

City of Killeen
Financial Report
September 2012
Executive Summary



Finance
Department

Prepared 01/07/2013

**FINANCE DIRECTOR'S REPORT
SEPTEMBER 2012**

January 7, 2013

Mayor and City Council Members:

We are pleased to submit the City Council Financial Report and Executive Summary for the fiscal year ended September 30, 2012.

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 exceeded the prior year by \$1,215,223 and property tax revenue was up by \$2,494,780. 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 significant variance noted.

For the month of September 2012, six (6) of the seven economic indicators are positive with Aviation Enplanements and Deplanements being negative. These indicators are discussed in detail in the attached Economic Indicators Summary Report.

Respectfully submitted,

Martie Simpson
Interim Director of Finance

**CITY OF KILLEEN
FINANCIAL REPORT- SEPTEMBER 2012
EXECUTIVE SUMMARY
MAJOR OPERATING FUNDS**

GENERAL FUND

- Revenues total \$3,881,267 for the month, up from last year's revenues of \$3,618,384 by 7.3%. Year-to-date General Fund revenues of \$69,139,524 are up 5.9% over last year's total of \$65,284,949. Year-to-date revenues are at 100.31% of the budget for the fiscal year.
- Sales and Occupancy Tax Collections for the month were \$1,581,960, an increase of 18.2% from last September's collections of \$1,338,321. Year-to-date sales tax collections of \$20,254,736 is above last year's total of \$19,087,360 by 6.1%.
- Property Tax Collections during the month were \$56,590, a decrease from last year's collections of \$95,164 by 40.5%. Year-to-date property tax receipts of \$25,376,293 exceed last year's total of \$22,881,513 by 10.9%. Year-to-date collections are at 99.4% of the budget for the fiscal year.
- Franchise Fees collected during September were \$794,766 compared to \$764,316 last September. Year-to-date franchise revenues of \$5,376,815 are below last year's total of \$6,030,760 by 10.8%. Year-to-date collections are at 98.68% of the budget for the fiscal year.
- Permits & Inspections fees collected during September totaled \$74,580, up 3% from last year's revenue of \$72,391. Year-to-date revenues of \$1,176,837 are 6.4% above last year's total of \$1,106,561. Year-to-date collections are at 103.5% of the budget for the fiscal year.
- Court fines and fees were \$163,071 during September, down from the prior year collections of \$218,880. Year-to-date revenues total \$2,399,453, 5.8% below last year's total of \$2,548,161. Year-to-date collections are at 87.26% of the budget for the fiscal year.
- Interest Earned during September totaled \$14,362. Year-to-date interest earnings total \$140,868, 75.4% above last year's total of \$80,292. Year-to-date earnings are at 112.69% of the budget for the fiscal year.
- Total expenditures for September are \$5,404,709, 9.6% down from \$5,976,966 last year. Year-to-date expenditures of \$66,888,104 are down 1% when compared to last year's expenditures of \$67,533,172.
- The ending fund balance for the month was \$22.2 million, up 11.3% from last year.

KILLEEN – FORT HOOD REGIONAL AIRPORT FUND (KFHRA)

- KFHRA operating revenues (non-grants) for September was \$307,278 up 2.7% from \$299,127 last year. Year-to-date revenues total \$3,096,161, down 0.8% from \$3,122,700 in the prior year.
- Other revenues in September include FAA Grants Prior Years of \$25,752 and TXDOT Grant of \$9,274. Year-to-date TSA Agreement funds received are \$221,793. Year-to-date TXDOT Grant is \$50,000.
- KFHRA operating expenses (non-construction) of \$269,030 are down 23.5% for the month as compared to \$351,588 last year. Year-to-date expenses were \$3,028,366, down 2.9% compared to last year's total of \$3,119,080.
- The ending fund balance for the month was \$2,187,280, up 4.7% from last year.

SKYLARK AIRFIELD FUND

- Skylark operating revenues (non-grants) for the month were \$70,382, down 42.9% from \$123,168 last year. Year-to-date revenues of \$686,236 are up 3.5% from last year's total of \$663,235.
- Skylark operating expenses (non-improvements/construction) were \$56,148 for the month, compared to last year's total of \$105,300. Year-to-date expenses of \$666,447 are down 7.7% from last year's total of \$722,409.
- The ending fund balance for the month was \$472,785, up from \$446,627 last year.

SOLID WASTE FUND

- Solid Waste operating revenues were \$1,244,198 for the month, down 0.2% when compared to last September's revenues of \$1,246,508. Year-to-date revenues of \$15,461,803 are up 2.2% compared to last year's total of \$15,125,155.
- Expenses totaled \$2,011,118 for the month, up 23.2% as compared to \$1,632,521 last year. Year-to-date expenses are \$14,998,255, up 2.9% from last year's total of \$14,575,151.
- The ending fund balance for the month was \$3.6 million, up 15% from last year.

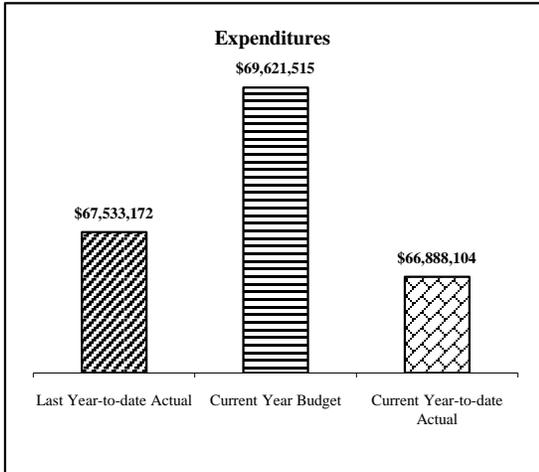
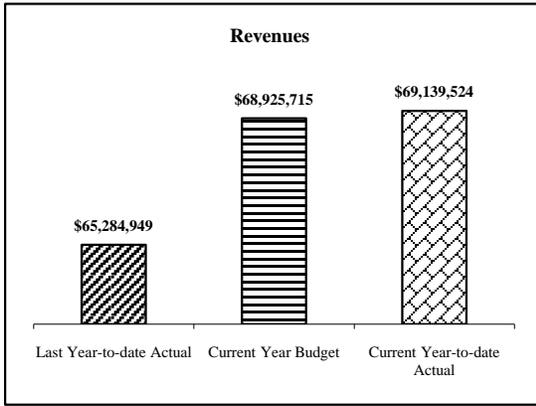
WATER AND SEWER FUND

- Water and Sewer operating revenues total \$3,863,383, down 1.5% from last year's revenues of \$3,921,013. Year-to-date revenues total \$37,844,555, are above last year's revenues of \$35,923,156 by 5.3%. The increase represents the implementation of the rate increase in the water and sewer fees approved during the budget process.
- Tap Fees total \$8,400 for the month, as compared to last year's fees of \$37,450. Year-to-date fees of \$931,438 are above last year's total of \$903,260 by 3.1%. Year-to-date tap fees are at 109.28% of the budget for the fiscal year.
- Expenses total \$3,715,498 for the month, up 15% as compared to \$3,231,027 last year. Year-to-date expenses are \$36,026,362, up 5.9% from last year's total of \$34,017,586.
- The ending fund balance for the month was \$24.6 million, up 8% from last year.

