building Permits



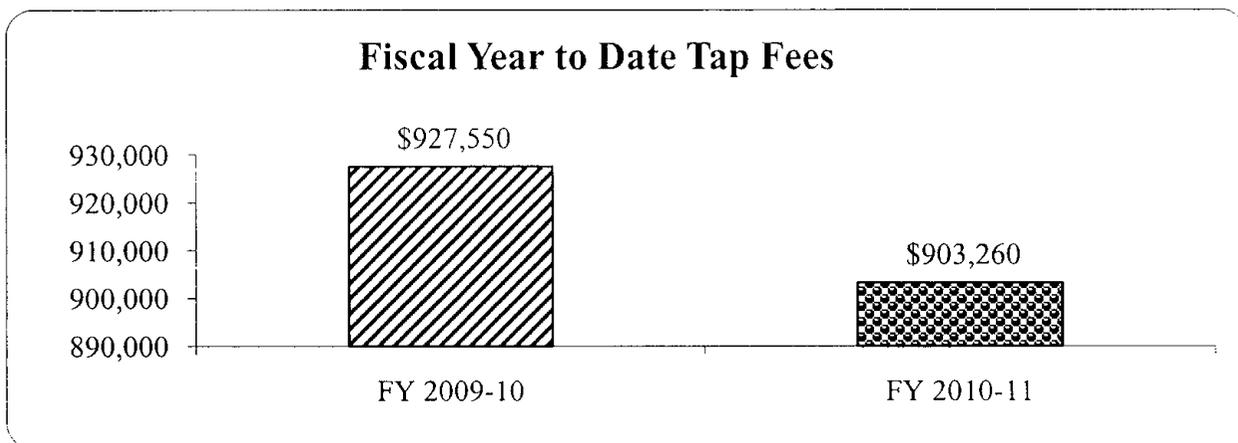
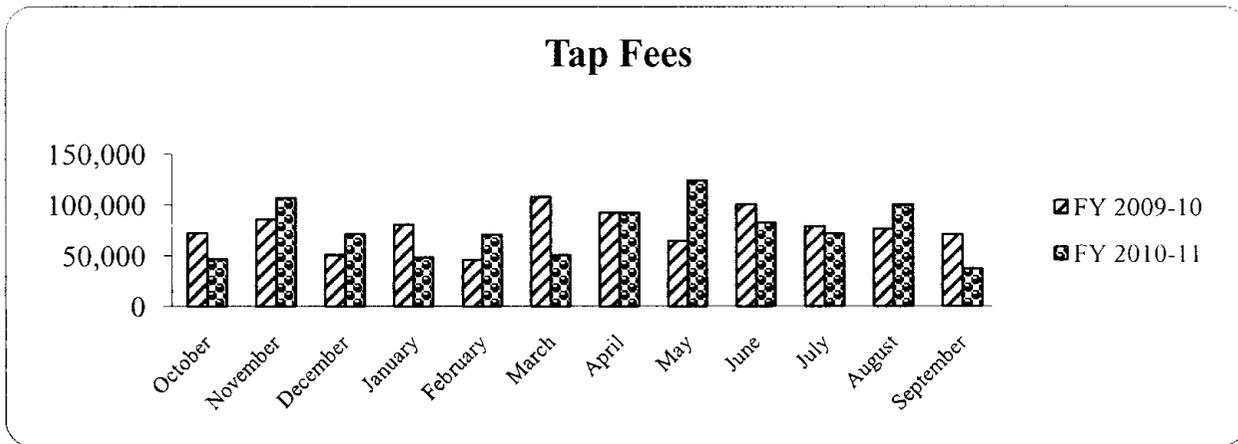
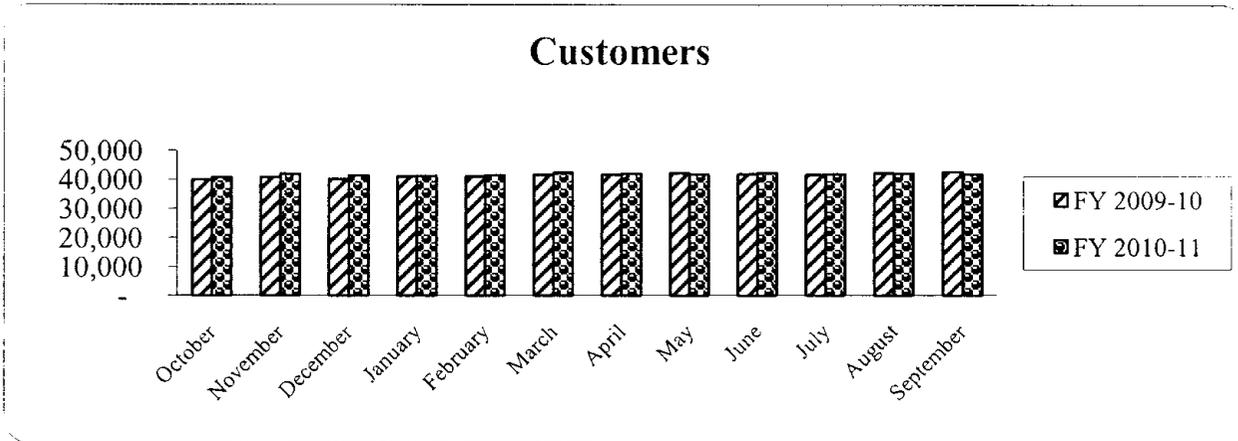
### Number of Permits Issued

