

City of Killeen
Financial Report
September 2004
Executive Summary



Administration
Services

Prepared by:
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Assistant City Manager/Director of Finance
Finance Department

Prepared 11/4/04

**FINANCE DIRECTOR'S REPORT
FINANCIAL REPORTS – SEPTEMBER 2004**

November 4, 2004

Mayor and City Council Members:

We are pleased to submit the Monthly City Council Financial Report Executive Summary for the month of September 2004. The information contained in this report represents the results of operating activities through the end of FY 2003-04. The report presents the fiscal-year-end revenues, expenditures and encumbrances of the City's major operating funds. Finance staff are actively working with our independent auditors to complete the comprehensive annual financial report for the year.

Total revenue earnings in the General Fund exceeded budget for the fiscal year by 4.64%. Sales tax revenues exceeded last year's collections by 10.04% and property tax revenues exceeded last year by 10.21%. Other revenue categories that exceeded budget for the fiscal year include permits & inspections fees, court fines and fees, and interest earnings. Golf Course revenues were adversely affected due to major course renovations and construction projects, with final year-to-date revenues 32.6% below the annual budget.

The Drainage Utility Fund year-to-date revenues exceeded the annual budget by 9.46%. Other Enterprise Funds approached, but did not meet, budgeted revenues for the fiscal year. Aviation operating revenues met 97.0% of the annual budget, Solid Waste Fund revenues met 99.0% of the annual budget, and Water and Sewer revenues ended the fiscal year at 97.6% of the annual budget. Water revenues were affected by uncharacteristically high rainfall during critical usage periods during this fiscal year.

All major departments successfully monitored and controlled operating costs during the fiscal year. Expenditures for the year are within budget in all major operating funds.

We continue to monitor key economic indicators on a monthly basis. As further detailed in the attached report, all seven economic indicators that we monitor were positive for the third consecutive month.

Respectfully submitted,



Connie J. Green, CPA
Assistant City Manager\Director of Finance

**CITY OF KILLEEN
FINANCIAL REPORT- SEPTEMBER 2004
EXECUTIVE SUMMARY
MAJOR OPERATING FUNDS**

GENERAL FUND

- Revenues total \$1,912,720 for the month, slightly more than last September's revenues of \$1,904,642. Year-to-date revenues are \$40,865,221, up 4.73% over last year's total of \$39,020,922. Year-to-date revenues exceed the annual budget by 4.64%
- Sales Tax Collections for the month were \$1,098,202, an increase of 10.09% over last September's collections of \$997,551. Year-to-date collections are \$14,659,222, an increase of 10.04% over last year's collections of \$13,321,622.
- Property Tax Collections during the month were \$35,931. Total collections year-to-date of \$12,997,031 exceed last year's collections of \$11,793,524 by 10.21% and exceed the FY2004 annual budget by 2.28%.
- Franchise Fees collected during September were \$365 as compared to \$143 last year. Year-to-date franchise fee revenues of \$3,933,840 are down 4.60% from last year's total of \$4,114,948. Staff are currently initiating the process to have the City's franchise agreements audited in FY 2004-05.
- Permits & Inspections fees collected during September totaled \$85,884, an increase of 14.28% as compared to \$75,153 last year. Year-to-date revenues of \$1,069,028 exceed last year's revenues of \$913,777 by 16.99%.
- Court fines and fees were \$85,086 during September, up 20.17% from the prior year collections of \$70,804. Year-to-date revenues of \$1,027,794 exceed last year's collections of \$962,830 by 6.75%.
- Golf Course revenues for the month were \$36,805 as compared to \$87,584 during the prior year. Year-to-date revenues of \$609,002 are 34.51% below the prior year's revenues of \$929,844 due to major course renovations and construction projects.
- Total expenses for September were \$5,244,534, as compared to \$4,416,992 last year. Year-to-date expenditures and encumbrances of \$41,227,848 are 2.09% less than last year's total of \$42,106,408 and represent 97.91% of the adopted budget.
- The ending fund balance for the month was \$14.4 million, down 2.46% from last year.

AVIATION FUND

- Aviation operating revenues (non-grants) for the month were \$75,145, a decrease of 26.12% as compared to \$102,426 last year. Year-to-date operating revenues total \$1,080,969, down 4.64% from last year's total of \$1,133,567. The variance is related to the transfer of commercial flight operations to the Killeen-Fort Hood Regional Airport at the beginning of the August 2004.
- Other revenues earned consist of \$1,569 in interest earnings year-to-date.
- Aviation operating expenses were \$307,884 for the month, equivalent to last year's total of \$308,970. Year-to-date operating expenditures and encumbrances of \$1,196,653 exceed last year's expenses \$1,104,108 by 8.38%.
- The ending fund balance for the month was \$726,790, down 10.35% from last year.

ROBERT GRAY ARMY AIRFIELD FUND

- RGAAF operating revenues (non-grants) for September were \$98,874. The RGAAF fund did not realize operating revenues in the prior year.
- Other revenues total \$168,373 for the month. These revenues consist of \$109 in interest earnings, \$55,206 from the budgeted monthly operating transfer from the General Fund, and FAA Grant revenues totaling \$113,058.
- RGAAF operating expenditures (non-construction) were \$191,171 for the month and \$606,625 year-to-date. RGAAF construction expenditures total \$1,893,945 for the month and \$17,553,120 year-to-date.
- The ending fund balance for the month was (\$1,551,415), due to payments made on RGAAF construction projects that are reimbursable through existing FAA grants. The fund carries a \$2,225,634 grant receivable balance, which effectively offsets the negative fund balance. The grant reimbursements are projected to be received in October.

SOLID WASTE FUND

- Solid Waste operating revenues were \$852,536 for the month, an increase of 9.08% over last September's revenues of \$781,552. Year-to-date revenues are \$9,760,171, up 14.30% over last year's total of \$8,538,876. Year-to-date revenues represent 99.01% of the annual budget.
- Expenses were \$1,863,497 for the month. Year-to-date expenditures and encumbrances total \$9,705,697, an increase of 24.61% as compared to \$7,788,965 during the prior year. The variance is primarily a result of expenditures for the Landfill Repair Project and the new employees, vehicles, and equipment authorized for the Automated Collection Phase VIII program. Total expenditures and encumbrances represent 99.35% of the annual budget.
- The ending fund balance for the month was \$3.8 million, down 3.73% from last year.