DRAINAGE UTILITY FUND

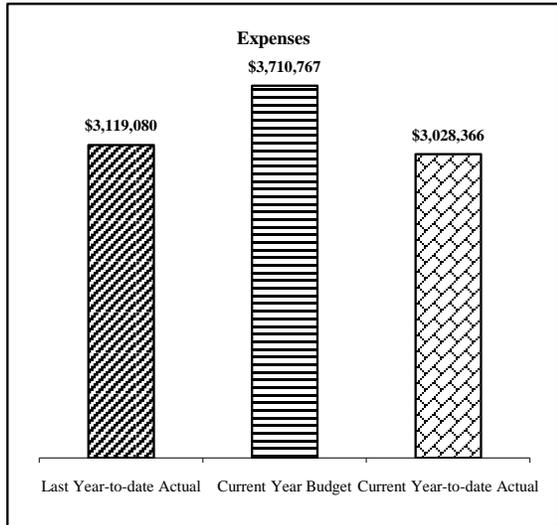
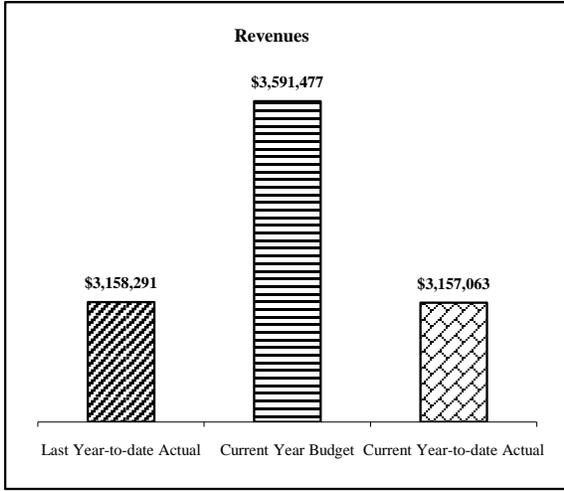
- Drainage Utility operating revenues total \$320,907 for the month, up 4.4% from last September's revenues of \$307,455. Year-to-date revenues of \$3,786,078 are above last year's revenues of \$3,639,001 by 4.0%.
- Residential fees were \$269,279 up 5.5%, and Commercial fees were \$48,783, down 1.9% for the month. For the year, Residential fees are up 4% and Commercial fees are down 0.01%.
- Operating expenses for the month were \$443,143, up 22.5% from \$361,666 last year. Year-to-date expenses are \$3,582,437, up 21.7% from last year's total of \$2,944,230.
- Major drainage capital improvement project budget is \$5,439,233 with \$1,074,752 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 \$7.5 million, down 10.4% from last year.

CITY OF KILLEEN
GENERAL FUND
FINANCIAL REPORT
September 30, 2012



	Adopted	Y-T-D	% of Budget
REVENUES:			
Property Taxes	25,528,319	25,376,293	99.40%
Sales & Occupancy Tax	19,292,000	20,254,736	104.99%
Franchise Tax	5,448,530	5,376,815	98.68%
Miscellaneous Revenues	3,881,286	3,998,902	103.03%
Permits & Inspections	1,137,000	1,176,837	103.50%
Court Fines & Fees	2,749,892	2,399,453	87.26%
Recreation Revenues	1,187,000	1,210,594	101.99%
Golf Course	1,372,304	1,220,858	88.96%
Interest Earned	125,000	140,868	112.69%
Intergovernmental Revenue	993,606	701,473	70.60%
Transfers In	7,210,778	7,282,695	101.00%
TOTAL REVENUES:	68,925,715	69,139,524	100.31%
EXPENDITURES:			
Administration	13,240,224	12,343,249	93.23%
Community Services	10,521,501	9,874,221	93.85%
Public Works	4,126,995	3,880,727	94.03%
Public Safety	41,348,272	40,745,930	98.54%
Transfers Out	384,523	43,977	11.44%
TOTAL EXPENDITURES:	69,621,515	66,888,104	96.07%

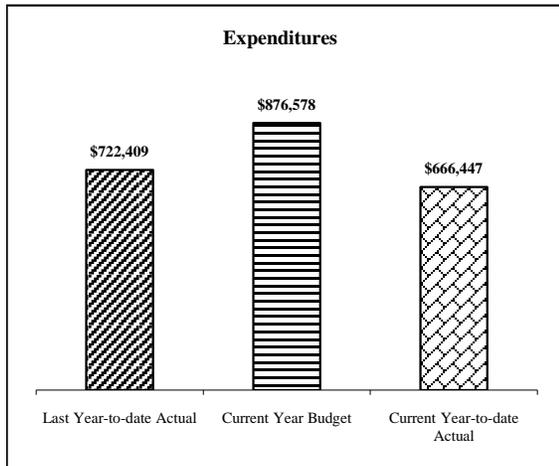
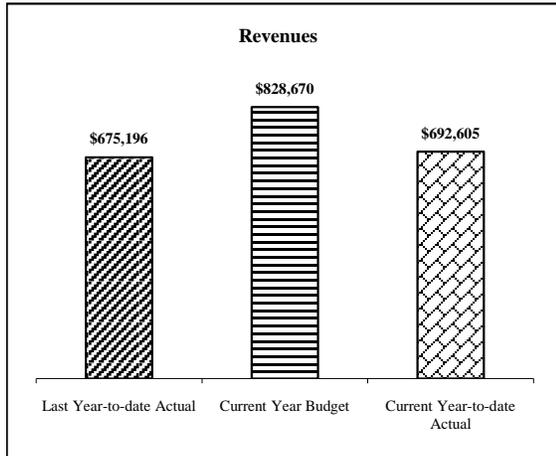
CITY OF KILLEEN
 KILLEEN-FORT HOOD REGIONAL AIRPORT FUND
 FINANCIAL REPORT
 September 30, 2012