	FY 2009-10	FY 2010-11
Single Family	1102	972
Duplex	39	51
Multi-Family	28	0



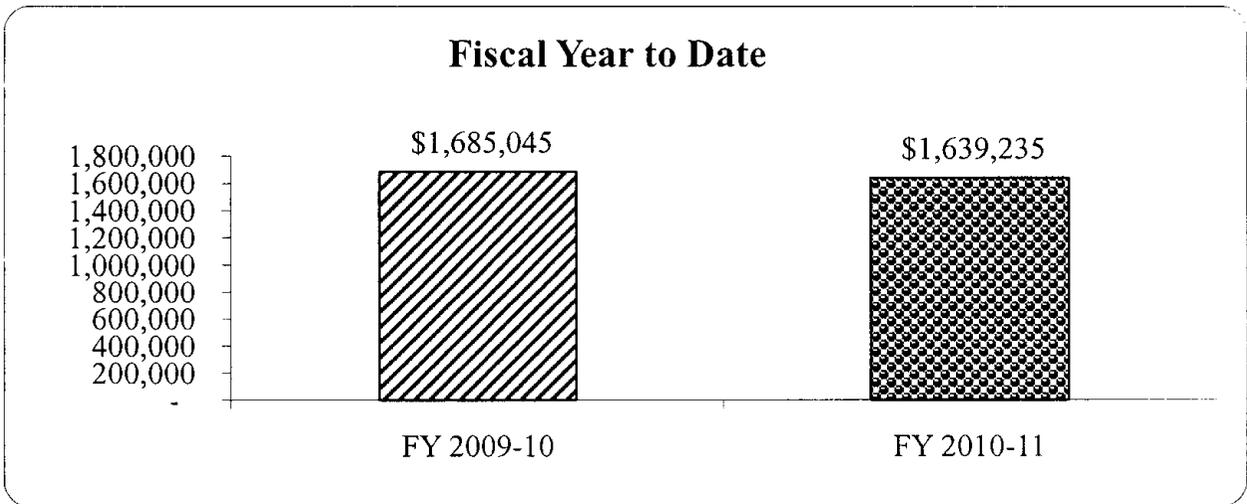
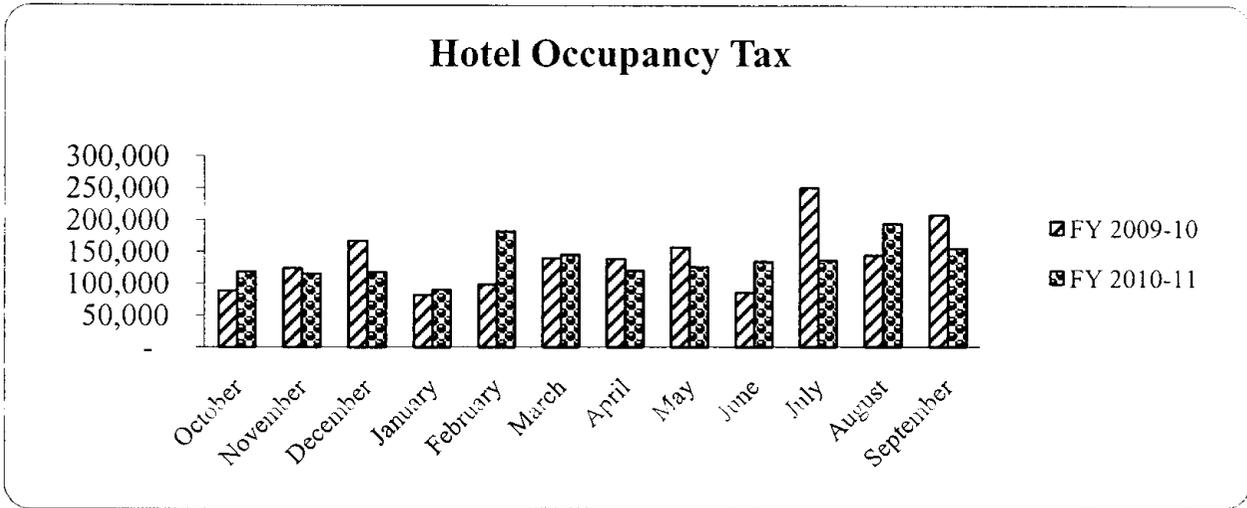
Economic Indicator	Positive	Neutral	Negative
Building Permits			x

## 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  
ECONOMIC INDICATORS  
REPORT SUMMARY  
SEPTEMBER 2011**

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 September 2011, all seven economic indicators are negative.

**UNEMPLOYMENT RATE**

The unemployment rate for the month of September 2011 was 9.3 as compared to 8.0 during September 2010.