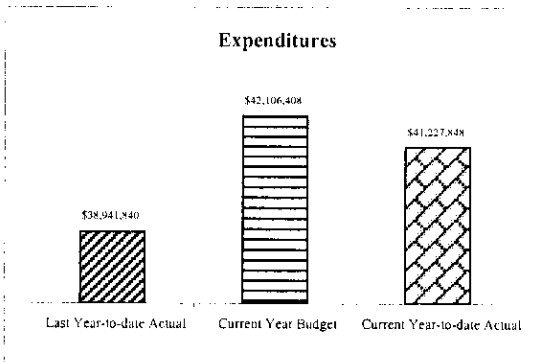
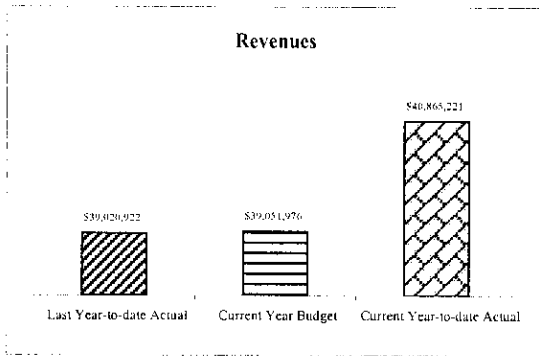
WATER AND SEWER FUND

- Water and Sewer operating revenues total \$2,034,856, as compared to \$1,968,433 last year. Year-to-date revenues total \$20,001,659, a decrease of 1.50% as compared to last year's total of \$20,302,046. Revenues were affected by higher than average rainfall during critical usage months this year. Year-to-date revenues represent 97.64% of the annual budget.
- Tap Fees total \$190,755 for the month. Year-to-date tap fees are \$1,109,663, up 21.89% over last year's total of \$910,349.
- Expenses total \$2,086,599 for the month, as compared to \$1,817,856 last year. Year-to-date expenditures and encumbrances are \$19,236,054, up 9.41% over last year's total of \$17,582,042. Total expenditures and encumbrances represent 89.72% of the annual budget.
- The ending fund balance for the month was \$17.4 million, up 4.61% over last year.

DRAINAGE UTILITY FUND

- Drainage Utility operating revenues total \$67,761 for the month, up 6.27% over last September's revenues of \$63,764. Year-to-date revenues of \$780,457 exceed last year's total of \$755,028 by 3.37%. Year-to-date revenues exceed the annual budget by 9.46%.
- Residential fees were \$56,487 and Commercial fees total \$9,720.
- Expenses for the month were \$111,155. Year-to-date expenditures and encumbrances are \$407,777, a decrease of 29.32% from last year's total of \$576,932.
- The ending fund balance for the month was \$766,612, up 94.61% over last year.

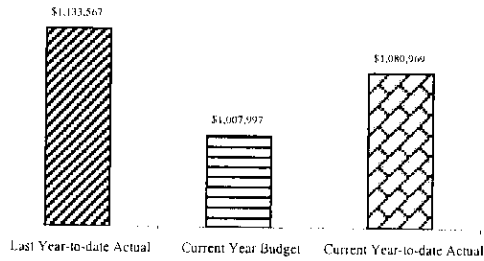
CITY OF KILLEEN
 GENERAL FUND FINANCIAL REPORT
 September 30, 2004



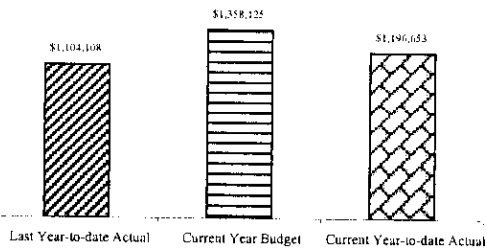
	Adopted	Y-T-D	% of Budget
REVENUES:			
Property Taxes	12,706,745	12,997,031	102.28%
Sales & Occupancy Tax	13,538,000	14,952,349	110.45%
Franchise Tax	4,048,089	3,933,840	97.18%
Miscellaneous Revenues	1,558,500	1,581,131	101.45%
Permits & Inspections	704,500	1,069,028	151.74%
Court Fines & Fees	1,029,900	1,027,794	99.80%
Recreation Revenues	202,442	199,308	98.45%
Interest Earned	250,000	325,147	130.06%
Golf Course	904,081	609,002	67.36%
Intergovernmental Revenue	639,679	700,551	109.52%
Transfers In	3,470,040	3,470,040	100.00%
TOTAL REVENUES:	39,051,976	40,865,221	104.64%
EXPENDITURES:			
Administration	10,980,227	10,706,113	97.50%
Community Services	6,236,986	5,940,360	95.24%
Public Works	3,871,786	3,692,023	95.36%
Public Safety	21,017,409	20,889,352	99.39%
TOTAL EXPENDITURES:	42,106,408	41,227,848	97.91%

CITY OF KILLEEN
 AVIATION FUND-KILLEEN MUNICIPAL FINANCIAL REPORT
 September 30, 2004

Operating Revenues



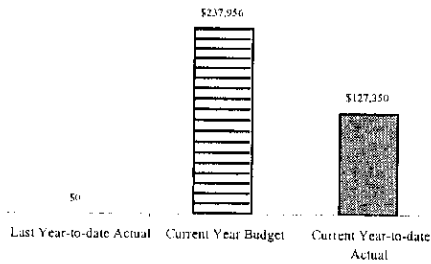
Operating Expenditures



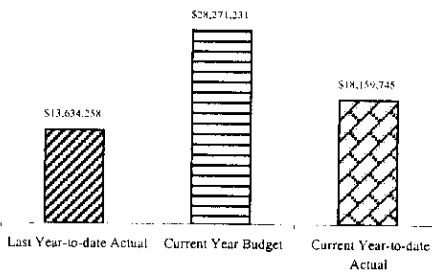
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	1,007,997	1,080,969	107.24%
Interest Earned	3,000	9,737	324.57%
Reimbursement from RGAAF	-	-	0.00%
Transfer In	-	-	0.00%
TOTAL REVENUES:	1,010,997	1,090,706	107.88%
EXPENDITURES:			
Airport Operations	1,331,884	1,167,235	87.64%
Non-Departmental	26,241	29,418	112.11%
TOTAL EXPENDITURES:	1,358,125	1,196,653	88.11%