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

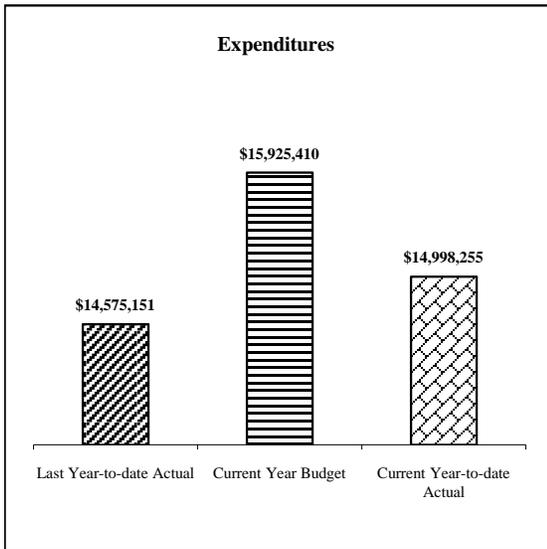
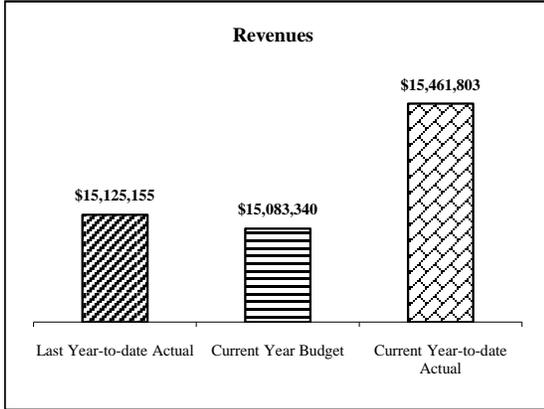
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues			
Interest Earned	3,540,037	3,095,601	87.45%
TSA Agreement	1,440	560	38.92%
FAA Grants	4,370,331	221,793	5.07%
FAA Grants Prior Years	5,638,277	-	0.00%
ARRA	222,480	239,606	107.70%
TXDOT Grant	-	-	-
TXDOT Grant Match	-	9,274	-
Transfer from AV PFC	50,000	40,726	81.45%
	-	10,901	-
TOTAL REVENUES:	13,822,565	3,618,462	26.18%
EXPENSES:			
Airport Operations			
Cost of Goods Sold	2,946,134	2,491,463	84.57%
ARRA Projects	407,842	221,552	54.32%
KFHRA Construction	-	-	-
Information Technology	8,770,241	492,592	5.62%
Non-Departmental	198,016	177,609	89.69%
	158,775	137,743	86.75%
TOTAL EXPENSES:	12,481,008	3,520,958	28.21%

CITY OF KILLEEN
 SKYLARK FIELD FUND
 FINANCIAL REPORT
 September 30, 2012



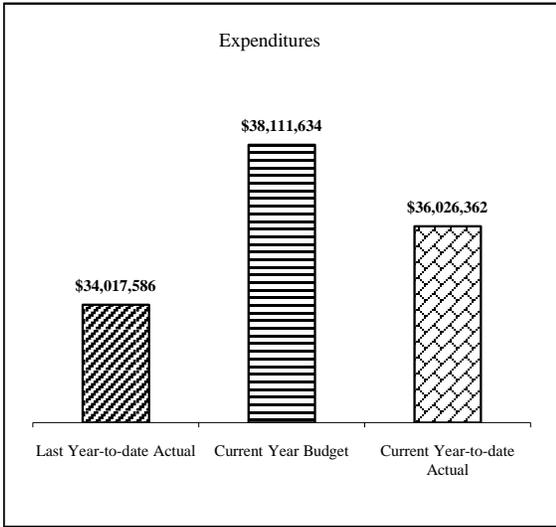
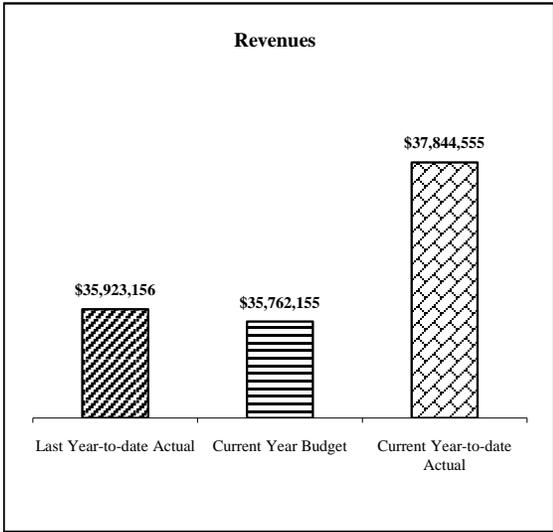
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	818,420	685,657	83.78%
Interest Earned	1,100	579	52.64%
FAA Grants	-	-	-
FAA Grants - Prior Years	-	-	-
TXDOT Grants	9,150	6,369	69.61%
TOTAL REVENUES:	828,670	692,605	83.58%
EXPENDITURES:			
Airport Operations	266,823	229,822	86.13%
Cost of Goods Sold	596,750	425,537	71.31%
Skylark Improvements	-	-	-
Skylark Construction	-	-	-
Non-Departmental	13,005	11,088	85.26%
TOTAL EXPENDITURES:	876,578	666,447	76.03%