**SALES TAX REVENUE**

Sales Tax Collections for the month were \$1,338,321, a decrease of 3.6% below last September's collections of \$1,388,299. Year-to-date sales tax collections of \$18,618,982 are below last year's total of \$18,792,173 by 0.9%.

**AVIATION ENPLANEMENTS & DEPLANEMENTS**

Enplanements for the month total 14,247 a decrease of 16.8% as compared to 17,114 during September 2010. Year-to-date enplanements of 188,121 are below last year's total of 211,439 by 11.0%.

Deplanements for the month total 14,057 a decrease of 16.7% as compared to 16,870 during September 2010. Year-to-date deplanements of 189,800 are below last year's total of 208,473 by 9.0%.

**BUILDING PERMITS**

Total dollar value of permits issued for the month was \$11,766,655, a 9.4% decrease below September 2010 dollar value of \$12,982,140. Year-to-date dollar value of permits issued of \$240,601,496 are below last year's total of \$257,663,925 by 6.6%. For the month 69 single-family, 1 duplex and no multi-family home permits were issued.

**UTILITY CUSTOMERS**

For the month, the City had 41,765 active utility customers, a decrease of 2.0% under the 42,611 active utility customers in September 2010. 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 \$37,450 for the month, down 47.3% as compared to last year's fees of \$71,050. Year to date revenues of \$903,260 are below last year's total of \$927,550 by 2.6%.

**HOTEL OCCUPANCY TAX REVENUE**

Hotel Occupancy Tax Revenue for the month was \$155,275, 25.1% below last September's revenue of \$207,441. Year to date revenues of \$1,639,235 are below last year's total of \$1,685,045 by 2.7%.

City of Killeen  
Data Summaries

Killeen Unemployment Rate												
	October	November	December	January	February	March	April	May	June	July	August	September
FY 2009-10	7.4	7.1	7.4	8.0	7.5	7.6	7.9	8.0	8.6	8.6	8.5	8.0
FY 2010-11	8.0	8.7	8.4	8.6	8.6	8.5	8.2	8.5	9.4	9.3	9.3	9.3

Sales Tax Receipts													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2009-10	1,358,754	1,726,321	1,307,812	1,339,383	2,037,575	1,342,777	1,474,664	2,014,479	1,457,296	1,441,519	1,873,294	1,388,299	18,792,173
FY 2010-11	1,422,577	1,835,451	1,357,032	1,391,518	1,979,530	1,302,078	1,471,329	1,909,263	1,433,415	1,354,511	1,833,958	1,338,321	18,618,982

Aviation-Total Passenger Count													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2009-10	16,238	16,644	18,245	14,931	14,583	17,613	17,697	19,191	20,015	20,645	18,523	17,114	211,439
FY 2010-11	17,415	16,693	17,921	14,703	12,046	16,303	14,796	15,556	17,476	16,270	14,695	14,247	188,121

Deplanements													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2009-10	15,472	16,801	16,450	15,012	13,839	17,790	17,042	18,746	19,464	20,124	20,863	16,870	208,473
FY 2010-11	17,526	17,292	17,238	15,653	12,187	15,656	14,561	16,121	16,766	16,663	16,080	14,057	189,800

Building Permits													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2009-10	12,894,173	4,969,064	23,788,945	41,287,686	23,597,524	20,681,174	32,848,500	17,381,380	32,004,655	11,884,647	23,344,037	12,982,140	257,663,925
FY 2010-11	19,202,925	41,852,261	10,898,073	11,979,337	39,603,058	25,904,024	13,019,811	17,614,525	13,833,239	17,834,343	17,093,245	11,766,655	240,601,496

Number of Permits Issued													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
Single Family	75	88	72	85	103	139	118	100	92	73	103	54	1,102
FY 2009-10	61	51	59	74	92	153	75	86	78	87	87	69	972

Duplex													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2009-10	6	2	6	2	4	4	2	4	4	1	3	3	39
FY 2010-11	3	2	6	1	4	15	4	9	1	12	3	1	51

Multi-family													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2009-10	-	-	-	-	-	-	-	28	-	-	-	-	28
FY 2010-11	-	-	-	-	-	-	-	-	-	-	-	-	-

Utility Customers													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2009-10	40,047	40,870	40,267	41,131	41,121	41,629	41,666	42,254	41,850	41,646	42,179	42,611	503,260
FY 2010-11	40,838	42,032	41,428	41,209	41,549	42,441	41,986	41,833	42,281	41,912	42,131	41,765	503,260

Water & Sewer Tap Fees													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2009-10	72,262	85,628	50,979	80,800	46,114	108,054	92,177	64,827	100,435	79,014	76,210	71,050	927,550
FY 2010-11	46,585	106,756	71,238	48,650	70,989	50,887	92,339	124,001	2,600	71,624	100,141	37,450	903,260

Hotel Occupancy Tax Revenues													
	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2009-10	89,196	124,166	166,996	82,282	98,713	140,244	138,794	156,926	5,424	250,442	144,420	207,441	1,685,045
FY 2010-11	118,767	116,013	117,749	90,247	182,489	145,476	120,377	126,393	1,4927	137,022	194,500	155,275	1,639,235