CITY OF KILLEEN
 ROBERT GRAY ARMY AIRFIELD FINANCIAL REPORT
 September 30, 2004

Operating Revenues

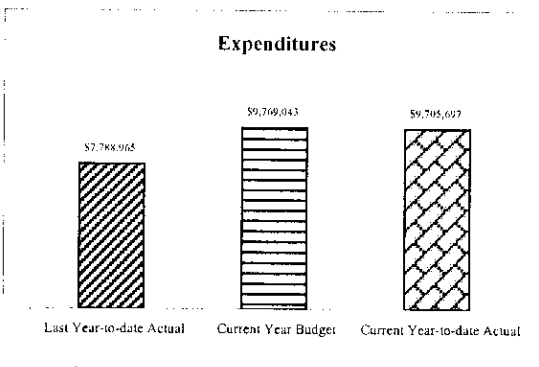
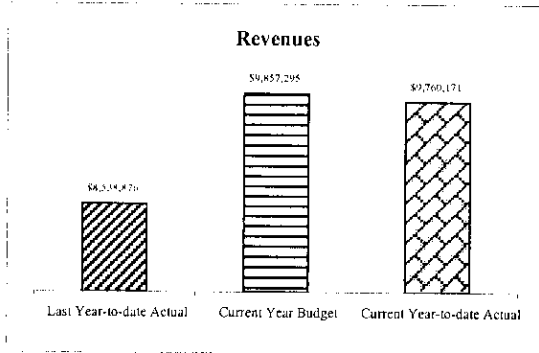


Operating Expenditures



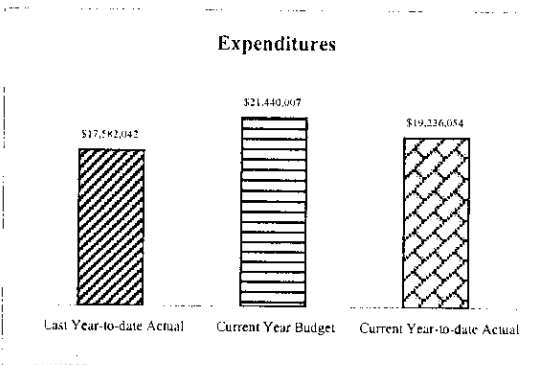
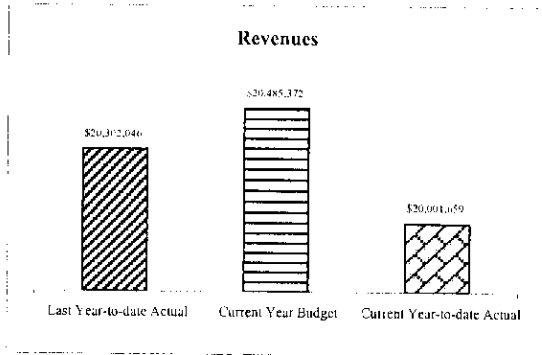
	Adopted	Y-T-D	% of Budget
REVENUES:			
Operating Revenues	237,956	127,350	53.52%
Interest Earned	1,000	185	18.50%
Federal Grants & Receipts	4,590,000	199,659	4.35%
FAA Grants Prior Years	22,948,342	17,798,207	77.56%
Transfer from Aviation	-	-	0.00%
Transfer from General Fund	662,474	662,472	100.00%
TOTAL REVENUES:	28,439,772	18,787,873	66.06%
EXPENDITURES:			
Airport Operations	730,313	576,705	78.97%
RGAAF Construction	27,538,342	17,553,120	63.74%
Non-Departmental	2,576	29,920	1161.49%
TOTAL EXPENDITURES:	28,271,231	18,159,745	64.23%

CITY OF KILLEEN
 SOLID WASTE FUND FINANCIAL REPORT
 September 30, 2004



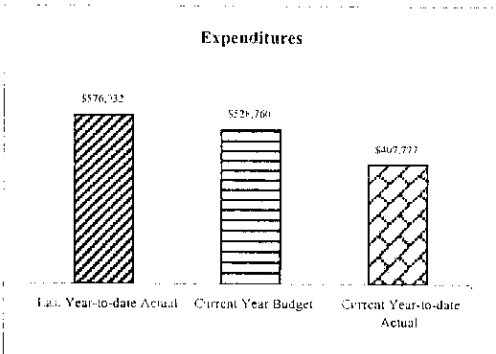
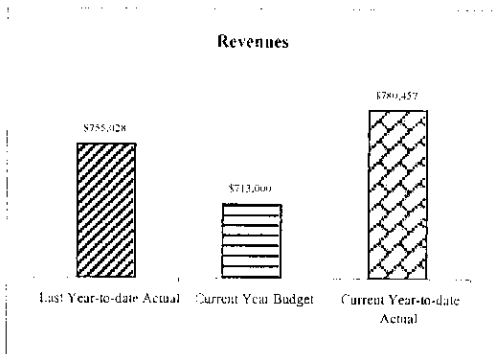
	Adopted	Y-T-D	% of Budget
REVENUES:			
Transfer Station Fees	440,766	184,504	41.86%
Dumpster Rentals	-	290,608	0.00%
Miscellaneous Revenues	25,394	12,946	50.98%
Recycling Revenues	103,585	128,803	124.35%
Commercial Sanitation Fees	3,964,337	3,987,099	100.57%
Residential Sanitation Fees	5,276,442	5,096,971	96.60%
Interest Earned	46,771	59,240	126.66%
TOTAL REVENUES:	9,857,295	9,760,171	99.01%
EXPENDITURES:			
Residential Operations	2,482,273	2,404,362	96.86%
Commercial Operations	1,511,105	1,558,678	103.15%
Recycling Program	339,891	243,275	71.57%
Code Enforcement	45,964	43,889	95.49%
Transfer Station	3,269,771	3,380,690	103.39%
Debt Service	460,467	460,799	100.07%
Solid Waste Miscellaneous	400,746	355,180	88.63%
Transfer to General Fund	1,258,826	1,258,824	100.00%
TOTAL EXPENDITURES:	9,769,043	9,705,697	99.35%