CITY OF KILLEEN
SOLID WASTE FUND
FINANCIAL REPORT
September 30, 2012



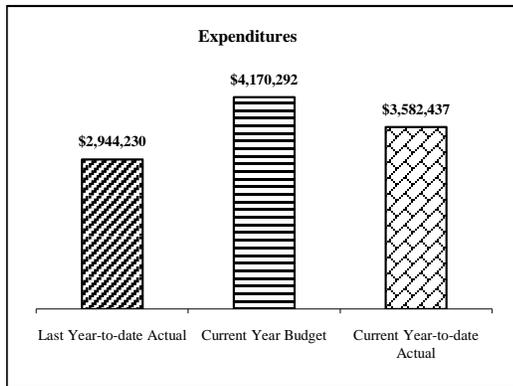
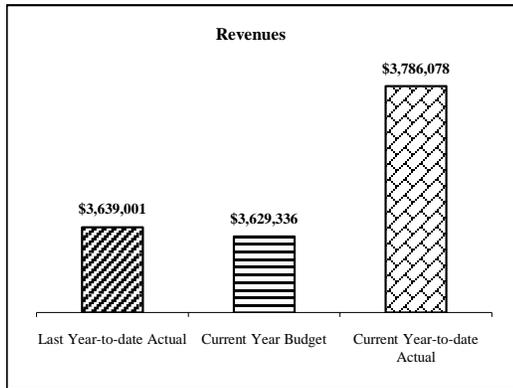
	Adopted	Y-T-D	% of Budget
REVENUES:			
Transfer Station Fees	405,000	347,304	85.75%
Dumpster Rentals	115,000	99,206	86.27%
Miscellaneous Revenues	61,750	654,632	1060.13%
Recycling Revenues	211,545	220,774	104.36%
Commercial Sanitation Fees	5,554,859	5,286,025	95.16%
Residential Sanitation Fees	8,705,186	8,846,363	101.62%
Interest Earned	30,000	7,500	25.00%
TOTAL REVENUES:	15,083,340	15,461,803	102.51%
EXPENDITURES:			
Residential Operations	3,345,804	3,205,364	95.80%
Commercial Operations	1,804,241	1,738,046	96.33%
Recycling Program	368,983	338,087	91.63%
Transfer Station	4,917,883	4,479,639	91.09%
Mowing	770,222	680,184	88.31%
Debt Service	742,644	742,644	100.00%
Custodial Services	36,452	32,665	89.61%
Accounting	191,682	175,850	91.74%
Solid Waste Miscellaneous	768,396	699,138	90.99%
Transfers Out	2,979,103	2,906,638	97.57%
TOTAL EXPENDITURES:	15,925,410	14,998,255	94.18%

CITY OF KILLEEN
 WATER & SEWER FUND
 FINANCIAL REPORT
 September 30, 2012



	Adopted	Y-T-D	% of Budget
REVENUES:			
Sale of Water	16,855,282	18,123,592	107.52%
Water & Sewer Taps	852,330	931,438	109.28%
Septic Tank Elimination	22,350	25,606	
Sewer Fees Collected	15,853,193	16,232,618	102.39%
Miscellaneous Revenues	873,000	916,501	104.98%
Delinquent Penalty	1,208,000	1,261,550	104.43%
Interest Earned	85,000	75,587	88.93%
Miscellaneous Receipts	13,000	277,662	2135.86%
Transfers-In	-	-	-
TOTAL REVENUES:	35,762,155	37,844,554	105.82%
EXPENDITURES:			
Fleet Services	1,497,517	1,164,515	77.76%
Fleet Replacement Program	314,031	300,562	95.71%
Utility Collections	1,973,944	1,877,979	95.14%
Water & Sewer Contracts	12,144,320	12,361,132	101.79%
Operations	7,926,821	6,032,643	76.10%
Debt Service	6,685,000	6,684,998	100.00%
Miscellaneous	2,294,799	1,825,012	79.53%
Transfers Out	5,275,202	5,779,522	109.56%
TOTAL EXPENDITURES:	38,111,634	36,026,363	94.53%

CITY OF KILLEEN
DRAINAGE UTILITY FUND
FINANCIAL REPORT
September 30, 2012



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	3,012,417	3,152,620	104.65%
Commercial Storm Water Fees	599,419	592,630	98.87%
Interest Earned	12,000	28,761	239.67%
Sale of Bonds	-	-	-
TCEQ Grant Revenue	-	-	-
Miscellaneous Receipts	5,500	12,067	219.39%
TOTAL REVENUES:	3,629,336	3,786,078	104.32%
EXPENDITURES:			
Engineering Division	655,287	454,168	69.31%
Street Division	300,000	241,757	80.59%
Drainage Maintenance	1,703,906	1,587,286	93.16%
Drainage Projects - Minor	380,001	193,940	51.04%
Drainage Projects - Major	5,439,233	1,074,752	19.76%
Debt Service	581,358	577,658	99.36%
Non-Departmental	121,075	99,268	81.99%
Transfers Out	428,665	428,360	99.93%
TOTAL EXPENDITURES:	9,609,525	4,657,189	48.46%

**CITY OF KILLEEN
ECONOMIC INDICATORS
REPORT SUMMARY
SEPTEMBER 2012**

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 2012, six of the seven economic indicators are positive, with Aviation being negative.

UNEMPLOYMENT RATE

The unemployment rate for the month of September 2012 was 7.6 as compared to 9.3 during September 2011.

SALES TAX REVENUE

Sales Tax Collections for the month were \$1,581,960, an increase of 18.2% above last September's collections of \$1,338,321. Year-to-date sales tax collections of \$19,834,207 are above last year's total of \$18,618,982 by 6.5%.

AVIATION ENPLANEMENTS & DEPLANEMENTS

Enplanements for the month total 13,770 a decrease of 3.3% as compared to 14,247 during September 2011. Year-to-date enplanements of 168,501 are below last year's total of 188,121 by 10.4%.

Deplanements for the month total 13,462 a decrease of 4.2% as compared to 14,057 during September 2011. Year-to-date deplanements of 165,568 are below last year's total of 189,800 by 12.8%.

BUILDING PERMITS

Total dollar value of permits issued for the month was \$13,649,527, a 16% increase above September 2011 dollar value of \$11,766,655. The increase was largely due to three major projects. These projects were renovations to all Killeen High Schools, construction of several CEFCO gas stations and the construction of the Scott & White Urgent Care Clinic. For the month, 59 single-family, 16 duplex and no multi-family home permits were issued.

UTILITY CUSTOMERS

For the month, the City had 45,068 active utility customers, an increase of 7.9% over the 41,765 active utility customers in September 2011.

WATER AND SEWER TAP FEES

Tap Fees total \$8,400 for the month, down 77.6% as compared to last year's fees of \$37,450. Year to date revenues of \$931,438 are above last year's total of \$903,260 by 3.1%.

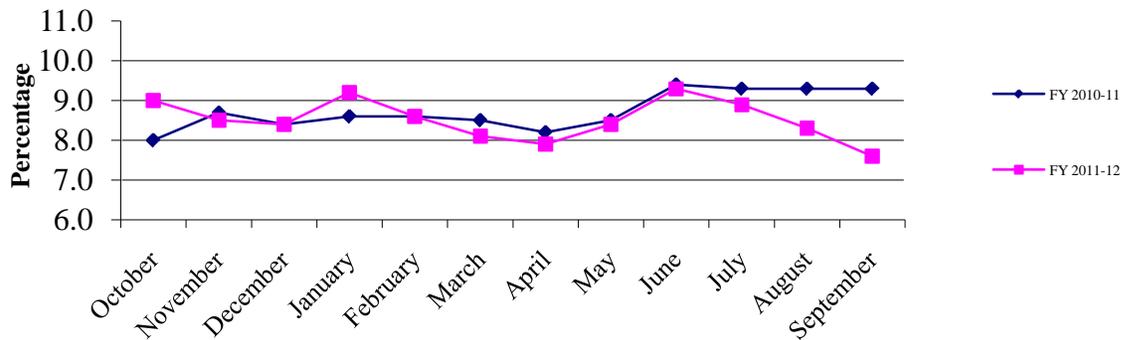
HOTEL OCCUPANCY TAX REVENUE

Hotel Occupancy Tax Revenue for the month was \$116,354, 25.1% below last September's revenue of \$155,275. Year to date revenues of \$1,649,250 are above last year's total of \$1,639,235 by .6%.

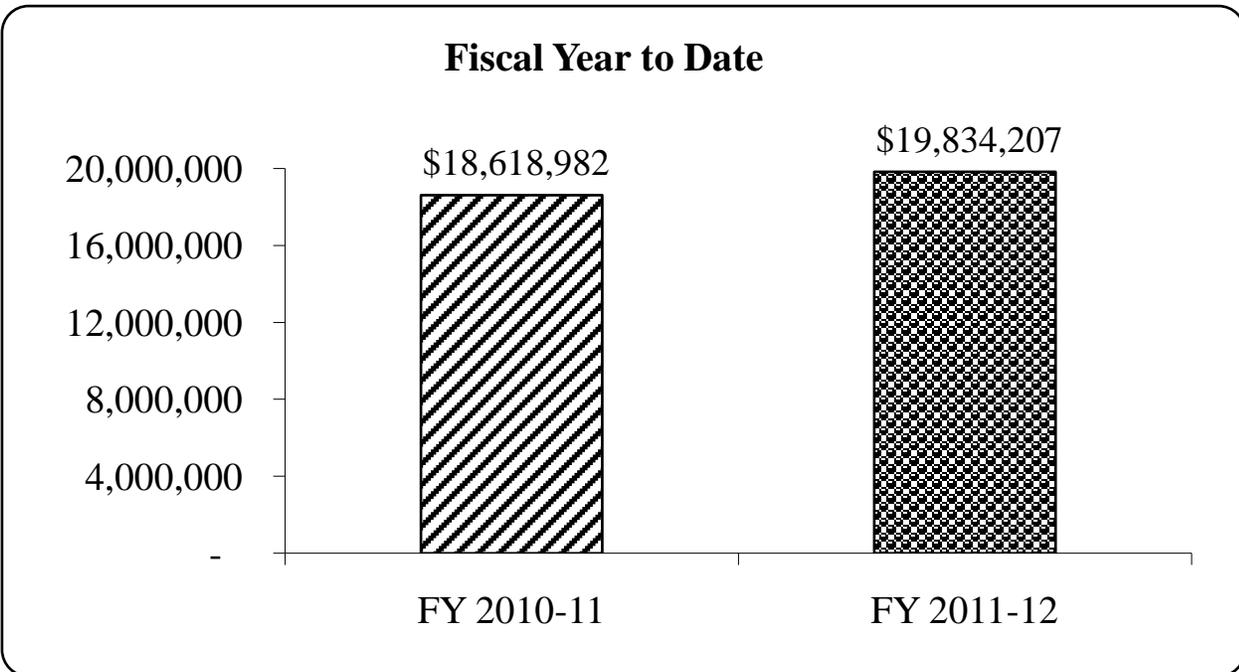
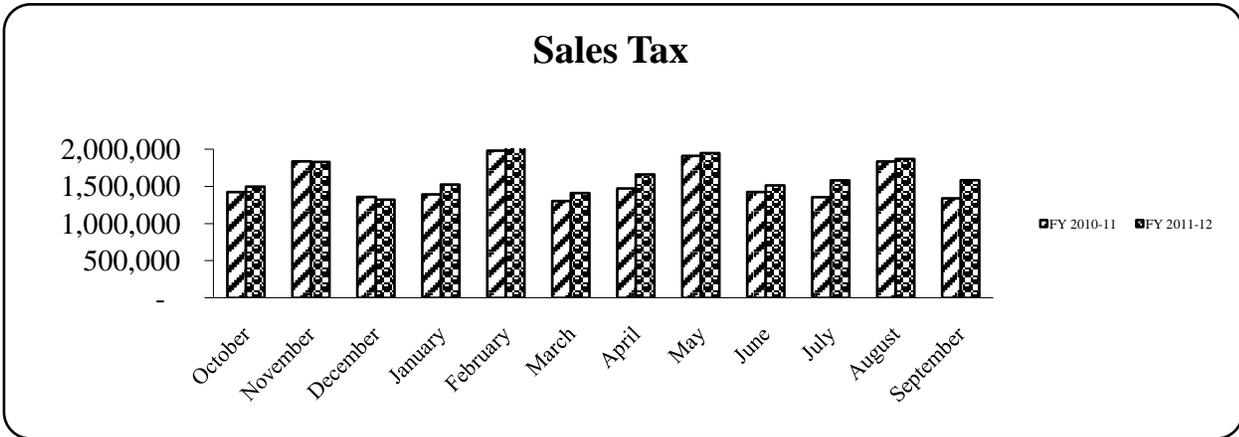
City of Killeen Economic Indicators Report