CITY OF KILLEEN
 WATER & SEWER FUND FINANCIAL REPORT
 September 30, 2004



	Adopted	Y-T-D	% of Budget
REVENUES:			
Sale of Water	9,319,335	8,598,683	92.27%
Water & Sewer Taps	500,000	1,109,663	221.93%
Sewer Fees Collected	9,307,037	8,937,120	96.03%
Miscellaneous Revenues	720,000	649,290	90.18%
Delinquent Penalty	384,000	430,195	112.03%
Interest Earned	250,000	274,353	109.74%
Miscellaneous Receipts	5,000	2,355	47.10%
Transfers-In	-	-	0.00%
TOTAL REVENUES:	20,485,372	20,001,659	97.64%
EXPENDITURES:			
Fleet Services	796,695	732,510	91.94%
Utility Collections	1,173,596	1,173,856	100.02%
Water & Sewer Contracts	6,505,712	5,953,715	91.52%
Operations	4,937,415	3,470,322	70.29%
Debt Service	4,467,035	4,467,336	100.01%
Miscellaneous	1,348,340	1,227,100	91.01%
Transfer to General Fund	2,211,214	2,211,215	100.00%
TOTAL EXPENDITURES:	21,440,007	19,236,054	89.72%

CITY OF KILLEEN
 DRAINAGE UTILITY FUND FINANCIAL REPORT
 September 30, 2004



	Adopted	Y-T-D	% of Budget
REVENUES:			
Residential Storm Water Fees	602,000	659,269	109.51%
Commercial Storm Water Fees	110,000	114,651	104.23%
Interest Earned	1,000	6,537	653.70%
TOTAL REVENUES:	713,000	780,457	109.46%
EXPENDITURES:			
Engineering Division	254,642	246,679	96.87%
Street Division	25,000	15,322	61.29%
Drainage Projects	230,262	129,682	56.32%
Non-Departmental	18,856	16,094	85.35%
TOTAL EXPENDITURES:	528,760	407,777	77.12%

**CITY OF KILLEEN
ECONOMIC INDICATORS REPORT SUMMARY
SEPTEMBER 2004**

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 fiscal year ended September 2004, all seven of the economic indicators were positive.

UNEMPLOYMENT RATE

The unemployment rate for the month of September 2004 was 6.4%, as compared to 8.7% during September 2003. September's rate also reflects a decrease as compared to 6.9% during the prior period of September 2004.

SALES TAX REVENUE

Sales Tax Collections for the month were \$1,098,202, an increase of 10.09% over last years' collections of \$997,551. Year to date collections are \$14,659,222, which exceed last years collections of \$13,321,622 by 10.04%.

AVIATION ENPLANEMENTS & DEPLANEMENTS

Enplanements for the month total 9,925, an increase of 23.03% as compared to 8,067 during September 2003. Year-to-date enplanements of 108,638 are up 16.68% over last year's total of 93,108.

Deplanements for the month total 9,646, an increase of 22.29% as compared to 7,888 during September 2003. Year-to-date deplanements of 108,585 are up 14.98% over last year's total of 94,436.

BUILDING PERMITS

Total dollar value of permits issued for the month was \$18,665,788, up 55.30% over the September 2003 dollar value of \$12,019,472. Year to date dollar value of permits total \$205,868,115, up 1.92% as compared to last year's total of \$201,984,065. For the month, 101 single-family, 18 duplex, and 3 multi-family home permits were issued.

UTILITY CUSTOMERS

For the month, the City had 31,575 active water customers, a 1.78% increase over the 31,024 active utility customers in September 2003.

WATER AND SEWER TAP FEES

Water and Sewer Tap Fees collected for the month total \$190,755, up 112.4% as compared to \$89,809 during September 2003. Year-to-date collections of \$1,109,663 are up 21.89% as compared to last year's total of \$910,349.

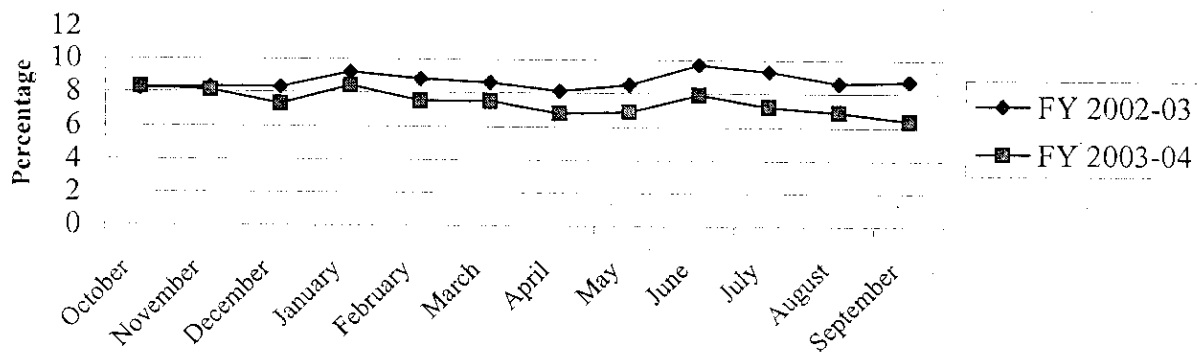
HOTEL OCCUPANCY TAX REVENUE

Hotel Occupancy Tax Revenue for the month was \$91,376, an increase of 1.94% over last September's revenues of \$89,367. Year to date revenues are \$974,939, exceeding last years collections of \$791,321 by 23.20%.