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	6	0	1

Unemployment Rate

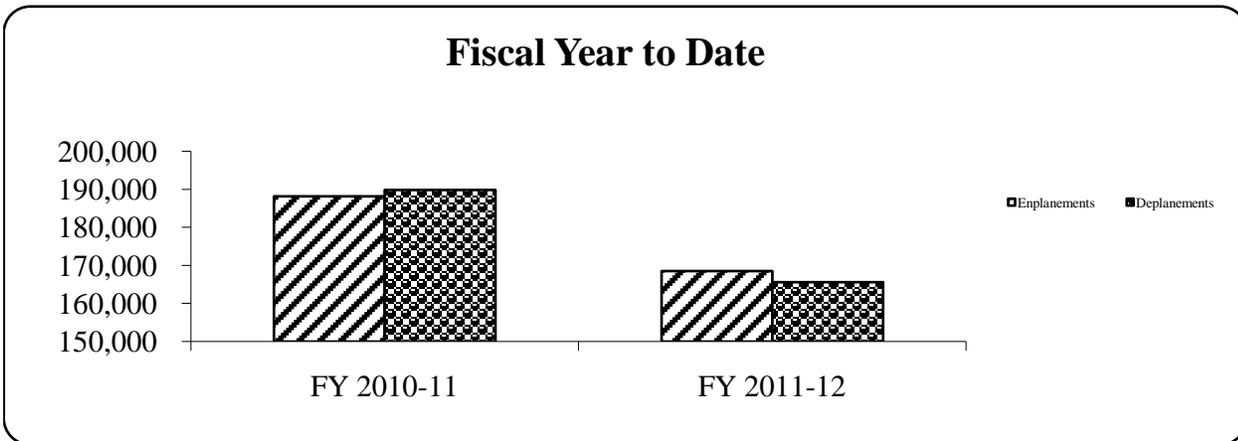
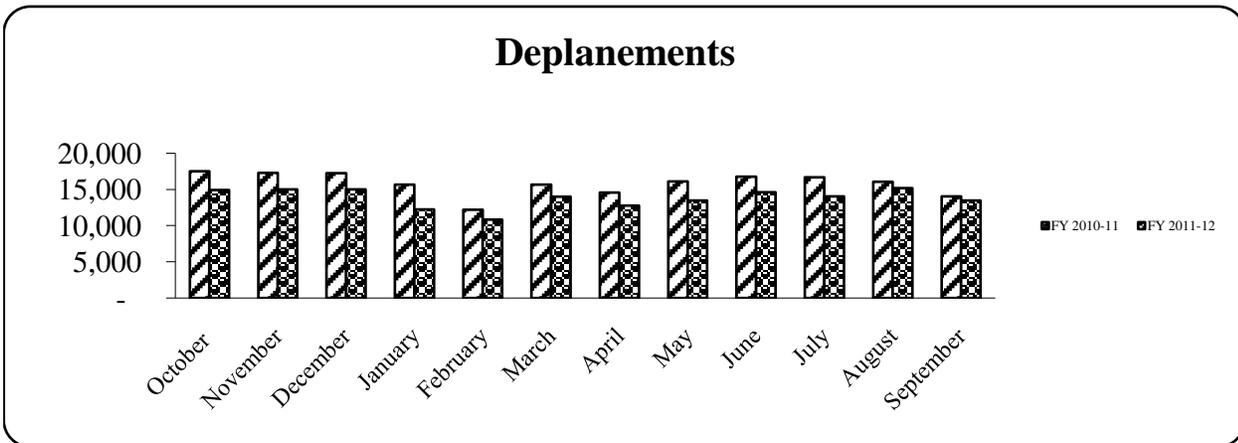
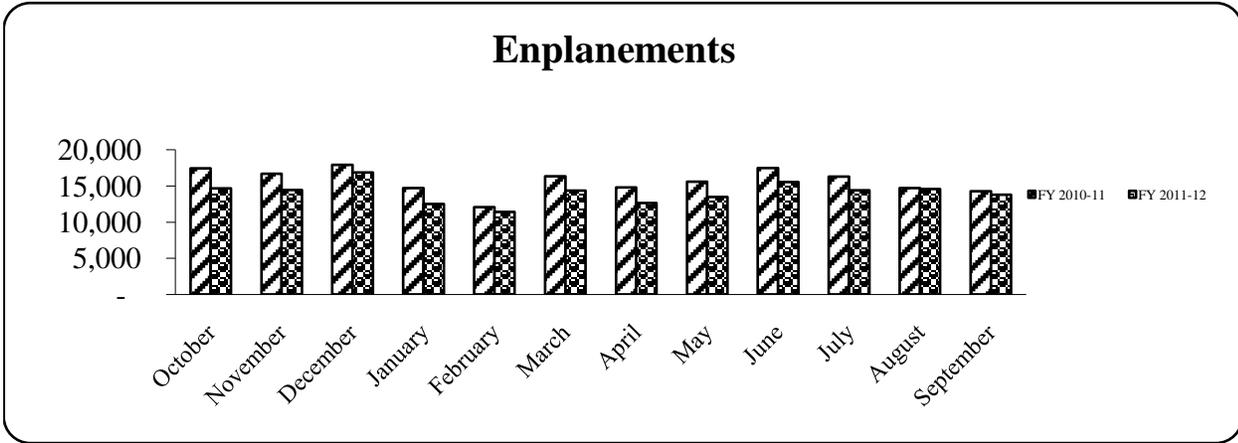


Sales Tax Revenues



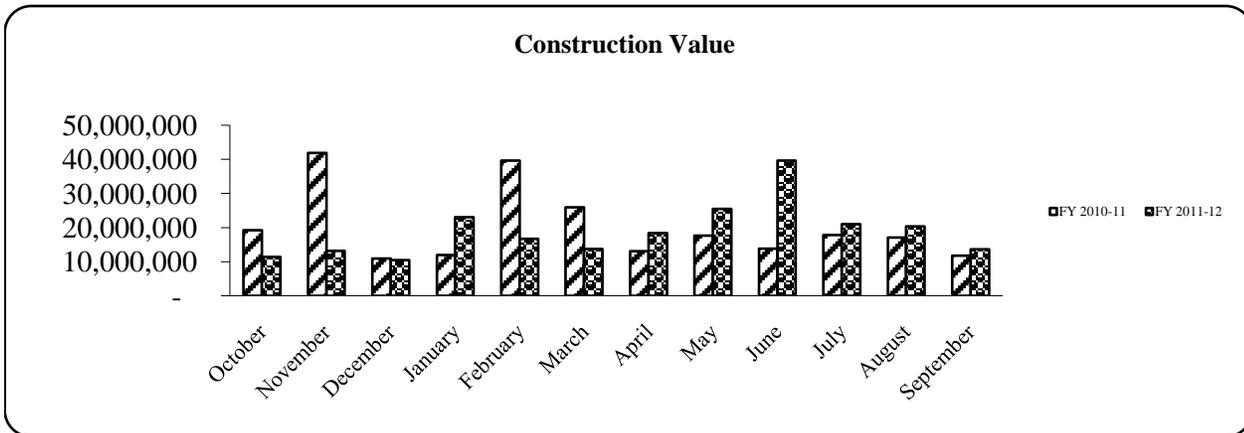
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue	x		

Killeen Municipal Airport Total Passenger Count



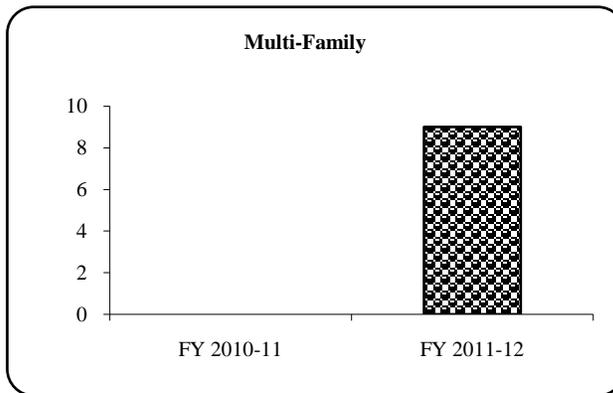
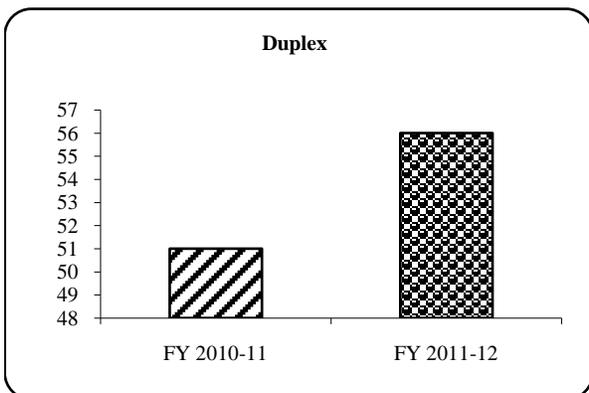
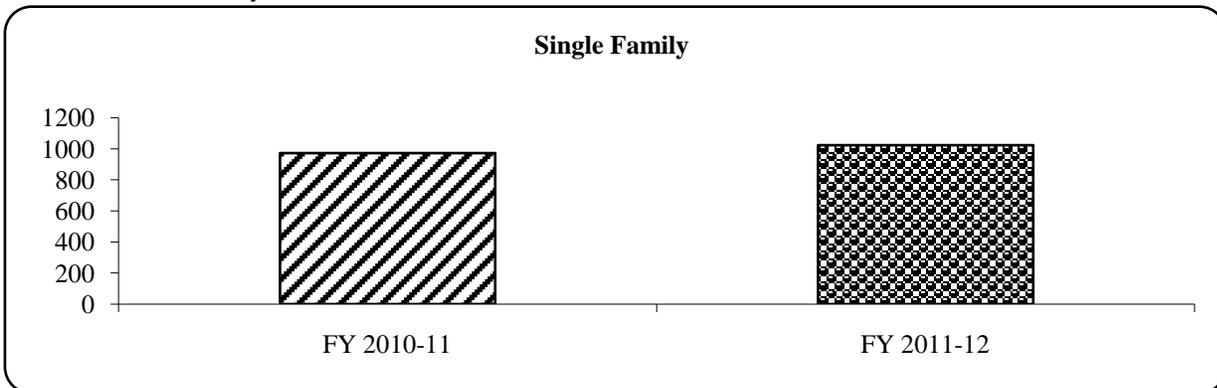
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements			x

Building Permits



Number of Permits Issued

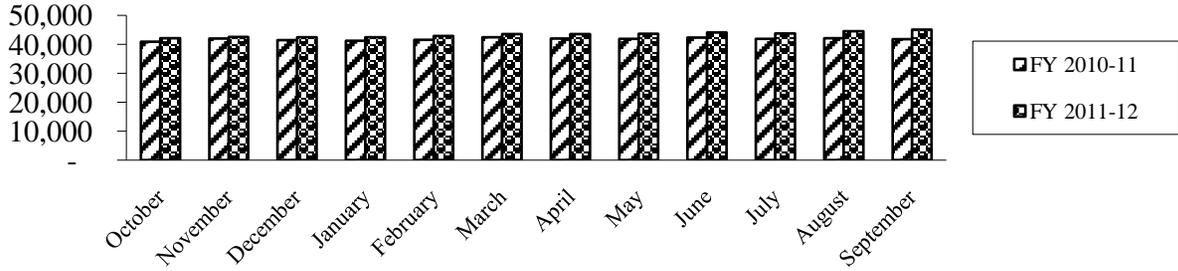
	FY 2010-11	FY 2011-12
Single Family	972	1023
Duplex	51	56
Multi-Family	0	9



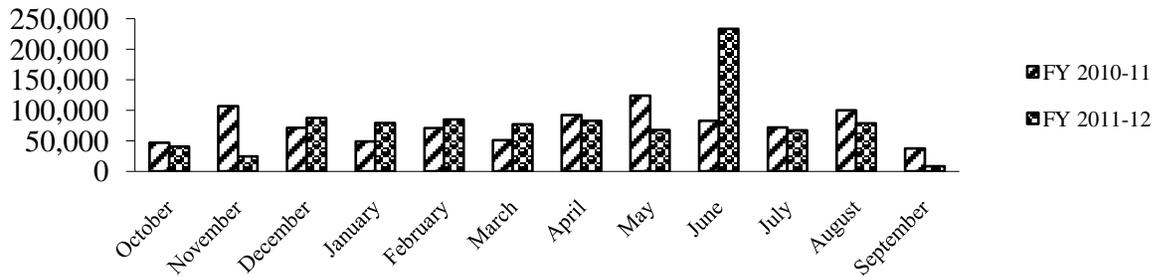
Economic Indicator	Positive	Neutral	Negative
Building Permits	x		