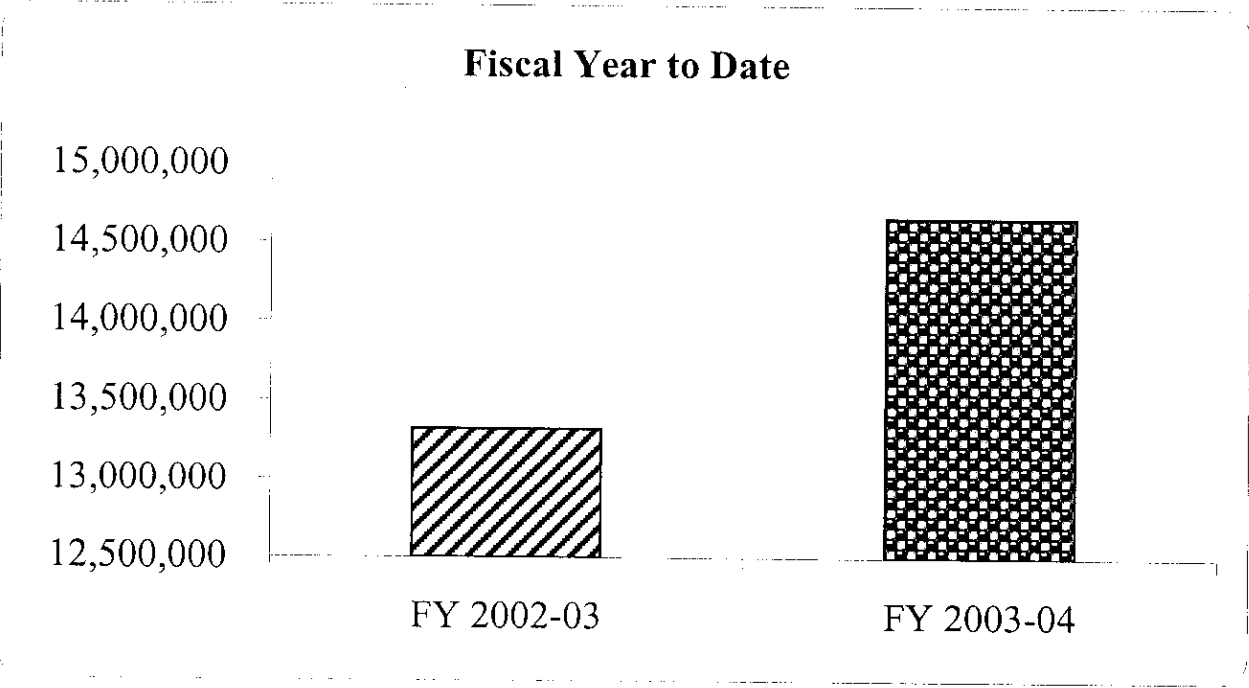
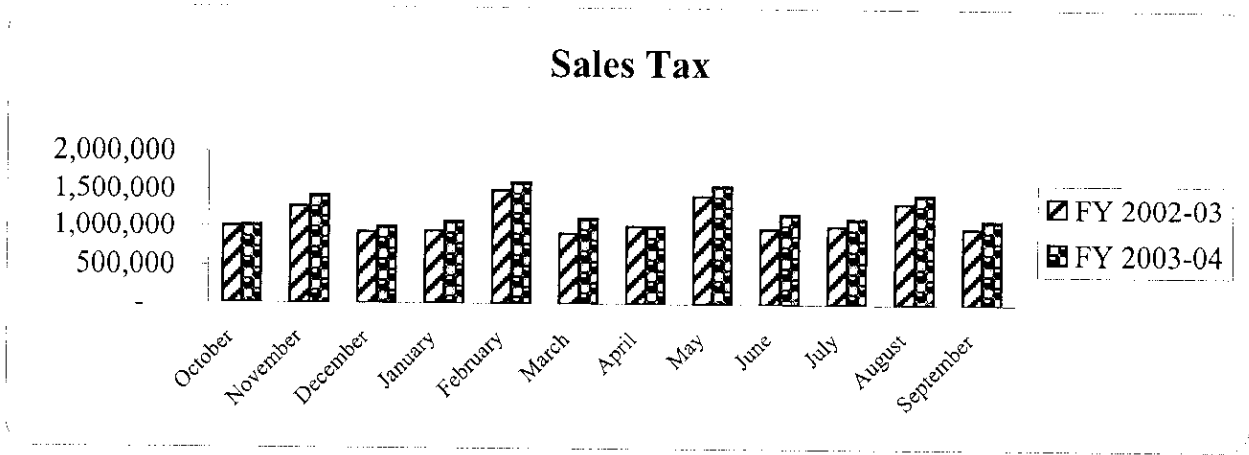
City of Killeen Economic Indicators Report

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	7	0	0

Unemployment Rate



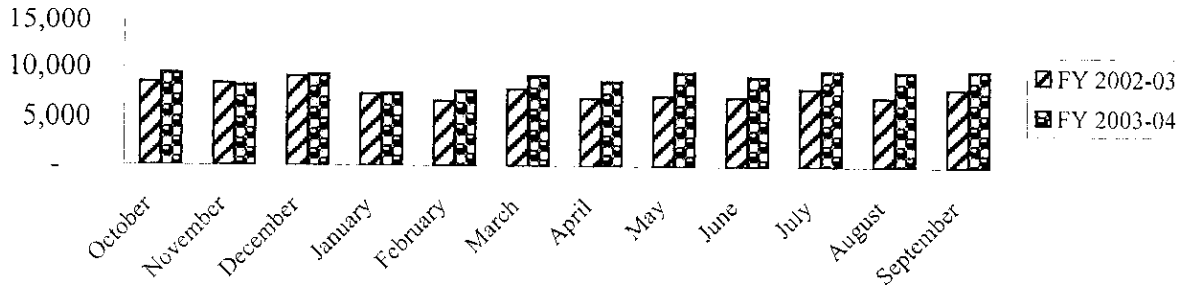
Sales Tax Revenues



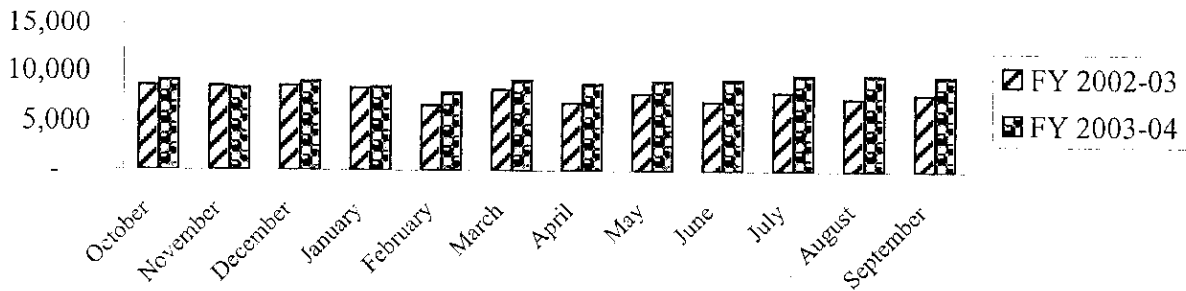
Economic Indicator	Positive	Neutral	Negative
Sales Tax Revenue	X		

Killeen Municipal Airport Total Passenger Count

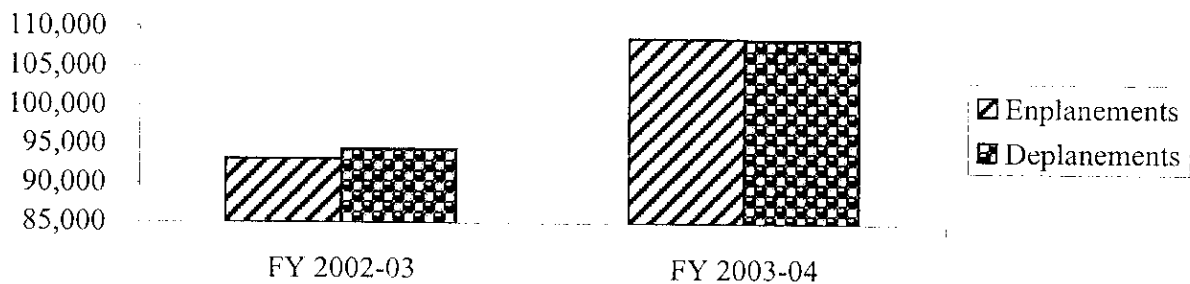
Enplanements



Deplanements

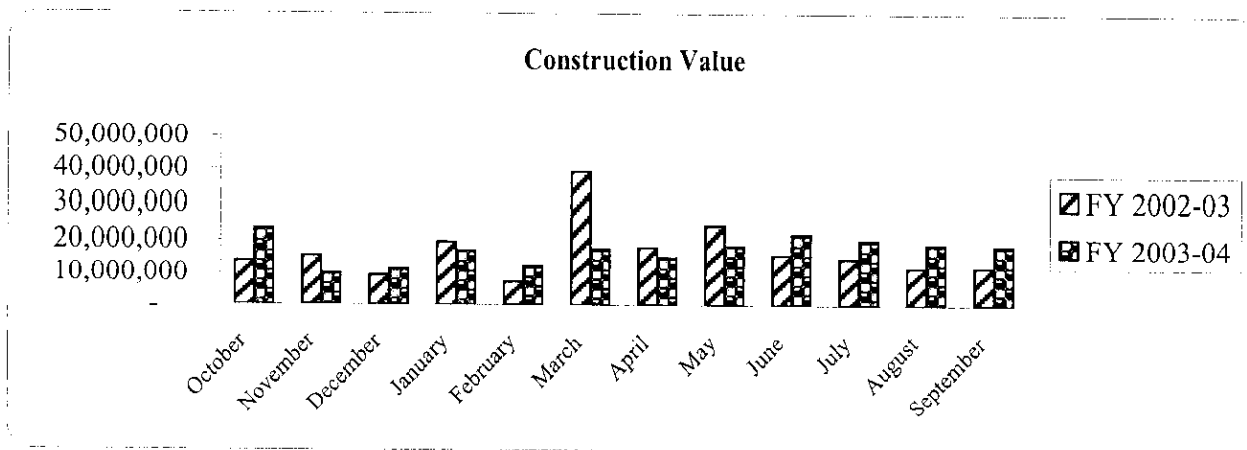


Fiscal Year to Date



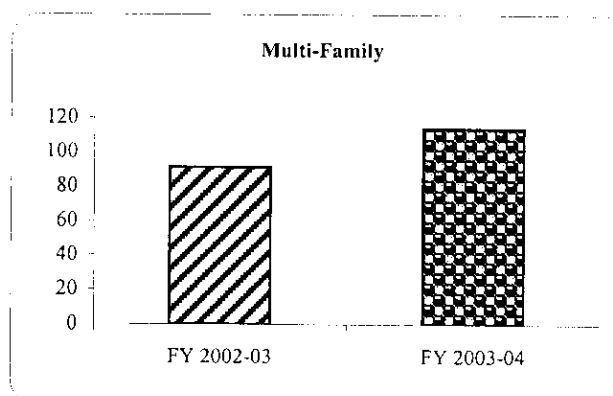
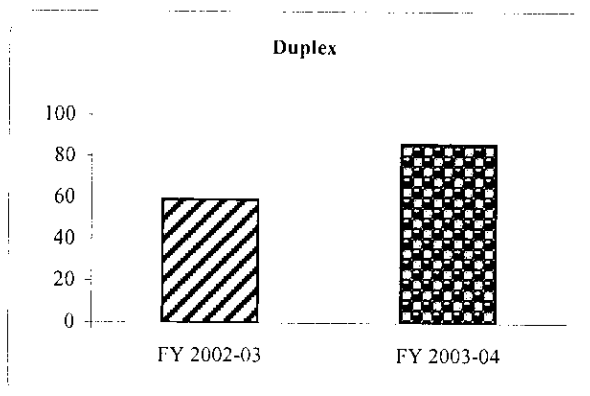
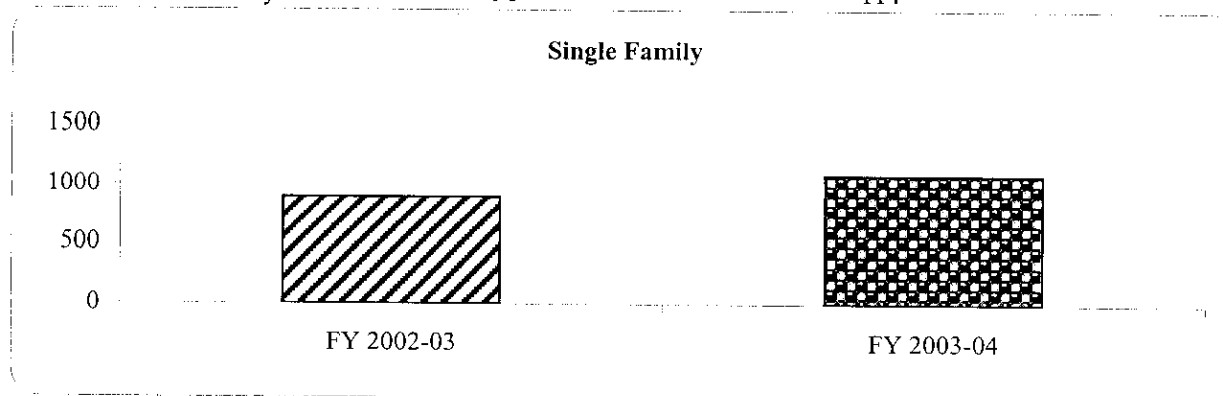
Economic Indicator	Positive	Neutral	Negative
Enplanements/Deplanements	X		