Utility Indicators

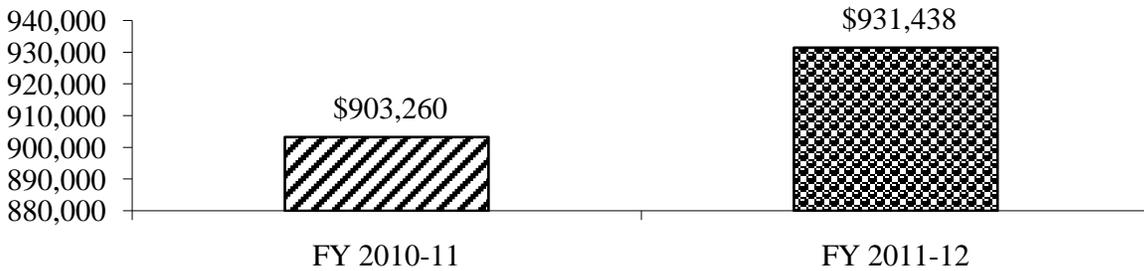
Customers



Tap Fees

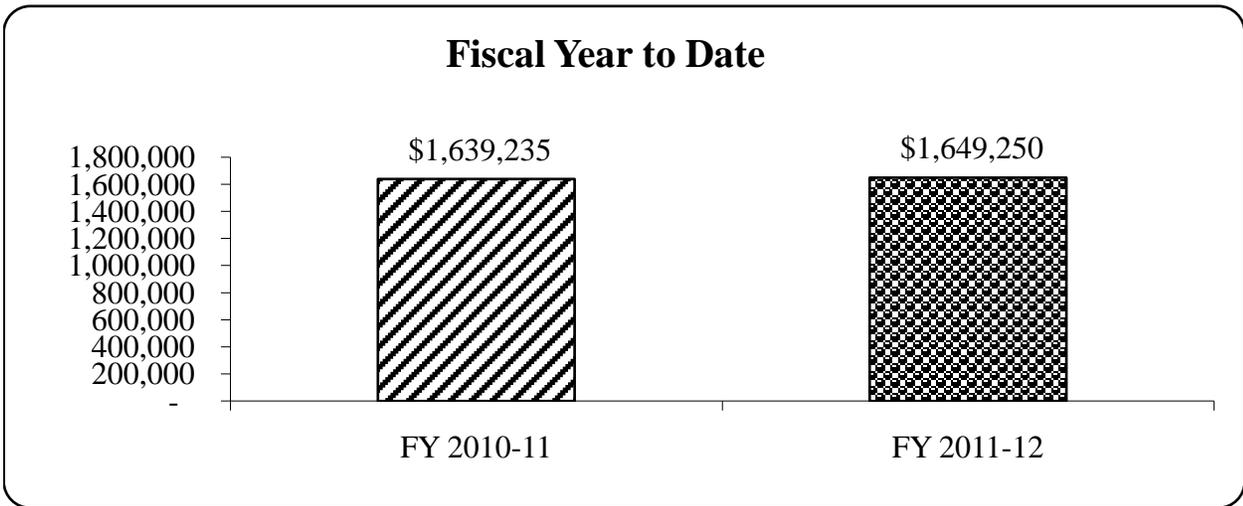
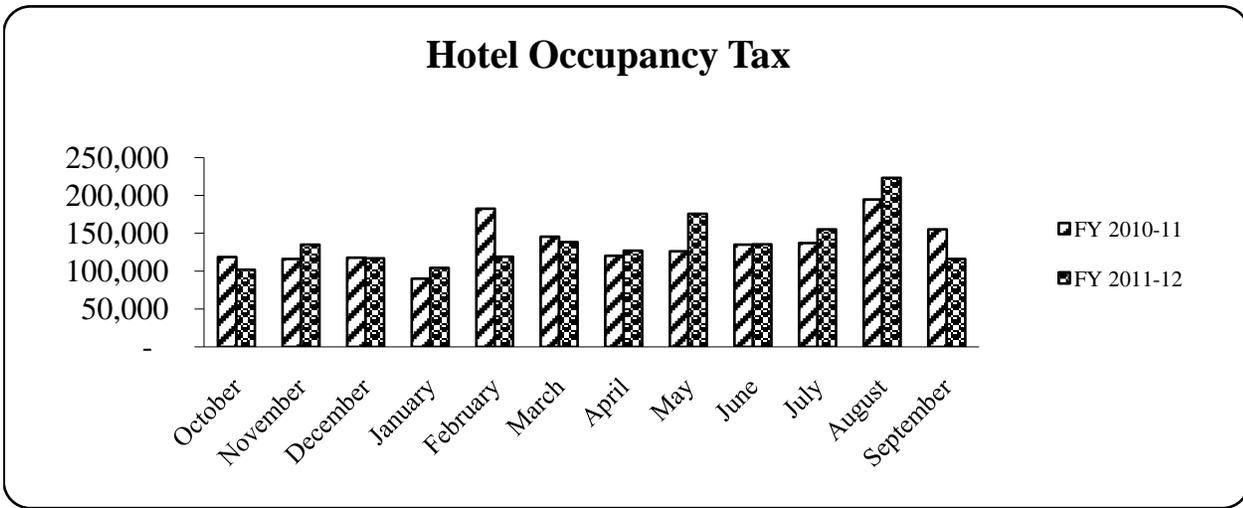


Fiscal Year to Date Tap Fees



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 Killteen
Data Summaries

Killteen Unemployment Rate		October	November	December	January	February	March	April	May	June	July	August	September
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
FY 2011-12		9.0	8.5	8.4	9.2	8.6	8.1	7.9	8.4	9.3	8.9	8.3	7.6

Sales Tax Receipts		October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
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	1,423,415	1,354,511	1,833,958	1,338,321	18,618,982
FY 2011-12		1,495,989	1,827,683	1,320,403	1,524,044	2,109,235	1,409,166	1,659,305	1,946,550	1,512,511	1,579,593	1,867,768	1,581,960	19,834,207

Aviation-Total Passenger Count		October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
Enplanements														
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
FY 2011-12		14,638	14,431	16,842	12,509	11,419	14,327	12,612	13,455	15,513	14,400	14,585	13,770	168,501
Deplanements														
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
FY 2011-12		14,929	15,006	15,017	12,237	10,845	13,996	12,775	13,457	14,623	14,033	15,188	13,462	165,568

Building Permits Construction Value		October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
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
FY 2011-12		11,349,446	13,174,922	10,416,025	23,042,548	16,727,871	13,687,789	18,374,441	25,478,174	39,638,429	20,980,458	20,313,193	13,649,527	226,832,823

Number of Permits Issued		October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
Single Family														
FY 2010-11		61	51	59	74	92	153	75	86	78	87	87	69	972
FY 2011-12		62	69	55	107	97	62	102	87	125	90	108	59	1,023
Duplex														
FY 2010-11		3	2	-	1	-	15	4	9	1	12	3	1	51
FY 2011-12		1	3	7	8	5	-	3	2	-	2	9	16	56

Multi-family		October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2010-11		-	-	-	-	-	-	-	-	-	-	-	-	-
FY 2011-12		-	-	-	-	-	-	-	-	-	-	-	-	-

Utility Customers		October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
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	450,068
FY 2011-12		42,134	42,514	42,459	42,450	42,881	43,544	43,554	43,601	44,120	43,777	44,507	45,068	450,068

Water & Sewer Tap Fees		October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2010-11		46,585	106,756	71,238	48,650	70,989	50,887	92,339	124,001	82,600	71,624	100,141	37,450	903,260
FY 2011-12		40,727	24,541	87,216	79,100	84,913	77,203	82,690	67,524	233,233	67,141	78,750	8,400	931,438

Hotel Occupancy Tax Revenues		October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
FY 2010-11		118,767	116,013	117,749	90,247	182,489	145,476	120,377	126,393	134,927	137,022	194,500	155,275	1,639,235
FY 2011-12		101,975	134,926	117,077	104,595	118,904	138,492	127,177	175,725	135,527	155,102	223,395	116,354	1,649,250