Building Permits



Number of Permits Issued

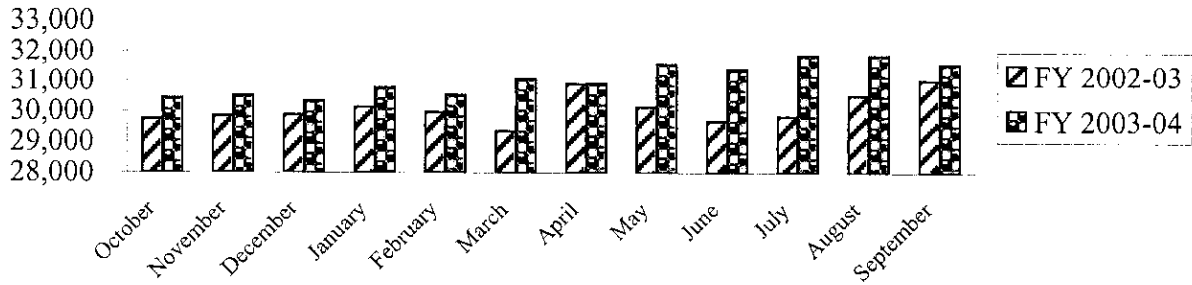
	FY 2002-03	FY 2003-04
Single Family	891	1083
Duplex	59	86
Multi-Family	91	114



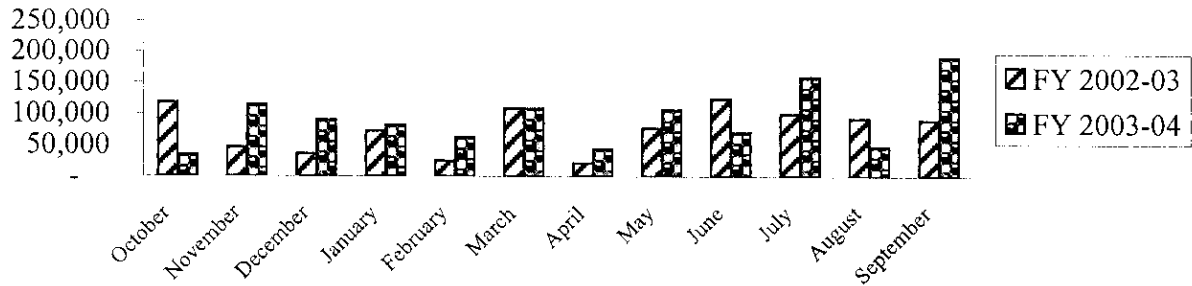
Economic Indicator	Positive	Neutral	Negative
Building Permits	X		

Utility Indicators

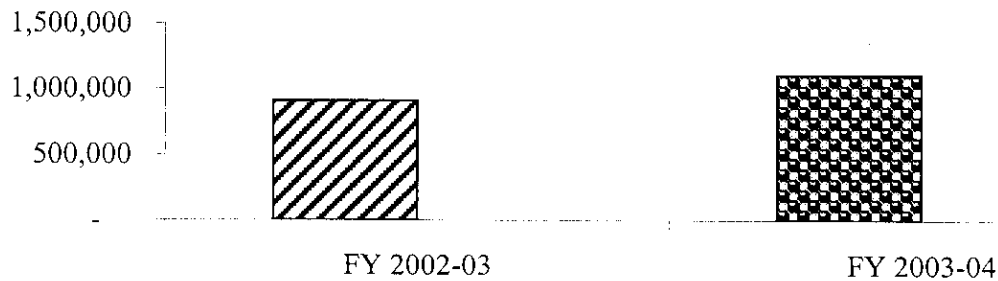
Customers



Tap Fees

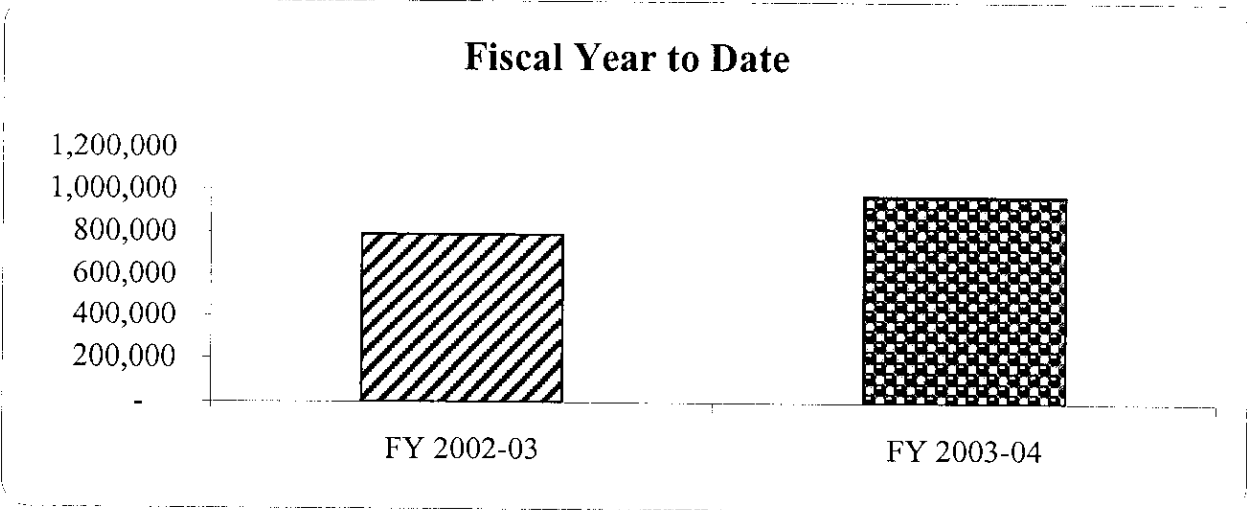
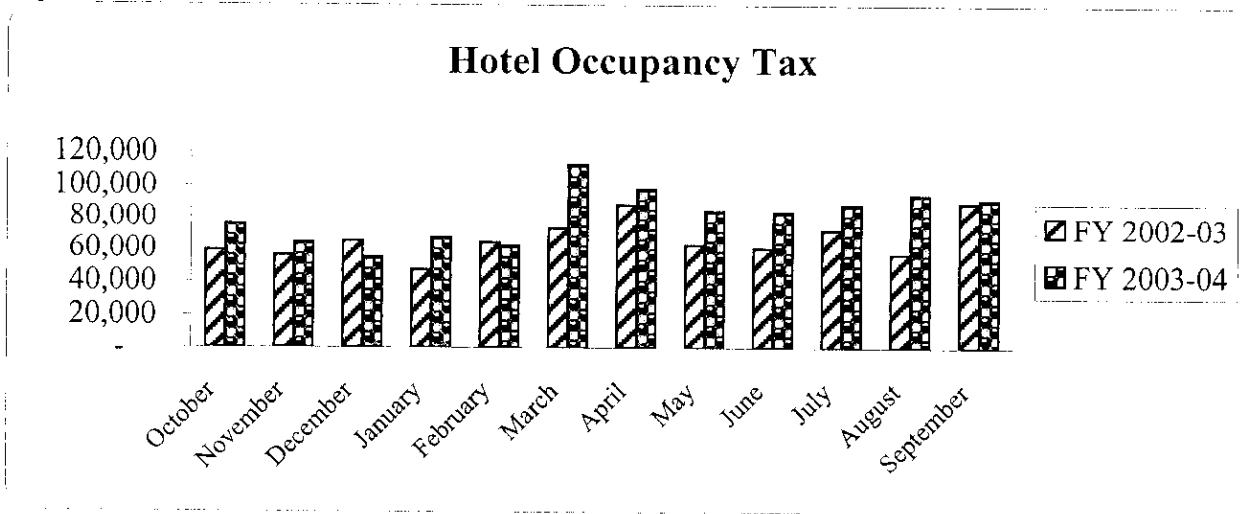


Fiscal Year to Date Tap Fees



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 Killeen
Data Summaries

Killeen Unemployment Rate	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	8.2	8.3	8.3	8.2	8.8	8.6	8.1	8.5	9.7	9.3	8.6	8.7	93.08
FY 2003-04	5.3	5.1	7.3	5.4	7.5	7.5	6.8	5.5	7.9	7.3	6.9	6.4	108.638

Sales Tax Receipts	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	1,003,227	1,272,232	926,732	943,854	1,459,081	915,588	1,013,319	1,433,426	981,204	1,019,268	1,335,804	997,751	13,121,622
FY 2003-04	1,015,613	1,471,559	1,002,152	1,071,570	1,608,399	1,118,226	1,009,152	1,562,133	1,184,263	1,179,575	1,448,624	1,098,202	14,659,222

Aviation-Total Passenger Count	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	8,546	8,453	9,136	7,426	6,772	7,919	7,644	7,298	7,198	8,037	7,212	8,067	93,108
FY 2003-04	9,162	8,290	9,285	7,526	7,743	9,239	8,706	9,668	9,239	9,811	9,744	9,925	108,638

Declarations	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	5,941	8,381	8,629	8,688	6,691	8,236	6,351	7,884	7,120	7,654	7,452	7,888	94,436
FY 2003-04	9,167	8,359	9,038	8,515	7,918	9,137	8,834	9,131	9,269	9,773	9,748	9,646	108,583

Building Permits Construction Value	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	13,896,973	15,416,519	9,455,098	19,655,094	1,301,476	39,168,050	18,112,610	24,451,866	15,566,085	14,636,256	16,882,330	12,019,472	207,954,065
FY 2003-04	23,239,861	30,124,998	11,466,594	17,587,312	12,318,289	17,563,029	15,055,690	15,551,400	21,936,473	20,343,646	19,710,395	18,665,788	235,863,115

Number of Permits Issued	October	November	December	January	February	March	April	May	June	July	August	September	Total
Single Family	68	75	65	66	44	62	73	104	112	73	77	72	891
FY 2002-03	82	69	53	89	74	126	84	109	87	95	114	101	1,083

Duplex	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	6	7	7	7	1	1	7	9	7	8	8	6	59
FY 2003-04	3	3	7	12	11	6	5	4	8	1	8	18	86

Multi-family	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	21	7	6	6	4	7	7	9	7	8	6	3	91
FY 2003-04	1	7	14	7	5	5	2	5	43	13	15	3	114

Utility Customers	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	79,739	29,870	29,277	31,540	29,968	29,349	30,504	33,142	29,675	27,629	30,516	31,024	310,949
FY 2003-04	30,434	30,517	30,317	30,779	30,537	31,075	30,919	31,276	31,388	31,881	31,869	31,575	310,949

Water & Sewer Tap Fees	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	117,900	46,525	36,000	37,270	24,548	108,776	21,086	77,947	124,848	93,641	92,400	89,809	910,349
FY 2003-04	34,148	114,357	90,109	81,697	62,318	108,578	43,418	106,436	70,653	159,492	47,700	190,755	1,107,664

Hotel Occupancy Tax Revenues	October	November	December	January	February	March	April	May	June	July	August	September	Total
FY 2002-03	58,799	55,761	64,662	63,853	63,968	71,019	57,917	62,773	60,367	61,931	94,540	89,367	791,221
FY 2003-04	78,476	62,662	54,545	55,784	61,724	112,857	98,212	84,311	83,394	29,060	94,540	91,376	974,640